SATYA MicroCapital Ltd.

सर्वे भवन्तु सुखिनः

Corporate Identity Number (CIN): U74899DL1995PLC068688
Permanent Account Number: AAACT2834L
Date and Place of Incorporation: May 18, 1995; Delhi, India
Registered Office: 519 5th Floor, DLF Prime Towers,
Okhla Industrial Area, Phase I, Delhi, South Delhi - 110020
Corporate Office: 519 5th Floor, DLF Prime Towers,
Okhla Industrial Area, Phase I, Delhi, South Delhi - 110020
Telephone No: +91-11-49724000, Website:, Email: http://www.satyamicrocapital.com
Compliance Officer: Choudhary Runveer Krishanan Contact details of Compliance Officer: +91 11 49724000, runveer.krishanan@satyamicrocapital.com
Company Secretary: Choudhary Runveer Krishanan Contact details of Company Secretary: +91 11 49724000, runveer.krishanan@satyamicrocapital.com
Chief Financial Officer: Vandita Kaul Contact details of Chief Financial Officer: +91 11 49724000; vandita.kaul@satyamicrocapital.com
Promoter(s):

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

Date: May 30, 2022

ISSUE OF 250 RATED, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE, TRANSFERABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURE(S)" OR "NCD(S)") OF FACE VALUE OF RS.10,00,000 (INDIAN RUPEES TEN LAKHS ONLY) EACH, AGGREGATING TO INR 25,00,00,000 (INDIAN RUPEES TWENTY FIVE CRORES ONLY) (THE "ISSUE"), BY WAY OF A PRIVATE PLACEMENT (THE "ISSUE"), BY SATYA MICROCAPITAL LIMITED (THE "COMPANY" OR "ISSUER").

CATALYST	**Link Intime India Private Limited** LINKIntime	Acuite RATINGS & RESEARCH

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CATALYST TRUSTEESHIP LIMITED GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Kothrud, Pune – 411 038 +91 20 66807200 / 223 / 224 Website: https://catalysttrustee.com/ Email ID: deesha.trivedi@ctltrustee.com	Address: C 101, 247 Park, LBS Road, Vikhroli West, Mumbai, Maharashtra 400083 Contact Person: Mr. Ganesh Jadhav Tel: +91-22 49186000 Website: http://www.linkintime.co.in	Acuite Ratings and Research Limited 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai 400 042 Website: https://www.acuite.in/ Email ID: rituparna.roy@acuite.in

ISSUE SCHEDULE	
Issue Opens on:	May 30, 2022
Issue Closes on:	May 30,2022
Pay in Date	May 30, 2022
Deemed date of allotment	May 30, 2022

ISSUE DETAILS	
Coupon	11.61% (Eleven decimal six one)
Coupon Payment Frequency	Monthly
Redemption Date	February 29, 2024
Redemption Amount	Each Debenture shall be redeemed at Par
Credit Rating	The Debentures proposed to be issued by the Issuer have been rated by Acuite Ratings and Research Limited ("**Acuite**"). The Rating Agency have, vide their letter dated May 20, 2022 assigned a rating of **Acute A-** in respect of the NCDs. The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Information Memorandum for Rating letter dated May 30, 2022.
Details of Eligible Investors	As provided in **Section 8** of the Information Memorandum
Listing	The Debentures are proposed to be listed on the wholesale debt market segment of the BSE Limited ("**BSE**" or the "**Stock Exchange**").
Underwritings of the Issue	Not Applicable
Electronic Book Platform	Not Applicable

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GENERAL RISK

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For detailed description on risks, please see **Section 4 - RISK FACTORS** of the Disclosure Document. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by 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 statement of risk factors contained under **Section 4 – RISK FACTORS** of this Disclosure Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities/non-convertible redeemable preference shares or investor's decision to purchase such securities.

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.

CREDIT RATING

Acuite Ratings and Research Limited has assigned "A-" rating to the Issue by the Company by a letter dated May 20, 2022. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For more details on credit rating of the Issuer refer to press release attached as **Annexure II**.

The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning Credit Rating Agency and rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future.

LISTING

The Debentures are proposed to be listed on the wholesale debt market segment of the BSE Limited ("BSE" or the "Stock Exchange"). The Company has obtained "in principle" approvals from BSE on May 27, 2022 for listing the Debentures offered through this Issue. This issue of Debentures does not form part of non-equity regulatory capital ment1ioned under Chapter V of the SEBI ILNCS Regulations.

RECOVERY EXPENSE FUND

The Issuer shall also be creating the recovery expense fund as per the applicable SEBI regulations with BSE.

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DISCLAIMERS

GENERAL DISCLAIMER

This Disclosure Document is neither a prospectus nor a statement in lieu of a prospectus and does not constitute an offer to the public to subscribe to the Issue.

The Debentures are to be listed on BSE and is being made strictly on a private placement basis. The Disclosure Document is not intended to be circulated to more than 200 (two hundred) persons. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. No invitation is being made to any persons other than to those to whom Application Form along with this Disclosure Document have been sent. Any application by a person to whom the Disclosure Document and Application Form have not been sent by the Company shall be rejected without assigning any reason. The person who is in receipt of the Disclosure Document shall maintain utmost confidentiality regarding the contents of the Disclosure Document and shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer.

This Disclosure Document has been prepared in conformity with the SEBI (Issue and Listing of Non Convertible Securities) Regulations 2021, as amended up to date and other applicable laws. Therefore, as per the applicable provisions, a copy of this Disclosure Document has not been filed or submitted to the SEBI for its review and/or approval. It is the responsibility of potential investors to also ensure that any sale by them of the NCDs/Debentures does not constitute an offer to the public within the meaning of the Companies Act.

Apart from the Disclosure Document, no offer document or prospectus has been prepared in connection with this Issue and that no prospectus in relation to the Issuer or the NCDs relating to this Issue has been delivered for registration nor such a document is required to be registered under the applicable laws.

The Disclosure Document issued by the Company and the views contained in Disclosure do not necessarily reflect the views of its directors, employees, affiliates, subsidiaries, or representatives and should not be taken as such. The Disclosure Document have been prepared to provide general information about the Issuer to potential Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. The Disclosure Document do not purport to contain all the information that any potential Eligible Investor may require. Where the Disclosure Document summarize the provisions of any other document, that summary should not be relied upon and the relevant document should be referred to for the full effect of the provisions.

Neither the Disclosure Document 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 Disclosure Document should not consider such receipt a recommendation to purchase any Debentures. Each investor contemplating purchasing 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 investor's particular circumstances.

This Information Memorandum and the contents hereof are intended only for recipients who have been addressed to directly and specifically through a communication by the Issuer and only 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 Disclosure Document is 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.

DISCLAIMER TO THE ISSUER

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The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference, if any) contains all information that is material in the context of the Issue, is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, are not misleading. The sale or transfer of these Debentures outside India may require regulatory approvals in India, including without limitation, the approval of the RBI.

The Issuer confirms that all information considered adequate for and relevant to the Issue and the Issuer has been made available in this Information Memorandum for the use and perusal of the potential investors and no selective or additional information would be made available to any section of investors in any manner whatsoever. The information relating to the Company contained in the Disclosure Document is believed by the Company to be accurate in all respects as of the date hereof.

The Issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum 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 Information Memorandum nor any Issue of Debentures made hereunder 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.

The Issuer having made all reasonable enquiries, accepts responsibility for and confirms that the information contained in this Disclosure 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. The Company or any of its directors, employees, advisors, affiliates, subsidiaries or representatives do not accept any responsibility and/ or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

DISCLAIMER TO THE STOCK EXCHANGE

As required, a copy of this Disclosure Document has been submitted to the BSE for hosting the same on its website as per the applicable law.

It is to be distinctly understood that filing of this Disclosure Document with the BSE should not in any way be deemed or construed that the same has been 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 Disclosure Document, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the Stock Exchange; 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. Every person who desires to apply for or otherwise acquire any Debentures of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE OF SEBI

This Disclosure Document has not been filed with the SEBI. The securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy this Information Memorandum. It is to be distinctly understood that filing of this Information Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility for the purpose for which the issue is proposed to be

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made or for the correctness of the statements made or opinions expressed in this Information Memorandum. The issue of Debentures being made on private placement basis, filing of this document is not required with SEBI, however SEBI reserves right to take up at any point of time, with the Company, any irregularities or lapses in this document.

DISCLAIMER TO THE DEBENTURE TRUSTEE

The Debenture Trustee or its agents or advisers associated with the Issue of the Debentures do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Disclosure Document and shall not have any responsibility to advise any investor or prospective Investor in the Debentures of any information available with or subsequently coming to the attention of the Debenture Trustee, its agents or advisors.

The Debenture Trustee and its agents or advisors associated with the issue of the /Debentures have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by Debenture Trustee as to the accuracy or any other information provided by the Issuer. Accordingly, the Debenture Trustee shall have no liability in relation to the information contained in this Disclosure Document or any other information provided by the Issuer in connection with the Issue. The Debenture Trustee is neither a principal debtor nor a guarantor of the /Debentures.

DISCLAIMER IN RESPECT OF CREDIT RATING AGENCY

The ratings of the Credit Rating Agency should not be treated as a recommendation to buy, sell or hold the Debentures. The Credit Rating Agency ratings are subject to a process of surveillance which may lead to a revision in ratings. Please visit the Credit Rating Agency's website https://www.acuite.in/ or contact the Credit Rating Agency's office for the latest information on the Credit Rating Agency's ratings. All information contained herein has been obtained by the Credit Rating Agency from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and the credit rating agency in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or opinion and Credit Rating Agency shall not be liable for any losses incurred by users from any use of this publication and completeness of any such information. All information contained herein must be construed solely as statements or its contents.

DISCLAIMER OF RESERVE BANK OF INDIA

The Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the Debentures have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the Debentures being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Disclosure Document. The potential investors may make investment decision in respect of the Debentures offered in terms of this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment.

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DEFINITIONS AND ABBREVIATIONS

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

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.
Application Form	The form which shall be circulated to the prospective investors along with the Information Memorandum/ Disclosure document for the purpose of applying for the debentures and marked as Annexure X.
Allot/ Allotment/ Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue
Account Bank	Bank Account Details:- Name of Bank :- ICICI Bank Ltd. Account No. :- 250605000070 Branch address :- ICICI Bank Ltd, Krishna Apra Royal Plaza, D2, EACB, Alpha 1, Greater Noida, Uttar Pradesh 201306 Email address :- sankalp.mittal@icicibank.com
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 Director(s)	Board of Director(s) of the Issuer
BSE Limited/BSE	Stock Exchange / Designated Stock Exchange
Business Day	Business Day shall mean a day (other than a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) or a Sunday) on which banks are normally open for business and the money market is functioning in Mumbai.
CERSAI	means the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
CDSL	Central Depository Services (India) Limited
Company / Issuer	SATYA Microcapital Limited
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 **Section 8- Issue Details** of this Information Memorandum.
Date of Subscription	Date of realization of proceeds of subscription money in the bank account of the Company.
Debentures or NCDs	250 Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures having a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating to Rs. 25,00,00,000 - (Rupees Twenty Five Crores Only).
Debenture Holder(s)/Investors	Person(s) holding Debenture(s) and whose name is recorded as beneficial owner with the Depository (if the Debentures are in dematerialized form) as defined under Section 2 of the Depositories Act, 1996) or the person(s) whose name appears as holder of Debentures in the Register of Debentures (if the Debentures are in the physical form)
Debenture Trust Deed / DTD	The Debenture trust deed dated on or about the date of this Disclosure Document entered / to be entered into between the Company and the Debenture Trustee.
Debenture Trustee	Trustee for the Debenture Holder(s), in this case being Catalyst Trusteeship Limited

Debenture Trustee Agreement	means the agreement entered into by and between the Issuer and the Debenture Trustee and dated May 26, 2022
Deed of Hypothecation	means the deed of hypothecation executed and delivered by the Issuer in favour of the Debenture Trustee to evidence creation of first ranking exclusive charge by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) over the Hypothecated Property (in a form acceptable to the Majority Debenture Holders).
Deemed Date of Allotment	means May 30, 2022
Depositary Participant / DP	A Depositary participant as defined under Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996 as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Disclosure Document / Information Memorandum	This document dated May 30, 2022 which sets out the information regarding the Debentures being issued on a private placement basis.
DRR	Debenture Redemption Reserve
Financial Year / FY	Financial year the of Company i.e. a period commencing from 1st April and ending on 31st March of the next calendar year
Insolvency Filing Event	The filing of any petition for insolvency resolution or liquidation against the Company under the Insolvency and Bankruptcy Code, 2016
Issue Opening Date	May 30, 2022
Issue Closing Date	May 30, 2022
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate(s)
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Private Placement Offer Cum Application Letter/ PPOL	The letter issued by the Issuer pursuant to the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, to the Investors in the format set out in the said rules
POA	Power of Attorney
Rating Agency/ Credit Rating Agency	Acuite Ratings and Research Limited with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time and having its office at
Record Date	shall mean the date being 15 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 recovery expense fund created/to be created by the Issuer with the BSE.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Link Intime India Private Limited
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI NCS Regulations	Securities And Exchange Board Of India (Issue And Listing Of Non-Convertible Securities) Regulations, 2021 as amended from time to time.
SEBI LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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TDS	Tax Deduction at Source
TL	Term Loan
WDM	Wholesale Debt Market

UNDERTAKING OF THE ISSUER

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 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 under the **Section 4-'General Risks'**." "The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document contains all information with regard to the issuer and the issue, that the information contained in the 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.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

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RISK FACTORS

An investment in the Debentures involves risks. These risks may include, among others, equity market, bond market, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Prospective Investors should be experienced with respect to transactions in instruments such as the Debentures. Prospective Investors should understand the risks associated with an investment in the Debentures and should only reach an investment decision after careful consideration of, (a) the suitability of an investment in the Debentures in the light of their own particular financial, tax and other circumstances; and (b) the information set out in this Disclosure Document.

More than one risk factor may simultaneously affect the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Debentures.

Investors are advised to read the following risk factors carefully before making an investment in the Debentures offered in this Issue. Each investor must rely on its own examination of the Issuer and this Issue, including the risks and uncertainties involved. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

RISKS RELATING TO THE DEBENTURES

Changes in the interest rates may affect the price of the Debentures

All securities where a fixed rate of interest is offered, such as Debentures 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 fluctuation in the prices is a function of the existing coupon/yield to maturity, days to maturity and the increase or decrease in the level of prevailing interest rates. Any increase in rates of interest is likely to have a negative effect on the price of the Debentures.

Secondary market for the Debentures may be Illiquid

It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. As specified in the Disclosure Document, an application has been made to list or quote or admit to trading the Debentures on the WSD Segment of the BSE and an in-principle approval has been obtained. If the Debentures are so listed or quoted or admitted to trading on the BSE no assurance is given that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Issuer may, but is not obliged to, at any time purchase the Debentures at any price in the open market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realize value for the Debentures prior to redemption of the Debentures.

Credit risk and rating downgrade risk

The Credit Rating Agency has assigned the credit rating of "A-" rating 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. The Issuer cannot guarantee that this

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rating will not be downgraded. Such a downgrade in the credit rating may lower the value of the Debentures and may also affect the Issuer's ability to raise further debts.

The Debentures may not be a suitable investment for all potential Investors

Potential Investors should ensure that they understand the nature of the Debentures and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers such as legal, tax, accounting and other advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Debentures and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition.

Exercise of powers by the Debenture Trustee is subject to equitable principles and supervisory powers of courts

The exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debentures and this Disclosure Document or otherwise vested in it by applicable law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorisations or orders.

The right of the Debenture Holders to receive payments under the Debentures will be junior to certain tax and other liabilities preferred by law on an insolvency of the Issuer

The Debentures will be subordinated to certain liabilities preferred by applicable law such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Issuer's business (including workmen's dues). Upon an order for winding-up in India, the assets of a company are vested in a liquidator who has wide powers to liquidate such company to pay its debt and administrative expenses.

Receipt of coupon or principal is subject to the credit risk of the Issuer.

Investors should be aware that the receipt of any coupon payment and principal amount at maturity is subject to the credit risk of the Issuer. Any stated credit rating of the Issuer reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Issuer. Any downgrading of the credit ratings of the Issuer by the rating agency may lower the value of the Debentures

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.

The payment of the principal and coupon on the Debentures is subject to the credit risk of the Issuer whereby the investors may or may not recover all or part of the principal or coupon amount of the funds invested in case of default by the Issuer. Debenture Holders assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures and may or may not recover all or part of the principal and/or coupon amount in case of default by the Issuer.

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. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the

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market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. However, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Payment of penalty

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.

INTERNAL RISKS

Risk Factor in relation to the Issuer's business

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.

As on March 31, 2022, the gross NPA was 78.39 Crores on on-balance sheet portfolio of Rs.2,293.89 Crore and PAR90+ was 79.53 on a gross loan portfolio (including managed / securitised portfolio) of Rs. 2,883.99 Crores.

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of NPAs in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

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

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.

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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.

Loans due within two years account for almost all of the Issuer's interest income, and a significant reduction in short term loans may result in a corresponding decrease in its interest income

[All/ a majority] of the loans the Issuer issues are due within approximately two years of disbursement. The relatively short-term nature of the Issuer's loans means that the Issuer's long-term interest income stream is less certain than if a portion of its loans were for a longer term. In addition, the Issuer's customers may not obtain new loans from the Issuer upon maturity of their existing loans, particularly if competition increases. The potential instability of the Issuer's interest income could materially and adversely affect the Issuer's results of operations and financial position.

The loans given by the issuer are at fixed interest rate, and the tenor of the underlying asset has increased from one year to two year which has provided stability to the portfolio and interest income and has also smoothened operating expense.

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 microfinance and 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.

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.

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

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

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In addition, 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 either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its 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.

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. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. 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. 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. Additionally, RBI has issued detailed directions on prudential norms *inter alia* prescribing guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. 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 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 any directions issued applicable on NBFCs and fails to maintain the status of NBFC it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the certificate of registration issued to the NBFC.

EXTERNAL RISK FACTORS

- **Future legal and regulatory obstructions**

Future government policies and changes in laws and regulations in India and comments, statements or policy changes by any regulator, including but not limited to RBI or SEBI, may adversely affect the Debentures. The timing and content of any new law or regulation is not within the Issuer's control and such new law, regulation, comment, statement or policy change could have an adverse effect on the market for and the price of the Debentures.

Further, SEBI or any other regulatory authorities may require clarifications on this Disclosure Document, which may cause a delay in the issuance of the Debentures or may result in the Debentures being materially affected or even rejected.

Further, the exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debenture Trust Deed, or otherwise vested in them by applicable law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorizations or orders.

- **Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally**

Since 1991, successive Indian governments have pursued policies of economic liberalization. The role of the Central Government and State Governments in the Indian economy as producers, consumers and regulators has remained significant. If there is a slowdown in economic liberalization, or a reversal of steps already taken, it could have an adverse effect on the debt market which is as such exposed to the risks of the Indian regulatory and policy regime.

- **Company's growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have direct impact on the Company's operations and profitability.**

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on Company's business. Recent trends suggest that the economy may grow at a flat pace which may have a direct impact on our business and a slowdown in the economy as a whole can increase such an impact thereby adversely impacting the Company's growth plans.

A sustained slowdown in the Indian economy could adversely affect Company's business; India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy

- **Civil unrest, terrorist attacks and war could affect our business.**

Terrorist attacks and other acts of violence, war, or conflicts, particularly those involving India, as well as the jurisdictions where the Company's business is situated, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect the Company's business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighboring countries. Also, some of India's neighboring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and the Company may not be able to foresee events that could have an adverse effect on Company's business and the price and yield of the NCDs.

- **Company's business may be adversely impacted by natural calamities or unfavorable climatic changes.**

India, Nepal, Bangladesh, Pakistan, Indonesia, and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts, and a tsunami in recent years. Some of these countries have also experienced pandemics notably the ongoing Covid-19 pandemic in India and Globally including the outbreak of avian flu/ swine flu. The extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the Company's business and operation. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies in which the Company has operations, which could adversely affect its business and the price of the Debentures.

- **Any downgrading of India's sovereign rating by an international rating agency (ies) may affect the Company's business and its liquidity to a great extent.**

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on Company's financial performance and its ability to obtain financing to fund our growth on favorable terms, or at all.

GENERAL RISKS

Early Termination for Extraordinary Reasons, Illegality and Force Majeure

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Debentures has become illegal or impractical in whole or in part for any reason, the Issuer may, at its discretion and without obligation, redeem the Debentures early. However any early redemption has to be done only after receiving the consent from majority debenture holders.

Taxation

Potential purchasers and sellers of the Debentures should be aware that they may be required to pay stamp duties or other documentary charges/taxes in accordance with the laws and practices of India. Payment and/or delivery of any amount due in respect of the Debentures will be conditional upon the payment of all applicable taxes, duties and/or expenses.

Potential Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential Investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time

Delays in court proceedings in India

If any dispute arises between the Issuer and any other party including Debenture Holders, the Issuer or such other party may need to take recourse to judicial proceedings before courts in India. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication.

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.

Breach of contract.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances

OTHERS RISKS UNDER NCS LISTING REGULATION

A. RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES AND RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

Refer to **Section -4 -Risk Factor-** VIII 3- "*Risks relating to Debentures*".

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

As on the date of this Placement Memorandum, no stock exchange in India or abroad has refused listing of any equity or debt security issued by the Issuer.

C. IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS:

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ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED: As on the date of this Placement Memorandum, the Issuer has not committed any default in compliance with the material covenants such as creation of security as per terms agreed in respect of any outstanding borrowings.

DEFAULT IN PAYMENT OF INTEREST: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest in respect of any outstanding borrowings.

DEFAULT IN REDEMPTION OR REPAYMENT: As on the date of this Placement Memorandum, the Issuer has not committed any default in redemption or repayment in respect of any outstanding borrowings.

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: Pursuant to Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a non-banking financial company is not required to maintain debenture redemption reserve for debentures issued on a private placement basis.

DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest penal in respect of any outstanding borrowings.

REGULATORY DISCLOSURES

This Disclosure Document is prepared in accordance with the provisions of the SEBI NCS Regulations and in this section, the Issuer has set out the details required as per Schedule II of the SEBI NCS Regulations:

LIST OF DOCUMENTS TO BE FILED WITH THE STOCK EXCHANGE AND DEBENTURE TRUSTEE

List of disclosures to be filed along with the listing application to the Stock Exchange:

Memorandum and articles of association of the Issuer and necessary resolution(s) for the allotment of the debt securities;

Copy of last three years audited and adopted annual reports;

Statement containing particulars of, dates of, and parties to all material contracts and agreements;

Copy of the Board Resolution dated May 19, 2022 read with resolution of working committee of Board of Directors dated May 26, 2022 authorizing the borrowing and list of authorized signatories.

Certified true copy of the resolution passed by the Company at the Annual General Meeting under Section 180 (1)(c) of the Act, held on June 28, 2021 authorising the Company to borrow, upon such terms as the Board may think fit, up to an aggregate limit of INR 50,00,00,00,000 (Indian Rupees Five Thousand Crore));

Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on June 28, 2021 authorizing the issue/offer of non-convertible debentures by the Company;

An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/ act/ rules etc. and the same would be uploaded on the website of the Stock exchange, where the debt securities have been listed, within five working days of execution of the same.

Any other particulars or documents that the BSE may call for as it deems fit.

Material contracts and agreements

S. No.	Nature of Contract
(a)	Certified true copy of the Memorandum & Articles of Association of the Issuer.
(b)	Board Resolution dated May 19, 2022 read with resolution of working committee of Board of Directors dated May 26, 2022 authorizing the issue of Debentures offered under the terms of this Disclosure Document.
(c)	Shareholder Resolution under Section 180 (1) (a) and Section 180 (1) (c) dated June 28, 2021 authorizing the borrowing by the Company and the creation of security.
(d)	Shareholders' Resolution dated June 28, 2021 authorizing the issue of non-convertible debentures by the Company.
(e)	Copies of Annual Reports of the Company for the last three financial years.
(f)	Credit rating letter from the Rating Agency dated May 20, 2022.
(g)	Letter from Debenture Trustee dated May 26, 2022 giving its consent to act as Debenture Trustee. ("Consent Letter")
(h)	Letter of Registrar and Transfer Agent dated May 26, 2022
(i)	Certified true copy of the certificate of incorporation of the Company.
(j)	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL dated July 14, 2017.
(k)	Debenture Trustee Agreement dated May 26, 2022 executed between the Issuer and the Debenture Trustee.
(l)	Debenture Trust Deed date May 30, 2022 executed between the Issuer and the Debenture Trustee.
(m)	Deed of Hypothecation date May 30, 2022 executed between the Issuer and the Debenture Trustee.

ISSUER INFORMATION

PROMOTERS OF THE COMPANY

S.no	Details of Promoter	Description
	Name of promoter	Vivek Tiwari
	Date of Birth	01.04.1978
	Age	44 Years
	Personal Addresses	Flat No. A-406 Gaur Grandeur, Sector-119, Parthala Khanjarpur Gautam Buddha Nagar, UP- 201304
	Education Qualifications	Post-Graduate in Rural Development & Management from the Institute of Engineering & Rural Technology, Allahabad
	Experience in the business or employment	20 Years
	Positions/posts held in the past by the promoter	COO – Satin Creditcare Network Ltd
	Directorships held by the promoter	SAMRUDDHY SOCIOMANAGEMENT PRIVATELIMITED SRIVARDAN SOCIODEVELOPMENT FOUNDATION
	Other ventures of the promoter	Other Directorship is as follows: Koshish Sustainable Solutions Private Limited Satya Shakti Foundation Satyapath Social Foundation Credentia Finclusion Private Limited V& S Advisors (OPC) Private Limited
	Special achievements	He has been felicitated with the BFSI Leadership Award as well as "Bharat Jyoti Award" by India International Friendship Society.
	Business and financial activities of the promoter	Managing Director, CEO & CIO of SATYA MicroCapital Limited
	Photograph	
	Permanent Accountant Number	AEYPT2745P

S.no	Details of Promoter	Description
	Name of promoter	Ratnesh Tiwari
	Date of Birth	07.04.1987
	Age	35 Years
	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
	Education Qualifications	Engineering postgraduate and has a doctoral degree (Ph.D.) from Indian Institute of Technology (IIT) Delhi
	Experience in the business or employment	10 Years
	positions/posts held in the past by the promoter	Scientist
	directorships held by the promoter	0
	Other ventures of the promoter	Other Directorship is as follows: Koshish Sustainable Solutions Private limited Koshish Marketing Solutions Private Limited Satya Shakti Foundation

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		Credentia Finclusion Private Limited HDMR Healthcare Private Limited Satya Path Social Foundation Medicall Services Private Limited
	Special achievements	-
	Business and financial activities of the promoter	He is the Chief Executive Officer at Koshish Sustainable Solutions Pvt. Ltd.
	Photograph	
	Permanent Accountant Number	AREPT0430C

S.no	Details of Promoter	Description
	Name of promoter	Sadhna Tiwari
	Date of Birth	23/12/1986
	Age	34 Years
	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
	Education Qualifications	MBA (Human Resource)
	Experience in the business or employment	5 Years
	Positions/posts held in the past by the promoter	Human Resource Manager-UJALA Credit Cooperative Society Limited
	Directorships held by the promoter	-
	Other ventures of the promoter	-
	Special achievements	-
	Business and financial activities of the promoter	-
	Photograph	
	Permanent Accountant Number	AORPT9043F

S.no	Details of Promoter	Description
	Name of promoter	Vandna Tiwari
	Date of Birth	25/07/1984
	Age	37 Years
	Personal Addresses	Flat No. A-406 Gaur Grandeur, Sector-119, Parthala Khanjarpur Gautam Buddha Nagar, UP-201304
	Education Qualifications	MA
	Experience in the business or employment	5 Years
	positions/posts held in the past by the promoter	-
	directorships held by the promoter	0
	Other ventures of the promoter	Other Directorship is as follows: Koshish Marketing Solutions Private Limited

		AANANDA FOUNDATION
	Special achievements	-
	Business and financial activities of the promoter	Director in Koshish Marketing Solutions Private Limited and AANANDA FOUNDATION
	Photograph	
	Permanent Accountant Number	AJYPT9498G

S.no	Details of Promoter	Description
	Name of promoter	Koshish Marketing Solutions Pvt. Ltd
	Date of Birth	NA
	Age	NA
	Personal Addresses/Registered Office Address	1/10712,UGF SUBHASH PARK HULEWALAL PARK, NAVEEN SHAHADRA, Delhi DL 110032
	Education Qualifications	NA
	Experience in the business or employment	NA
	positions/posts held in the past by the promoter	NA
	directorships held by the promoter	NA
	Other ventures of the promoter	NA
	Special achievements	NA
	Business and financial activities of the promoter	NA
	Photograph	
	Permanent Accountant Number	AAHCK2971N
	Permanent Account Number of directors	Mr. Ratnesh Tiwari: AREPT0430C Mr. Vandna Tiwari: AJYPT9498G
	Bank Account Number(s)	250605000233

A declaration confirming 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 nonconvertible securities are proposed to be listed, at the time of filing the draft Disclosure Documents as stated in **ANNEXURE XI**.

Promoter Holding in the Company

The details of Promoter Holding in the Company on the latest quarter ended on 31st March 2022 is given below:

Sr. No	Name of the Shareholders	Total No. of securities	No. of shares in demat form	Total Shareholding as % of total number of	No of securities pledged	% of shares pledged with respect to

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				equity shares/**		shares owned.**
EQUITY SHARES						
1	Vivek Tiwari*	11668200	11668200	22.71	14,93,000	12.79
2	Koshish Marketing Solutions	1902300	1902300	3.70	0	NA
3	Vandna Tiwari	113500	113500	0.22	0	NA
4	Sadhna Tiwari	20000	20000	0.04	0	NA
5	Ratnesh Tiwari	51500	51500	0.10	0	NA

*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

Credit Rating of Debenture

The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.

Acuite Ratings and Research Limited has assigned "A- rating to these Debentures by a letter dated May 20, 2022. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk

The rating letter as released by Acuite Ratings and Research Limited is enclosed as **ANNEXURE II**.

Listing

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).

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 XIV** hereto.
The Issuer shall also be creating the Recovery Expense Fund with BSE in accordance with the SEBI REF Circular with the BSE. In this regard, please also refer to the section on "*Creation of recovery expense fund*" under **Section 8** below.

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. **Not applicable.**

Issue schedule

ISSUE SCHEDULE	
Issue Opens on:	May 30, 2022
Issue Closes on:	May 30,2022
Pay in Date	May 30 ,2022

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Deemed date of allotment	May 30 ,2022

Intermediaries and other details

Name:	Satya Microcapital Limited
Arrangers, if any	Northern Arc Capital Limited ("Northern Arc")
Debenture Trustee:	**CATALYST TRUSTEESHIP LIMITED** GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Kothrud, Pune – 411 038 Contact Number: +91 20 66807200 / 223 / 224 Website: https://catalysttrustee.com/ Email ID: deesha.trivedi@ctltrustee.com
Register and Transfer Agent	**Link Intime India Private Limited** Address: C 101, 247 Park, LBS Road, Vikhroli West, Mumbai, Maharashtra 400083 Contact Person: Mr. Ganesh Jadhav Tel: +91-22 49186000 Website: http://www.linkintime.co.in
Credit Rating Agency	**Acuite Ratings and Research Limited** 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai 400 042 Website: https://www.acuite.in/ Email ID: rituparna.roy@acuite.in
Auditors:	S.N. Dhawan & Co., LLP 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
Legal Counsel	**Verist Law**

	The Empire Business Centre, 414 Senapati Bapat Marg Lower Parel Mumbai-400013 Website: https://veristlaw.com/ Contact Person: Sudha Muddaiah Email ID: sudha.muddaiah@veristlaw.com
Valuation Agency	Not Applicanle
Guarantor	Not Applicable

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.

Branches

SATYA has established 338 branches in 228 Districts in 21 States viz, Assam, Bihar, Chattisgarh, 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 March 31, 2022, the company had presence in 338 branches in 228 Districts in 21 States with top 3 states i.e. Uttar Pradesh (20.79%), Bihar (15.90%) and Punjab (9.25%) accounting for 45.95.% of the total portfolio outstanding

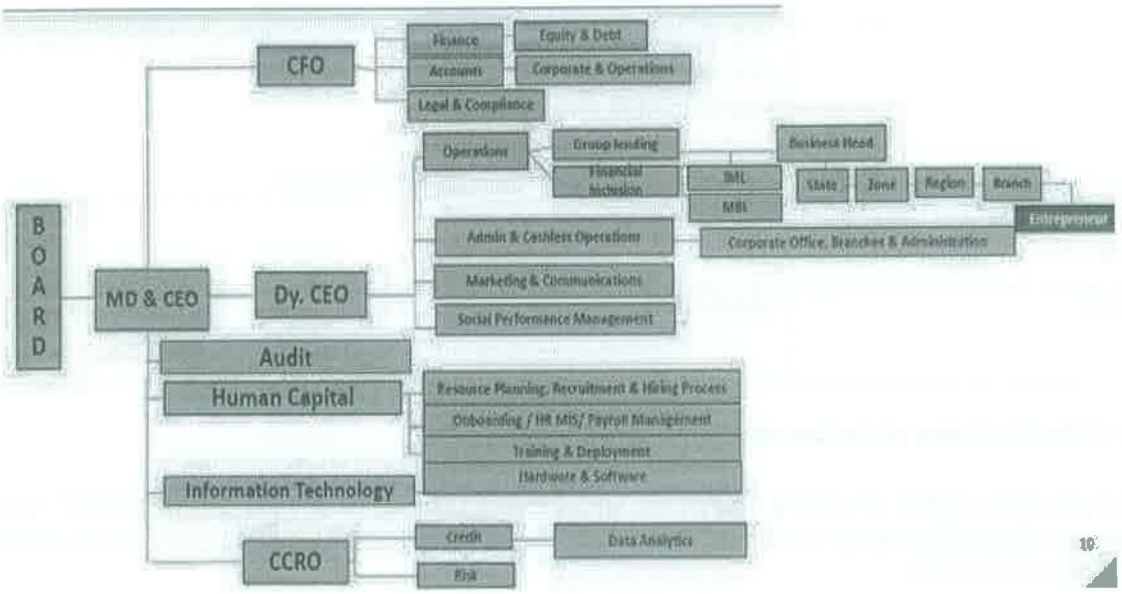
Subsidiaries

As of the date of this Placement Memorandum, the Company does not have any subsidiaries.

Corporate Structure of the Issuer

The corporate structure of the Company is given below:

SATYA MICROCAPITAL LIMITED New Delhi



Financial Information

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. **ANNEXURE I**

Particulars	Audited		
Profit and Loss Statement	31.03.2019 (IND AS)	31.03.2020 (IND AS)	31.03.2021 (IND AS)
Revenue from Operations	100.48	208.50	266.76
Less: Finance Cost	60.25	115.90	127.81
Other Income	1.23	0.11	0.45
Total Income	41.46	92.71	139.40
Operating Expenses	36.02	69.04	95.91
Provisions & Write Offs	4.19	9.93	25.64
Operating Profit	1.26	13.74	17.85
Depreciation	1.60	2.64	2.75
Profit Before Tax	-0.34	11.10	15.10
Exceptional Items(Profit on sale of assets)	-	-	

SATYA MICROCAPITAL LIMITED New Delhi

Provisions for tax	-0.08	-3.57	-4.88
Profit After Tax	-0.26	7.53	10.22
Other comprehensive income	0.02	-0.09	-0.03
Total comprehensive income for the year	-0.24	7.44	10.19
Balance Sheet (INR) – In Crore	**31.03.2019**	**31.03.2020**	**31.03.2021**
	Audited (INDAS)	**Audited (INDAS)**	**Audited (INDAS)**
Equity capital	25.75	30.45	45.85
Reserve & Surplus	60.74	141.32	358.58
TNW	**86.5**	**171.77**	**404.43**
Total Debt	742.43	923.05	1127.07
Current Liabilities+ Provisions	-	-	
Other financial liabilities & Non-financial liabilities	18.39	8.71	55.83
Total Outside Liabilities	**760.82**	**931.76**	**1182.9**
Total Liabilities	**847.32**	**1,103.53**	**1,587.33**
Fixed assets (Net)	2.6	4.38	7.57
Investments/Other Advances	-	-	
Gross Advances	605.49	917.25	1214.6
Cash / Liquid Investments	219.31	145.36	316.63
Non Current assets	-	-	
Other current assets	-	-	
Other financial assets & Non-financial assets	15.66	31.93	41.23
Deferred Tax Assets	4.2	4.53	7.21
Intangible Assets	0.06	0.08	0.09

Other Long Term Assets	-	-	-
Total Assets	**847.32**	**1,103.53**	**1,587.33**

Cash Flow	As on 31-03-2019 (IND AS)	As on 31-03-2020 (IND AS)	As on 31-03-2021 (IND AS)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax and extraordinary items	(0.34)	11.10	15.10
Total adjustment made for Non Cash/Non operating items	(6.03)	(20.01)	(87.57)
Operating profit before working capital changes	(6.37)	(8.91)	0.96
Net Movement in working capital:	(509.56)	(228.19)	(298.16)
Cash used in operations	(515.93)	(237.10)	
Direct taxes paid (net of refund)	(1.88)	(8.87)	(4.22)
	(517.81)	(245.97)	(301.42)
Net cash used in operating activities (A)	**(517.81)**	**(245.97)**	**(301.42)**
B. Net CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(1.89)**	**(4.10)**	**(5.96)**
C. Net CASH FLOW FROM FINANCING ACTIVITIES I	**514.53**	**261.03**	**429.12**
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)	(5.12)	10.96	121.73

SATYA MICROCAPITAL LIMITED New Delhi

Cash and cash equivalents at the beginning of the year	41.34	36.22	47.18
Cash and cash equivalents at the end of the year	**36.22**	**47.18**	**168.91**

Particulars	(Rupees in millions unless otherwise stated)			
	Quarter ended		Nine months ended	Year ended
	December 31,2021	September 30,2021	December 31,2021	March 31, 2021
	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations				
Interest Income	865.75	745.45	2,305.96	2,444.99
Fees and commission Income	42.24	36.84	87.30	114.64
Net gain on derecognition of financial instruments under amortised cost category	139.35	-	139.35	108.01
Total Revenue from operations	**1,047.34**	**782.29**	**2,532.61**	**2,667.64**
Other Income	8.90	4.39	14.36	4.54
Total Income	**1,056.24**	**786.68**	**2,546.97**	**2,672.18**
Expenses				
Finance Cost	489.32	367.89	1,173.84	1,278.12
Impairment on financial instruments	91.08	(6.17)	105.29	256.36
Employee Benefits Expenses	295.66	241.37	765.83	687.48

SATYA MICROCAPITAL LIMITED New Delhi

Depreciation and 31uthorized31i expense	16.90	12.65	37.98	27.46
Others expenses	111.64	100.52	290.82	271.70
Total Expenses	**1,004.60**	**716.26**	**2,373.76**	**2,521.12**
Profit before tax	**51.64**	**70.42**	**173.21**	**151.06**
Tax Expense:				
Current year Tax	2.92	15.53	43.67	75.62
Earlier year Tax	-			
Deferred Tax	8.96	2.67	0.71	(26.73)
Income tax expense	**11.88**	**18.20**	**44.38**	**48.89**
Profit for the period	**39.76**	**52.22**	**128.83**	**102.17**
Other Comprehensive Income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement gains/(losses) on defined benefit plans	(0.49)	(0.48)	(1.45)	(0.39)
Income tax effect	0.12	0.12	0.36	0.10
Total Comprehensive Income for the period	**39.39**	**51.86**	**127.74**	**101.88**
Earnings per share (equity share, par value of Rs. 10 each)				
Computed on the basis of total profit for the period				
Basic (in Rupees)*	**0.87**	**1.14**	**2.80**	**2.57**
Diluted (in Rupees)*	**0.86**	**1.12**	**2.76**	**2.53**

* not annualised for the nine months and quarter ended

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.- **Not applicable**

Listed issuers (whose debt securities or specified securities are listed on 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 offer, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in offer document including risk factors.

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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:

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.

Key Operational and Financial Parameters

A brief overview of the financial performance of the Issuer for post three years is given below:

(INR in crores)

	31-Mar-19	31-Mar-20	31-Mar-21	Upto latest half year (Sep 2021)	Upto latest nine months (Dec 2021)
	Audited	Audited	Audited	Limited Reviewed	Limited Reviewed
Balance Sheet					
Net Fixed Assets	2.28	4.45	7.66	10.12	11.73
Current Assets	443.28	675.03	986.84	1,920.84	2,213.66
Non-Current Assets	267.96	424.04	592.84		
Total Assets	713.51	1,103.52	1,587.34	1,930.96	2,225.40
Non-Current (including maturities of long-term borrowings and short term Financial (borrowings, trad other financia Provisions Deferred ta Other non-current liabilities	350.88	399.69	553.90	1,516.96	1,806.76
Current Liabilities (including maturities of long-borrowings) Financial (borrowings, trad	271.38	532.06	629.01		

SATYA MICROCAPITAL LIMITED New Delhi

other financia					
Provisions					
Current tax liabilities (net)					
Other curre					
Equity (equity and other equity)	91.25	171.77	404.43	414.00	418.64
Total equity and	713.51	1,103.52	1,587.34	1,930.96	2,225.40
Profit and Loss					
Total revenue from operations	87.44	208.50	266.76	148.53	253.26
Other income	9.20	0.11	0.45	0.55	1.44
Total Expenses	92.17	197.52	252.11	136.92	237.38
Other comprehensive					
Profit / loss	4.47	11.10	15.11	12.16	17.32
Total comprehensive	-	7.44	10.19	8.84	12.77
Profit / loss after tax	3.24	7.53	10.22	8.91	12.88
Earnings per equity share: (a)	1.46	2.48	2.57	1.94	2.80
Earnings per equity share: (b)	1.46	2.43	2.53	1.91	2.76
Continuing operations –	3.24	7.53	10.22	8.91	12.88
Discontinued operations –	-	-	-	-	-
Total Continuing and discontinued	3.24	7.53	10.22	8.91	12.88
Cash Flow					
Net cash generated from 33uthori	- 310.69	- 245.97	-301.42	-426.37	NA
Net cash used in / generated fro	7.69	- 4.10	-5.97	-2.57	NA
Net cash used in financing	389.30	261.03	429.12	367.29	NA
Cash and cash equivalents (Opening Balance)	66.28	36.22	47.18	168.91	NA
Balance as per statement of cash flows	152.57	47.18	168.91	107.26	NA
Additional information					

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Net Worth	91.25	171.77	404.43	414.00	418.64
Cash and Cash	152.57	47.18	168.91	107.25	112.71
Current investments	-	-	-	-	-
Assets Und	621.71	1,007.85	1,476.16	1,592.21	2,004.24
Off balance sheet assets	179.53	85.22	239.91	203.49	327.13
Total Debts to Total assets	0.87	0.84	0.71	0.79	0.80
Debt Servic	1.11	1.11	1.54	1.42	NA
Interest Income	78.43	197.35	244.50	144.02	230.60
Interest Expense	51.92	115.90	127.81	68.45	117.38
Interest s	1.09	1.10	1.12	1.18	1.15
Provisioning & write Offs	2.80	9.93	25.64	1.42	10.53
Bad debts to Account	NA	NA	NA	NA	NA
Gross NPA (%)	0.04%	1.62%	1.54%	1.95%	3.10%
Net NPA (%)	0.01%	0.56%	0.66%	0.29%	1.42%
Tier I Capital	15.44%	19.63%	31.64%	28.37%	22.91%
Tier II Capital	7.11%	5.84%	2.98%	1.84%	3.50%

GROSS DEBT/ EQUITY RATIO OF THE COMPANY

(Rs. In Millions)

Particulars	Value
Before the issue of debt securities	4.13
After the issue of debt securities	4.22

Calculations

Debt-to-equity ratio is calculated as follows:-

Before Issue:

Debt	22,789.33
Equity	5,522.67
Debt/Equity	4.13

After Issue:

Debt	23,279.33
Equity	5,522.67
Debt/Equity	4.22

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g. Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability. As Given Below.

Nil

PROJECT COST AND MEANS OF FINANCING, IN CASE OF FUNDING OF NEW PROJECT: Not Applicable

BRIEF HISTORY OF THE ISSUER

(I) Capital Structure

The capital structure of the Company as on last quarter ended on 31st March, 2022 is given below:

Share Capital	Rs.
Authorised Share Capital	
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 Paid- up Equity Share Capital	
Issued 51374506 Equity Shares of Rs. 10 /- Each	513745060
Subscribed & Fully Paid-up 48874506 Equity Shares of Rs. 10 /- Each	488745060
Subscribed & Partly Paid-up 25,00,000 Equity Shares of Rs. 10 /- Each Rs. 4.00 per share paid-up.	10000000
Issued, Subscribed and Paid-Up Preference Share Capital	
0.001% Non-Cumulative, Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10/- Each	29851000
Total Paid-up Capital	**528596060**

(II) Change in Capital Structure

Change in the capital structure as on last quarter ended on 31st March, 2022 for the last 5 (five) years:

Date of Change (AGM/EGM)	Authorised Capital in Rs.	Particulars

SATYA MICROCAPITAL LIMITED New Delhi

27/10/2016 (EGM)	10 Cr	Authorised Capital increased from 2Cr to 10 Cr
03/06/2017 (AGM)	30 Cr	Authorised Capital increased from10 Cr to 30 Cr
20/08/2018 (AGM)	50 Cr	Authorised Capital increased from30 Cr to 50 Cr
26/06/2019 (EGM)	70 Cr	Authorised Capital increased from50 Cr to 70 Cr
27/01/2021 (EGM)	100Cr	Authorised Capital increased from70 Cr to 100 Cr

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(iii) History of Equity Share Capital

Equity Share Capital History of the Company as on last quarter ended on 31st March, 2022 for the last five years:

S. No.	Date of allotment	No. of equity shares issued	Face value (Rs.)	Issue Price(Rs.)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative number of equity shares	Cumulative equity share capital	Cumulative equity share premium
1	02/01/2017	36,67,000	10	10	Cash	Rights Issue	5,050,000	50,500,000	-
2	15/02/2017	22,70,750	10	10	Cash	Private Placement	7,320,750	73,207,500	-
3	31/08/2017	14,07,480	10	20	Cash	Private Placement	8,728,230	87,282,300	22,707,500
4	31/08/2017	8,50,000	10	10	Sweat Equity issue	Private Placement	9,578,230	95,782,300	46,634,660
5	09/10/2017	30,000	10	30	Consideration other than cash	Private Placement	9,608,230	96,082,300	46,634,660
6	09/10/2017	32,00,000	10	30	Cash	Private Placement	12,808,230	128,082,300	47,234,660
7	7/5/2018	25,51,000	10	30	Cash	Rights Issue	15,359,230	153,592,300	130,434,660
8	28/05/2018	8,50,000	10	-	Sweat Equity issue	Private Placement	16,209,230	162,092,300	219,719,660
9	9/7/2018	2,77,778	10	-	Cash	Conversion of CCD into Equity	16,487,008	164,870,080	219,719,660

SATYA MICROCAPITAL LIMITED New Delhi

10	31/7/2018	7024384	10	61	Cash	Private Placement	23,511,392	235,113,920	585,185,472
11	31/7/2018	818824	10	42.5	Cash	Conversion of CCD into Equity	24,330,216	243,302,160	611,797,252
12	25.02.2019	70,000	10	30	Consideration other than cash	Private Placement	2,44,00,216	244,002,160	613,197,252
13	25.03.2019	20,09,614	10	61	Cash	Private Placement	2,64,09,830	26,40,98,300	715,687,566
14	26.07.2019	30,33,333	10	75	Cash	Private Placement	2,94,43,163	27,19,31,630	750,354,211
15	04.09.2019	1,018,700	10	75	Cash	Private placement	30,461,863	282,118,630	816,569,711
15	04.09.2019	344,250	10	61	Cash	Private placement	30,806,113	285,561,130	834,126,461
16	04.09.2019	2,500,000	10	75	Cash (Rs. 1.50 received on partly paid shares)	Private placement	30,806,113	289,311,130	834,126,461
17	18.10.2019	25,15,615	10	110	Cash	Rights Issue	3,33,21,728	31,44,67,280	1,085,687,961
18	27.01.2021	77,77,778	10	135	Cash	Private Placement	4,10,99,506	39,22,45,060	2,05,79,10,211
19	01.02.2021	76,25,000	10	135	Cash	Private Placement	4,87,24,506	46,84,95,060	3,51,42,85,211

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20	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	21.03.2022	2650000	10	201	Cash	Private Placement	5,13,74,506	49,87,45,060	4,02,04,35,211

(iv) **History of Preference Share Capital**

Preference Share Capital History of the Company as on last quarter ended on 31st March 2022, for the last five years:-

Date of Allotment	No of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash)	Nature of Allotment	Cumulative			Remarks
						No of Preference Shares	Preference Shares Capital	Preference Share Premium (Rs)	
Non- Convertible , Redeemable , Cumulative , Preference Shares under NCRCPS 2018 Series I (redeemed on August 16, 2019)									
16/08/2018	20,00,000	10	10	Cash	Private Placement	20,00,000	2,00,00,000	-	
0.01% Non-Cumulative, Participating, Compulsorily Convertible Preference Shares ("CCPS Series-1")									
31/03/2020*	27,22,222	10	135	Cash	Private Placement	27,22,222	2,72,22,220	340277750	
22/05/2020*	50,55,556	10	135	Cash	Private Placement	77,77,778	7,77,77,780	972222250	
23/03/2022	2985100	10	201	Cash	Private Placement	29,85,100	29,85,1000	57015410 0	

*77,77,778 Preference Shares have been converted to Equity Shares of the Company in the ratio 1:1 on 27th January, 2021.

SATYA MICROCAPITAL LIMITED New Delhi

(v) Amalgamation/ Acquisition

There has been no acquisition or amalgamation in the last 1 (one) year

(vi) Reorganization or Reconstruction

Details of any Reorganization or Reconstruction in the last 1 year: **Not Applicable**

(vii) Details Of The Shareholding Of The Company As On The Latest Quarter End

Shareholding Pattern of the Company as on the latest quarter end:

The shareholding pattern of the Company as on last quarter ended on 31st March, 2022:-

1. Equity Shares

Sr. No	Name of Shareholders/Particulars	Total No. of Equity Shares	Total Shareholding as a % of total no. of equity shares**	Number of shares held in Demat Form
1	Vivek Tiwari*	11,668,200	22.71	11,668,200
2	Other Promoters	2,087,300	4.06	2,087,300
3	Dia Vikas Capital Private Limited	6,773,475	13.18	6,773,475
4	Gojo & Company, Inc.	26,963,315	52.48	26,963,315
5	Others	3,071,101	5.98	69005
6	Satya Employee Welfare Trust	811,115	1.58	811,115
	Total	**51,374,506**	**100.00**	**48372410**

Note: Details of Pledge or encumbrance by the promoters (if any):

Sr. No	Name of the Shareholders	Total No. of Equity shares held	Total No. of Equity share already pledged
a.	Mr. Vivek Tiwari	11,668,200	14,93,000

(viii) Top 10 shareholders of the Company

The list of top 10 holders of equity shares of the Company as on the latest quarter ended 31st March 2022

SATYA MICROCAPITAL LIMITED New Delhi

a. Equity Shares

S. N	Name of the Shareholders	Total Number of Equity shares	Number of shares held in dematerialized Form	Total Shareholding as a % of total no. of equity shares.**
1.	Gojo & Company Inc.	26,963,315	26,963,315	52.48
2.	Vivek Tiwari	11,668,200*	11,668,200*	22.71
3.	Dia Vikas Capital Private Limited	67,73,475	67,73,475	13.18
4.	Koshish Marketing Solutions Pvt Ltd.	19,02,300	19,02,300	3.70
5.	Satya Employee Welfare Trust	811115	811115	1.58
6.	Shekhar Mahajan	3,39,090	3,39,090	0.66
7.	Neeraj Maheshwari	1,56,000	-	0.30
8.	Mahabal Metals Pvt. Ltd.	1,25,000	1,25,000	0.24
9	Koshish Sustainable Solutions Private Limited	1,17,367	1,17,367	0.23
10.	Vandna Tiwari	1,13,500	1,13,500	0.22
	TOTAL	48969362	48813362	95.32

**includes 2500000 partly paid Equity Shares.*
*** percentage shareholding has been calculated on fully diluted basis.*

DIRECTORS OF THE COMPANY

1. The details of the current directors of the Company is given below:

S. No.	Name of the Director	Designation	Date of Birth	Age	Address	DIN	Director of the company since	Details of other 41uthor directorships

SATYA MICROCAPITAL LIMITED New Delhi

1	Surekha Marandi	Independent Director	27.07.1959	61	401, Sun Plazzo, Senapati Bapat Marg Near Alkem Laboratories, Delisle Road, L Ower Parel Mumbai-400013	06952573	28.02.2020	Origo Commodities India Private Limited
2	Mohan Chandanathil Pappachan	Independent Director	27.05.1956	64	65/1928 A Chandanathil House Manakaparampil Lane, Azad Road, Near Renewal Center Kaloor Ernakulam-682017	02661757	11.08.2017	1. ESAF Small Finance Bank Limited 2. VIAN GROWTH CAPITAL PRIVATE LIMITED

SATYA MICROCAPITAL LIMITED New Delhi

3	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	ITX Trading And Financial Services Private Limited; Epilepsy Foundation; Ditya Finance Private Limited
4	Vivek Tiwari	Managing Director, CEO & CIO	01.04.1978	44	Flat No. A-406 Gaur Grandeur, Sector-119, Parthala Khanjarpur Gautam Buddha Nagar, Up-201304	02174160	18.02.2016	Koshish Sustainable Solutions Private Limited Satya Shakti Foundation Satyapath Social Foundation Credentia Finclusion Private Limited V& S Advisors (OPC) Private Limited
5	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	Ambadi Enterprises Limited IFCI Factors Limited NABFINS Limited KAN AND MORE PRIVATE LIMITED

SATYA MICROCAPITAL LIMITED New Delhi

6	Saneesh Singh	Nominee Director	19.09.1968	52	Flat No. 224, Dlf Park Place, Dlf City Phase -5, Gurgaon Sector 56 Gurgaon, Haryana-122011	02254868	26.10.2017	ESAF Financial Holdings Private Limited Cashpor Micro Credit MI India Capital & Investment Private Limited ESAF Small Finance Bank Limited Growing Opportunity Finance (India)Private Limited MI India Capital Consultants Private Limited Dia Vikas Capital Private Limited

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7	Sanjay Gandhi	Nominee Director	06.02.1966	54	2/7, Hamelia Street, Vatika City, Sohna Road, Sector 49, South City-II Gurgaon, Haryana-122018	022342 98	01.08.20 18	LF Financial Services Private Limited Aviom India Housing Finance Private Limited Ananya Finance For Inclusive Growth private Limited Frame Technology Marketing Services Private Limited Mock Rate Plus Private Limited

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8	Ratnesh Tiwari	Director	07.04.1987	35	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	071313 31	28.10.20 16	Koshish Sustainable Solutions Private limited Koshish Marketing Solutions Private Limited Satya Shakti Foundation Credentia Finclusion Private Limited Medicall Services Private Limited HDMR Healthcare Private Limited Satya Path Social Foundation
9	Taejun Shin	Nominee Director	01.10.1981	40	5-10-49-1210 Yashio, Shinagawa, Tokyo, Japan 1400003	080562 36	18.01.20 20	Ananya Finance for Inclusive Growth Private Limited

2. Change in directors

The details of change in directors since last three years (FY 2018-19, FY 2019-20 and FY 2020-21, period up to March 31, 2022:-

Name	Designation	DIN	Date of Appointment	Date of Cessation, ifapplicable	Date of resignation, if applicable	Remarks
Sanjay Gandhi	Nominee Director	0223 4298	01.08.2018	N.A.	N.A.	Appointed
Naveen Surya	Director	0009 4514	29.08.2019	N.A.	N.A.	Appointed
Vijayalaksh mi Das	Director	0062 4128	06.02.2017	N.A.	N.A.	Cessation due to death
Surekha Marandi	Director	0695 2573	28.02.2020	08.02.2020	N.A.	Appointed

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Rahul Gupta	Director	0747 8822	20.10.2016	N.A.	08.01.2021	Cessation due to pre-occupation
Taejun Shin	Nominee Director	0805 6236	18.01.2021	N.A.	N.A.	Appointed
Mukul Jaiswal	Director	0269 6656	12.01.2017	N.A.	21.09.2021	Cessation due to pre-occupation
Deepali Pant Rajeev Joshi	Director	0713 9051	24.09.2021	N.A.	N.A.	Appointed

AUDITORS OF THE COMPANY

Current auditor

The details of the auditors of the Company:

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

Details of change in auditors:

Details of change in auditor since last three years (FY 2018-19, FY 2019-20 and FY 2020-21) period up to March 31, 2022

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	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,	Resigned 23.09.2021	01.04.2017	Resigned in compliance of RBI Guidelines RBI/2021-22/25

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	Gurugram-122002, Haryana			Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021
S.N. Dhawan & Co., LLP	108, Mercantile House 15, Kasturba Gandhi Marg, New Delhi 110001	24.09.2021	-	Appointed

DETAILS OF THE BORROWING OF THE COMPANY AS ON THE LATEST QUARTER END

The details of the borrowing of the Company, as on the latest quarter ended on March 31, 2022 is as under:

1. **Secured Loan Facilities**

(i) Details of Secured Loan Facilities (as on 31-03-2022):								
							Security	
S.No	Lender's Name	Type of Facility	Cumulative Amount Sanctioned (Rs. Cr)	Principal Amount O/s as on 31-03-2022 (Rs.Cr.)	Principal Repayment Date/ Schedule (as per last sanction)	Interest Repayment Date/ Schedule (as per last sanction)	Primary Security (book debt hypothecation%)	Percentage of Cash Collateral %)
1	IDBI Bank Limited	Term Loan	10.00	9.38	Monthly	Monthly	110	0.00%
2	Small Industrial Development Bank of india	Special Scheme	80.00	41.00	Monthly	Monthly	110	10.00%
3	HSBC	Term Loan	50.00	45.24	Monthly	Monthly	100	0.00%
4	SBM Bank	Term Loan	20.00	20.00	Monthly	Monthly	110	0.00%
5	Bank of India	Term Loan	20.00	18.79	Monthly	Monthly	110	0.00%
6	Canara Bank	Term Loan	50.00	46.86	Monthly	Monthly	110	5.00%
7	Punjab National Bank	Term Loan	100.00	86.11	Monthly	Monthly	110	0.00%
8	State Bank of India	Term Loan	54.50	37.88	Monthly	Monthly	110	15.00%
9	UCO Bank	Term Loan	15.00	15.00	Monthly	Monthly	120	10.00%

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10	Bandhan Bank Limited	Term Loan	180.00	115.48	Monthly	Monthly	105	5.00%
11	DCB Bank Limited	Term Loan	30.00	7.50	Monthly	Monthly	110	5.00%
12	Federal Bank Limited	Term Loan	80.00	70.75	Monthly	Monthly	110	0.00%
13	HDFC Bank Limited	Term Loan	20.00	6.97	Monthly	Monthly	110	0.00%
14	ICICI Bank Limited	Term Loan	170.00	144.55	Monthly	Monthly	110	5.00%
15	IDFC FIRST Bank Limited	Term Loan	301.00	134.30	Monthly	Monthly	110	0.00%
16	Kotak Mahindra Bank Limited	Term Loan	99.80	56.90	Monthly	Monthly	110	5.00%
17	YES Bank Limited	Term Loan	40.00	15.00	Monthly	Monthly	105	10.00%
18	Capital Small Finance Bank Limited	Term Loan	40.00	17.45	Monthly	Monthly	110	0.00%
19	Jana Small Finance Bank Limited	Term Loan	149.00	73.74	Monthly	Monthly	110	0.00%
20	Suryoday Small Finance Bank Limited	Term Loan	25.00	16.46	Monthly	Monthly	110	0.00%
21	Utkarsh Small Finance Bank Limited	Term Loan	76.75	28.22	Monthly	Monthly	110	5.00%
22	Caspian Impact Investments Private Limited	Term Loan	12.50	6.25	Monthly	Monthly	110	0.00%
23	Growth Source Financial Technologies Private Limited	Term Loan	10.00	2.92	Monthly	Monthly	110	0.00%
24	Hero FinCorp Limited	Term Loan	17.00	2.76	Monthly	Monthly	110	0.00%

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25	Hinduja Leyland Finance Limited	Term Loan	50.00	10.76	Monthly	Monthly	110	0.00%
26	Hiranandani Financial Services Limited	Term Loan	13.00	2.03	Monthly	Monthly	110	0.00%
27	Incred Capital Financial Services Limited	Term Loan	33.75	6.88	Monthly	Monthly	105	0.00%
28	J M Financial Products Limited	Term Loan	10.00	10.00	Monthly	Monthly	110	0.00%
29	Kisetsu Saison Finance (India) Private Limited	Term Loan	30.00	30.00	Quarterly	Monthly	110	0.00%
30	Kissandhan Agri Financial Private Limited	Term Loan	13.00	8.31	Monthly	Monthly	110	0.00%
31	Manveeya Developme nt & Finance Private Limited	Term Loan	80.00	36.25	Monthly	Monthly	105	0.00%
32	MAS Financial Services Limited	Term Loan	202.00	63.75	Monthly	Monthly	100	5.00%
33	Nabfins Limited	Term Loan	10.00	10.00	Monthly	Monthly	110	0.00%
34	Nabkisan Finance Limited	Term Loan	45.00	36.67	Quarterly	Monthly	110	0.00%
35	Nabsamrud dhi Finance Limited	Term Loan	30.00	21.13	Monthly	Monthly	110	0.00%
36	Northern Arc Capital Limited	Term Loan	195.50	61.00	Monthly	Monthly	110	0.00%
37	Piramal Capital & Housing Finance Limited	Term Loan	25.00	25.00	Monthly	Monthly	110	0.00%

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38	Profectus Capital Private Limited	Term Loan	16.75	9.25	Monthly	Monthly	110	0.00%
39	Sundaram Finance Limited	Term Loan	10.00	1.19	Monthly	Monthly	118	0.00%
40	Tata Capital 51uthorize Services Limited	Term Loan	15.00	15.00	Monthly	Monthly	110	0.00%
41	Vivriti Capital Private Limited	Term Loan	71.50	29.48	Monthly	Monthly	110	0.00%
42	Water Credit Investment Fund 1	ECB	10.60	10.60	Bullet	Quarterly	100	0.00%
	TOTAL		**2,511.65**	**1,406.80**				

2. **Details of Unsecured Loan**

The Company has availed unsecured loan (in the form of inter corporate deposit) as given below:

Details of Outstanding Unsecured Loan Facilities (as on March 31, 2022)

S.No	Lender's Name	Type of Facility	Original Amount in disbursed currency (INR Cr.)	Principal Amount O/s as on 31-03-2022 (Rs.Cr.)	Repayment Date/ Schedule (as per last sanction)	Tenure (in Months)
1	IDFC First Bank Limited	Subdebt	4.50	4.50	20-03-24	84
2	IDFC First Bank Limited	Subdebt	5.00	5.00	25-02-25	84
3	IFMR Finance for Freedom Fund III with IFMR FImpact Long Term Credit Fund	NCD-Subdebt	20.00	20.00	30-05-25	74

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4	Karvy Capital Limited	NCD-Subdebt	25.00	25.00	08-07-26	84
5	Vivriti India Impact Bond Fund	NCD-Subdebt	30.00	30.00	21-05-27	67
6	Northern Arc India Impact Trust / Fund-	NCD-Subdebt	30.00	30.00	15-03-27	60
	TOTAL		**114.50**	**114.50**		

3. **Non-Convertible Debentures**

Details of Debentures

The details of NCD (issued through private placement) as on 31st March, 2022

Series of Security Name	Original Amount in disbursed currency (INR Cr.)	Outstanding Amount in disbursed currency (INR Cr.)	Tenure (Month)	Coupon	Redemption date/ Schedule	Credit Rating	Date of Allotment	Secured/ Unsecured & Security
Blue Orchard Finance Limited (JAWEF)	34.50	34.50	48	12.40 %	26-07-24	[ICRA]BBB (Stable)	24-07-20	Secured
Blue Orchard Finance Limited (IIF)	38.00	38.00	72	12.40 %	24-07-26	[ICRA]BBB (Stable)	24-07-20	Secured
Blue Orchard Finance Limited (MIFA)	26.00	26.00	60	12.30 %	22-02-26	CRISIL BBB/Stable	22-02-21	Secured
Blue Orchard Finance Limited (COVID)	22.10	22.10	72	12.40 %	30-06-27	[ICRA]BBB (Stable)	30-06-21	Secured
Blue Orchard Finance Limited (JAWEF)	16.10	16.10	72	12.40 %	02-07-27	[ICRA]BBB (Stable)	02-07-21	Secured
Blue Orchard Finance Limited (MIFA)	16.10	16.10	58	12.40 %	05-05-26	[ICRA]BBB (Stable)	05-07-21	Secured

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Blue Orchard Finance Limited (BOMF)-	22.50	22.50	48	12.45 %	30-03-26	[ICRA]BBB (Stable)	30-03-22	Secured
Blue Orchard Finance Limited (JAWEF)-	22.50	22.50	48	12.45 %	30-03-26	[ICRA]BBB (Stable)	30-03-22	Secured
Creation Investments FPI, LLC	13.00	13.00	33	11.76 %	30-12-24	[ICRA]BBB (Stable)	30-03-22	Secured
GMO-Z.com Payment Gateway India Credit Fund	30.00	30.00	18	11.50 %	10-03-23	CRISIL BBB/Stable	31-08-21	Secured
Northern Arc Capital Limited-	24.98	8.33	36	13.60 %	30-09-22	[ICRA]BBB (Stable)	18-09-19	Secured
ResonsAbility India Business Advisors Pvt. Ltd – MEF	20.00	20.00	48	13.80 %	09-09-22	[ICRA]BBB (Stable)	11-09-18	Secured
ResonsAbility India Business Advisors Pvt. Ltd – UTI Wealth Creator)	20.00	20.00	48	13.80 %	09-09-22	[ICRA]BBB (Stable)	11-09-18	Secured
ResonsAbility India Business Advisors Pvt. Ltd. (UTI Wealth Creator)	28.50	28.50	75	13.38 %	22-11-27	[ICRA]BBB (Stable)	23-08-19	Secured
ResonsAbility India Business Advisors Pvt. Ltd. (UTI Wealth Creator)	80.00	80.00	72	12.38 %	12-08-27	CRISIL BBB/Stable	12-08-21	Secured

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I India Business Advisors Pvt. Ltd.	42.00	42.00	48	12.44 %	14-01-26	[ICRA]BBB (Stable)	14-01-22	Secured
SIMA	24.98	8.33	36	13.60 %	30-09-22	[ICRA]BBB (Stable)	18-09-19	Secured
Vivriti Capital Private Limited-	13.00	13.00	33	11.76 %	30-12-24	[ICRA]BBB (Stable)	30-03-22	Secured
Vivriti India Impact Bond Fund	25.00	16.67	36	13.75 %	18-12-23	[ICRA]BBB (Stable)	18-12-20	Secured
Freedom Fund V with IFMR FImpact Income Builder Fund	15.00	15.00	38	14.50 %	24-05-22	PP-MLD [ICRA]BBB (Stable);	26-03-19	Secured
Northern Arc Income Builder Fund (Series II)	20.00	20.00	40	13.16 %	30-09-24	PP-MLD [ICRA]BBB (Stable);	14-06-21	Secured
IFMR Finance for Freedom Fund III with IFMR FImpact Long Term Credit Fund	20.00	20.00	74	15.75 %	30-05-25	[ICRA]BBB (Stable)	29-03-19	Unsecured
Karvy Capital Limited	25.00	25.00	84	14.27 %	08-07-26	[ICRA]BBB (Stable)	08-07-2019 & 01-08-2019	Unsecured
Northern Arc India Impact Trust / Fund-	30.00	30.00	60	15.15 %	15-03-27	[ICRA]BBB (Stable)	14-03-22	Unsecured
Vivriti India Impact Bond Fund	30.00	30.00	67	14.75 %	21-05-27	[ICRA]BBB (Stable)	08-07-2019 & 01-08-2019	Unsecured

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	659.27	617.62			

List of Top 10 debenture as on 31st March 2022:

S.No	Debenture Holder	Original Amount in disbursed currency (INR Cr.)	Outstanding Amount in disbursed currency (INR Cr.)	Remarks	% of tota l NCS outstanding
1	Blue Orchard Finance Limited (BOMF, MIFA, JAWEF, IIF & COVID)	197.80	197.80		32.03
2	ResonsAbility India Business Advisors Pvt. Ltd. (MEF & UTI Wealth Creator)	190.50	190.50		30.84
3	Vivriti India Impact Bond Fund *(Secured+Unsecured)	55.00	46.67	(16.6667 secured + 30Unsecured)	7.56
4	GMO-Z.com Payment Gateway India Credit Fund	30.00	30.00		4.86
5	Northern Arc India Impact Trust / Fund	30.00	30.00		4.86
6	Karvy Capital Limited	25.00	25.00		4.05
7	Northern Arc Income Builder Fund (Series II)	20.00	20.00		3.24
8	IFMR Finance for Freedom Fund III with IFMR FImpact Long Term Credit Fund	20.00	20.00		3.24
9	Freedom Fund V with IFMR FImpact Income Builder Fund	15.00	15.00		2.43
10	Creation Investments FPI, LLC	13.00	13.00		2.10
11	Vivriti Capital Private Limited	13.00	13.00		2.10
	TOTAL	**609.30**	**600.97**		

Corporate Guarantee issued by the Company

The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, Group Company, etc.) on behalf of whom it has been issued: **Not Applicable**

Commercial Papers

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The total Face Value of Commercial Papers Outstanding as on the latest quarter end on 31st March 2022 to be provided and its breakup in following table: **NIL**

Other Borrowings

Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on 31st March, 2022: **NIL**

Party Name	Type of Facility / Instrument	Amount Sanctioned / Issue	Principal Amount outstanding	Redemption Date	Credit Rating	Secured / Unsecured	Security
Not Applicable							

Note: The Company does not have any other borrowing except secured & unsecured loans as mentioned above.

Other outstanding borrowing (other than in cash)

As on March 31, 2022, the Company does not have any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not:
Nil

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:** 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.

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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).

(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, 2021
Concentration of advances*	
Total advances to twenty largest borrowers	1.11
Percentage of advances to twenty largest borrowers to total advances	0.01%
Concentration of exposures*	
Total exposure to twenty largest borrowers	1.11
Percentage of exposure to twenty largest borrowers to total exposure	0.01%

(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

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(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 I 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**

Type of Borrowings	Outstanding as at December 31, 2021 (INR) (in Crore)	%
Secured Borrowings	1336.19	94.05%
Unsecured Borrowings	84.50	5.96%
Total	1420.69	100%

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 I 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 I of paragraph (J) in this table below.

F. Details of Gross NPA

(a) Segment wise:

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

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

Nil

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	1476.16
	Total assets under management (AUM)^^	1476.16

**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	-

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	D	MFI	100%
	E	MSME	-
	F	Capital market funding (loans against shares, margin funding)	-
	G	Others	-
	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	100%
2	Rs. 2-5 lakh	-
3	Rs. 5 – 10 lakh	-
4	Rs. 10 – 25 lakh	-
5	Rs. 25 – 50 lakh	-
6	Rs. 50 lakh – 1 crore	-
7	Rs. 1 – 5 crore	-
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	21.09%
2	Bihar	15.32%
3	Punjab	9.75%
4	Haryana	8.73%
5	Rajasthan	7.30%
	Total	**62.20%**

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	15.07
- Additions during the year	15.52
- Reductions during the year	(11.39)
Closing balance of gross NPA	19.20

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	**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	9.97
- Provisions made during the year	6.89
- Write-off/ write-back of excess provisions	(5.68)
Closing balance	11.18

(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	1.54%
2	**Wholesale**	
A	Infrastructure	-
B	Real estate (including builder loans)	-
C	Promoter funding	-
D	Any other sector (as applicable)	-
E	Others	-
	Total	**1.54%**

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	763.74	465.27	637.50	1794.01	3423.92	5288.77	13.68	0	12386.88
Investments	-	-	-	-	-	-	-	-	-
Borrowings	453.54	422.24	466.10	1685.79	2723.50	3876.17	1115.80	526.56	11269.80

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

Defaults in borrowing

The 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 Company, in the past 3 years including the current financial year:

Party Name (in case of Facility/ Instrument Name)	Type of Facility/ Instrument	Amount sanctioned/issued	Principal amount outstanding	Repayment Date/Schedule	Secured/ Unsecured	Credit Rating
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Material event/ development affecting investment decision

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

Nil

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

Details of default and non-payment of statutory dues; No default

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

Catalyst Trusteeship Limited has been appointed as Debenture Trustee for the proposed Issue. The Debenture Trustee has given their consent to the Issuer for its appointment under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended up to date, and a copy of the consent letter is enclosed as **ANNEXURE III** to this Disclosure Document. The Company will enter into a Trusteeship Agreement/ Debenture Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Company and the Debenture Trustee in respect of the Debenture.

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The Debenture Holders shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to and authorized the Debenture Trustee or any of their Agents or authorized officials to do, inter cilia, all such acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures being offered in terms of this Disclosure Document. All rights and remedies under the Debenture Trust Deed / Trusteeship Agreement and/or other security documents shall rest in and be exercised by the Debenture Trustee without having it referred to the Debenture holders. Any payment made by the Company to the Debenture Trustee on behalf of the Debenture holder(s) shall discharge the Company to that extent to the Debenture holder(s). No Debenture holder shall be entitled to proceed directly against the Company unless the Debenture Trustee, having become so bound to proceed, fails to do so.

Company reserves the rights to appoint any other SEBI registered Trustee.

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

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

5. **The day count convention for dates on which the payments in relation to the debt securities /non-convertible redeemable preference shares which need to be made, should be disclosed.**

Coupon and all other charges shall accrue based on actual/actual day count conventionin 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;*

5. **Procedure and time schedule for allotment and issue of securities should be disclosed;**

The issue schedule for the issue of the Debentures is as follows:

PARTICULARS	DATE
Issue Opening Date	May 30, 2022
Issue Closing Date	May 30, 2022
Pay In Date	May 30, 2022
Deemed Date of Allotment	May 30, 2022

5. **Cash flows emanating from the debt securities / non- convertible redeemable preference shares shall be mentioned in the offer document, by way of an illustration.**

1. **Illustration of Cash Flow**

The cash flows emanating from the non-convertible securities according to the day count convention (Actual/ Actual) shall be mentioned in the Disclosure document, by way of an illustration.

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For the purpose of standardization, if the coupon/ dividend payment date of the non- convertible securities falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document. If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In order to ensure consistency, a uniform methodology shall be followed for calculation of interest/ dividend payments in the case of leap year. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.

A sample illustration is given below:

Company	Satya Microcapital Limited
Face Value (per Debenture)	Rs.10,00,000 each
Issue Date/Deemed Date of Allotment	The date on which the board of directors of the Issuer passes the resolution to allot the Debentures
Maturity Date	February 29, 2024
Coupon Rate	11.61%
Frequency of the Interest Payment with specified dates	Monthly
Day Count Convention	Actual/Actual

Period (Months)	Interest/Principal Payment Dates	Principal	Interest	Total
0	30-May-22	-25,00,00,000		(25,00,00,000)
1	30-Jun-22	-	24,65,137	24,65,137
2	31-Jul-22	-	24,65,137	24,65,137
3	31-Aug-22	3,57,14,286	24,65,137	3,81,79,423
4	30-Sep-22	-	20,44,814	20,44,814
5	31-Oct-22	-	21,12,975	21,12,975
6	30-Nov-22	3,57,14,286	20,44,814	3,77,59,100
7	31-Dec-22	-	17,60,812	17,60,812
8	31-Jan-23	-	17,60,812	17,60,812
9	28-Feb-23	3,57,14,286	15,90,411	3,73,04,697
10	31-Mar-23	-	14,08,650	14,08,650
11	30-Apr-23	-	13,63,209	13,63,209
12	31-May-23	3,57,14,286	14,08,650	3,71,22,935
13	30-Jun-23	-	10,22,407	10,22,407
14	31-Jul-23	-	10,56,487	10,56,487
15	31-Aug-23	3,57,14,286	10,56,487	3,67,70,773
16	30-Sep-23	-	6,81,605	6,81,605
17	31-Oct-23	-	7,04,325	7,04,325
18	30-Nov-23	3,57,14,286	6,81,605	3,63,95,890
19	31-Dec-23	-	3,52,162	3,52,162
20	31-Jan-24	-	3,51,200	3,51,200
21	29-Feb-24	3,57,14,286	3,28,542	3,60,42,828

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Wherever the coupon payment date is falling on a Sunday, the coupon is paid on the following working day and coupon payment period has been calculated for 366/367 days accordingly (after increasing 1 day),
The interest payment has been rounded to nearest rupee as per FIMMDA 'Handbook on market practices', Whenever maturity date of principal falls on a holiday, such principal/redemption amount and accrued interest are calculate as payable on the immediately previous working day and accordingly calculation has been adjusted.

Note
The Issuer requested to note that the above cash flow is only illustrative in nature„ The deemed date of allotment, Coupon rate, redemption date and frequency of the interest payment shall vary in nature and aforesaid dates may be modified upon receipt of consent/ permission from existing lender,
In case of early redemption of any principle repayment as per the provisions of early redemption option in Debenture Trust Deed, the above cash flow may be changed accordingly.

Disclosures pertaining to wilful defaulter:

The disclosures pertaining to wilful defaulter is as provided in this Placement Memorandum.

UNDERTAKING BY THE ISSUER

Please refer to Section 3 of this Placement Memorandum.

Risk Factors

Please refer to Section 4 (*Risk Factors*) of this Placement Memorandum

Other Details

(i) DRR creation – relevant regulations and 65uthorized65io

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

(ii) Issue/ Instrument specific regulations

The Debentures are governed by and will be construed in accordance with the Indian Law. The Issuer, the Debentures and Issuer's obligations under the Debentures shall, at all times, be subject to the directions of the Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), Stock Exchanges, Companies Act, 2013 and other applicable laws and regulations from time to time.
Over and above, the said debentures shall be subject to the term and conditions as contained in the offer letter /term sheet, application form and the Debenture Trust Deed / Trustee Agreement.

(iii) **Default In Payment;**

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In case of default in payment of Interest and/or principal redemption on the Debentures on the due dates, additional interest at 5% p.a. (five percent per annum) over the Coupon Rate will be payable by the Issuer for the defaulting period.

(iv) Delay in Listing:

The Debentures are proposed to be listed on Bombay Exchange of India Ltd. (BSE'), being the Designated Stock Exchange. The details of BSE Limited are as below:

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Phone: +91 22 2272 1233/4
Fax: +91 22 2272 1919

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 ", 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 66uthori the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).

(v) Delay in allotment of securities and unblocking of application money in case of refund:

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.

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**").

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.

(vi) Issue details:

As detailed in Section 8 of this Disclosure Document.

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

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The finalised form of the PPOA prepared in accordance with the Form PAS 4 prescribed under the Companies (Prospectus and Allotment of Securities), Rules, 2014 is provided as **ANNEXURE XIII.**

(viii) 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

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APPLICATION PROCESS

20 Who can invest /apply?

The investors, who specifically approached, who are eligible to apply for this private placement of Debentures are mentioned in the Term Sheet. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

All such Investors / transferees are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of / purchasing the Debentures and with respect to any subsequent transfer of the Debentures and shall be bound by the terms and conditions of the Debentures as set out in this Disclosure Document. It is clarified that applications are not to be made by a 'person resident outside India' as defined under the Foreign Exchange Management Act, 1999 (including foreign portfolio investors, non-resident Indians, overseas corporate bodies, etc.)

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form as set out in **ANNEXURE X** 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 relevant Application Form. No application can be made for a fraction of a Debenture. The series of Debentures applied for must be clearly indicated in the Application Form. 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 interest/ redemption warrants.

An Application Form must be accompanied by either demand draft(s) or cheque(s) drawn or made payable in favour of the Issuer or otherwise as may be set out in the Application Form and crossed "Account Payee Only". Cheque(s) or demand (s) may be drawn on any bank including a co-operative bank. If permitted, the applicant may transfer payments required to be made in relation to any by electronic transfer of funds/RTGS, to the bank account of the Issuer as per details mentioned in the Application Form.

Force Majeure: The Company reserves the right to withdraw the issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Company reserves the right to change the Issue Schedule.

Right to Accept or Reject Applications: The Company reserves its full, unqualified and absolute right to accept or reject the application, in part or in full, without assigning any reason thereof. The rejected applicant will be intimated along with the refund warrant, if applicable. No interest on application money will be paid on rejected applications. The application form that is not complete in all respects is liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

(i) Number of Debentures applied for is less than the minimum application size;
(ii) Application exceeding the issue size;
(iii) Bank account details not given;
(iv) Details for issue of Debentures in electronic or 68uthorized68ion form not given; PAN or GIR and IT Circle or Ward or District not given;

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(v) In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;
(vi) In the event, if any Debentures applied for is or are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

Basis of Allotment:
Notwithstanding anything stated elsewhere, the Company reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to Investors on a first cum first serve basis. The Investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Company by the Deemed date of allotment.

Deemed date of allotment for the issue is May 30, 2022 by which date Investors would be intimated of allotment.

Payment Instructions
Upon receipt of intimation of allotment, application form along with cheque(s)/drafts favouring "**Satya Microcapital Limited share account**", crossed Account Payee only. Applicants can alternatively, remit the application amount through RTGS on **ICICI Bank**. The RTGS details of the Issuer are as under:

Bank Name and Address	ICICI Bank Ltd ICICI Bank Ltd, Krishna Apra Royal Plaza, D2, EACB, Alpha 1, Greater Noida, Uttar Pradesh 201306
IFSC Code	ICIC0000254
Bank Account No:	250605000070
Type of Account	Current Account

21 Documents to be provided by Investors / applicants

Investors need to submit the following documents, along with the Application Form, as applicable

(i) Memorandum and Articles of Association along with Certificate of Incorporation/Documents Governing Constitution
(ii) Board Resolution / letter authorizing the investment and containing operating instructions
(iii) Certified true copy of the Power of Attorney, if applicable
(iv) PAN card
(v) Form 15AA for investors seeking exemption from Tax Deduction at Source (TDS) — both on Interest on Application Money as well as annual interest payments
(vi) Specimen signature of the authorized signatories, duly certified by an appropriate authority
(vii) SEBI Registration Certificate, as applicable
(viii) Application form (including RTGS details)

22 Applications to be accompanied with bank account details

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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 interest and all other amounts payable to the Debenture Holder(s) through electronic transfer of funds or RTGS.

23 Applications under Power of Attorney

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's branch where the application has been submitted failing which the applications are liable to be rejected.

24 Interest on Application Money

Interest on Application Money will be paid at the applicable coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of Income Tax Act, 1961 or any statutory modification or re-enactment thereof) and will be paid on the entire application money on all valid applications.

Such interest shall be paid for the period commencing from the date of credit by way of funds transfer / Real time gross settlement up to one day prior to the date of allotment.
No interest on application money would be payable in cases of invalid applications.

25 Letters of Allotment

The Debentures will be credited in dematerialised form within 2 (two) Business Days from the Deemed Date of Allotment

26 Record Date

The record date for payment of Coupon or repayment of principal shall be 15 calendar days of redemption / payment of coupon of such Debentures.

27 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.

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 Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

28 Payment on Redemption

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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 relevant Debenture Holder(s) whose names appear on the List of beneficial owners given by the Depository to the Company as on the Record Date. The Debentures shall be taken as discharged on payment of the redemption amount by the Company on relevant maturity date(s) to the respective registered Debenture Holder(s) whose name appears in the register of debenture holder(s) on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holder(s) of such series. On such payment being made, the Company will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted. The Company's liability to the Debenture Holder(s) towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the dates of such redemption. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

29 **Mode of Payment**

All payments must be made through cheque(s)/draft(s)/transfers/RTGS as set out in the application form.

30 **Effect of Holidays**

In the event that any date on which any Coupon payment is required to be made by the Issuer is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date(s) for that payment. In the event that the Redemption Date(s) in respect of the Debentures is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for redemption of Debentures

31 **Payment of Coupon**

Coupon for each of the Coupon periods shall be computed on an actual/actual days a year basis on the principal outstanding on the Debentures at the Coupon Rate.If the Coupon period from start date to end date includes February 29, then interest shall be paid on the basis of (end date-start date)/366.

32 **Tax Deduction at Source**

Income tax will be deducted as applicable as per the provisions of Income Tax Act, 1961. Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder a Certificate of Tax Deduction at Source.

33 **PAN/GIR Number**

Applicant should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

34 **Signatures**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.

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35 **Basic terms of the present offer**

Refer Issue Details / Term sheet for issue specific details.

36 **Minimum Subscription**

Minimum subscription is not applicable for privately placed debentures.

37 **Deemed Date of Allotment**

Deemed Date of Allotment All the benefits under the Debentures, including but not limited to the payment of Coupon, will accrue to the Investor from the deemed date of allotment. The deemed date of allotment for the Issue is May 30, 2022.

All benefits related to the Debentures will be available to the Debenture Holders from the Deemed Date of Allotment. The actual allotment of the Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/Deemed date(s) of Allotment at its sole and absolute discretion without any notice to the Debenture holders. In case the Issue Closing Date is revised, the Deemed Date of Allotment may also be revised by the Company at its sole and absolute discretion.

38 **Market Lot Market lot will be one Debenture**

Contributions being made by the promoters or directors either as part of the Issue or separately in furtherance of such objects- **None**

39 **Security**

The Debentures are proposed to be secured by the assets and security details as given in Issue Detail/ Term Sheet.

40 **Debentures in Dematerialized Form**

The Company is issuing the Debentures only in dematerialized form and hence no Debentures are being issued in physical form in terms of the Information Memorandum. The Company has entered in to Depository Arrangements with NSDL for dematerialization of the Securities.
Applicants have to mention their Depository Participant's name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. Debentures of successful Debenture Holders having Depository Account shall be credited to their Depository Account.

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 way of cheque(s)/ redemption warrant(s)/ demand draft(s)/ credit through RTGS system/ funds transfer to those Debenture Holder(s) whose names appear on the list of Beneficiaries provided by the Depositories to the Issuer. The names would be as per the Depositories' records on the relevant 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 Depositories to the Issuer and the Registrar. Based on the information

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provided above, the Issuer/Registrar will dispatch the cheque for interest / Coupon payments to the beneficiaries. If permitted, the Issuer may transfer payments required to be made in relation to any by electronic transfer of funds/RTGS, to the bank account of the Debenture Holder for redemption and interest/ Coupon payments.

41 Joint-Holders

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint holders with benefits of survivorship in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company, subject to other provisions contained in the Articles of Association of the Company.

42 Mode of Transfer

The Debentures shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company. The provisions relating to transfer and transmission, nomination and other related matters in respect of equity shares of the Company, contained in the Articles of Association of the Company, shall apply mutatis mutandis to the transfer and transmission of the Debentures and nomination in this respect.

The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depositories 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, Coupon will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories 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 electronic form. The transferor should give delivery instructions containing details of the transferee's depository account to his Depository. Investors may note that subject to applicable law, the Debentures of the Issuer would be issued and traded in dematerialised form only.

43 Succession

In the event of demise of the sole holder of the Debentures, the Company will recognize the executor or administrator of the deceased Debenture holder, or the holder of succession certificate or other legal representative as having title to the Debentures. The Company shall not be bound to recognize such executor, administrator or holder of the succession certificate, unless such executor or administrator obtains probate or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter. The Directors of the Company may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the deceased Debenture holder on production of sufficient documentary proof and / or indemnity.

44 Governing law

The Debentures shall be construed to be governed in accordance with Indian Law.

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The courts and tribunals at Chennai shall have exclusive jurisdiction in connection with any dispute arising out of or in connection with this Debentures. The Debenture Holders and the Debenture Trustee shall not be prevented from taking proceedings relating to a dispute in any other courts and tribunals with jurisdiction. To the extent allowed by applicable law, the Debenture Holders and the Debenture Trustee may take concurrent proceedings in any number of jurisdictions. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the Debenture Holders and the Debenture Trust Deed.

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ISSUE DETAILS

The following term sheet summarizes the principal items with respect to the financing facility to be provided to SATYA MicroCapital Limited ("**Borrower**" or "**Company**") by the Investor.

For the avoidance of the doubt, except as specifically stated, this term sheet does not attempt to describe all terms and conditions of the transaction contemplated herein. The term sheet is intended to outline certain basic terms around which transaction could be structured. All proposed terms and conditions are subject to execution of mutually satisfactory transaction documents, satisfactory legal, technical & financial diligences, meeting of stipulations as contained herein etc.

Particulars	Terms and Conditions
Security Name	11.61% SML 2024
Borrower/Issuer	Satya Microcapital Limited
Nature of the Instrument	Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private Placement
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 I(c) Provident Funds and Pension Funds (d) Corporates I(e) Banks (f) Foreign Institutional Investors (FIIs) (g) Qualified Foreign Investors (QFIs) (h) Foreign Portfolio Investors (FPIs) (i) Insurance Companies (j) Alternative investment funds (k) 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.

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Listing (including 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) trading days from the date of closure of the Issue for the Debentures.
Rating of Instrument	Acuite A-
Option to retain oversubscription	N.A.
Issue Size	Rs. 25 Crore (Rupees Twenty Five Crore Only)
Minimum Subscription	The minimum application size for the Issue shall be 1 (one) Debenture and inmultiples of 1 (one) Debenture thereafter.
Objects of the Issue	The fund raised through this Issue will be utilized to augment the long-term resources of the company, & to meet working capital requirement. The Company undertakes that the proceeds of the current Issue shall not be used for any purpose which may be in contravention of the regulations/guidelines/norms issued by RBI/SEBI/RoC/BSE.
Details of the utilization of the Proceeds	The Issuer shall utilize the proceeds of the Issue solely for meeting the Objects of the Issue as stated in the Information Memorandum. No part of the proceeds from the Issue will be used towards: i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities; ii. any speculative purposes; iii. investment in the real estate sector; or iv. in contravention of any applicable law
Coupon Rate	11.61% p.a.
Step Up/ Step Down Coupon Rate	Step-Up Coupon: 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
Coupon Payment Frequency	Monthly
Coupon Payment Dates	Dates on which coupon will be paid.
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, Interest rate cap and floor etc.).	Not Applicable
Day Count Basis	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

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<table>
<tr><td></td><td>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.</td></tr>
<tr><td>Default Interest Rate</td><td>Coupon Rate plus 5.0% (Five Percent)</td></tr>
<tr><td>Tenor</td><td>21 months</td></tr>
<tr><td>Redemption Date</td><td>February 29, 2024</td></tr>
<tr><td>Redemption Amount</td><td>25,00,00,000</td></tr>
<tr><td>Redemption Premium / Discount</td><td>Nil</td></tr>
<tr><td>Issue Price</td><td>At Par</td></tr>
<tr><td>Face Value</td><td>Rs. 10,00,000 per debenture instrument</td></tr>
<tr><td>Minimum Application and in multiples of Debt securities thereafter</td><td>1 Debentures and in multiple of 1 thereafter</td></tr>
<tr><td>Issue Timing</td><td><table><tr><td>Issue Opens on:</td><td>May 30, 2022</td></tr><tr><td>Issue Closes on:</td><td>May 30,2022</td></tr><tr><td>Pay in Date</td><td>May 30 ,2022</td></tr><tr><td>Deemed date of allotment</td><td>May 30 ,2022</td></tr></table></td></tr>
<tr><td>Issuance mode of the Instrument</td><td>Dematerialised form</td></tr>
<tr><td>Trading Mode of the Instrument</td><td>Dematerialised form</td></tr>
<tr><td>Settlement mode of the Instrument</td><td>Dematerialised form</td></tr>
<tr><td>Depository</td><td>NSDL and CDSL</td></tr>
<tr><td>Business Day Convention</td><td>Actual/Actual</td></tr>
<tr><td>Record Date</td><td>15 calendar days prior to each Coupon Payment</td></tr>
<tr><td>All covenants of the issue (including side letters, accelerated payment clause, etc.)]</td><td>Refer to Section 9 of this Disclosure Document</td></tr>
<tr><td>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</td><td>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)</td></tr>
</table>

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specified in the Debenture Trust Deed and disclosed in the Offer Document/ Information Memorandum	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. <u>Eligibility Criteria for the Hypothecated Receivables:</u> • 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; • Each loan under the Portfolio should comply with the guidelines under the Master Circular for Priority Sector Lending dated July 7, 2016 issued by the Reserve Bank of India (RBI) and as amended or modified or restated from time to time.

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	• 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. The receivables should not be restructured or reschedule.
Transaction Documents	Including but not limited to the following documents: 1. Debenture Trust Deed 2. Information Memorandum 3. Debenture Trustee Appointment Agreement; 4. Deed of Hypothecation; 5. Term Sheet; 6. Board, Committee(s) of Board and Shareholders Resolution authorising the Issue; and Any other documentation as may be desired by the Debenture Trustee and mutually agreed with Issuer
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/Committee(s) 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 Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place;

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	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:- 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; vi. The delivery by the Company to the Debenture Trustee, of certificates signed by authorized signatories of the Company, in a form and substance satisfactory to the Debenture Trustee, with respect to: a. incumbency and signatures; b. absence of any Event of Default, any potential Event of Default, any force majeure event and any Material Adverse Effect; c. all representations and warranties contained in this 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 d. the Debenture Trustee shall have received from the Company its audited account statements for the Previous Year. vii. Due execution of the Depository Agreements by, inter-alia, the Depository and the Company; viii. Due execution of the Tripartite Agreement by, inter-alia, the Registrar and Transfer Agent, Depository and the Company;

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	ix. The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; x. 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	Company shall fulfil each of the following conditions within the stipulated timelines: i. The Company shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 3 along with requisite fee within the timelines prescribed by the Act and Rules thereunder; ii. File CHG 9 with Registrar of Companies within the timelines prescribed by the Act and Rules thereunder; and iii. Credit the demat account of the Applicants with such number of Debentures which have been allotted to them within 2 (Two) Business Days from the Deemed Date of Allotment. iv. The Company shall provide/submit all such post listing disclosures as required under Operational Circular and NCS Listing Regulations. v. Submit to the Debenture Trustee, the audited financial statements of the Company for the Financial Year ended March 31, 2022
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	refer to Section 9 of this Disclosure Document]
Creation of recovery expense fund	Details and purpose of the recovery expense fund 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. The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents.

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	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. 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 Debenture Trust Deed)	refer to Section 9 of this Disclosure Document]
Provisions related to Cross Default Clause	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	refer to Section 9 of this Disclosure Document
Risk factors pertaining to the issue	Refer to Section 4 of the Disclosure Document
Governing Law and Jurisdiction	Indian laws. Non-exclusive jurisdiction of the courts of Chennai

The issuer shall provide granular disclosures in their 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".

To augment the long-term resources of the company, & to meet working capital requirement.

The Issuer shall utilize the proceeds of the Issue solely for meeting the Objects of the Issue as stated in the Information Memorandum. No part of the proceeds from the Issue will be used towards:

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

ii. any speculative purposes;

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iii. investment in the real estate sector; or

iv. in contravention of any applicable law

(i) While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

(ii) 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.

(iii) Before making the application for listing of debt securities, the Issuer shall create charge as specified in the Debenture Trust Deed/ Disclosure Document, in favour of the debenture trustee and also execute debenture trust deed (DTD) with the Debenture trustee. The Stock Exchange(s) shall list the debt securities only upon receipt of a due diligence certificate as per format specified in SEBI NCS Regulations from debenture trustee confirming creation of charge and execution of the Debenture Trust Deed. The charge created by Issuer shall be registered with Sub-registrar, Registrar of Companies, CERSAI, Depository etc., as applicable, within 30 days of creation of such charge. In case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered a breach of covenants/ terms of the issue by the Issuer.

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DISCLOSURE PERTAINING TO WILFUL DEFAULT

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

- Name of the bank declaring the entity as a willful defaulter:
  Nil

- The year in which the entity is declared as a willful defaulter:
  N.A.

- Outstanding amount when the entity is declared as a willful defaulter:
  N.A.

- Name of the entity declared as a willful defaulter:
  N.A.

- Steps taken, if any, for the removal from the list of willful defaulters:
  N.A.

- Other disclosures, as deemed fit by the issuer to enable Investors to take informed decisions:
  N.A.

- Any other disclosure as specified by the Board:
  N.A.

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KEY TERMS OF THE ISSUE

AFFIRMATIVE COVENANTS

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;

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;

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;

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

Preserve corporate status; authorisations

Company shall 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

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;

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

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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;

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;

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;

Specific Information to be provided to the Debenture Trustee

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

notice of any Event of Default or potential Event of Default, each as listed in **Schedule XII** (Events of Default) of this Deed;

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);

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);

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

the declaration or distribution of dividend;

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;

Further assurances

Company shall 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

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or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

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;

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 this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed;

comply with:

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 (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;

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;

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

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

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.

Security

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

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;

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. PROVIDED THAT the charge on the monies lying in the Designated Proceeds Account shall be a floating charge with the intent that the Company may use the proceeds lying therein or to the credit thereof for the origination of Loans and the charging of the Receivables

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thereof in favour of the Debenture Trustee in accordance with the terms of the Transaction Documents and the floating charge shall convert to a fixed charge in accordance with the terms of the Hypothecation Agreement. 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;

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 Monthly 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 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;

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;

the security interest created on the Hypothecated Assets shall be a continuing 88uthorty as described in the Hypothecation Agreement;

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

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

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 this Deed;

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.

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;

Delay in Security Creation

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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:refund the Application Money as set out in Clause 2.5 of this Deed, to the Debenture Holders; or

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.

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.

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;

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;

Corporate Governance

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

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

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

General

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;

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

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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;

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

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

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:

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

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

visit and inspect the premises of the Company; and

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

Conditions Subsequent

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

Financial Covenants

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

Issue Terms and Conditions

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

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.

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 laid out in Clause 5.14 and as may be required by SEBI from time to time.

FINANCIAL COVENANTS

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

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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 18.00% (Eighteen 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 5.00% (Five Point Zero Zero percent) till June 30, 2022 and 3.00% (Three Point Zero Zero percent) from July 01, 2022 onwards, write-offs would be calculated for trailing twelve months and only writes-offs taken after January 01, 2022 shall be considered.

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 15.00% (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: Net NPA shall be 3% or lower.

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.

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 but excludes those loans which are restructured under RBI framework

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 Non-Deposit taking Company (Reserve

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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 92uthorized92 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.

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:

Monthly Reports

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

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:

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).

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;

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

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);

a compliance certificate regarding the financial covenants set forth in **Schedule IX** (Financial Covenants) in form and substance reasonably satisfactory to the Debenture Trustee and the Debenture Holders;

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

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

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

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.

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

information on:

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;

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

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

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;

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;

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

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

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

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

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

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:

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;

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;

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all annual information submitted to the RBI; and

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

Event Based Reports

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.

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/Head of Finance and Treasury, Chief Risk Officer, Chief Operations Officer/Head of Business and the Head of Audit;

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;

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:

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;

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;

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;

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

the Company alters its Constitutional Documents; and

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.

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

(5) 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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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;***

i. Change the general nature of its business from that which is permitted by the RBI.

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, 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 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 20% 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 this 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;

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.**

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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:

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**

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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

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);

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(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 **Schedule XI** (Negative Covenants), permit sale/ transfer/ disposal of (i) equity shares of the Company, or (ii) instruments 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.

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EVENTS OF DEFAULT

Payment Defaults

The Company does not pay on the Due Date any amount payable pursuant to this 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 (Three) Business Days of its Due Date.

Insolvency / Inability to Pay Debts / Distress

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.

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.

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.

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.

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.

Security In Jeopardy

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

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;

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

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.

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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.

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.

Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator

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

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;

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

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

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));

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

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.

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.

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

Cross Default

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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.

Creditors' Process

All or a material part of the undertaking, Assets, rights or revenues of the Company are condemned, seized, 101uthorized101i, 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.

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.

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.

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

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

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.

Transaction Documents

This 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.

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.

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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.

Repudiation

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

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).

Government Intervention

Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or 102uthorized102ion102 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;

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

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.

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.

Cessation

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

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.

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.

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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.

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 103uthorized103ion of capital without the prior written consent of the Debenture Trustee.

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.

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.

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.

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.

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 this Deed.

Rating Downgrade

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

Breach of other terms of this Deed

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A material breach by the Company of any of its obligations and covenants provided in terms of this 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 Other Covenants from the date of such breach.

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TRUSTEE'S RIGHTS, POWERS, DISCRETIONS, REPRESENTATIONS AND RESPONSIBILITIES

5.1 ***Representations and Warranties of Trustee***

The Debenture Trustee hereby represents, warrants and covenants in favour of the Company that as on the date hereof:

The Debenture Trustee is a company duly incorporated and validly existing under applicable Law and the Debenture Trustee is duly qualified and 105uthorized to enter into the Transaction Documents.

This Deed has been duly and validly executed and delivered by Debenture Trustee and constitutes a legal and binding obligation of Debenture Trustee, enforceable against Debenture Trustee in accordance with its terms.

The execution, delivery and performance by Debenture Trustee of this Deed does not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:

any Law to which Debenture Trustee is subject; or

any order, judgment or decree applicable to Debenture Trustee; or

any term, condition, covenant, undertaking, agreement or other instrument to which Debenture Trustee is a party or by which Debenture Trustee is bound;

The Debenture Trustee is in a position to observe, comply with and carry out all its obligations hereunder to be performed and complied with by it;

The Debenture Trustee is registered as a debenture trustee with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

The Debenture Trustee shall not have any claim or exercise any right of deduction, lien or set-off on, over or in respect of any of the amounts, writings or things held by it or continued to be held by it or coming within its power or possession pursuant to or in connection with these presents; and

All information set forth in this Deed, and all information furnished and/or to be furnished by the Debenture Trustee to the Debenture Holder/s is true and correct and was/is not misleading whether by reason of omission to state a material fact or otherwise.

5.2 ***General Rights, Powers and Discretions***

In addition to the other powers conferred on the Debenture Trustee and provisions for their protection and not by way of limitation or derogation of anything contained in this Deed or of any statute limiting the liability of the Debenture Trustee, IT IS EXPRESSLY DECLARED as follows:

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 Company or by the Debenture Trustee or otherwise;

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the Debenture Trustee shall be the attorney of the Company and shall have the right to execute, sign and do any deeds, documents, assurances, acts and things in the name and on behalf of the Company, which shall in the opinion of the Debenture Trustee be necessary or expedient that the Company should execute, sign and do for the purpose of carrying out any of the trusts or obligations declared or imposed upon the Debenture Trustee;

the Debenture Trustee is not permitted to release / exclude any part of the Hypothecated Assets temporarily or permanently from the security created / to be created for the Debentures except in accordance with a Special Resolution;

subject to the approval of the Debenture Holders by way of Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, 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 and in the absence of any fraud, gross negligence, willful misconduct or breach of trust shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the exercise or non-exercise thereof and in particular they shall not be bound to act at the request or direction of the Debenture Holders under any provisions of these presents unless sufficient monies shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same and the Debenture Trustee are indemnified to their satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;

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;

the Debenture Trustee shall not be responsible for the monies paid by Applicants for the Debentures;

without prejudice to the rights to indemnity by Law given to the Debenture Trustee, the Debenture Trustee and every receiver, attorney, manager, agent or other person appointed by them shall, subject to the provisions of the Act, be entitled to be indemnified by the Company in respect of all liabilities and expenses incurred by them or him in the execution or purported execution of the powers and trusts thereof and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted and the Debenture Trustee may retain and pay out of any monies in their hands the amount of any liabilities and expenses necessary to effect such indemnity and also remuneration of the Debenture Trustee as herein provided or otherwise howsoever arising out of or in connection with these presents or the issue of the Debentures;

the Debenture Trustee shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bonafide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture Trustee) in the absence of any fraud, gross negligence, willful misconduct or breach of trust, shall be conclusive and binding upon all persons interested hereunder;

subject to the approval of the Debenture Holders by way of Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall not be liable for anything whatsoever except any fraud, gross negligence, willful misconduct or breach of trust by the Debenture Trustee;

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subject to the approval of the Debenture Holders by way of Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee, except for any fraud, gross negligence, willful misconduct or breach of trust, shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained or any of them or in enforcing the covenants herein contained or any of them or in giving notice to any person or persons of the execution hereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Special Majority Debenture Holder(s) or by a Special Resolution duly passed at a meeting of the Debenture Holders and the Debenture Trustee shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient moneys shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same by or on behalf of the Debenture Holders or some of them in order to provide for any costs, charges and expenses which the Debenture Trustee may incur or may have to pay in connection with the same and the Debenture Trustee are indemnified to their satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request;

notwithstanding any contained to the contrary in this Deed, the Debenture Trustee shall before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders;

the Debenture Trustee shall forward to the Debenture Holders copies of any information, documents from the Company pursuant to this Deed within 2 (two) Business Days of receiving the same from the Company; and

The Debenture Trustee shall take all reasonable steps to realise the monies due to the Trust.

The Debenture Trustee shall have the right to rely on notices, communications, advertisement, website information of Issuer and any other related party with respect to issue etc.

PROVIDED THAT nothing contained in this Clause 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 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.

5.3 ***Power of Trustee to Delegate***

The Debenture Trustee hereof being a corporation may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them act by an officer or officers for the time being of the Debenture Trustee and the Debenture Trustee may also, whenever they think it expedient, delegate by power of attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in them be these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Debenture Trustee may think fit. The Debenture Trustee shall however be liable for any negligence, illegality, fraud, breach of trust, bad faith and wilful misconduct of the officer or Person to whom the Debenture Trustee has delegated its powers and shall not be absolved of its obligations under this Deed. PROVIDED THAT the Debenture Trustee shall ensure that any powers under this Clause shall be exercised with reasonable care to ensure the competency of the officer or Person to whom the Debenture Trustee has delegated its powers.

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5.4 ***Powers of Trustee to Employ Agents***

The Debenture Trustee hereof being a corporation may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them act by an agent/ agents.

5.4A. Power of Trustee to borrow

The Trustee may, upon the occurrence of an Event of Default, and the Security being enforceable, with the consent in writing of the Majority Debenture Holder(s) in a meeting convened in accordance with the provisions set out in the **Third Schedule** hereunder written, raise or borrow moneys on the security of the Secured Assets or any part thereof ranking *pari passu* with or subservient to these presents:
for the purpose of making any payment under or by virtue of these presents;

in relation to the exercise of any powers, duties or obligations of the Trustee or the Receiver;

otherwise in relation to the Secured Assets or these presents;

for the purpose of paying off or discharging any mortgages or charges for the time being on the Secured Assets or any part thereof; and / or

any costs, charges and expenses which shall be incurred by the Trustee under or by virtue of these presents

The Trustee may raise and borrow such moneys as aforesaid at such rate or rates of interest and generally on such terms and conditions as the Trustee shall think fit.

5.5 ***Powers of Trustee to Inspect***

The Debenture Trustee or its authorized representatives may carry out inspections of the Company's offices records, registers and books of accounts upon giving a 15 (fifteen) calendar days' notice in writing to the Company, to the extent such inspection is necessary for exercising any of the powers or discharging any of the duties of the Debenture Trustee under this Deed. The cost of inspection, including travelling and other related expenses shall be borne and paid by the Company.

5.6 ***Trustee may Contract with the Company***

Neither the Debenture Trustee nor any agent of the Debenture Trustee shall be precluded from making any contract or entering into any arrangement or transaction with the Company or with itself in the ordinary course of business of the Debenture Trustee or from undertaking any banking, financial or agency services for the Company or for itself or from underwriting or guaranteeing the subscription of or placing or subscribing for or otherwise acquiring, holding or dealing with any of the stocks or shares or debentures or bond stocks or any other securities whatsoever of the Company or in which the Company may be interested either with or without a commission or other remuneration or otherwise at any time entering into any contract of loan or deposit or any other contract or arrangement or transaction with the Company or being concerned or interested in any such contract or arrangement or transaction which any other company or person not being a Debenture Trustee would be entitled to enter into with the Company and they shall not be in anywise liable to account either to the Company or to the Debenture Holders for any profits made by them thereby or in connection therewith and the Debenture Trustee or any agent of the Debenture Trustee shall also be allowed to retain for their or his own benefit any customary share of brokerage, fee, commission, interest, discount or other compensation or remuneration allowed to them or him.

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5.7 ***When Trustee May Interfere***

Until the happening of one or more of the events upon the happening of which the security created pursuant to the Hypothecation Agreement shall become enforceable as provided therein, the Debenture Trustee shall not be in any manner required, bound or concerned to interfere with the management or the affairs of the Company or its business or the custody, care, preservation or repair of the Hypothecated Assets or any part thereof.

5.8 ***Application to Court***

The Debenture Trustee may at any time after the security created pursuant to the Hypothecation Agreement becomes enforceable, apply to the courts for an order that the powers and trusts hereof be exercised and carried into execution under the direction of the court and for the appointment of a receiver and manager of the Hypothecated Assets or any of them and for any other order in relation to the execution and administration of the powers and limits hereof as the Debenture Trustee shall deem expedient and they may assent to approve of any application to the court made at the instance of any of the beneficial owner(s) and shall be indemnified by the Company against all costs, charges and expenses incurred for or in relation to any such applications or proceedings.

5.9 ***Nominee Director***

The Debenture Holders and the Debenture Trustee shall have a right to appoint a nominee director as per the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 on the board of directors of the Company (hereinafter referred to as the **"Nominee Director"**) upon the occurrence of any of the following:

- two consecutive defaults in the payment of interest to the Debenture Holders (as per the Debenture Trustees Regulations) or;
- default in creation of security for Debentures;
- default in redemption of Debentures; or
- occurrence of any event specified in **Schedule XII** *(Events of Default)* of this Deed;
- default in any of the reporting covenants prescribed in **Schedule XII** *(Reporting Covenants)*.

The Nominee Director shall not be liable to retire by rotation nor required to hold any qualification shares. The Company shall appoint the Nominee Director forthwith on receiving a nomination notice from the Debenture Trustee. The Nominee Director shall be appointed on all key committees of the board of directors of the Company.

5.10 ***Receipt of Debenture Holders***

The receipt of each Debenture Holder or if there be more than one holder of any such Debentures, then the receipt of the first named Debenture Holder or of the survivor or survivors for the principal monies or of the nominee or nominees, if any, of the Debenture Holder of such Debentures for the interest payable in respect of each of such Debentures, shall be a good discharge to the Debenture Trustee.

5.11 ***Purchasers and Persons Dealing with the Trustee not put on Enquiry***

No purchaser or other Person dealing with the Debenture Trustee and/or the receiver appointed by them or their attorneys or agents shall be bound or concerned to see or to inquire whether the power exercised or purported to be exercised has become exercisable or whether any money remains owing on the security interest created pursuant to the Hypothecation Agreement and under these presents or as to the necessity

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or expediency of the stipulations and conditions subject to which any sale and/or assignment shall have been made or otherwise as to the propriety or regularity of any sale and/or assignment, calling in, collection or to see to the application of any money paid to the Debenture Trustee or receiver and in the absence of mala fides on the part of such purchaser or other Person such dealing shall be deemed, so far as regards the safety and protection of such Person, to be within the powers hereby conferred and be valid and effectual accordingly and the remedy of the Company or its assigns in respect of any impropriety or irregularity whatsoever in the exercise of such power shall be in damages.

5.12 ***Retirement and Removal of Trustee***

Resignation

The Debenture Trustee may resign as the Debenture Trustee with the prior written approval of the Majority Debenture Holders, provided that they shall continue to act as Debenture Trustee until a New Trustee is appointed by the Company with consent of the Majority Debenture Holders and such New Trustee accepts its appointment pursuant to this **Clause 5.12** *(Retirement and Removal of Trustee)*.

Removal

The Debenture Holders may for sufficient cause but, after giving not less than two months' notice in writing, remove the Debenture Trustee by passing a Special Resolution to that effect, and by the same resolution nominate an entity competent to act as their trustee and require the Company to appoint such entity as the trustee (the "**New Trustee**"). The Company shall within 15 (fifteen) Business Days of receipt of such resolution passed by the Debenture Holders take all necessary steps to appoint the entity named in the resolution as the New Trustee and complete all necessary formalities to give effect to such appointment.

New Trustee as the trustee

Upon appointment of the New Trustee pursuant to the preceding sub-Clause(a) or (b), all references in this Deed to the Debenture Trustee shall, unless repugnant to the context, mean and refer to the New Trustee and the New Trustee shall without any further act or deed succeed to all the powers and authorities of the Debenture Trustee as if it had been originally appointed as the Debenture Trustee.

5.13 ***Trustee's Remuneration***

The remuneration of the Debenture Trustee shall be as per the terms of the Fee Letter. Subject to **Clause 5.5** *(Power of Trustee to Inspect)*, the Company shall pay to the Debenture Trustee all legal, traveling and other costs, charges and expenses incurred by them, their officers, employees, agents in connection with execution of these presents including costs, charges and expenses of and incidental to the approval and execution of these presents and will indemnify them against all actions, proceedings, costs, charges, expenses, claims and demands whatsoever which may be brought or made against or incurred by them in respect of any matter or thing done or omitted to be done without their wilful default in respect of or in relation to the properties charged/to be charged to the Debenture Trustee.

5.14 ***Decision making by Debenture Trustee In an Event of Default***

In an Event of Default or breach of the covenants by the Company or any such acts/omissions which may have Material Adverse Effect on the Debentures shall the Debenture Trustee may, in its discretion, that is, without requiring any consent or confirmation of the Company and upon request in writing of 75% of the Debenture Holders or by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in Clause 6 (Provisions for the meetings of the Debenture

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Holders) the Debenture Trustee shall take all such steps required as stated in this Clause or elsewhere in the Deed or as per applicable laws to enforce security and protect the rights of the Debentures Holders including entering into ICA to protect the interest of the Debenture Holders.

Debenture Trustee shall take all such steps as provided in Operational Circular for transactions in defaulted debt securities post maturity date/ redemption date under provisions of NCS Listing Regulations.

Debenture Trustee shall take all steps for the enforcement of security in an event of default including as stated in SEBI Circular bearing reference number 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" ("SEBI Default (Procedure) Circular")

Any notice for a meeting in respect of the SEBI Defaults (Procedure) Circular shall contain the details prescribed in the SEBI Defaults (Procedure) Circular, including without limitation, positive consent for signing the inter-creditor agreement, the time period within which the consent needs to be provided, and the date of meeting to be convened.

Any action of the Debenture Trustee in respect of the occurrence of an Event of Default and the application of the SEBI Defaults (Procedure) Circular shall be in accordance with the decision of the Debenture Holders taken at any meeting convened in accordance with this clause, subject to the exceptions (if any) set out in the SEBI Defaults (Procedure) Circular.

For the purposes of a meeting convened in accordance with this Clause, in accordance with the SEBI Defaults (Procedure) Circular, all decisions shall require the consent of 75% (seventy five percent) of the Debenture Holders (by value) and 60% (sixty percent) of the Debenture Holders (by numbers) at the ISIN level.

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DECLARATION

The Issuer undertakes and confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

Without prejudice to the above, the Company and each of the directors of the Company, confirm that:

(a) The Issuer undertake that this Disclosure Document contain full disclosures in accordance with SEBI NCS Regulations, as amended, and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended and Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992,.

(b) b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government; Page 79 of 87 c) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document; d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form 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.

I, Vivek Tiwari, Managing Director, CEO & CIO of the Company is authorized by the Board of Directors of the Company vide Resolution dated May 19, 2022 read with resolution of working committee of Board of Directors dated May 26, 2022 to sign this Information Memorandum and declare that all the requirements of the Companies Act, 2013 and the rules made there under in respect of the subject matter of this Information Memorandum and matters incidental thereto have been complied with. Whatever is stated in this Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Disclosure Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum and Articles of Association.

It is further declared and verified that all the required attachments have been completed, correctly and legibly attached to this form.

For SATYA MicroCapital Limited

For Satya MicroCapital Limited,

Mr. Vivek Tiwari
Managing Director, CEO & CIO
Date: May 30, 2022
Place: Delhi

(Vivek Tiwari)
Managing Director, CEO & CIO

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ANNEXURE I: LAST AUDITED FINANCIAL STATEMENTS

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

6th Floor – "A" Block
Tidel Park, No. 4,
Rajiv Gandhi Salai
Taramani, Chennai – 600 113, India
Tel: +91 44 6117 9000

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.

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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 rescheduleement/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 rescheduleement/restructuring of loans.

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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 MICROCAPITAL LIMITED New Delhi

to influence the economic decisions of users taken on the basis of these 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2021 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

SATYA MICROCAPITAL LIMITED New Delhi

(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

SATIVA MICROCAPITAL LIMITED New Delhi

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 LIMITED New Delhi

(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

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

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 LIMITED 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

Amit Jain
Company Secretary
M. No. : F3923

Yoginder 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	2.43
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

Amit Jain
Company Secretary
M. No. : F3923

Chandrendra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 21, 2021

Satya MicroCapital Limited
Cash Flow Statement for the year ended March 31, 2021

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2021	For year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	151.06	110.97
Adjustments for:		
Depreciation and amortization	27.46	26.43
Share based payment to employees	9.59	11.43
Provision for gratuity and leave encashment	11.84	7.18
Re-measurement gains/(losses) on defined benefit plans	(0.39)	(1.26)
Impairment of financial instruments	199.58	90.50
Net gain on derecognition of financials instruments under amortised cost category	(108.01)	(96.56)
Interest income	(2,444.99)	(1,973.52)
Interest expense	1,278.12	1,139.44
	(875.74)	(685.39)
Operating cash flows on account of:		
Interest income	2,199.06	1,776.29
Interest expense	(1,308.83)	(1,174.65)
Lease rental reversed upon implementation of Ind AS 116	(4.83)	(5.37)
	9.66	(89.12)
Operating profit before working capital changes		
Movements in working capital:		
Increase/(decrease) in other financial liabilities	418.65	(91.48)
Increase/(decreases) in other non-financial liabilities	40.86	(12.69)
(Increase)/decrease in bank balances other than cash and cash equivalents	(495.41)	849.16
Increase in trade receivables	(85.13)	(8.74)
Increase in loan portfolio	(2,874.14)	(2,967.92)
Decrease/(Increase) in other financial assets	69.25	(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)	(40.39)
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	399.37
Issue of compulsorily convertible preference shares (including securities premium)	682.50	367.50
Net proceeds from borrowings#	2,076.10	1,843.40
Net cash from financing activities (C)	4,291.23	2,610.27
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	1,454.70	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 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 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

Amit Jain
Company Secretary
M. No. F3923

Manmohan Sharma
Chief Financial Officer

Place: New Delhi
Date: May 21, 2021

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(e) 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 LIMITED New Delhi

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.

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 macroecnomic 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.

S.R. BATLIBOI & ASSOCIATES LLP

SATYA MICROCAPITAL LIMITED New Delhi

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

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 LIMITED 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: 20094533AAAACV3303
Gurugram
May 20, 2020

SATYA MICROCAPITAL LIMITED 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.

SATYA MICROCAPITAL LIMITED 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

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

S.R. BATLIBOI & ASSOCIATES LLP

SATYA MICROCAPITAL LIMITED 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 LIMITED 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	507.19
Trade receivables	6	22.29	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

Ratnesh Tiwari
Director
DIN: 07131331

Rachna Khantwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

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

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 Khanijwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

Satya MicroCapital Limited
Cash Flow Statement for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2020	For year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	110.97	(3.42)
Adjustments for:		
Depreciation and amortization	26.43	16.00
Share based payment to employees	11.43	0.22
Provision for gratuity and leave encashment	7.18	2.80
Re-measurement gains/(losses) on defined benefit plans	(1.26)	0.30
Impairment of financial instruments	90.50	40.22
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	882.88
Interest expense	(1,174.65)	(603.20)
Lease rental reversed upon implementaion 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	(6.28)	(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 - 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 Khaitwal
Company Secretary
M. No. : A43785

Shikhendra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Unit 8, 3rd Floor
Tidel View Corporate Tower - II
Sector - 62, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6600

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, 2019, the Statement of Profit and Loss and the Cash Flow Statement 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 ("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, 2019, its profit and its cash flows 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 ("ICAI") 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.

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 year ended March 31, 2019. 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 matter described below to be the key audit matter 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 matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
Identification Non-Performing Advances and provisioning for Advances (as described in note 28 of the financial statements)	
Loans and advances constitute a major portion of the Company's assets and the quality of the Company's loan portfolio is measured in terms of the proportion of non-performing assets (NPAs) to the total loans and advances. As at March 31, 2019, the Company has reported total gross loans and advances of Rs. 44,218.21 lakhs (March 31, 2018: Rs. 17,562.96 lakhs), gross non-performing advances of Rs. 18.81 lakhs (March 31, 2018: Rs. 3.37	Our key audit procedures included: • Assessed the design, implementation and operating effectiveness of key internal controls over monitoring process of loans, identification of NPA accounts, measurement of provision and assessing the reliability of management information, including overdue reports.

Key audit matters	How our audit addressed the key audit matter
lakhs) and a corresponding provision for non-performing advances of Rs. 13.63 lakhs (March 31, 2018: Rs. 3.37 lakhs). Identification and provisioning of NPAs is governed by the prudential norms prescribed by the Reserve Bank of India (RBI Directions). These norms prescribe several criteria for a loan to be classified as a NPA including overdue aging. Given the volume of loans and in view of the significance of this area to the overall audit of financial statements, it has been considered as a key audit matter.	• Tested of management's controls over identification of NPA's and measurement of provisions and disclosures in financial statements. • Read accounting policies adopted by the management and assessed compliance with the RBI directions, tested data used in the identification of NPA's and recomputed the provision amount as per RBI directions. • Assessed the accounting treatment adopted with respect to provision of NPA and the disclosures made under the accounting framework to the extant RBI Directions.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information which are included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report 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 identified above and, in doing so, consider whether such the 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 annual reeport, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those Charged with Governance.

Responsibilities of Management and the Board of Directors 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 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

SATYA MICROCAPITAL LIMITED New Delhi

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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. 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.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 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;

S.R. BATLIBOI & ASSOCIATES LLP
SATYA MICROCAPITAL LIMITED
New Delhi

(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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 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, 2019 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 in its financial statements - Refer Note 29 to the financial statements;

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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: 094533

Place: Gurugram
Date: May 21, 2019

S.R. BATLIBOI & ASSOCIATES LLP

SATYA MICROCAPITAL LIMITED
New Delhi

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.

(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 Act. 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, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(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 Act, 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 customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases.

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, 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.

(b) 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 borrowings to a financial institution or 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. The Company has utilized the monies raised by way of debt instruments in the nature of non-convertible debentures for the purposes for which they were raised.

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.

S.R. BATLIBOI & ASSOCIATES LLP

SATYA MICROCAPITAL LIMITED New Delhi

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V to the Act.

(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 to us and on an overall examination of the balance sheet, the Company has complied with provisions of section 42 of the Act 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. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.

(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 the Act.

(xvi) According to the information and explanations given to us, the Company is already registered as a Non-Banking Finance Company - Microfinance Institution and therefore has complied with the provisions of section 45-IA of the Reserve Bank of India Act, 1934.

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Amit Kabra
Partner
Membership Number: 094533

Place: Gurgaon
Date: May 21, 2019

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 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, 2019 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

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 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

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

SATYA MICROCAPITAL LIMITED New Delhi

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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Amit Kabra
Partner
Membership Number: 094533

Place: Gurgaon
Date: May 21, 2019

SATYA MICROCAPITAL LIMITED New Delhi

SATYA MICROCAPITAL LIMITED (FORMERLY KNOWN AS TFC FINVEST LIMITED)
Balance Sheet as at 31st March 2019

Particulars	NOTES	As at 31st March 2019 (INR)	As at 31st March 2018 (INR)
A EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Share Capital	2	277,540,600	128,082,300
b) Reserves and Surplus	3	634,997,899	52,172,629
		912,538,699	180,254,929
Non-Current liabilities			
a) Long- term Borrowings	4	3,476,926,774	1,484,695,826
b) Deferred tax Liabilities(Net)	5	6,244,387	933,593
c) Other Long term liabilities	6	197,548	340,908
d) Long-term Provisions	7	25,650,944	11,585,616
		3,509,019,653	1,497,555,943
Current Liabilities			
a) Short-Term Borrowings	8	50,520,224	1,782,883
b) Other Current Liabilities	9A	2,623,779,331	1,150,607,266
c) Short Term Provisions	9B	39,270,485	9,774,451
		2,713,570,040	1,162,164,600
Total		7,135,128,392	2,839,975,472
B ASSETS			
Non Current Assets			
a) Property , Plant and Equipment			
(i) Tangible Assets	10	22,174,313	11,185,520
(ii) Intangible Assets	10	606,749	791,667
b) Portfolio Loans	11	1,939,126,504	816,226,074
c) Other Non-Current Assets	12	740,437,544	281,176,974
		2,702,345,110	1,109,380,235
Current Assets			
a) Trade Receivables	13	17,882,083	11,938,442
b) Cash and Bank Balances	14	1,525,726,348	662,831,556
c) Current Investment	15	-	1,878,747
d) Portfolio Loans	16A	2,482,694,144	940,070,523
e) Short Term Loans and Advances	16B	31,219,353	6,569,210
f) Other Current Assets	17	375,261,354	107,306,759
		4,432,783,282	1,730,595,237
Total		7,135,128,392	2,839,975,472
Summary of Significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number : 101049W/E300004
Chartered Accountants

Amit Kabra
Partner
Membership Number. 094533

Place: New Delhi
Date: 21 May 2019

For and on behalf of Board of Directors of
Satya MicroCapital Limited
(Formerly known as "TFC Finvest Limited")

Vivek Tiwari
Managing Director and CEO
Din No. 02174160

Ratnesh Tiwari
Director
Din No. 07131331

Rachna Khantwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

SATYA MICROCAPITAL LIMITED New Delhi

SATYA MICROCAPITAL LIMITED (FORMERLY KNOWN AS TFC FINVEST LIMITED)
Statement of profit and loss for the year ended 31st March 2019

Particulars	Notes	For the year ended 31st March 2019 (INR)	For the year ended 31st March 2018 (INR)
REVENUE			
Revenue from operations	18	874,426,998	251,867,114
Other income	19	92,010,540	17,808,800
Total Revenue (A)		966,437,536	269,675,914
EXPENSES			
Employee benefits expenses	20	233,655,761	103,442,127
Finance Costs	21	519,187,960	162,313,211
Depreciation and amortization expenses	10	9,960,899	5,167,752
Provision for Loan Losses	22	26,329,454	17,236,011
Other expenses	23	132,559,672	44,590,274
Total Expenses (B)		921,693,746	332,769,375
Profit Before Tax (C)= A-B		44,743,790	(63,093,461)
Tax Expenses : (D)			
1) Current Tax		13,563,714	
2) MAT Credit Entitlement		(6,497,981)	
3) Deferred Tax		5,310,794	815,973
Profit/(Loss) for the Year ended (E) = C-D		32,367,263	(63,909,434)
Earning per Share	24		
Basic (Computed on the basis of Total Profit/(Loss) for the Year)		1.46	(6.28)
Diluted (Computed on the basis of Total Profit/(Loss) for the Year)		1.46	(6.28)
Nominal value Per Share		10.00	10.00
Summary of Significant accounting policies	1		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached
For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number : 101049W/E300004
Chartered Accountants

Amit Kabra
Partner
Membership Number. 094533

Place: New Delhi
Date: 21 May 2019

For and on behalf of Board of Directors of
Satya MicroCapital Limited
(formerly known as "TFC Finvest Limited")

Vivek Tiwari
Managing Director and CEO
DIN- 02174160

Ratnesh Tiwari
Director
Din No. 07131331

Rachna Khantwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

SATYA MICROCAPITAL LIMITED New Delhi

SATYA MICROCAPITAL LIMITED (FORMERLY KNOWN AS TFC FINVEST LIMITED)
Cash flow statement for the year ended 31st March 2019

	Particulars	For the year ended 31st Mar 2019 (INR)	For the period ended 31st March 2018 (INR)
	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) before Tax	44,743,790	(63,093,461)
	Adjustment for Non Cash Expenses and Non Operating activities		
	Depreciation	9,960,899	5,187,752
	Mutual Fund Income	-	(314,850)
	Interest on FDR	(95,738,211)	(22,567,459)
	Provision for Leave Encashment	1,702,937	1,883,722
	Provision for Gratuity	1,102,120	1,139,143
	Rent Equilisation Reserve	883,137	55,000
	Contingent Provision against Standard Assets	26,329,455	17,236,011
	Operating Profit before Working Capital Changes	(11,035,873)	(60,474,142)
	Increase/(Decrease) in Long Term Loans & Advances	(1,122,900,430)	(661,221,247)
	Increase/(Decrease) in Short Term Loans and Advances	(1,567,273,764)	(840,415,163)
	Increase/(Decrease) in Other Non Current Assets	(452,762,589)	(258,629,650)
	Increase/(Decrease) in Other Current Assets	(267,954,595)	(102,274,959)
	Increase/(Decrease) in Trade Recievable	(5,943,641)	(11,909,809)
	Increase/(Decrease) in Other Current Liabilities	321,095,119	66,111,828
	Increase/(Decrease) in Other Long Term Liabilities	(143,359)	340,907
	Cash Flow from Operating Activities	(3,106,919,132)	(1,868,472,265)
A.	Net Cash Outflow from Operating Activities	(3,106,919,132)	(1,868,472,265)
	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale of Fixed Assets	1,193,803	56,700
	Purchase of Fixed Assets	(21,958,577)	(10,997,624)
	Mutual Fund Income	-	314,850
	Interest on FDR	95,738,211	22,567,456
	Sale of Investments	1,878,747	2,141,528
B.	Net Cash outflow from Investing Activities	76,852,184	14,082,910
	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceed from issue of Share Capital including share premium	701,268,156	162,601,960
	Proceeds from Short Term Borrowings (Net)	48,737,340	(16,661,951)
	Proceeds from Long Term Borrowings (Net)	3,144,307,893	2,169,164,560
	Payment of Preference dividend	(1,121,140)	-
	Payment of tax on preference dividend	(230,509)	-
C.	Net Cash from Financing Activities	3,892,961,740	2,315,104,569
	Net Increase in Cash & Cash Equivalents (A+B+C)	862,894,792	460,715,224
	Opening Cash and Cash Equivalents	662,831,556	202,116,332
	Closing Cash and Cash Equivalents (Note No. 14)	1,525,726,348	662,831,556

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number : 101049W/E300004
Chartered Accountants

Amit Kabra
Partner
Membership Number. 094533

Place: New Delhi
Date: 21 May 2019

For and on behalf of Board of Directors of
Satya MicroCapital Limited
(Formerly known as "TFC Finvest Limited")

Vivek Tiwari
Managing Director and CEO
Din No. 02174160

Ratnesh Tiwari
Director
Din No. 07131331

Rachna Khanwal
Company Secretary
M. No. : A43765

Sudhindra Kumar Sharma
Chief Financial Officer

S.N. Dhawan & CO LLP
Chartered Accountants

421, II Floor, Udyog Vihar Phase IV,
Gurugram, Haryana 122016, India

Tel: +91 124 481 4444

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

Review Report to
The Board of Directors
Satya MicroCapital Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Satya MicroCapital Limited ("the Company") for the quarter and nine months ended December 31, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India ("the SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant Rules issued thereunder; and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

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

   Our conclusion is not modified in respect of this matter.

S. N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

SATYA MICROCAPITAL LIMITED * New Delhi

Other matter

6. The financial statements of the Company for the year ended March 31, 2021 was audited by predecessor auditor who expressed an unmodified opinion on those financial statements vide their report dated May 21, 2021. Our conclusion is not modified in respect of this matter.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500046

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 22087701ABNMVS6886

S. N. DHAWAN & CO. LLP * CHARTERED ACCOUNTANTS * GURUGRAM

Place: New Delhi
Date: February 12, 2022

SATYA MICROCAPITAL LIMITED New Delhi

New Delhi

SATYA MicroCapital Ltd.
सर्वे भवन्तु सुखिनः

SATYA MicroCapital Limited
(CIN: U74899DL1995PLC068688)
Registered office address : 519, 5th Floor, Prime Towers , Okhla Industrial Area, Phase-1,New Delhi-110020
Phone No. 011-49724000, Website : www.satyamicrocapital.com

Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2021

(Rupees in millions unless otherwise stated)

Particulars	Quarter ended		Nine months ended	Year ended
	December 31,2021	September 30,2021	December 31,2021	March 31, 2021
	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations				
Interest Income	865.75	745.45	2,305.96	2,444.99
Fees and commission income	42.24	36.84	87.30	114.64
Net gain on derecognition of financial instruments under amortised cost category	139.35	-	139.35	108.01
Total Revenue from operations	1,047.34	782.29	2,532.61	2,667.64
Other Income	8.90	4.39	14.36	4.54
Total Income	1,056.24	786.68	2,546.97	2,672.18
Expenses				
Finance Cost	489.32	367.89	1,173.84	1,278.12
Impairment on financial instruments	91.08	(6.17)	105.29	256.36
Employee Benefits Expenses	295.66	241.37	765.83	687.48
Depreciation and amortisation expense	16.90	12.65	37.98	27.46
Others expenses	111.64	100.52	290.82	271.70
Total Expenses	1,004.60	716.26	2,373.76	2,521.12
Profit before tax	51.64	70.42	173.21	151.06
Tax Expense:				
Current year Tax	2.92	15.53	43.67	75.62
Deferred Tax	8.96	2.67	0.71	(25.73)
Income tax expense	11.88	18.20	44.38	48.89
Profit for the period	39.76	52.22	128.83	102.17
Other Comprehensive Income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement gains/(losses) on defined benefit plans	(0.49)	(0.48)	(1.45)	(0.39)
Income tax effect	0.12	0.12	0.36	0.10
Total Comprehensive Income for the period	39.39	51.86	127.74	101.88
Earnings per share (equity share, par value of Rs. 10 each)				
Computed on the basis of total profit for the period				
Basic (in Rupees)*	0.87	1.14	2.80	2.57
Diluted (in Rupees)*	0.86	1.12	2.76	2.53

* not annualised for the nine months and quarter ended

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Satya MicroCapital Ltd. Authorised Signatory

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

Vivek Tiwari
Managing Director, CEO and CIO

Place: New Delhi
Date: February 12, 2022

SATYA MICROCAPITAL LIMITED New Delhi

Notes to the unaudited standalone financial results:

1. The above unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on February 12, 2022, in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 and are subjected to limited review by the statutory auditors of the Company.

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

(Rupees in million)

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

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

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

3. 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 nine months ended December 31, 2021:

Particular	NBFC-MFI
Number of loan accounts assigned	53,811
Aggregate amount of loan assigned (Rupees in million)	1,393.53
Purchase consideration (Rupees in million)	1,393.53
Weighted average remaining maturity (in months)	16.82
Weighted average holding period after origination (in months)	NA
Retention of beneficial economic interest (MRR)	10%
Number of Transaction	2
Coverage of tangible security coverage	100%
Rating wise distribution of rated loans	Unrated

4. The Company operates in a single reportable segment i.e., lending to members, having similar risks and returns for the purpose of Ind AS 108 -Operating Segments. The Company operates in single geographic segment i.e. domestic.

5. The outbreak of COVID- 19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. The continuing impact of COVID-19 on the global economy and how governments, businesses and consumers respond is still uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to several management judgements and estimates. In relation to COVID-19, judgements and assumptions include the possible extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries.

6. 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.

S. N. DHAWAN & CO. LLP GURUGRAM

Satya MicroCapital Ltd. Authorised Signatory

SATYA MICROCAPITAL LIMITED New Delhi

Notes:

7. Disclosure in compliance with Regulation 52 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the nine months ended December 31, 2021

S.no	Particulars	For the nine months ended December 31, 2021
1	Debt-equity ratio*	4.25
2	Debt service coverage ratio**	NA
3	Interest service coverage ratio**	NA
4	Outstanding redeemable preference shares (quantity and value);	Nil
5	Capital redemption reserve/debenture redemption reserve (Rupees in Millions) -Refer note (a)	Nil
6	Net worth (Rupees in Millions)	4,186.38
7	Net profit after tax (Rupees in Millions)	128.83
8	Earnings per share: Basic (not annualised)	2.80
	Diluted (not annualised)	2.76
9	Current ratio**	NA
10	Long term debt to working capital**	NA
11	Bad debts to Account receivable ratio**	NA
12	Current liability ratio**	NA
13	Total debts to total assets***	0.80
14	Debtors turnover**	NA
15	Inventory turnover**	NA
16	Operating margin (%)**	NA
17	Net profit margin (%) #	5.06%
18	Sector specific equivalent ratios, as applicable:	
18 a	Net Interest Margin (%)	9.07%
18 b	Gross NPA (%) ##	3.10%
18 c	Net NPA (%) ###	1.42%
18 d	Capital risk adequacy ratio (CRAR) % $	26.41%

Notes:

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

b. Ratio computation :

* Debt Equity ratio = (Debt securities+ Borrowing (other than debt securities)+ Subordinated liabilities)/Net worth

** The Company is registered under Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are not applicable.

*** Total debts to total assets = (Debt securities+ Borrowing(other than debt securities)+ Subordinated liabilities)/Total Assets

Net Profit Margin = Profit after tax/ Total income

Gross NPA(%) = Gross NPA (Stage III) loan EAD/Gross total loan EAD. Exposure at default (EAD) includes loan balances and interest thereon. Stage-III loans has been determined as per ind AS 109.

Net NPA(%) = (Gross Stage III Loans EAD – Impairment loss allowance for stage III)/(Gross total loan EAD- Impairment loss Allowance for Stage III)

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

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS GURUGRAM

Satya MicroCapital Ltd. Authorised Signatory

SATYA MICROCAPITAL LIMITED New Delhi

SATYA MicroCapital Ltd.

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8. Pursuant to RBI circular dated 12 November 2021-" Prudential norms on income recognition, Asset Classification and Provisioning pertaining to Advances-Clarification", the Company has aligned its system of asset classification norms as directed by RBI.

9. The listed secured non-convertible debentures of the Company aggregating to Rs.3,341.18 million as at December 31, 2021 are secured by way of exclusive charge on Book debts/Receivables hypothecated in favour of Debenture Trustee, with a cover of 1.10 times or more as required under Information Memorandum/Debenture Trustee Deed.

10. Pursuant to the approval of the Board of Directors at its meeting held on September 20, 2021, Credentia Finclusion Private Limited has been incorporated as Wholly Owned Subsidiary of the Company with the Registrar of Companies, vide Certificate of Incorporation bearing Corporate Identification Number U65929DL2021PTC388931 dated October 25, 2021.

11. During the quarter ended December 31 2021, the Company has acquired 24% stake in Baid Housing Finance Private Limited on November 12, 2021 which is registered with National Housing Bank.

12. As per SEBI circular SEBI/HO/DDHS/CIR/2021/00000 00637 dated 5th October 2021, since the Company does not have the corresponding quarterly and year to date financial results for the period ended 31st December 2020, columns related to these corresponding figures for such periods are not applicable and hence not disclosed.

13. The figures for the previous periods have been regrouped/rearranged wherever necessary to conform to current period presentation.

14. The above unaudited standalone 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

Satya MicroCapital Ltd. Authorised Signatory

Vivek Tiwari
Managing Director, CEO and CIO

Place: New Delhi
Date: February 12, 2022

S. N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS GURUGRAM

SATYA MICROCAPITAL LIMITED New Delhi

ANNEXURE II: CREDIT RATING LETTER & PRESS RELEASE

Rating Letter - Intimation of Rating Action

Letter issued on: May 20, 2022
Letter Expires on: May 12, 2023
Annual Fee valid till: May 12, 2023

Scan this QR Code to verify authenticity of this ratina

Satya Micro Capital Limited
519 5th floor DLF Prime Towers, Okhla Industrial Area, Phase-1 Delhi South Delhi DL 110020 IN

Kind Attn.: Mr. Vivek Tiwari, Managing Director (Tel. No. 7290065001)

Dear Mr. Tiwari,

Sub.: Rating(s) Assigned - Non- Convertible Debenture of Satya Micro Capital 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.)	60.00	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	May 20, 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 May 12, 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 May 13, 2023 subject to receipt of surveillance fee as applicable. If the rating is reviewed before May 12, 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 LIMITED New Delhi

Annexure A. Details of the rated instrument

Bank	Facilities	Scale	Current Amt. (Rs. Cr)	Ratings	Rating Action
Fund Based Facilities					
Proposed Secured Non-Convertible Debenture		Long term	56.00	ACUITE A-/Stable	Assigned
Proposed Secured Non-Convertible Debenture		Long term	4.00	ACUITE A-/Stable	Assigned
			60.00		
Total Facilities			60.00		

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

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. Acuité 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. Acuité 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 LIMITED New Delhi

Acuite
RATINGS & RESEARCH

Press Release

Satya MicroCapital Limited

May 20, 2022

Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	150.00	ACUITE A- | Stable | Reaffirmed	-
Bank Loan Ratings	50.00	ACUITE A- | Stable | Assigned	-
Non Convertible Debentures (NCD)	60.00	ACUITE A- | Stable | Assigned	-
Total Outstanding Quantum (Rs. Cr)	260.00	-	-
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.150.00 Cr. bank loan facilities 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.50.00 Cr. bank loan facilities 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.60.00 Cr. Proposed 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. SML's Networth stood at Rs 527.96 Cr as on March 2022 (Provisional), aided by equity infusion of Rs.153.26 Cr. by the existing investor Gojo & Company, Inc. on private placement basis and CCPS of Rs. 105 Cr. converted into equity and issued to Gojo & Company, Inc. during FY21. Post infusion coupled with conversion of CCPS into equity, the shareholding of Gojo & Company, Inc. has increased to 49.54 percent as on March 31, 2021, from 24.42 percent as on March 31, 2020. The CAR levels stood at 23.16 percent as on March 31, 2022 (provisional; as per Ind AS). The credit profile of the company derives strength from its demonstrated ability to raise debt from diverse lenders. SML received sanctions of ~Rs. 1,131.25 Cr. in FY2021 and ~Rs. 2,768.6 Cr. in FY2022 in the form of terms loans, NCD's and securitizations. The company reported increase in GNPA at 3.31 percent as on March 31, 2022 (Provisional) as against 1.54 percent as on March 31, 2021. These strengths are partially offset by the moderate profitability parameters and risks inherent to the nature of the business which renders the portfolios vulnerable to event risks such as natural calamities in the areas of operations. Going forward, continued promoter support, profitability and business growth are key monitorables.

SATYA MICROCAPITAL LIMITED New Delhi

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 2018. 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 March 31, 2021, Uttar Pradesh accounted for 22 percent of portfolio, followed by Bihar for ~16 percent and ~12 percent for Punjab and ~9 percent for Haryana, and 8 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 (23.84percent), Gojo & Company Inc (49.54 percent), Dia Vikas Capital Private limited (13.90 percent) and remaining 12.72 percent held by promoter's family, friends, employees, and SATYA Employee Welfare Trust, as on March 31, 2021.

Gojo & company, Inc invested in SML, in from of compulsorily convertible preference capital, was converted to equity which lead to increase its shareholding to 49.54 percent as on March 31, 2021 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 9 members with one Managing Director, four independent Director, one non- executive Director and three 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) and Dia Vikas Capital Private limited (Mr. Saneesh Singh). 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 Mr. Singh has over two decades of experience in banking and finance, financial inclusion, MSME lending and impact investments. SML continues to benefit from the

SATYA MICROCAPITAL LIMITED New Delhi

expertise of their directors.
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 (Provisional) from Rs.1,476.16 Cr. as on March 31, 2021. The off-book portfolio stood at ~Rs. 590.1 Cr. as on March 31, 2022, vis. a. vis ~Rs.254.18 Cr. as on March 31, 2021. 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. 527.96 Cr. as on March 31, 2022 (provisional; as per Ind AS) and reported a capital adequacy ratio (CAR) of 23.16 percent comprising Tier I capital at 18.89 percent and Tier II capital at 4.29 percent (provisional; as per Ind AS). The company's leverage increased to 4.36 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. 2301.52 Cr. outstanding as on March 31, 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 92.96 percent as on March 31, 2022 (95 percent as on March 31, 2021) 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 3.31 percent as on March 31, 2022 (Provisional) as against 1.54 percent as on March 31, 2021.The company has made adequate provisions marked by provision cover of 41 percent 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 operating income of SML grew profitability metrics stood moderate marked by NIM at 8.50 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 1.06 percent and 1.37 percent for FY2022 as against 0.65 percent and 0.76 percent for FY2021, respectively.
Acuité believes that the ability of the company to improve its profitability while growth in its AUM will be crucial.

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 risks, the inherent nature of the business renders the portfolios vulnerable to event risks 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 4 independent directors and 2 female directors out of a total of 9 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

Material Covenants
None

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 81-99 percent. As per ALM statement as on March 31, 2022, SML has no negative cumulative mismatches in any buckets upto 2 year. As per ALM Statement dated March 31, 2022 around Rs. 1734 Cr. ~ 75 percent of borrowings mature within 2 year against Rs. 2235 Cr. ~97 percent of total advances in same period. SML maintained unencumbered cash and bank balances of ~Rs. 127.63 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 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.

Key Financials - Standalone / Originator

	Unit	FY21 (Actual)	FY20 (Actual)
Total Assets	Rs. Cr.	1580.12	1098.99
Total Income*	Rs. Cr.	139.41	92.71
PAT	Rs. Cr.	10.22	7.53
Net-worth	Rs. Cr.	404.43	171.77
Return on Average Assets (RoAA)	(%)	0.76	0.83
Return on Net Worth (RoNW)	(%)	3.55	5.76
Total Debt/Tangible Net Worth (Gearing)	Times	2.79	5.37
Gross NPA's	(%)	1.54%	1.62%
Net NPA's	(%)	0.64%	0.55%

Total income equals to Net interest income plus other income

Status of non-cooperation with previous CRA (if applicable):
None

Any other information
Not Applicable

Applicable Criteria
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-

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53.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
03 Feb 2022	Term Loan	Long Term	30.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	13.67	ACUITE A- | Stable (Reaffirmed)
	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	6.25	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	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	24.20	ACUITE A- | Stable | Reaffirmed
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE A- | Stable | Assigned
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	56.00	ACUITE A- | Stable | Assigned
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A- | Stable | Assigned
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	5.43	ACUITE A- | Stable | Reaffirmed
Suryoday Small Finance Bank Limited	Not Applicable	Term Loan	26-10-2020	Not available	05-11-2022	3.62	ACUITE A- | Stable | Reaffirmed
Federal Bank	Not Applicable	Term Loan	30-12-2020	Not available	31-12-2022	3.75	ACUITE A- | Stable | Reaffirmed
Capital Small Finance Bank	Not Applicable	Term Loan	17-03-2021	Not available	01-04-2023	5.15	ACUITE A- | Stable | Reaffirmed
Nabsamruddhi Finance Limited	Not Applicable	Term Loan	28-06-2021	Not available	30-06-2024	15.71	ACUITE A- | Stable | Reaffirmed
Capital Small Finance Bank	Not Applicable	Term Loan	23-08-2021	Not available	01-03-2024	12.31	ACUITE A- | Stable | Reaffirmed
Federal Bank	Not Applicable	Term Loan	09-09-2021	Not available	10-09-2023	27.00	ACUITE A- | Stable | Reaffirmed
Suryoday Small Finance Bank Limited	Not Applicable	Term Loan	24-09-2021	Not available	05-04-2024	12.83	ACUITE A- | Stable | Reaffirmed

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Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294041 mohit.jain@acuite.in Shreyans Mehta Assistant Manager-Rating Operations Tel: 022-49294065 shreyans.mehta@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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.

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. Ratings assigned by Acuité 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. Acuité 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. Ratings assigned by Acuité 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.

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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!

816/CL/MUM/22-23/DEB/162
May 26, 2022

To,
Satya Microcapital Limited
519, 5th floor DLF Prime Towers,
Okhla Industrial Area, Phase-1,
South Delhi -110020, Delhi

Dear Sir(s),

Consent to act as Debenture Trustee for Rated, Secured, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 25 Crores (Rupees Twenty-Five Crores only) 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, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 25 Crores (Rupees Twenty-Five Crores only) 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, 2021, 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

SATYA MICROCAPITAL LIMITED New Delhi

CATALYST
Believe in yourself... Trust us!

CATALYST
Believe in yourself... Trust us!

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Okhla Industrial Area, Phase-1,
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This is with reference to the appointment of Catalyst Trusteeship Limited (CTL) to act as Debenture Trustee for the Rated, Secured, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 25 Crores (Rupees Twenty-Five Crores only) to be issued by the Company.

In this regard, we hereby agree to act as Debenture Trustee on the following trusteeship remuneration:

Acceptance fees	INR 75,000/- one time fees plus applicable taxes (One Time; Non Refundable & payable on appointment as trustee)
Service Charges (Debenture Trustee)	Rs.1,00,000/- 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.

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ANNEXURE IV: BOARD RESOLUTION & RESOLUTION OF WORKING COMMITTEE OF BOARD

SATYA MicroCapital Ltd.
सर्वे भवन्तु सुखिनः

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 11:00 AM 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 in 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 Runveer 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

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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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(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 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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accepted 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

SATYA MICROCAPITAL LIMITED New Delhi

Choudhary Runveer Krishasan
Company Secretary & Chief Compliance Officer
Membership No.: F 7437

SATYA MICROCAPITAL LIMITED New Delhi

EXTRACTS OF THE MINUTES OF THE MEETING OF THE WORKING COMMITTEE OF THE BOARD OF DIRECTORS (THE "COMMITTEE") OF SATYA MICROCAPITAL LIMITED (THE "COMPANY") HELD ON THURSDAY, 26TH DAY OF MAY, 2022 AT AT REGISTERED OFFICE LOCATED AT 519, 5TH FLOOR, DLF PRIME TOWERS, OKHLA INDUSTRIAL AREA, PHASE-1, DELHI, SOUTH DELHI, DELHI -110020, INDIA

"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, permissions and sanctions as may be required from any statutory or regulatory authority, the approval of the Committee be and is hereby accorded for (a) issue and allotment of 250 (two hundred and fifty) Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible 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 25,00,00,000 (Indian Rupees Twenty Five Crores) or such other number of debentures, face value and amount as may be determined (**"Debentures"**) at 11.61% p.a. (eleven decimal sixty one percent) per annum, or such other interest rate as may be agreed, payable monthly 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, and for a period of up to for a period of 21 (twenty one) months from the deemed date of allotment or such other maturity period (subject to applicable law) as may be agreed, on a private placement basis to Hinduja Leyland Finance Limited ("HLF") (being the identified person for the purposes of Section 42 of the Act) (**"Investor"**) for raising debt to augment the long-term resources of the company, & to meet working capital requirement or for such other purposes as may be agreed with the Investors, and (b) 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 one or more of the following (i) hypothecation of certain identified loans/book debts (and/or other assets) of the Company, and/or (ii) such other security or contractual comfort as may be required in terms of the issuance of the Debentures (the **"Security"**)."

"RESOLVED FURTHER THAT Mr. Vivek Tiwari, Managing Director, CEO & CIO, Mr. Sanjay Goel, Deputy CFO and Mr. Choudhary Runveer Krishanan, Company Secretary & Chief Compliance Officer of the Company (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, 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;

(b) executing the term sheet in relation to the Debentures;

(c) negotiating, approving and deciding the terms of the issue, offer and allotment of the Debentures and all other related matters;

SATYA MICROCAPITAL LIMITED New Delhi

(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"" issued by SEBI;

(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)" 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 (if so required), a debenture trustee, a registrar and transfer agent, a credit rating agency, a legal counsel, the depository(ies) and such other intermediaries including their successors and their agents, as may be required in relation to the issue, offer and allotment of the Debentures;

(k) finalising the terms of the 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;

(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

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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, the 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;

(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 as the "**Transaction Documents**");

(iii) the debenture certificate(s) for the Debentures (if required);

(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 in relation 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 Committee 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."

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"**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 acts, deeds and things 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 are 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, the Company Secretary of the Company and/or the Chief Financial Officer 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 the Company Secretary of the Company be furnished to such persons as may be deemed necessary."

For SATYA MicroCapital Limited

SATYA MICROCAPITAL LIMITED New Delhi

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance Officer
Membership No.: F 7437

SATYA MICROCAPITAL LIMITED New Delhi

ANNEXURE V: SHAREHOLDERS RESOLUTION

SATYA MicroCapital Ltd.

CERTIFIED TRUE COPY OF THE RESOLUTIONS PASSED AT THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF SATYA MICROCAPITAL LIMITED HELD ON MONDAY, 28TH DAY OF JUNE, 2021 AT 03:00 P.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, Higher Financing Agencies or Institutions, 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. 50,00,00,00,000/- (Rupees Five Thousand Crores only) at any time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is 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.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue a Certified Copy of the 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 or any committee, which the Board may hereafter constitute), 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 not set apart for any specific purpose provided that the total amount up to which monies may be borrowed by the Board of Directors shall not exceed Rs. 50,00,00,00,000/- (Rupees Five Thousand Crores only) at any time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors which term shall include its Committees and all Key Managerial Personnel (KMP) of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as they may in their absolute discretion may deem necessary or desirable."

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RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue a Certified Copy of the Resolution."

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 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. 15,00,00,00,000 (Rupees One Thousand Five Hundred Crores 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 shareholders, within the overall borrowing limits of the Company, as approved by the members of the Company from time to time.

RESOLVED FURTHER THAT in connection with the above, the Board be and is 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.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue a Certified Copy of the Resolution."

Certified to be true copy
For SATYA MICROCAPITAL LIMITED

For Satya MicroCapital Limited
(AMIT Jain)
M.No. F3123
Head-Legal, Company Secretary & Compliance Officer

Amit Jain
Head- Legal, Secretary & Compliance Officer

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ANNEXURE VI: DUE DILIGENCE CERTIFICATE FROM DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!

CTL/22-23/823

(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 250 (Two Hundred and Fifty) Secured, Unsubordinated, Rated, Listed, Redeemable, Transferable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 25,00,00,000/- (Rupees Twenty Five Crore only) on a private placement basis by Satya Microcapital Limited.**

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.

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.

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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: May 27, 2022

For Catalyst Trusteeship Limited

For CATALYST TRUSTEESHIP LIMITED

Authorised Signatory

Authorised Signatory

ANNEXURE VII: UNDERTAKING PURSUANT TO REGULATION 43 (2) OF THE SEBI NCS REGAULTIONS

Undertaking on Creation of Security

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.

For SATYA MicroCapital Limited

For SATYA MICROCAPITAL LIMITED

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

Name: Choudhary Runveer Krishanan

Title: Company Secretary & Chief Compliance Officer

Date: May 30, 2022

ANNEXURE VIII: TERM SHEET

INDICATIVE TERM SHEET

The terms and conditions given below are indicative only and are not exhaustive and subject to change.

PARTIES INVOLVED IN THE ISSUE	
Issuer / Company	Satya Microcapital Limited ("Satya")
Debenture Trustee	Catalyst Trusteeship Limited
Subscriber(s)	Hinduja Leyland Finance Limited ("HLF")
Depository	NSDL and CDSL
Registrar and transfer agent	Link Intime India Private Limited
Rating Agency	Acuite Ratings and Research Limited
Structurer and Arranger	Northern Arc Capital Limited ("Northern Arc")
Legal Counsel	Verist Legal
Guarantor(s)	Not Applicable
Credit Enhancer(s)	Not Applicable
Other obligor(s)	Not Applicable
DETAILS OF THE INSTRUMENT	
Type of instrument	Non-convertible debentures
Nature of instrument	Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")
Ranking	Each Debenture issued by the Issuer will constitute direct and secured obligations of the Issuer. The claims of the Debenture Holders shall be superior to the claims of investors / lenders of Tier I & Tier II Capital and all unsecured & subordinated debt and shall rank paripassu to all senior, secured indebtedness of the Issuer. Each of the Debenture Holders shall inter-se rank paripassu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.
Security requirements	Debentures shall be secured as per the terms and conditions stipulated under the heading 'Security Creation' hereunder.
Listing requirements	Debentures are to be listed on the WDM of the BSE within a maximum period of 4 working days from the Issue closing date / Deemed Date of Allotment. In the event that: (i) the Debentures are not listed on the BSE within a period of [4] [(Four)] working days from the Issue Closing Date; and/ or (ii) the debentures are delisted for a continuous period of 1 month, the Company shall pay default interest calculated at the rate of 1% (One Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate for the period commencing from the Deemed Date of Allotment and expiring on the date the Debentures are listed on the WDM of the BSE.

For Satya MicroCapital Ltd.

Sanjay Goel
Deputy CFO

Rating	Acuite A-		
ISSUE DETAILS			
Mode of Issue	Dematerialized, Private Placement		
Settlement mode of the Instrument	RTGS		
Form of Issue	Debentures will be issued in dematerialized form.		
Total Issue size	INR 25,00,00,000/- (Indian Rupees Twenty Five Crores only)		
Tenor	21 Months		
Face value	INR. 10,00,000/- (Indian Rupees Ten lakhs only)		
Issue price	Debentures will be issued at par		
Issue Schedule	Issue Opening Date	May 30,2022	
	Issue Payin Date	May 30, 2022	
	Issue Closing Date	May 30, 2022	
	Deemed Date of Allotment	May 30, 2022	
Objects of the Issue	To augment the long-term resources of the company, & to meet working capital requirement		
Utilization of Issue proceeds	The Issuer shall utilize the proceeds of the Issue solely for meeting the Objects of the Issue as stated in the Information Memorandum. No part of the proceeds from the Issue will be used towards: i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities; ii. any speculative purposes; iii. investment in the real estate sector; or iv. in contravention of any applicable law		
REDMPTION			
Redemption Amount	Each Debenture shall be redeemed at par.		
Scheduled Redemption	Debentures shall be redeemed on a pro rata basis as set out in Schedule 1 (*Redemption Schedule*) hereto and shall be fully redeemed by the Final Redemption Date.		
Total Tenor & Principal Redemption	21 Months. Principal repayment to be made on a quarterly basis as per Annexure 1. [Redeemable at PAR]		
Final Redemption Date	February 29, 2024		
Record Date	Means the date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 days prior to any Due Date.		
Early Redemption	In case of early redemption of the Debentures at the instance of the Issuer, on any date other than the Maturity Date and not arising due to an Event of Default, the Issuer shall pay a penalty of 2% (Two Percent) on the principal amount prepaid. Prepayment shall be subject to the consent of the Majority Debenture Holders. The Issuer shall give the		

For Satya MicroCapital Ltd.

Sanjay Goel
Deputy CFO

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	Debenture Trustee and the Debenture Holders at least 15 (Fifteen) Business Days written notice prior to the date of such meeting where consent of the Debenture Holders shall be sought.
Early Redemption Premium	2% (Two percent) on the principal amount prepaid.
Put Option Date	Not Applicable
Put Notification Time	Not Applicable
Call Option Date	Not Applicable
Call Notification Time	Not Applicable
COUPON PAYMENT	
Coupon Type	Fixed
Coupon Rate	11.61% (Eleven decimal six one) per annum payable at such frequency as set out below against the heading 'Coupon Payment Frequency' and on such dates as set out below against the heading 'Coupon Payment Dates'.
Coupon Payment Frequency	Monthly
Coupon Payment Dates	As mentioned in Schedule-I
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.
Step-up Coupon	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
Step-down Coupon	Not applicable.
Default Interest	Coupon Rate plus 5.0% (Five Percent)
CONVENTIONS	
Day Count Basis	Actual/Actual
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Chennai;

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Date Convention	(a) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day; (b) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and (c) If the Final Redemption Date or the Early Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.
THIRD PARTY OBLIGATIONS	
Guarantor(s)	Not applicable.
Credit Enhancer(s)	Not applicable.
Other Obligor(s)	Not applicable.
SECURITY CREATION	
Hypothecation	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

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	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; • Each loan under the Portfolio should comply with the guidelines under the Master Circular for Priority Sector Lending dated July 7, 2016 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. The receivables should not be restructured or reschedule.
Pledge	Not applicable
Mortgage	Not applicable
OTHER COVENANTS	
Debenture Redemption Reserve	If so applicable for the issue, the issuer shall create debenture redemption reserve in accordance with the Companies Act, 2013 (and

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	Rules thereunder) and in terms thereof earmark an amount not less than 15% of the amount maturing during the year ending on the 31st day of March of the next year by way of investment and deposits in specified securities on or before the 30th day of April in each year.
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) Bald 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 Bald 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.**
Prepayment and Prepayment Penalty	**Any full or part of Prepayment shall be subject to the consent of the Majority of all Debenture Holders. In case of early redemption of the Debentures, at the instance of the Issuer and post consent of majority debenture holders, on any date other than the Maturity Date and not arising due to an Event of Default, the Issuer shall pay a penalty of 2% (Two Percent) on the principal amount repaid. The Issuer shall give the Debenture Trustee and the Debenture Holders at least 30 (Thirty) Calendar Days written notice prior to the date of such meeting where Debenture Holders consent for prepayment shall be sought.**
Affirmative Covenants	

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	1. To utilise the proceeds of this issue in accordance with applicable laws and regulations 2. To comply with corporate governance, fair practices code prescribed by the RBI 3. Notification of any potential Event of Default or Event of Default; 4. Obtain, comply with and maintain all licenses / authorizations 5. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation) 6. Maintain internal control 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 7. Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them 8. Comply with any monitoring and/or servicing requests from Debenture Holders
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: 1. Change in promoter or control (excluding Employee Stock Option) in Issuer due to new equity raise. 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 will have to be formally approved by Debenture holders and deemed consent window is not applicable. 2. Mergers and Acquisitions, restructuring, amalgamation without approval of majority Debenture Holders 3. 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. 4. 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; 5. Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect as defined earlier, without prior consent of the Debenture Trustee 6. Unless mandated by law, Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee 7. 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 NCD holders 8. The Issuer shall not declare dividend or do buy back of equity shares, if an Event of Default has occurred and is subsisting. 9. 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 NCD holders

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Events of Default	Following Events would be construed as Events of Default - 1. Non-payment of any of the dues under this issuance, with a grace period of 1 (business day) day in case of delays due to technical reasons; 2. Default or trigger of event of default on any other indebtedness (cross default) 3. Misrepresentation or misleading information in any of the Transaction Documents 4. Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company; 5. Event of Insolvency, winding up, liquidation 6. A receiver or liquidator, provisional liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets is appointed or allowed to be appointed of all or any part of the undertaking of the Company; 7. If an attachment or expropriation or restraint of act of sequestration is levied on the Hypothecated Assets or any part thereof; 8. Creditors' processes initiated against the company 9. Repudiation of Transaction Documents 10. Cessation of business 11. Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer 12. The Company has taken or suffered to be taken any action for reduction of its capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holders; 13. Promoters or key management personnel of the Company being declared willful defaulter. 14. The promoter/s and/or the directors of the Company are convicted of 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; 15. Erosion of 50% or more of the Company's net worth starting March 31,2022 16. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalized, 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 Government authority; 17. Occurrence of a Material Adverse Effect (defined below) as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders. 18. Change in management control without prior written consent from the majority Debenture Holders. Any new equity raising which results

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	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. 19. Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable; 20. 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 21. Breach of the following covenants: Affirmative Covenants – (i) Preserve corporate status; authorizations, (ii) Payment of Stamp Duty, (iii) Handling investor grievances, (iv) Compliance with Investor Education and Protection Fund requirements, (v) Regulatory Filings, (vi) Regulatory requirements in case of a Foreign Investor, (vii) Maintenance of Books of Account and (viii) Corporate Governance; Where such breach is not cured within 30 (thirty) calendar days. a) Negative Covenants - (i) Change of business, (ii) Change of Managing Director, and (iii) Dividend distribution in case of default b) Financial Covenants where such breach is not cured within 60 (Sixty) calendar days. Upon occurrence of any of the aforesaid event of default, the Debenture Trustee may by a notice in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following: (a) require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents; (b) Declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable immediately 'Material Adverse Effect' shall mean 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 where net worth erodes by more than 10%; (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).
Reporting Covenants	Monthly Reports – Month end ALM table in the agreed format within 21 days from the end of the month.

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	(a) QUARTERLY REPORTS - within 45 (Forty-five) calendar days after the end of each calendar quarter: (i) Information on financials, operations, portfolio growth & asset quality (static portfolio cuts, collection efficiency and PAR), funding in formats agreeable to the Debenture Holders (ii) Latest ALM details (iii) Unaudited Financial Statements (iv) List of Board of Directors (v) Shareholding Pattern (vi) List of Lenders and Loan / NCD profile (vii) Portfolio cuts including PAR data in the agreed format (viii) Financial covenant compliance certificate issued by management (ix) Information on: • New products introduced, or change in existing product features • New business correspondent relationships or discontinuance of existing relationships • Geographical expansion to any new state • Material changes to the IT / MIS systems • Change in credit bureaus used • Revision in the Business Plan • Changes in the Accounting Policy • Any fraud amounting to more than 5% of GLP (b) ANNUAL REPORTS – within 120 days after the end of each fiscal year (i) Audited financials (ii) A certificate from the Director/CFO/authorised signatory, confirming that there is no or Event of Default; (c) EVENT BASED REPORTS – within 5 business days after event occurring (i) Change in Board of Directors (ii) 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 (iii) Change in the Senior Management officials (Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or Chief Risk Officer) (iv) Change in statutory auditors (v) Board approval of annual business plan (vi) Material change in the Constitutional Documents of the Company;

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	(vii) Material Adverse Effect. (viii) Winding up proceedings (ix) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same (x) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect. (xi) Any fraud amounting to more than 2.0% of Gross Loan Portfolio Any prepayment or notice of any prepayment of any indebtedness of the Issuer
Financial Covenants	1. 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 18.00% (Eighteen 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. 2. 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 5.00% (Five Point Zero Zero percent) till June 30, 2022 and 3.00% (Three Point Zero Zero percent) from July 01, 2022 onwards, write-offs would be calculated for trailing twelve months and only writes-offs taken after January 01, 2022 shall be considered. 3. 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 15.00% (Fifteen Point Zero Zero percent). 4. Cumulative Asset Liability mismatch should always be positive in all the buckets upto 1 year to the extent of 10%. 5. Asset Quality: Net NPA shall be 3% or lower. For the purpose of the above given Financial Covenants, following terms shall have the following meanings:

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	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 but excludes those loans which are restructured under RBI framework 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 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.

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Deputy CFO

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	The covenants shall be certified by the Company within 60 (Sixty) calendar days from the end of each financial quarter.
Rating Covenant	If any time during the tenor of the debentures, the rating of the instrument is downgraded to below BBB-, the debenture trustee, shall have the right, but not an obligation, to require the issuer to redeem the debentures within a period of 30 days.
Representations & Warranties	1. The Company is registered with the RBI as an NBFC 2. No Event of Default has occurred and is continuing on the date of this transaction 3. The Debentures under this issuance shall rank pari passu amongst themselves, and with all other secured creditors. 4. Binding obligation of Transaction Documents 5. No conflict with other obligations / constitutional documents 6. No Material Adverse Change in business, condition or operations of the issuer 7. Company has the power and authority to issue Debentures and such Transactions Documents are valid and admissible in evidence 8. Absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the issuer or that purports to affect the Facility And as set out in greater detail in the Debenture Trust Dead.
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer or its Promoter/s.
Shareholder Dilution Restriction	Each of the persons mentioned below (collectively "Key Shareholders") shall not transfer or encumber the shares of the Borrower held by them respectively without the prior consent of the Lender. Any change in the stake of the Key Shareholders in the Borrower below the existing level set out in the following table shall require prior consent of the Lender Name: Vivek Tiwari; Investment Type: Ordinary Equity; %'age stake: 20.00
Transaction documents	Debenture Trust Deed, Disclosure Documents, Resolutions, the letters issued by the Rating Agency and the Registrar and all other documents in relation to the issuance of the Debentures. Disclosure Documents means collectively, (a) the debt disclosure document to be issued by the issuer in terms of regulations of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (if applicable); and

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	(b) private placement offer letter to be issued by the Issuer in terms of section 42 (*Offer or invitation for subscription of securities on private placement*) of the Companies Act, 2013. **Resolutions means collectively,** **(a) special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013;** **(b) special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013;** **(c) board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder;** **(d) special resolution of the shareholders of the Company under the applicable provisions of the Companies Act, 2013 and Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014.**
Conditions Precedent to Disbursement	**The Company will fulfil the following conditions precedent, to the satisfaction of the Debenture Trustee, prior to the Deemed Date of Allotment:** **1. submit to the Debenture Trustee, a copy of resolution of the Company's board of directors authorizing the execution, delivery and performance of the Transaction Documents** **2. submit to the Debenture Trustee, copies of the relevant resolutions of the shareholders of the Company in relation to the borrowing limits of the company** **3. submit to the Debenture Trustee, a copy of the Company's constitutional documents** **4. provide such other information, documents, certificates, opinions and instruments as the Debenture Holder may reasonably request;** **5. execution, delivery and stamping of the Transaction Documents in a form and manner satisfactory to the Debenture Trustee;** **6. receipt and submission of the rating letter issued by the Rating Agency in relation to the Debentures;** **7. receipt of consent from the Debenture Trustee to act as the debenture trustee for the issue of Debentures;** **8. submission of all 'know your customer' requirements to the satisfaction of the Debenture Trustee;**
Conditions Subsequent to Disbursement	**The Company shall fulfill the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:** **(a) The Issuer shall ensure that the Debentures are credited into the demat accounts of the Debenture Holders of each series of Debentures within 10 Business Days from the Deemed Date of Allotment;** **(b) The Issuer shall file a return of allotment of securities under**

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Deputy CFO

	Form PAS-3 under Section 42 of the Companies Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) calendar days of the Deemed Date of Allotment along with a list of the Debenture Holders and with the prescribed fee; (c) To create, register and perfect the security over the Hypothecated Assets no later than 90 (ninety) calendar days from the Deemed Date of Allotment or as applicable under relevant regulation and Law, whichever is earlier. (d) Receive final listing approval from the BSE within 4 business days from the Deemed Date of Allotment (e) Submit to the Debenture Trustee, the audited financial statements of the Company for the Financial Year ended March 31, 2022 and provisional quarterly financial statements for the period ended September 30, 2022 The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.
Roles and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders.
Other Costs & Conditions	The Issuer shall bear the costs and expenses incurred in connection with the transactions contemplated hereby including stamp duty and registration fee (if applicable) on the Transaction Documents (and the Debentures), appointment of the Debenture trustee, legal advisors' expenses and expenses incurred in the preparation for the Transaction Documents.
Confidentiality	The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other Parties.
Governing Law and Jurisdiction	Indian Law with jurisdiction of the courts and tribunals of Chennai
Validity	This term sheet shall be valid till 31-05-2022

For Satya MicroCapital Ltd.

Sanjay Goel
Deputy CFO

Schedule I

Redemption Schedule per bond

Period (Months)	Interest/Principal Payment Dates	Principal	Interest	Total
0	30-May-22	-25,00,00,000		(25,00,00,000)
1	30-Jun-22	-	24,65,137	24,65,137
2	31-Jul-22	-	24,65,137	24,65,137
3	31-Aug-22	3,57,14,286	24,65,137	3,81,79,423
4	30-Sep-22	-	20,44,814	20,44,814
5	31-Oct-22	-	21,12,975	21,12,975
6	30-Nov-22	3,57,14,286	20,44,814	3,77,59,100
7	31-Dec-22	-	17,60,812	17,60,812
8	31-Jan-23	-	17,60,812	17,60,812
9	28-Feb-23	3,57,14,286	15,90,411	3,73,04,697
10	31-Mar-23	-	14,08,650	14,08,650
11	30-Apr-23	-	13,65,209	13,65,209
12	31-May-23	3,57,14,286	14,08,650	3,71,22,935
13	30-Jun-23	-	10,22,407	10,22,407
14	31-Jul-23	-	10,56,487	10,56,487
15	31-Aug-23	3,57,14,286	10,56,487	3,67,70,773
16	30-Sep-23	-	6,81,605	6,81,605
17	31-Oct-23	-	7,04,325	7,04,325
18	30-Nov-23	3,57,14,286	6,81,605	3,63,95,890
19	31-Dec-23	-	3,52,162	3,52,162
20	31-Jan-24	-	3,51,200	3,51,200
21	29-Feb-24	3,57,14,286	3,28,542	3,60,42,828

On behalf of Hinduja Leyland Finance Limited

For HINDUJA LEYLAND FINANCE LIMITED

Authorised Signatory

For Satya MicroCapital Ltd.

Sanjay Goel
Deputy CFO

SATYA MICROCAPITAL LIMITED New Delhi

ANNEXURE IX- TRANSACTION DOCUMENTS

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

ANNEXURE X: APPLICATION FORM

SATYA MicroCapital Limited

A Private Limited Company/public limited company incorporated under the Companies Act, 1956/2013

Date of Incorporation: May 18, 1995

Registered Office: 519 5th Floor, DLF Prime Towers,
Okhla Industrial Area, Phase I, Delhi, South Delhi – 110020

Telephone No.: 91-11-49724000

Website: http://www.satyamicrocapital.com

DEBENTURE SERIES APPLICATION FORM SERIAL NO.									

ISSUE OF 250 RATED, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE, TRANSFERABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURE(S)" OR "NCD(S)") OF FACE VALUE OF RS.10,00,000 (INDIAN RUPEES TEN LAKHS ONLY) EACH, ISSUED IN ONE OR MORE TRANCHES, AGGREGATING TO INR 25,00,00,000 (INDIAN RUPEES TWENTY FIVE CRORES ONLY) (THE "ISSUE"), BY WAY OF A PRIVATE PLACEMENT (THE "ISSUE"), BY SATYA MICROCAPITAL LIMITED (THE "COMPANY" OR "ISSUER").

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**

SATYA MICROCAPITAL LIMITED New Delhi

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 May 30, 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

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	

SATYA MICROCAPITAL LIMITED New Delhi

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 MICROCAPITAL LIMITED New Delhi

(Note : Cheque and Drafts are subject to realisation)

----------(TEAR HERE)----------

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**	1	-	-	-	-	-	-	-	-

Received from _____

Address _____

_____

Cheque/Draft/UTR # _____ Drawn on _____ for INR _____

on account of application of _____ Debenture

INSTRUCTIONS

Application form must be completed in full, IN ENGLISH.

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.

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:

	[•]	[•]	[•]
Beneficiary Name	[•]	[•]	[•]
Account Number	[•]	[•]	[•]
IFSC Code	[•]	[•]	[•]
Mode	[•]	[•]	[•]

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.

Receipt of applicants will be acknowledged by the Company in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.

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

SATYA MICROCAPITAL LIMITED New Delhi

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.

The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.

ANNEXURE XI- DECLARATION OF PROMOTER

We/ hereby declare that the 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 nonconvertible securities are proposed to be listed.

For SATYA MicroCapital Limited



Authorised Signatory

Name: Choudhary Runveer Krishanan

Title: Company Secretary & Chief Compliance Officer

ANNEXURE XII- DECLARATION OF DIRECTOR

We/ hereby declare that the that the Permanent Account Number of directors have been submitted to the stock exchanges on which the nonconvertible securities are proposed to be listed.

For SATYA MicroCapital Limited

For SATYA MICROCAPITAL LIMITED

Authorised Signatory

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

Name: Choudhary Runveer Krishanan

Title: Company Secretary & Chief Compliance Officer

SATYA MICROCAPITAL LIMITED New Delhi

ANNEXURE XIII- PAS 4

Serial Number: 1

Addressed to: Hinduja Leyland Finance Limited ("HLF")

Date: May 30, 202

FORM NO

PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

("PPOAL")

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

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

SATYA MICROCAPITAL LIMITED

Issue of 250 (Two Hundred and Fifty) Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) aggregating up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) on a private placement basis (the "Issue").

PART A

1. **General Information:**

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

Issuer / Company:	Satya MicroCapital Limited (the "**Issuer**", "**Company**" or "**Satya**")
Registered Office:	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase I, Delhi - 110020
Corporate Office:	519, 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase I, Delhi - 110020
Telephone No.:	+91-11-49724000
Website:	http://www.satyamicrocapital.com
Fax:	+91-11-49724051
Contact Person:	Mr. Sanjay Goel
Email:	sanjay.goel@satyamicrocapital.com

Date of incorporation of the Company:

May 18, 1995

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

SATYA MICROCAPITAL LIMITED New Delhi

Satya MicroCapital Limited (formerly known as TFC Finvest Limited) is a New Delhi based non-banking financial company - micro finance institution ("**NBFC-MFI**") which was incorporated as a limited company in 1995. Satya started its microfinance operations by adopting the JLG model with a fortnightly collection cycle in November 2016. Satya offers ticket sizes ranging from Rs. 2,500 up to Rs. 2,00,000 at an interest rate of 23-28% depending on the ticket size, along with a 1-2% processing fee. The Issuer focuses solely on lending to women (husbands act as co-borrowers) with the aim of starting a new business or enhancing existing businesses.

As on March 31, 2022, the company had presence in 338 branches in 228 Districts in 21 States with top 3 states i.e. Uttar Pradesh (20.79%), Bihar (15.90%) and Punjab (9.25%) accounting for 45.95.% of the total portfolio outstanding;

Assam, Bihar, Chattisgarh, 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 the date of this PPOA, the Issuer does not have subsidiaries

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 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 services to the people residing in rural areas.

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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).
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.

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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	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 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

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	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.

Names, addresses, Director Identification Number (DIN) and occupations of the directors:

S.No	Name and designation of Director	Address	DIN	Occupation
1	Surekha Marandi- Independent Director	Flat No. 301, Wing A, Neelsidhi Garden CHS, Takka, Plot No. 417/418, Panvel, Raigarh, Maharashtra-410206	06952573	Retired Central Banker
2	Mohan Chandanathil Pappachan- Independent Director	65/1928-A, Chandanathil House, Manakaparampil Lane, Azad Road, Kaloor, Kochi 682017, Kerala	02661757	Service
3	Naveen Surya- Independent Director	A-233, Kalptaru Horizon, S K Ahire Marg, Opp Doordarshan, Worli Mumbai 400018	00094514	Service
4	Vivek Tiwari- Managing Director, CEO & CIO	Flat No A-406 Gaur Grandeur, Sector-119 Parthala Khanjarpur Gautam Buddha Nagar Noida-201304	02174160	Business
5	Deepali Pant Rajeev Joshi- Independent Director	54/14, Sardar Patel Marg, Civil Lines, Prayagraj Uttar Pradesh India – 211001	07139051	Retired Central Banker
6	Saneesh Singh- Nominee Director	Flat No. 224, Dlf Park Place DLF City Phase -5, Sector 56 Gurgaon 122011 Haryana	02254868	Business
7	Sanjay Gandhi - Nominee Director	2/7, Hamelia Street, Vatika City, Sohna road, Sector 49, South City II Gurgaon 122018, Haryana	02234298	Business
8	Ratnesh Tiwari- Director	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	Business

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9	Taejun Shin- Nominee Director	5-10-49-1210 Yashio, Shinagawa, Tokyo, Japan 1400003	08056236	Investment Professional

Management's perception of risk factors:

An investment in the Debentures involves risks. These risks may include, among others, equity market, bond market, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Prospective Investors should be experienced with respect to transactions in instruments such as the Debentures. Prospective Investors should understand the risks associated with an investment in the Debentures and should only reach an investment decision after careful consideration of, (a) the suitability of an investment in the Debentures in the light of their own particular financial, tax and other circumstances; and (b) the information set out in this Disclosure Document.

More than one risk factor may simultaneously affect the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Debentures.

Investors are advised to read the following risk factors carefully before making an investment in the Debentures offered in this Issue. Each investor must rely on its own examination of the Issuer and this Issue, including the risks and uncertainties involved. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

RISKS RELATING TO THE DEBENTURES

Changes in the Interest rates may affect the price of the Debentures

All securities where a fixed rate of interest is offered, such as Debentures 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 fluctuation in the prices is a function of the existing coupon/yield to maturity, days to maturity and the increase or decrease in the level of prevailing interest rates. Any increase in rates of interest is likely to have a negative effect on the price of the Debentures.

Secondary market for the Debentures may be Illiquid

It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. As specified in the Disclosure Document, an application has been made to list or quote or admit to trading the Debentures on the WSD Segment of the BSE and an in-principle approval has been obtained. If the Debentures are so listed or quoted or admitted to trading on the BSE no assurance is given that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed

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or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Issuer may, but is not obliged to, at any time purchase the Debentures at any price in the open market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realize value for the Debentures prior to redemption of the Debentures.

Credit risk and rating downgrade risk

The Credit Rating Agency has assigned the credit rating of "A-" rating 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. The Issuer cannot guarantee that this rating will not be downgraded. Such a downgrade in the credit rating may lower the value of the Debentures and may also affect the Issuer's ability to raise further debts.

The Debentures may not be a suitable investment for all potential Investors

Potential Investors should ensure that they understand the nature of the Debentures and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers such as legal, tax, accounting and other advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Debentures and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition.

Exercise of powers by the Debenture Trustee is subject to equitable principles and supervisory powers of courts

The exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debentures and this Disclosure Document or otherwise vested in it by applicable law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorisations or orders.

The right of the Debenture Holders to receive payments under the Debentures will be junior to certain tax and other liabilities preferred by law on an insolvency of the Issuer

The Debentures will be subordinated to certain liabilities preferred by applicable law such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Issuer's business (including workmen's dues). Upon an order for winding-up in India, the assets of a company are vested in a liquidator who has wide powers to liquidate such company to pay its debt and administrative expenses.

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Receipt of coupon or principal is subject to the credit risk of the Issuer.

Investors should be aware that the receipt of any coupon payment and principal amount at maturity is subject to the credit risk of the Issuer. Any stated credit rating of the Issuer reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Issuer. Any downgrading of the credit ratings of the Issuer by the rating agency may lower the value of the Debentures

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.

The payment of the principal and coupon on the Debentures is subject to the credit risk of the Issuer whereby the investors may or may not recover all or part of the principal or coupon amount of the funds invested in case of default by the Issuer. Debenture Holders assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures and may or may not recover all or part of the principal and/or coupon amount in case of default by the Issuer.

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. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. However, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Payment of penalty

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.

INTERNAL RISKS

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Risk Factor In relation to the Issuer's business

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.

As on March 31, 2022, the gross NPA was 78.39 Crores on on-balance sheet portfolio of Rs.2,293.89 Crore and PAR90+ was 79.53 on a gross loan portfolio (including managed / securitised portfolio) of Rs. 2,883.99 Crores.

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of NPAs in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

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

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.

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.

Loans due within two years account for almost all of the Issuer's interest income, and a significant reduction in short term loans may result in a corresponding decrease in its interest income

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[All/ a majority] of the loans the Issuer issues are due within approximately two years of disbursement. The relatively short-term nature of the Issuer's loans means that the Issuer's long-term interest income stream is less certain than if a portion of its loans were for a longer term. In addition, the Issuer's customers may not obtain new loans from the Issuer upon maturity of their existing loans, particularly if competition increases. The potential instability of the Issuer's interest income could materially and adversely affect the Issuer's results of operations and financial position.

The loans given by the issuer are at fixed interest rate, and the tenor of the underlying asset has increased from one year to two year which has provided stability to the portfolio and interest income and has also smoothened operating expense.

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 [microfinance and 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.

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.

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

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may

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not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, 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 either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its 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.

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. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. 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. 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. Additionally, RBI has issued detailed directions on prudential norms *inter alia* prescribing guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. 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 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 any directions issued applicable on NBFCs and fails to maintain the status of NBFC it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the certificate of registration issued to the NBFC.

EXTERNAL RISK FACTORS

Future legal and regulatory obstructions

Future government policies and changes in laws and regulations in India and comments, statements or policy changes by any regulator, including but not limited to RBI or SEBI, may adversely affect the Debentures. The timing and content of any new law or regulation is not within the Issuer's control and such new law, regulation, comment, statement or policy change could have an adverse effect on the market for and the price of the Debentures.

Further, SEBI or any other regulatory authorities may require clarifications on this Disclosure Document, which may cause a delay in the issuance of the Debentures or may result in the Debentures being materially affected or even rejected.

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Further, the exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debenture Trust Deed, or otherwise vested in them by applicable law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorizations or orders.

Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally

Since 1991, successive Indian governments have pursued policies of economic liberalization. The role of the Central Government and State Governments in the Indian economy as producers, consumers and regulators has remained significant. If there is a slowdown in economic liberalization, or a reversal of steps already taken, it could have an adverse effect on the debt market which is as such exposed to the risks of the Indian regulatory and policy regime.

Company's growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have direct impact on the Company's operations and profitability.

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on Company's business. Recent trends suggest that the economy may grow at a flat pace which may have a direct impact on our business and a slowdown in the economy as a whole can increase such an impact thereby adversely impacting the Company's growth plans.

A sustained slowdown in the Indian economy could adversely affect Company's business; India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy

Civil unrest, terrorist attacks and war could affect our business.

Terrorist attacks and other acts of violence, war, or conflicts, particularly those involving India, as well as the jurisdictions where the Company's business is situated, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect the Company's business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighboring countries. Also, some of India's neighboring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and the Company may not be able to foresee events that could have an adverse effect on Company's business and the price and yield of the NCDs.

Company's business may be adversely impacted by natural calamities or unfavorable climatic changes.

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India, Nepal, Bangladesh, Pakistan, Indonesia, and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts, and a tsunami in recent years. Some of these countries have also experienced pandemics notably the ongoing Covid-19 pandemic in India and Globally including the outbreak of avian flu/ swine flu. The extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the Company's business and operation. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies in which the Company has operations, which could adversely affect its business and the price of the Debentures.

Any downgrading of India's sovereign rating by an international rating agency (ies) may affect the Company's business and its liquidity to a great extent.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on Company's financial performance and its ability to obtain financing to fund our growth on favorable terms, or at all.

GENERAL RISKS

Early Termination for Extraordinary Reasons, Illegality and Force Majeure

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Debentures has become illegal or impractical in whole or in part for any reason, the Issuer may, at its discretion and without obligation, redeem the Debentures early. However, any early redemption has to be done only after receiving the consent from majority debenture holders.

Taxation

Potential purchasers and sellers of the Debentures should be aware that they may be required to pay stamp duties or other documentary charges/taxes in accordance with the laws and practices of India. Payment and/or delivery of any amount due in respect of the Debentures will be conditional upon the payment of all applicable taxes, duties and/or expenses.

Potential Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential Investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time

Delays in court proceedings in India

If any dispute arises between the Issuer and any other party including Debenture Holders, the Issuer or such other party may need to take recourse to judicial proceedings before courts in India. It is not unusual for court

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proceedings in India to continue for extended periods. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication.

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.

Breach of contract.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances

OTHERS RISKS UNDER NCS LISTING REGULATION

A. RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES AND RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

Refer to Section -3 Risk Factor- VIII 3- "*Risks relating to Debentures*".

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

As on the date of this Placement Memorandum, no stock exchange in India or abroad has refused listing of any equity or debt security issued by the Issuer.

C. 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: As on the date of this Placement Memorandum, the Issuer has not committed any default in compliance with the material covenants such as creation of security as per terms agreed in respect of any outstanding borrowings.

DEFAULT IN PAYMENT OF INTEREST: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest in respect of any outstanding borrowings.

DEFAULT IN REDEMPTION OR REPAYMENT: As on the date of this Placement Memorandum, the Issuer has not committed any default in redemption or repayment in respect of any outstanding borrowings.

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: Pursuant to Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a non-banking financial company is not required to maintain debenture redemption reserve for debentures issued on a private placement basis.

DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest penal in respect of any outstanding borrowings.

Details of defaults, if any, including therein the amount involved, duration of default, and present status, in repayment of:

(ix) Statutory Dues: NIL
(x) Debentures and interest thereon: NIL
(xi) Deposits and interest thereon: NA
(xii) Loan from any bank or financial institution and interest thereon: NIL

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:	CompanySecretary & 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

Any default in Annual filing of the Company under the Companies Act, 2013 or rules made thereunder:

NIL

2. **Particulars of the Offer:**

(vii) Financial position of the Company for the last 3 financial years	Please refer **Chapter I**
(viii) Date of passing of Board resolution	Board Resolution dated May 19, 2022 read with resolution of working committee of Board of Directors dated May 26, 2022. A copy of the said resolution is attached hereto as **Chapter VI**.
(ix) Date of passing of resolution in the general meeting,	Shareholders resolutions under Section 42, and Section 180(1)(c) of the Companies Act, 2013 dated June 28, 2021. Copies of the said resolutions are attached hereto as **Chapter V**.

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authorizing the offer of securities	
(x) 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 250 (Two Hundred and Fifty) Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) aggregating up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) on a private placement basis (the "Issue").
(xi) 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 INR 10,00,000 (Indian Rupees Ten Lakh) per Debenture. Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
(xii) 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 each Debenture is a non-convertible debt instrument which is being issued at face value.
(xiii) Relevant date with reference to which the price has been arrived at [Relevant Date means a date atleast thirty 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.
(xiv) The class or classes of persons to whom the	Hinduja Leyland Finance Limited ("HLF")

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allotment is proposed to be made	
(xv) 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 the Debentures are non-convertible debt instruments which are being issued at face value.
(xvi) The proposed time within which the allotment shall be completed	The Debentures will be deemed to be allotted on 30-May-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 trust deed ("**DTD**") to be entered into between the Issuer and the debenture trustee ("**Debenture Trustee**").
(xvii) The names of the proposed allottees and the percentage of post private placement capital that may be held by them [not required in case of issue of non- convertible debentures];	Not applicable as the Debentures are non-convertible debt instruments which are being issued at face value.
(xviii) The change in control, if any, in the Company that would occur consequent to the private placement	Not applicable as the Debentures are non-convertible debt instruments which are being issued at face value.
(xix) The number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms	Allotment on preferential basis/private placement/rights issue that has already been made to the persons during year is set out under **Chapter IV** below

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<table>
<tr><td>of number of securities as well as price</td><td></td></tr>
<tr><td>(xx) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer</td><td>Not applicable as the Debentures are non-convertible debt instruments which are being issued at face value.</td></tr>
<tr><td>(xxi) Amount, which the Company intends to raise by way of proposed offer of securities</td><td>Issue of 250 (Two Hundred and Fifty) Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) aggregating up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) on a private placement basis (the "Issue").</td></tr>
<tr><td>(xxii) Terms of raising of securities:</td><td>
<table>
<tr><td>Duration, if applicable:</td><td>21 months from the Deemed Date of Allotment.</td></tr>
<tr><td>Rate of dividend or rate of interest:</td><td>Interest at the 11.61% (Eleven point six one) per annum (fixed) ("Interest Rate"), shall accrue and be payable on the principal amounts outstanding under the Debentures (the "Outstanding Principal Amounts") on each interest payment date in accordance with Annexure X below.

The interest payment and redemption schedules in respect of the Debentures are set out under Annexure X below.</td></tr>
<tr><td>Mode of payment</td><td>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:

Bank account number of the Issuer: 250605000070</td></tr>
</table>
</td></tr>
</table>

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		Name and address of the Issuer's bank: ICICI Bank Limited ICICI Bank Ltd, Krishna Apra Royal Plaza, D2, EACB, Alpha 1, Greater Noida, Uttar Pradesh 201306 IFSC Code: ICIC0000254
	Mode of repayment	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Company in writing and which details are available with the registrar and transfer agent. Credit for all payments will be given only on realisation.
(xxiii) Proposed time schedule for which this private placement offer cum application letter is valid		

Issue Opening Date	May 30, 2022
Issue Payin Date	May 30, 2022
Issue Closing Date	May 30, 2022
Deemed Date of Allotment	May 30, 2022

(xxiv) Purpose and objects of the Issue/offer	The Issuer shall utilize the proceeds of the Issue to augment the long-term resources of the company, & to meet working capital requirement. No part of the proceeds from the Issue will be used towards: i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities; ii. any speculative purposes; iii. investment in the real estate sector; or iv. in contravention of any applicable law
(xxv) Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Nil
(xxvi) Principal terms of assets	The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("**Hypothecated Receivables**"/"**Hypothecated**

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charged as security, if applicable	**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. <u>Eligibility Criteria for the Hypothecated Receivables:</u> • 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; • Each loan under the Portfolio should comply with the guidelines under the Master Circular for Priority Sector Lending dated July 7, 2016 issued by the Reserve Bank of India (RBI) and as amended or modified or restated from time to time.

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<table>
<tr><td></td><td>

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. The receivables should not be restructured or reschedule.

</td></tr>
<tr><td>(xxvii) 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</td><td>Nil</td></tr>
<tr><td>(xxviii) The pre-issue and post issue shareholding pattern of the Company in the following format</td><td>Equity Shareholding
<table>
<tr><th rowspan="2">S. No.</th><th rowspan="2">Category</th><th colspan="2">Pre-issue</th><th colspan="2">Post-issue</th></tr>
<tr><th>No. of Equity Shares held</th><th>Percentage (%) of shareholding**</th><th>No. of Equity Shares held</th><th>Percentage (%) of shareholding**</th></tr>
<tr><td>A</td><td>Promoters' holding</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>Indian</td><td></td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>Individual</td><td>1,18,53,200*</td><td>23.07</td><td>1,18,53,200*</td><td>23.07</td></tr>
<tr><td></td><td>Bodies Corporate</td><td>19,02,300</td><td>3.70</td><td>19,02,300</td><td>3.70</td></tr>
</table></td></tr>
</table>

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	Sub-total	13,755,500	26.77	13,755,500	26.77
2	Foreign promoters	- -		- -	
	Sub-total (A)	13,755,500	26.77	13,755,500	26.77
B	Non-promoters' holding				
1	Institutional Investors	- -		- -	
2	Non-Institutional Investors	- -		- -	
	Private Corporate Bodies	7123188	13.87	7123188	13. 87
	Directors and relatives	66486	0.13	66486	0.13
	Indian public	26,54,902	5.17	26,54,902	5.17
	Others (including Non-resident Indians)	2,69,63,315	52.48	2,69,63,315	52.48
	Trust	811115	1.58	811115	1.58
	Sub-total (B)	3,76,19,006	73. 23	3,76,19,006	73.23
	GRAND TOTAL (A+B)	5,13,74,506	100.00	5,13,74,506	100.00

**includes 25,00,000 Equity Shares of Rs. 10/- each (partly paid) on which Rs. 4.00/- has been paid till date*

** percentage shareholding has been calculated on fully diluted basis.

Note: There was an issuance of 29,85,100 Compulsorily Convertible Preference Shares issued on March 23, 2022 at a face value of Rs. 10/- each and premium of Rs. 191/-.

3. **Mode of payment for subscription:**

( ) Cheque

( ) Demand Draft

(x) Other Banking Channels

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4. **Disclosure with regard to interest of directors, litigation, etc.:**

<table>
<tr><td>ii) Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons</td><td>NIL</td></tr>
<tr><td>iii) Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree 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>NIL</td></tr>
<tr><td>iv) Remuneration of directors (during the current year and last 3 (three) financial years)</td><td>
<table>
<tr><th>Name of the Director</th><th>Remuneration (in Rs)</th></tr>
<tr><td>FY 2021-22 (Current Year)</td><td></td></tr>
<tr><td>Mr. Vivek Tiwari, Managing Director, CEO & CIO</td><td>3.38 Crore per annum</td></tr>
<tr><td>FY 2020-21</td><td></td></tr>
<tr><td>Mr. Vivek Tiwari, Managing Director, CEO & CIO</td><td>2.70 Crore per annum</td></tr>
<tr><td>FY 2019-20</td><td></td></tr>
<tr><td>Mr. Vivek Tiwari, Managing Director, CEO & CIO</td><td>2.00 Crore per annum</td></tr>
<tr><td>FY 2018-19</td><td></td></tr>
<tr><td>Mr. Vivek Tiwari, Managing Director, CEO & CIO</td><td>60.03 Lacs (with effect from November 01, 2018)</td></tr>
</table>
</td></tr>
</table>

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	*** 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.*
v) 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	Please refer **Chapter III**.
vi) Summary of reservations or 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	NIL
vii) Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last 3 (three) years immediately preceding the year of issue of this private placement offer cum application letter	NIL

	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 Company and all of its subsidiaries	
viii)	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

5. **Financial Position of the Company:**

The capital structure of the Company in the following manner in a tabular form:

The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	

Share Capital	Rs.
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 Paid- up	
Issued 5,13,74,506 Equity Shares of Rs. 10/- Each	51,37,45,060
Subscribed & Fully Paid-up 48,87,45,060 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	2,98,51,000
Total	**52,85,96,060**

Size of the present offer	INR 24,00,00,000 (Indian Rupees Twenty Four Crore)
Paid-up capital: b. After the offer: c. After the conversion of convertible instruments (if applicable)	Equity Share Capital: INR 49,87,45,060 Preference Share Capital: 2,98,51,000 Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
Share premium account: b. Before the offer: c. After the offer:	INR459.06 Crore INR459.06 Crore
The 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.	

S. No.	Date of allotment	No. of equity shares issued	Face value	Cumulative number of equity shares	Cumulative paid up share capital (in Cr)	Cumulative share premium (In Rs. Cr)	Form of Consideration	Price of shares allotted (Rs.)
1.	18/05/1995	6,005	10	6,005	60,050	-	-	10
2.	31/08/1995	43,000	10	49,005	490,050	-	-	10
3.	29/12/1995	84,000	10	133,005	1,330,050	-	-	10
4.	30/03/1996	49,000	10	182,005	1,820,050	-	-	10
5.	31/03/1997	1,20,000	10	302,005	3,020,050	-	-	10
6.	27/02/1998	7,000	10	309,005	3,090,050	-	-	10
7.	30/03/1998	40,500	10	349,505	3,495,050	-	-	10
8.	31/03/2005	2,45,000	10	594505.00	5,945,050	-	-	10
9.	31/03/2006	24,000	10	618,505	6,185,050	-	-	10
10.	31/03/2007	412,000	10	1,030,505	10,305,050	-	-	10
11.	31/03/2008	32,495	10	1,063,000	10,630,000	-	-	10
12.	31/03/2012	320,000	10	1,383,000	13,830,000	-	-	10
13.	02/01/2017	36,67,000	10	5,050,000	50,500,000	-	Cash	10
14.	15/02/2017	22,70,750	10	7,320,750	73,207,500	-	Cash	10
15.	31/08/2017	14,07,480	10	8,728,230	87,282,300	2,27,07,500	Cash	20
16.	31/08/2017	8,50,000	10	9,578,230	95,782,300	4,66,34,660	Sweat Equity issue	10

SATYA MICROCAPITAL LIMITED New Delhi

17.	09/10/2017	30,000	10	9,608,230	96,082,300	4,66,34,660	Consideration other than cash	-
18.	09/10/2017	32,00,000	10	12,808,230	128,082,300	4,72,34,660	Cash	30
19.	7/5/2018	2551000	10	15,359,230	153,592,300	13,04,34,660	Cash	30
20.	28/05/2018	850000	10	16,209,230	162,092,300	21,97,19,660	Sweat Equity issue	10
21.	9/7/2018	277778	10	16,487,008	164,870,080	21,97,19,660	Cash	-
22.	31/7/2018	7024384	10	23,511,392	235,113,920	58,51,85,472	Cash	61
23.	31/7/2018	818824	10	24,330,216	243,302,160	61,17,97,252	Cash	42.5
24.	25.02.2019	70,000	10	2,44,00,216	244,002,160	613,197,252	Consideration other than cash	-
25.	25.03.2019	20,09,614	10	2,64,09,830	26,40,98,300	715,687,566	Cash	61
26.	26.07.2019	30,33,333	10	2,94,43,163	27,19,31,630	75,03,54,211	Cash	75
27.	04.09.2019	1,018,700	10	30,461,863	282,118,630	816,569,711	Cash	75
28.	04.09.2019	344,250	10	30,806,113	285,561,130	834,126,461	Cash	61
29.	04.09.2019	2,500,000	10	30,806,113	289,311,130	834,126,461	Cash (Re. 1.5 received on partly paid shares)	-
30.	18.10.2019	25,15,615	10	3,33,21,728	31,44,67,280	1,08,56,87,961	Cash	110
31.	27.01.2021	77,77,778	10	4,10,99,506	39,22,45,060	2,05,79,10,211	Conversion of CCPS into Equity	135

SATYA CAPITAL LIMITED New Delhi

32.	01.02.2021	76,25,000	10	4,87,24,506	46,84,95,060	3,51,42,85,211	Cash	201
33.	10.02.2022	25,00,000	10	4,87,24,506	47,22,45,060	3,51,42,85,211	Cash (Rs. 1.5 received on partly paid shares)	-
34.	21.03.2022	26,50,000	10	5,13,74,506	49,87,45,060	4,02,04,35,211	Cash	201

Note: There was an issuance of 29,85,100 Compulsorily Convertible Preference Shares issued on March 23, 2022 at a face value of Rs. 10/- each and premium of Rs. 191/-.

Shareholding pattern of the Issuer

Sr. No	Name of Shareholders/Particulars	Total No. of Equity Shares	Total Shareholding as a % of total no. of equity shares**	Number of shares held in Demat Form
1	Vivek Tiwari*	11,668,200	22.71	11,668,200
2	Other Promoters	2,087,300	4.06	2,087,300
3	Dia Vikas Capital Private Limited	6,773,475	13.18	6,773,475
4	Gojo & Company, Inc.	2,69,63,315	52.48	2,69,63,315
5	Others	30,71,101	5.98	69,005
6	Satya Employee Welfare Trust	811,115	5.98	8,11,115
	Total	**5,13,74,506**	**100.00**	4,83,72,410

*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.

SATYA MICRO CAPITAL LIMITED New Delhi

<table>
<tr><td>The number and price at which each of the allotments were made in the last one year preceding the date of this private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case</td><td>NIL</td></tr>
<tr><td>Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of issue of this private placement offer cum application letter</td><td><table>
<tr><th>FY</th><th>PBT (in INR Cr)</th><th>PAT (in INR Cr)</th></tr>
<tr><td>FY 2020-21</td><td>15.10</td><td>10.22</td></tr>
<tr><td>FY 2019-20</td><td>11.10</td><td>7.53</td></tr>
<tr><td>FY 2018-19</td><td>4.47</td><td>3.24</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 3 (three) years (cash profit after tax plus interest paid/interest paid)</td><td><table>
<tr><th>Particulars</th><th>FY 2018-2019</th><th>FY 2019-2020</th><th>FY 2020-2021</th></tr>
<tr><td>Dividend (Rs.)</td><td>11,21,139.68</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Interest Coverage Ratio (%)</td><td>1.06</td><td>1.10</td><td>1.12</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 issue of this private placement</td><td>Please refer Chapter I.</td></tr>
</table>

SATYA MICROCAPITAL LIMITED New Delhi

offer cum application letter	
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of issue of this private placement offer cum application letter	Please refer **Chapter II**.
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	NIL

PART – B
(To Be filled by the applicant)

(ix) Name:

(x) **Father's Name:** NA

(xi) Complete Address: **(including Flat/House Number, Street, Locality, Pin Code)**

(xii) Phone Number, if any:

(xiii) Email ID, if any:

(xiv) **PAN Number:**

(xv) Bank Account Details:

Account No.	
Bank IFSC Code:	
Branch and Address	

Signature

Initial of the officer of the Company designated to keep the record

6. **DECLARATION (To be provided by the Directors)**

(a) The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(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;

(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 number 34 dated May 19, 2022 read with resolution of working committee of Board of Directors dated May 26, 2022 to sign this private placement offer and 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 and application letter and matters incidental thereto have been complied with. Whatever is stated in this private placement offer and 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 and 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 private placement offer cum application letter.

For **SATYA MICROCAPITAL LIMITED**

For Satya MicroCapital Limited

(Vivek Tiwari)
Managing Director, CEO & CIO

Name: Mr. Vivek Tiwari

Title: Managing Director, CEO & CIO

Date: May 30, 2022

Place: New Delhi, India

Enclosed

Chapter I - Summary of Financial Position

Chapter II - Audited Cash Flow Statement

Chapter III- Related party transactions entered during the last 3 (three) financial years immediately preceding the year of circulation of this Offer Letter

SATYA MICROCAPITAL LIMITED New Delhi

Chapter IV- 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

Chapter V-Shareholders' resolutions

Chapter VI-Board resolution

Chapter VII-Rating letter

Chapter VIII- Consent letter from Debenture Trustee

Chapter IX – Application Form

Chapter X – Redemption Schedules

Optional Attachments, if any

CHAPTER I

FINANCIAL POSITION OF THE COMPANY AS IN THE 3 (THREE) AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS OFFER LETTER

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

Amit Jain
Company Secretary
M. No. : F3923

Siddhindra 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	2.43
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

Amit Jain
Company Secretary
M. No. : F3923

Chief Financial Officer

Place: New Delhi
Date: May 21, 2021

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	507.19
Trade receivables	6	22.29	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

Ratnesh Tiwari
Director
DIN: 07131331

Rachna Khantwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

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

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 Khaitwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

SATYA MICROCAPITAL LIMITED (FORMERLY KNOWN AS TFC FINVEST LIMITED)
Balance Sheet as at 31st March 2019

Particulars	NOTES	As at 31st March 2019 (INR)	As at 31st March 2018 (INR)
A EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Share Capital	2	277,540,800	128,082,300
b) Reserves and Surplus	3	634,997,899	52,172,629
		912,538,699	180,254,929
Non-Current liabilities			
a) Long- term Borrowings	4	3,476,926,774	1,484,695,826
b) Deferred tax Liabilities(Net)	5	6,244,387	933,593
c) Other Long term liabilities	6	197,548	340,908
d) Long-term Provisions	7	25,650,944	11,585,616
		3,509,019,653	1,497,555,943
Current Liabilities			
a) Short-Term Borrowings	8	50,520,224	1,782,883
b) Other Current Liabilities	9A	2,623,779,331	1,150,607,266
c) Short Term Provisions	9B	39,270,485	9,774,451
		2,713,570,040	1,162,164,600
Total		7,135,128,392	2,839,975,472
B ASSETS			
Non Current Assets			
a) Property , Plant and Equipment			
(I) Tangible Assets	10	22,174,313	11,185,520
(II) Intangible Assets	10	606,749	791,667
b) Portfolio Loans	11	1,939,126,504	816,226,074
c) Other Non-Current Assets	12	740,437,544	281,176,974
		2,702,345,110	1,109,380,235
Current Assets			
a) Trade Receivables	13	17,882,083	11,938,442
b) Cash and Bank Balances	14	1,525,726,348	662,831,556
c) Current Investment	15	-	1,878,747
d) Portfolio Loans	16A	2,482,694,144	940,070,523
e) Short Term Loans and Advances	16B	31,219,353	6,569,210
f) Other Current Assets	17	375,261,354	107,306,759
		4,432,783,282	1,730,595,237
Total		7,135,128,392	2,839,975,472
Summary of Significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number : 101049W/E300004
Chartered Accountants

Amit Kabra
Partner
Membership Number. 094533

Place: New Delhi
Date: 21 May 2019

For and on behalf of Board of Directors of
Satya MicroCapital Limited
(Formerly known as "TFC Finvest Limited")

Vivek Tiwari
Managing Director and CEO
Din No. 02174160

Ratnesh Tiwari
Director
Din No. 07131331

Rachna Khantwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

SATYA MICROCAPITAL LIMITED (FORMERLY KNOWN AS TFC FINVEST LIMITED)
Statement of profit and loss for the year ended 31st March 2019

Particulars	Notes	For the year ended 31st March 2019 (INR)	For the year ended 31st March 2018 (INR)
REVENUE			
Revenue from operations	18	874,426,998	251,867,114
Other income	19	92,010,540	17,808,800
Total Revenue (A)		966,437,536	269,675,914
EXPENSES			
Employee benefits expenses	20	233,656,761	103,442,127
Finance Costs	21	519,187,960	162,313,211
Depreciation and amortization expenses	10	9,960,899	5,187,752
Provision for Loan Losses	22	26,329,454	17,236,011
Other expenses	23	132,559,672	44,590,274
Total Expenses (B)		921,693,746	332,769,375
Profit Before Tax (C) = A-B			
Tax Expenses : (D)			
1) Current Tax		44,743,790	(63,093,461)
2) MAT Credit Entitlement		13,563,714	
3) Deferred Tax		(6,497,981)	
Profit/(Loss) for the Year ended (E) = C-D		5,310,794	815,973
		32,367,263	(63,909,434)
Earning per Share	24		
Basic (Computed on the basis of Total Profit/(Loss) for the Year)		1.46	(6.28)
Diluted (Computed on the basis of Total Profit/(Loss) for the Year)		1.46	(6.28)
Nominal value Per Share		10.00	10.00
Summary of Significant accounting policies	1		
The accompanying notes are integral part of the financial statements.			

As per our report of even date attached
For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number : 101049W/E300004
Chartered Accountants

Amit Kabra
Partner
Membership Number. 094533

Place: New Delhi
Date: 21 May 2019

For and on behalf of Board of Directors of
Satya MicroCapital Limited
(formerly known as "TFC Finvest Limited")

Vivek Tiwari
Managing Director and CEO
DIN- 02174160

Ratnesh Tiwari
Director
Din No. 07131331

Rachna Khantwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

SATYA MICROCAPITAL LIMITED New Delhi

CHAPTER II

AUDITED CASH FLOW STATEMENT FOR THE 3 (THREE) YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS OFFER LETTER

Satya MicroCapital Limited
Cash Flow Statement for the year ended March 31, 2021

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2021	For year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	151.06	110.97
Adjustments for:		
Depreciation and amortization	27.46	26.43
Share based payment to employees	9.59	11.43
Provision for gratuity and leave encashment	11.84	7.18
Re-measurement gains/(losses) on defined benefit plans	(0.39)	(1.26)
Impairment of financial instruments	199.58	90.50
Net gain on derecognition of financials instruments under amortised cost category	(108.01)	(96.56)
Interest income	(2,444.99)	(1,973.52)
Interest expense	1,278.12	1,139.44
	(876.74)	(685.39)
Operating cash flows on account of:		
Interest income	2,199.06	1,776.29
Interest expense	(1,308.83)	(1,174.65)
Lease rental reversed upon implementaion of Ind AS 116	(4.83)	(5.37)
	9.66	(89.12)
Operating profit before working capital changes		
Movements in working capital:	418.65	(91.48)
Increase/(decrease) in other financial liabilities	40.86	(12.69)
Increase/(decreases) in other non-financial liabilities	(495.41)	849.16
(Increase)/decrease in bank balances other than cash and cash equivalents	(85.13)	(8.74)
Increase in trade receivables	(2,874.14)	(2,967.92)
Increase in loan portfolio	69.25	(6.28)
Decrease/(increase) in other financial assets	(55.69)	(43.94)
Increase in other non-financial assets	(2,971.95)	(2,371.01)
Cash used in operations	(42.28)	(88.67)
Income-tax paid	(3,014.23)	(2,459.68)
Net cash used in operating activities (A)		
Cash flow from investing activities	(59.24)	(40.39)
Purchase of property, plant and equipment	(0.45)	(0.57)
Purchase of intangible assets	(59.69)	(40.96)
Net cash used in investing activities (B)		
Cash flow from financing activities	1,532.63	399.37
Proceeds from issue of equity shares (including securities premium)*	682.50	367.50
Issue of compulsorily convertible preference shares (including securities premium)	2,076.10	1,843.40
Net proceeds from borrowings#	4,291.23	2,610.27
Net cash from financing activities (C)	1,317.31	109.63
Net increase / (decrease) in cash and cash equivalents (A + B + C)	471.83	362.20
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 (refer note 4)		
Components of cash and cash equivalents as at the end of period	14.42	8.81
Cash on hand	1,454.70	460.52
Balance with banks - on current account	220.02	2.50
Deposits with original maturity of less than or equal to 3 months	1,689.14	471.83
Total cash and cash equivalents		

* 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 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 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

Vikas Tiwari
Managing Director, CEO & CIO
DIN: 02174160

Ratnesh Tiwari
Director
DIN: 07131331

Amit Jain
Company Secretary
M. No. F3923

Surendra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 21, 2021

Satya MicroCapital Limited
Cash Flow Statement for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2020	For year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	110.97	(3.42)
Adjustments for:		
Depreciation and amortization	26.43	16.00
Share based payment to employees	11.43	0.22
Provision for gratuity and leave encashment	7.18	2.80
Re-measurement gains/(losses) on defined benefit plans	(1.26)	0.30
Impairment of financial instruments	90.50	40.22
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	882.88
Interest expense	(1,174.65)	(603.20)
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/(decrease) 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	(6.28)	(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 - 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 Khaitwal
Company Secretary
M. No. : A43785

Sudhindra Sharma
Chief Financial Officer

Place: New Delhi
Date: May 20, 2020

SATYA MICROCAPITAL LIMITED (FORMERLY KNOWN AS TFC FINVEST LIMITED)
Cash flow statement for the year ended 31st March 2019

	Particulars	For the year ended 31st Mar 2019 (INR)	For the period ended 31st March 2018 (INR)
	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) before Tax	44,743,790	(63,093,461)
	Adjustment for Non Cash Expenses and Non Operating activities		
	Depreciation	9,960,899	5,187,752
	Mutual Fund Income	-	(314,850)
	Interest on FDR	(95,738,211)	(22,567,459)
	Provision for Leave Encashment	1,702,937	1,663,722
	Provision for Gratuity	1,102,120	1,139,143
	Rent Equilisation Reserve	863,137	55,000
	Contingent Provision against Standard Assets	26,329,456	17,236,011
	Operating Profit before Working Capital Changes	(11,035,873)	(60,474,142)
	Increase/(Decrease) in Long Term Loans & Advances	(1,122,900,430)	(601,221,247)
	Increase/(Decrease) in Short Term Loans and Advances	(1,567,273,764)	(840,415,183)
	Increase/(Decrease) in Other Non Current Assets	(452,762,589)	(258,629,650)
	Increase/(Decrease) in Other Current Assets	(267,954,595)	(102,274,959)
	Increase/(Decrease) in Trade Reclevable	(5,943,641)	(11,909,899)
	Increase/(Decrease) in Other Current Liabilities	321,095,119	66,111,828
	Increase/(Decrease) in Other Long Term Liabilities	(143,359)	340,907
	Cash Flow from Operating Activities	(3,106,919,132)	(1,868,472,255)
A.	Net Cash Outflow from Operating Activities	(3,106,919,132)	(1,868,472,255)
	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale of Fixed Assets	1,193,803	56,700
	Purchase of Fixed Assets	(21,958,577)	(10,997,624)
	Mutual Fund Income	-	314,850
	Interest on FDR	95,738,211	22,567,458
	Sale of Investments	1,878,747	2,141,526
B.	Net Cash outflow from Investing Activities	76,852,184	14,082,910
	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceed from issue of Share Capital including share premium	701,288,156	162,601,960
	Proceeds from Short Term Borrowings (Net)	48,737,340	(16,661,951)
	Proceeds from Long Term Borrowings (Net)	3,144,307,893	2,169,164,560
	Payment of Preference dividend	(1,121,140)	-
	Payment of tax on preference dividend	(230,509)	-
C.	Net Cash from Financing Activities	3,892,981,740	2,315,104,569
	Net Increase in Cash & Cash Equivalents (A+B+C)	862,894,792	460,715,224
	Opening Cash and Cash Equivalents	662,831,556	202,116,332
	Closing Cash and Cash Equivalents (Note No. 14)	1,525,726,348	662,831,556

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number : 101049W/E300004
Chartered Accountants

Amit Kalra
Partner
Membership Number. 094533

Place: New Delhi
Date: 21 May 2019

For and on behalf of Board of Directors of
Satya MicroCapital Limited
(Formerly known as "TFC Finvest Limited")

Vivek Tiwari
Managing Director and CEO
Din No. 02174160

Ratnesh Tiwari
Director
Din No. 07131331

Rachna Khaitwal
Company Secretary
M. No. : A43785

Sudhindra Kumar Sharma
Chief Financial Officer

Satya MicroCapital Ltd. New Delhi

SATYA MICROCAPITAL LIMITED New Delhi

CHAPTER III

RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3 (THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF THIS OFFER LETTER

30: 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. Sudhindra 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.Girijesh 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.Sudhindra Sharma	6.38	6.07	-	-
		Ms.Rachna Khantwal	0.27	0.59	-	-
		Mr. Amit Jain	1.31	-	-	-
		Mr. Girijesh Tiwari	0.89	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	(150.00)/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	-	0.11	-	-
		GOJO & Company, Inc.	1,532.63	133.46	-	-
		Koshish Marketing Solutions Private Limited	-	125.25	-	-
		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.

31) 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

I. 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 5, 2018).

II. Relative of Key Managerial Personnel
(a) Mr.Girijesh 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	0.59	0.40	-	-	-
		Girijesh Tiwari	0.76	0.54	-	-	-
2	Advances given/(repayment received)	Mr.Vivek Tiwari	11.81	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 inluding premium (partly paid-up shares)	Mr.Vivek Tiwari	6.25	-	-	-	-
4	Share Allotment inluding premium	Dia Vikas Capital Private Limited	28.24	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	-	-	-

S.R. BATLIBOI & ASSOCIATES LLP

Satya MicroCapital Ltd. New Delhi

SATYA MICROCAPITAL LIMITED New Delhi

33) Related Parties under AS-18 with whom transactions have taken place during the Year.

(a) Key Managerial Personnel

- Mr. Vivek Tiwari - Managing Director & CEO
- Mr. Sudhindra Sharma - Chief Financial Officer
- Mr. Ankit Tiwari - Company Secretary (Tenure upto 05th September 2018)
- Ms. Rachna Khantwal - Company Secretary (With effect from 19th September 2018)

(b) Relative of Key Managerial Personnel

- Mr. Girijesh Tiwari - Assistant Credit Manager

(c) Substantial Shareholders

- Dia Vikas Capital Private Limited
- GOJO & Company Inc.

(d) Transactions with Related Parties

(Amount in Lakhs)

S.No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
(a)	**Remuneration for Key Managerial Personnel: -**		
	(i) Mr. Vivek Tiwari*	135.99	127.00
	(ii) Mr. Sudhindra Sharma	51.16	37.52
	(iii) Mr. Ankit Tiwari	2.99	5.12
	(iv) Ms. Rachna Khantwal	4.06	-
(b)	**Advance (Given) and Received from Key Managerial Personnel: -**		
	(i) Mr. Vivek Tiwari	(30.00)	(12.00)
	(ii) Mr. Vivek Tiwari	30.00	12.00
	(iii) Mr. Sudhindra Sharma	(8.00)	(4.00)
	(iv) Mr. Sudhindra Sharma	8.00	4.00
	(v) Mr. Ankit Tiwari	(1.00)	(3.24)
	(vi) Mr. Ankit Tiwari	1.00	3.24)
(c)	**Remuneration for Relative of Key Management: -**		
	(i) Mr. Girijesh Tiwari	5.40	0.81
(d)	**Other Transaction: -**		
	(i) Documentation Charges: -		
	- Dia Vikas Capital Private Limited	-	20.00
	(ii) Allotment of Equity Share including Share Premium: -		
	- Dia Vikas Capital Private Limited	1,178.78	1,162.00
	- Mr. Sudhindra Sharma	9.90	20.52
	- Mr. Ankit Tiwari	1.35	4.05
	- GOJO & Company Inc.	4,097.95	-
	(iii) Issue of Compulsory Convertible Debentures: -		
	- Dia Vikas Capital Private Limited	-	448.00
	(iv) Conversion of Compulsory Convertible Debentures to Equity Shares: -		
	- Dia Vikas Capital Private Limited**	448.00	-

S.R. BATLIBOI & ASSOCIATES LLP

Satya MicroCapital Ltd. New Delhi

SATYA MICROCAPITAL LIMITED New Delhi

CHAPTER IV

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

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 BlueOrchard Finance Ltd.)	161	Secured, Rated, Listed, Redeemable, Non-convertible Debentures	10,00,000/-	16,10,00,000/-	Private Placement
5	UTI International Wealth Creator 4	800	Secured, Rated, Listed, Redeemable, Transferable,	10,00,000/-	80,00,00,000/-	Private Placement

SATYA MICROCAPITAL LIMITED New Delhi

			Non-Convertible Debentures			
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	Compulsorily Convertible Preference Shares	10/-	60,00,05,100/-	Private Placement
12	JAPAN ASEAN Women Empowerment Fund SA, SICAV-SIF.	225	Secured, Rated, Listed, Redeemable, Transferable Non-convertible Debentures	10,00,000/-	22,50,00,000/-	Private Placement
13	BlueOrchard Microfinance Fund.	225	Secured, Rated, Listed, Redeemable, Transferable Non-convertible Debentures	10,00,000/-	22,50,00,000/-	Private Placement

14	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
15	Unifi AIF	240	secured, listed, rated, redeemable, non-convertible debentures	10,00,000	24,00,00,000	Private Placement

SATYA MICROCAPITAL LIMITED New Delhi

SATYA MicroCapital Ltd.

CERTIFIED TRUE COPY OF THE RESOLUTIONS PASSED AT THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF SATYA MICROCAPITAL LIMITED HELD ON MONDAY, 28TH DAY OF JUNE, 2021 AT 03:00 P.M AT THE REGISTERED OFFICE AT 518, 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 movable 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, Higher Financing Agencies or Institutions, 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. 50,00,00,00,000/- (Rupees Five Thousand Crores only) at any time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is 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.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue a Certified Copy of the 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 or any committee, which the Board may hereafter constitute), 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 not set apart for any specific purpose provided that the total amount up to which monies may be borrowed by the Board of Directors shall not exceed Rs. 50,00,00,00,000/- (Rupees Five Thousand Crores only) at any time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors which term shall include its Committees and all Key Managerial Personnel (KMP) of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as they may in their absolute discretion may deem necessary or desirable."

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RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue a Certified Copy of the Resolution."

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 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. 15,00,00,00,000 (Rupees One Thousand Five Hundred Crores 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 shareholders, within the overall borrowing limits of the Company, as approved by the members of the Company from time to time.

RESOLVED FURTHER THAT in connection with the above, the Board be and is hereby authorized 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.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue a Certified Copy of the Resolution."

Certified to be true copy
For SATYA MICROCAPITAL LIMITED

For Satya MicroCapital Limited

(AMIT JAIN)
M.No. F3923
Head-Legal, Company Secretary & Compliance Officer

Amit Jain
Head- Legal, Secretary & Compliance Officer

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SATYA MicroCapital Ltd.
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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 11:00 AM 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 transaction, deed, or things, as may be necessary to remove any difficulties or impediments in 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 Runveer 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

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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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(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 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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accepted 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

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Choudhary Runveer Krishan
Company Secretary & Chief Compliance Officer
Membership No.: F 7437

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EXTRACTS OF THE MINUTES OF THE MEETING OF THE WORKING COMMITTEE OF THE BOARD OF DIRECTORS (THE "COMMITTEE") OF SATYA MICROCAPITAL LIMITED (THE "COMPANY") HELD ON THURSDAY, 26TH DAY OF MAY, 2022 AT AT REGISTERED OFFICE LOCATED AT 519, 5TH FLOOR, DLF PRIME TOWERS, OKHLA INDUSTRIAL AREA, PHASE-1, DELHI, SOUTH DELHI, DELHI -110020, INDIA

"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, permissions and sanctions as may be required from any statutory or regulatory authority, the approval of the Committee be and is hereby accorded for (a) issue and allotment of 250 (two hundred and fifty) Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible 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 25,00,00,000 (Indian Rupees Twenty Five Crores) or such other number of debentures, face value and amount as may be determined ("**Debentures**") at 11.61% p.a. (eleven decimal sixty one percent) per annum, or such other interest rate as may be agreed, payable monthly 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, and for a period of up to for a period of 21 (twenty one) months from the deemed date of allotment or such other maturity period (subject to applicable law) as may be agreed, on a private placement basis to Hinduja Leyland Finance Limited ("HLF") (being the identified person for the purposes of Section 42 of the Act) ("**Investor**") for raising debt to augment the long-term resources of the company, & to meet working capital requirement or for such other purposes as may be agreed with the Investors, and (b) 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 one or more of the following (i) hypothecation of certain identified loans/book debts (and/or other assets) of the Company, and/or (ii) such other security or contractual comfort as may be required in terms of the issuance of the Debentures (the "**Security**")."

"RESOLVED FURTHER THAT Mr. Vivek Tiwari, Managing Director, CEO & CIO, Mr. Sanjay Goel, Deputy CFO and Mr. Choudhary Runveer Krishanan, Company Secretary & Chief Compliance Officer of the Company (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, 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;

(b) executing the term sheet in relation to the Debentures;

(c) negotiating, approving and deciding the terms of the issue, offer and allotment of the Debentures and all other related matters;

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(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"" issued by SEBI;

(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)" 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 (if so required), a debenture trustee, a registrar and transfer agent, a credit rating agency, a legal counsel, the depository(ies) and such other intermediaries including their successors and their agents, as may be required in relation to the issue, offer and allotment of the Debentures;

(k) finalising the terms of the 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;

(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

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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, the 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;

(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 as the "**Transaction Documents**");

(iii) the debenture certificate(s) for the Debentures (if required);

(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 in relation 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 Committee 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."

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"**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 acts, deeds and things 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 are 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, the Company Secretary of the Company and/or the Chief Financial Officer 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 the Company Secretary of the Company be furnished to such persons as may be deemed necessary."

For SATYA MicroCapital Limited

SATYA MICROCAPITAL LIMITED New Delhi

Choudhary Runveer Krishanan
Company Secretary & Chief Compliance Officer
Membership No.: F 7437

SATYA MICROCAPITAL LIMITED New Delhi

CHAPTER VII-RATING LETTER

Acuité
RATINGS & RESEARCH

Rating Letter - Intimation of Rating Action

Letter issued on: May 20, 2022
Letter Expires on: May 12, 2023
Annual Fee valid till: May 12, 2023

Scan this QR Code to verify authenticity of this rating

Satya Micro Capital Limited
519 5th floor DLF Prime Towers, Okhla Industrial Area, Phase-1 Delhi South Delhi DL 110020 IN

Kind Attn.: Mr. Vivek Tiwari, Managing Director (Tel. No. 7290065001)

Dear Mr. Tiwari,

Sub.: Rating(s) Assigned - Non- Convertible Debenture of Satya Micro Capital 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.)	60.00	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	May 20, 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 May 12, 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 May 13, 2023 subject to receipt of surveillance fee as applicable. If the rating is reviewed before May 12, 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 MICRO CAPITAL LIMITED New Delhi

Annexure A. Details of the rated instrument

Bank	Facilities	Scale	Current Amt. (Rs. Cr)	Ratings	Rating Action
Fund Based Facilities					
Proposed Secured Non-Convertible Debenture		Long term	56.00	ACUITE A-/Stable	Assigned
Proposed Secured Non-Convertible Debenture		Long term	4.00	ACUITE A-/Stable	Assigned
			60.00		
Total Facilities			60.00		

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

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. Acuité 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. Acuité 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 LIMITED New Delhi

CHAPTER VIII- CONSENT LETTER FROM DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!

816/CL/MUM/22-23/DEB/162
May 26, 2022

To,
Satya Microcapital Limited
519, 5th floor DLF Prime Towers,
Okhla Industrial Area, Phase-1,
South Delhi -110020, Delhi

Dear Sir(s),

Consent to act as Debenture Trustee for Rated, Secured, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 25 Crores (Rupees Twenty-Five Crores only) 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, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 25 Crores (Rupees Twenty-Five Crores only) 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, 2021, 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

SATYA MICROCAPITAL LIMITED New Delhi

CATALYST
Believe in yourself... Trust us!

816/CL/MUM/22-23/DEB/162
May 26, 2022

To,
Satya Microcapital Limited
519, 5th floor DLF Prime Towers,
Okhla Industrial Area, Phase-1,
South Delhi -110020, Delhi

Dear Sir(s),

Consent to act as Debenture Trustee for Rated, Secured, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 25 Crores (Rupees Twenty-Five Crores only) 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, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 25 Crores (Rupees Twenty-Five Crores only) to be issued by the Company.

In this regard, we hereby agree to act as Debenture Trustee on the following trusteeship remuneration:

Acceptance fees	INR 75,000/- one time fees plus applicable taxes (One Time; Non Refundable & payable on appointment as trustee)
Service Charges (Debenture Trustee)	Rs.1,00,000/- 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.

CHAPTER IX

APPLICATION FORM

SATYA MICROCAPITAL LIMITED

CIN: U74899DL1995PLC068688

A Public Limited Company incorporated under the Companies Act, 1956

Date of Incorporation: 18/05/1995

Registered Office: 519, 5th Floor, DLF Prime Towers,

Okhla Industrial Area, Phase I, Delhi - 110020

Telephone No.: +91-11-49724000

Website: http://www.satyamicrocapital.com

APPLICATION FORM SERIAL NO.				

ISSUE OF 250 (TWO HUNDRED AND FIFTY) RATED, LISTED, UNSUBORDINATED, SECURED, REDEEMABLE, TRANSFERABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES, EACH HAVING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEESTEN LAKH) AND AN AGGREGATE FACE VALUE OF INR 25,00,00,000 (INDIAN RUPEES TWENTY FIVE CRORES) ISSUED ON A FULLY PAID BASIS AND ON A PRIVATE PLACEMENT BASIS (THE "ISSUE").

INR_____ **(INDIAN RUPEES** _____ **), FULLY PAID UP FOR CASH AT PAR TO THE FACE VALUE**

DEBENTURE SERIES APPLIED FOR: _____

Number of Debentures: _____ In words _____

Amount Rs. _____ In words (Indian Rupees _____)

DETAILS OF PAYMENT:

NEFT/ RTGS

No. _____ Drawn on _____

SATYA MICROCAPITAL LIMITED New Delhi

Funds transferred to SATYA MICROCAPITAL LIMITED

Dated _____

Total Amount Enclosed

(In Figures) Rs. _____ (In words) Indian Rupees _____

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 private placement offer cum application letter dated May 30, 2022 ("**PPOA**") and have considered these in making our decision to apply. We 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 LIMITED 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)	Beneficiary Bank Name: Account No: IFSC Code: Branch:

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

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) the Applicant 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.

SATYA MICROCAPITAL LIMITED New Delhi

Applicant's Signature

FOR OFFICE USE ONLY
DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(*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 Rs. _____ on account of application of Debenture

SATYA MICROCAPITAL LIMITED New Delhi

INSTRUCTIONS

Application form must be completed in full, IN ENGLISH.

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.

Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. Cheque(s)/Demand Draft(s) should be drawn in favour of " Satya MicroCapital Ltd Share " and crossed **"A/C Payee Only"** Cheque(s)/Demand Draft(s) may be drawn on any scheduled bank and payable at Hyderabad, India. The payment can also be made through RTGS as per the following details:

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

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.

Outstation Cheques, Cash, Money Orders, Postal Orders and Stock Invest shall not be accepted.

Receipt of applicants will be acknowledged by the Company in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.

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.

The application would be accepted as per the terms of the offer outlined in the transaction documents for the private placement.

SATYA MICROCAPITAL LIMITED New Delhi

CHAPTER X

INTEREST PAYMENT AND REDEMPTION SCHEDULE

Redemption Schedule per bond

Period (Months)	Interest/Principal Payment Dates	Principal	Interest	Total
0	30-May-22	-25,00,00,000		(25,00,00,000)
1	30-Jun-22	-	24,65,137	24,65,137
2	31-Jul-22	-	24,65,137	24,65,137
3	31-Aug-22	3,57,14,286	24,65,137	3,81,79,423
4	30-Sep-22	-	20,44,814	20,44,814
5	31-Oct-22	-	21,12,975	21,12,975
6	30-Nov-22	3,57,14,286	20,44,814	3,77,59,100
7	31-Dec-22	-	17,60,812	17,60,812
8	31-Jan-23	-	17,60,812	17,60,812
9	28-Feb-23	3,57,14,286	15,90,411	3,73,04,697
10	31-Mar-23	-	14,08,650	14,08,650
11	30-Apr-23	-	13,63,209	13,63,209
12	31-May-23	3,57,14,286	14,08,650	3,71,22,935
13	30-Jun-23	-	10,22,407	10,22,407
14	31-Jul-23	-	10,56,487	10,56,487
15	31-Aug-23	3,57,14,286	10,56,487	3,67,70,773
16	30-Sep-23	-	6,81,605	6,81,605
17	31-Oct-23	-	7,04,325	7,04,325
18	30-Nov-23	3,57,14,286	6,81,605	3,63,95,890
19	31-Dec-23	-	3,52,162	3,52,162
20	31-Jan-24	-	3,51,200	3,51,200
21	29-Feb-24	3,57,14,286	3,28,542	3,60,42,828

SATYA MICROCAPITAL LIMITED New Delhi

ANNEXURE XIV- IN PRINCIPLE APPROVAL

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/MK/IP-PPDI/65/22-23 May 27, 2022

SATYA MicroCapital Limited
519 5th Floor, DLF Prime Towers, Okhla Industrial Area, Phase I, Delhi, South Delhi – 110020

Dear Sir,

Re: Private Placement Of Issue Of 250 Rated, Listed, Unsubordinated, Secured, Redeemable, Transferable, Taxable, Non-Convertible Debentures ("NCDs") of face value of Rs.10/- lakhs each, aggregating to Rs. 25/- Crores (The "Issue"),

We acknowledge receipt of your application on the online portal on May 27, 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

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.***

BSE - CONFIDENTIAL

SATYA MICROCAPITAL LIMITED 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

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 LIMITED New Delhi