



SWARNA PRAGATI HOUSING

ANNUAL REPORT

OF

**SWARNA PRAGATI HOUSING
MICROFINANCE PRIVATE LIMITED**

2022-2023

TABLE OF CONTENTS

1. BOARD'S REPORT
2. INDEPENDENT AUDITORS' REPORT & FINANCIAL STATEMENT

BOARD'S REPORT

Your Directors are pleased to present the Fifteenth Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended, March 31, 2023.

1. Financial Results

The summarized financial results for the year ended March 31, 2023 are as under:

Particular	Amount in Rs.	
	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Profit / (Loss) before Tax	(2,43,86,474)	9,54,25,866
Net Current Tax Expense	Nil	Nil
Deferred Tax	Nil	Nil
Transfer to Statutory Reserve	NA	1,90,85,173
Profit / (Loss) after Tax	(2,43,86,474)	9,54,25,866

2. State of Affairs

The words of the historian, Adam Zamoyski written in the preface to his book – Poland, A History – “There is a great difference between writing up a bankrupt business and writing up one that has been through hard times and turned the corner” cannot ring truer for our Company. During this year we have achieved three milestones, the third being the outcome of the first two. A. Repaying all debt, thereby becoming Zero Debt Company – which has eliminated any lender overhang on the Company. B. Generating Monthly Surplus C. Re-starting Own Book Disbursement. Will re-iterate what has been stated last year, we have been able to “turn the corner” because of a. continued support of most of our colleagues and their continued commitment to see through the tough days and continue to contribute through consistent and persistent follow-ups, in addition to our marginally increased ability to attract new talent; b. increased use of legal tools c. ability to generate collections by restarting and consolidating on collections of hitherto unattended areas & abandoned portfolio – this has been the third year in succession where we have increased such areas under our coverage as well as have been witnessing collections traction from such areas. The Company continues to build upon both the on-going partnerships and we presently have a very high likelihood of initiating two more partnerships. There has been a further increase in geographical areas under the on-going partnerships. The company has lent on its own book, thereby finally being able to aid the collections in bringing down the NPA Percentages and in a few cases, even the NPA Numbers, as fresh disbursements amongst various other positive outcomes – also, send out the message that our Company is Alive and Kicking. While the Company continues to disburse in one form or another (either own-book or through partnerships) in 4 out of the 6 states that the Company operates in, it is very likely that the Company will soon start lending in the 5th State - Odisha. The aim will be to keep building on these positives and maintain focus on the following – a. keep collecting the NPAs/write-offs b. keep building on partnerships and look for new

ones wherever possible c. keep on disbursing with an aim to create a healthy book d. seek to raise debt towards leveraging the company and deploy such borrowing/s to further create a healthy book, so that we finally start taking quick strides towards the elusive milestone – that of becoming profitable.

3. Review of Business Operations

During the year under review, the Company has earned Rs.601.62 lakhs as Revenue from Operations and Rs.494.27 lakhs from Other Income. The Profit/(Loss) before tax for the year has been Rs. (243.86) lakhs as against Rs. 954.26 lakhs during the previous financial year.

The Company is debt-free as on March 31, 2023. Thereby, Current Maturities as on March 31, 2023 are NIL as against Rs. 827.02 lakhs in the previous year.

4. Share Capital

During the year under review, there is no change in Authorised Share Capital and Paid-up Share Capital of the company.

5. Dividend

Your Directors do not recommend for any dividend for the year ended March 31, 2023.

6. Transfer of amount(s) to Reserve (s)

As per Section 29C (1) of National Housing Bank Act, 1987 the Company is required to transfer atleast 20% of its net profit every year to a reserve before a dividend is declared. During the year no amount is required to be transferred to the Special Reserve.

For transfer to reserves in terms of section 134(3)(J) of the Companies Act, 2013, for the financial year ended March 31, 2023 your Directors propose to transfer Nil amount to General Reserve of the company and the amount of Rs. (2,43,86,474) will be transferred to Profit & Loss account.

7. Deposit

Your Company is registered as a non-deposit taking Housing Finance Company with National Housing Bank and hence does not accept any deposits. No deposits were accepted from the public in the financial year ended March 31, 2023.

8. Particulars of Loans, Guarantees or Investments by Company

The Company has not granted any loans or provided any guarantees attracting the provisions of Section 186 of Companies Act, 2013.

The Company has not made any Investment during the financial year 2022-23. Therefore, no need to comply with the provisions of Section 186 of the Company Act, 2013.

9. Credit Rating

CARE rated your Company as B (Single B) on March 31, 2023.

10. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website at –

<https://sphm.co.in/sphm/assets/upload/Annual Return for the year 2022 2023.pdf>

11. Board of Directors

During the year under review, Mr. Prashant Banerjee was appointed as an Additional Director w.e.f. February 13, 2023.

The Composition of the Board as on March 31, 2023 was-

Sr.No.	Name	Address	Designation	Date of Appointment
1.	*A. Ramesh Kumar	Amuthalakshmi Villa, Plot No. 20, Bhaskar Street, Extension 8, Thiruverkadu, Thiruvallur, Tamilnadu 600077	Chairman & Director	January 5, 2009
2	Mukul Gulati	70 East 96th Street, #4A, NY 10128	Nominee Director	February 17, 2021
3	Vijaya Kumar Chowti Shivananda	No. 1295, Srinidhi, 14th Cross, Opp. Sundar Mahal, 2nd Phase, Girinagar, Bengaluru, Karnataka 560085	Independent Director	December 30, 2021
4	Prashant Banerjee	138-A, C/o LTCOL S K Panda, Eshwarpuri Colony, Sainikpuri, Hyderabad 500094	Additional Director & CEO	February 13, 2023

*Mr. A. Ramesh Kumar has vacated his office of Director of the Company w.e.f. June 17, 2023.

12. Key Managerial Personnel

During the period under review, no Key Managerial Personnel was appointed.

Below are the Key Managerial Personnel as on March 31, 2023 –

Sr.No.	Name	Address	Designation	Date of Appointment
1.	Meenakshi Dholwani	Block No. 20, Near Baba, Hardasram Dharamshala, Jaripatka, Nagpur, Maharashtra – 440014	Chief Financial Officer	June 18, 2022
2.	Megha Mohunta	Shora Kothi, Kamptee Road, Teka Naka, Uppalwadi, Nagpur, Maharashtra– 440026	Company Secretary	February 14, 2019

13. Details of Board meetings

During the year, 4 (Four) Board meetings were held on June 18, 2022, August 25, 2022, December 06, 2022 and February 13, 2023.

14. Committees of the Board

The Board has constituted various Committees to support the Board in discharging its responsibilities. The Company has constituted the following committee in accordance with the provisions of the Act viz.

- a. Audit Committee
- b. Risk Management Committee
- c. ALCO Committee
- d. Nomination & Remuneration Committee
- e. Information Technology Committee
- f. Debt Approval Committee

The board at the time of the constitution of each committee fixes the terms of reference and also delegates powers from time to time.

a. Audit Committee - During the year the Audit Committee met on June 18, 2022, August 25, 2022, December 06, 2022 and February 13, 2023.

b. Risk Management Committee - During the year the Risk Management Committee had met on August 25, 2022 and February 13, 2023.

c. ALCO Committee -During the year the Asset Liability Committee met on June 18, 2022, August 25, 2022, December 06, 2022 and February 13, 2023.

d. Nomination & Remuneration Committee – During the year Nomination & Remuneration Committee had met on June 18, 2022, August 25, 2022, December 06, 2022 and February 13, 2023.

15. Compliance with Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

16. Directors' Responsibility Statement

With reference to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, Your Directors state that—

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) Your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) Your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) Your directors have prepared the annual accounts on a going concern basis; and

(e) Your directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. Statutory Auditors

At the Annual General Meeting of the Company held on September 26, 2022, M/s. Kantilal Patel & Co., Chartered Accountants, having registration no. (FRN 104744W) were appointed as the Statutory Auditors of the Company for a period of five years starting from financial year 2022-23 and that they shall hold office from the conclusion of 14th Annual General Meeting till the conclusion of the 19th Annual General Meeting to be held in the year 2027 i.e for financial year 2026-27 as per the Guidelines of Reserve Bank of India for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs).

The report of the Statutory Auditors along with notes to Schedules is enclosed with this report.

18. Auditors' Report

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

19. Risk Management Policy & Internal Control Adequacy

The Company has in place the mechanism to assess, monitor & mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Risk Management

Committee and Board of Directors of the Company.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Significant audit observations and follow-up actions thereon are reported to the Board. The Board of Directors reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

20. Related party transactions

During the year under review, the Company has not entered into any related party transaction. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted. Thus, disclosure in AOC-2 is not required.

21. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information pertaining to the conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo, as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 during the Financial Year under review, are given below.

(a) Conservation of energy

The particulars as required under the provisions of the Companies Act, 2013 in respect of conservation of energy have not been furnished considering the nature of activities undertaken by the company during the year under review.

(b) Technology absorption

The Company has continued developing its in-house software METIS in order to create a comprehensive technology-driven workflow across the organization. All loan processes move through the system and each loan file is traceable in real time with its current stage along with its movement timelines. The Company keeps upgrading METIS in line with the business requirements and some of the major implementations completed during the financial year 22-23 are given below -

1. End-to-end integration of loans disbursed with one of its Partners right from Sourcing to Disbursement including data exchange with the Partner.
2. Ease in calculation w.r.t. to Travel Claims of the field staff by way of an automated record of travel meter readings.
3. Development of new modules/features like Courier Module, Stationary Module, a feature to update the borrowers' residential address by geo-tagging of the location, and such additional features in METIS to automate the operations wherever possible.
4. Migration of METIS and the Company's website from HTTP to HTTPS for providing high security.
5. Further, the HR Module is being continuously evolved to automate various HR functions like information about the Induction Schedule, OTP-based download of Salary Slip, Generation of Attendance Reports, Creation of Employee Profile, Automation of various HR documentation like confirmation letter, appointment letter, appraisal letter, loan letter and experience letter etc.

The total cost moved to Software Work in Progress (SWIP) during the year under review is given below. Also, the total cost of the modules capitalized in FY 22-23 is given below

SWIP booked in FY 22-23 : Nil

Capitalized in FY 22-23 : Nil

(c) Foreign Exchange Inflow and Outflow

Foreign Exchange Inflow: Nil

Foreign Exchange Outflow: INR 2,75,200/- paid towards sitting fees to the Director.

22. Details in respect of frauds reported auditors under sub-section (12) of section 143 other than those which are reportable to the central government

There were no such reporting by the auditor under Section 143 (12) of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

The Notes on financial statements are self-explanatory, and needs no further explanation.

23. Significant/material orders passed by the Regulators:

The Company has received an order from the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, for compounding of offence under Sub-Section (1) of Section 96 read with section 99 of the Companies Act, 2013. There are no other significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

24. Particulars of Employees:

In accordance with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the name and other particulars of employees are to be set out in the annexure forming part of the Annual Report. The details are set out in Annexure -1.

25. Employee Stock Option Plan:

The Company has Employee Stock Option Plan for its Employees/ Directors. The Company has granted options under the Stock Option Scheme to Mr. Prashant Banerjee, Chief Executive Officer, under his Employment Agreement and other 8 (Eight) employees who have completed 7 years of service with the Company as of January 01, 2022. However, there has not been any vesting under the Stock Option Scheme during the year under review.

26. Sexual Harassment Policy

The Company has in place a policy on prevention of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act") and rules framed thereunder. Your Company believes in providing a safe and harassment free workplace for every individual and endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No cases of Sexual Harassment were reported during the year under review, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

27. Vigil Mechanism, Whistle Blower Policy

Your Company as part of the "Vigil Mechanism" has in place a "Whistle Blower Policy" to deal with instances of fraud and misappropriations, if any. During the year under review, no whistle-blower complaint was received.

28. Transfer of unclaimed dividend to investor education and protection fund

Since there was no unpaid/unclaimed Dividend in the last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

29. Corporate Social Responsibility

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

30. Acknowledgements

Your Directors place on record their gratitude for the continuing support of Shareholders, Bankers and Business Associates at all levels.

**For and on behalf of the Board
Swarna Pragati Housing Microfinance Private Limited**

Date: July 18, 2023

Mukul Gulati

Mukul Gulati
Director
DIN.: 00746183
Place: *Bengaluru*

Prashant Banerjee

Prashant Banerjee
Director
DIN.: 09786756
Place: *Bengaluru*

Annexure-I**PARTICULARS OF TOP TEN EMPLOYEES' REMUNERATION**

Sl. No.	Name	Designation	Qualification & Experience	Age	Remuneration received	Date of Commencement of Employment	Last Employment held before joining the Company
01	Prashant Banerjee	Director and CEO	MBA-IRMA 15 years of experience in Banking & Operation Field	46	7,713,552	01-04-2020	Gilada Finance and Investments Ltd.
02	Meenakshi Dholwani	Chief Financial Officer	C.A ,B.com 9 years of experience in the field of Accounts and Finance	30	4,058,541	31-10-2018	Tata Consultancy Services
03	Megha Mohunta	CS &Legal Head	CS,LLB 14 years of experience as company Secretary	38	3,218,434	02-01-2019	WNS Global Services
04	Anshul Jain	VP- Accounts and Finance	CA,B.Com 7 years of experience of in the field of Accounts and Finance	32	1,584,068	25-02-2019	V.K.Surana & Associates, Chartered Accountants
05	Rinky Subhadeep Bera	VP-Human Resource	MBA- HR& Mkt.10 years of experience in Human Resources	33	1,485,189	17-09-2018	ACC Limited
06	Aruneswar Mukherjee	Regional Manager	M.Com, 16 years of experience in Business Operations	44	1,398,000	20-06-2018	Jana Small Finance Bank

07	Subrata Roy	Chief Business Officer	MBA in MKT and HR. 16 years of experience in field of Business operations.	42	1,305,382	11-10-2022	Satin Credit Care Network Limited
08	Krishna Zade	Regional Manager	BA 16 years of experience in the field of Business Operations	40	1,095,230	24-10-2016	Spandana Sphoorty Financial Limited
09	Nilesh R Pande	AVP- Accounts and Finance	B.Com, 13 years of experience in field of Accounts and Finance	39	1,027,475	01-01-2014	Vicco Laboratories
10	S. Jayakumar	Regional Manager	M.Com, 15 years of experience in NBFC, Banking and Finance.	52	992,403	13-09-2016	Suryoday Small Finance Bank

**For and on behalf of the Board
Swarna Pragati Housing Microfinance Private Limited**

Date: July 18, 2023

Mukul Gulati

Mukul Gulati
Director
DIN.: 00746183
Place: Bengaluru

Prashant Banerjee

Prashant Banerjee
Director
DIN.: 09786756
Place: Bengaluru

Independent Auditor's Report

To the members of Swarna Pragati Housing Microfinance Private Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Swarna Pragati Housing Microfinance Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2023, 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 (hereinafter referred to as 'financial statements').

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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("I-GAAP") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss 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) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



UDIN: - 23153599BGVAZW7159

Independent Auditor's Report

To the members of Swarna Pragati Housing Microfinance Private Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'. We have nothing to report in this regard.

Management's responsibility for the Financial Statements

The Company's management and Board of Directors are 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 I-GAAP specified under section 133 of the Act and the rules thereunder, 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management or Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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



UDIN: - 231535998GVAZW7159

Independent Auditor's Report

To the members of Swarna Pragati Housing Microfinance Private Limited

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 scepticism 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 system 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



UDIN: - 23153599BGVAZW7159

Independent Auditor's Report

To the members of Swarna Pragati Housing Microfinance Private Limited

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.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('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 A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit, 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 as at March 31, 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the financial statements comply with the I-GAAP specified under section 133 of the Act and the Rules thereunder, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 the financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report.



UDIN: - 23153599BGVAZW7159

Independent Auditor's Report

To the members of Swarna Pragati Housing Microfinance Private Limited

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Please refer Note No. 22.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.



UDIN: - 23153599BGVAZW7159

Independent Auditor's Report

To the members of Swarna Pragati Housing Microfinance Private Limited

- (v) The Company has not declared or paid dividend during the year, and hence, reporting under sub-clause (f) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, is not applicable.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Kantilal Patel & Co.**

Chartered Accountants

Firm's Registration No.: 104744W



Jinal A. Patel
Partner

Membership No.: 153599

Place: Ahmedabad

Date: July 18, 2023



Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Swarna Pragati Housing Microfinance Private Limited

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Swarna Pragati Housing Microfinance Private Limited)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and the records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment, so as to cover all the assets every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment due for verification during the year were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have immovable properties during the year and hence, reporting under Clause 3(i)(c) is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory during the year and hence, reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence, reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The details required to be indicated as per clause 3(iii) of the Order, are as under:
- (a) As the principal business of the Company is to give loans, reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The terms and conditions of the grant of the loans and advance in the nature of loan, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) As the principal business of the Company is to give loans, there are numerous transactions referred to in Note 48.12 which represent cases where there are missed instalments leading to irregularity in the repayment. Based on the policy of the Company to approach such irregularities, appropriate classification of such

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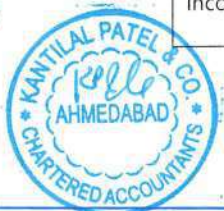


Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Swarna Pragati Housing Microfinance Private Limited

amounts has been done in accordance with the applicable guidelines issued by the Reserve Bank of India, and as applicable to the Company.

- (d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans including interest thereon, as at March 31, 2023 is Rs. 151. 86 Million (2686 cases). Reasonable steps have been taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.
- (e) As the principal business of the Company is to give loans, reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (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, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the operations of the Company.
- (vii) In respect of statutory dues:
- (a) In our opinion, the company has generally been regular in depositing the undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (c) The details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	208.56	F.Y. 2015-16	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	16.16	F.Y. 2016-17	Commissioner of Income Tax (Appeals)



UDIN: - 23153599BGVAZW7159

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Swarna Pragati Housing Microfinance Private Limited

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence, reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.
- (c) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The Company has not raised funds for short-term basis during the year and there are no outstanding funds raised for short-term basis at the beginning of the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The Company does not have subsidiaries, associates or joint ventures during the year. Hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have subsidiaries, associates or joint ventures during the year. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) We have been informed that during the year there were instances of misappropriation of cash by employees of the Company aggregating to Rs. 0.48 Million: As informed, Services of employees have been terminated and the Company is in process of taking legal action against the employees. The Outstanding balance (net of recovery) aggregating Rs. 0.48 Million has been fully provided in the books of account.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year and shared with us for reporting under this clause.
- (xii) In our opinion, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company is not covered under Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, for constituting an Audit Committee, and hence, Section 177 of the Act is not applicable to the Company. In our opinion, the Company is in compliance with section 188 of the Act, where applicable, for all transactions with the

UDIN: - 231535998GVAZW7159

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Swarna Pragati Housing Microfinance Private Limited

related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors, and hence, provisions of section 192 of Act are not applicable to the Company.
- (xvi) (a) In our opinion, the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses in current year amounting to Rs. 20.96 Million. In the immediately preceding financial year, the Company had not incurred cash losses.
- (xviii) There has been resignation of the statutory auditors (i.e. Kamal C Mehta & Co, Chartered Accountants) during the year and based on the information and explanations given to us by the management and the response received by us pursuant to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the board of directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion, during the year, the Company is not covered under the criteria provided in sub-section (1) of Section 135 of the Act for applicability of provisions of corporate social responsibility (CSR), and hence, reporting under clause 3(xx)(a) of the Order is not applicable.



UDIN: - 23153599BGVAZW7159

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Swarna Pragati Housing Microfinance Private Limited

- (b) In our opinion, during the year, the Company is not covered under the criteria provided in sub-section (1) of Section 135 of the Act for applicability of provisions of corporate social responsibility (CSR), and hence, reporting under clause 3(xx)(b) of the Order is not applicable.

For **Kantilal Patel & Co.**,

Chartered Accountants

Firm's Registration No.: 104744W

Jinal A. Patel

Partner

Membership No.: 153599

Place: Ahmedabad

Date: July 18, 2023



UDIN: - 23153599BGVAZW7159

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Swarna Pragati Housing Microfinance Private Limited

Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Swarna Pragati Housing Microfinance Private Limited)

Report on the internal financial controls with reference to the financial statements under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2023 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 and Board of Directors are 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 Act.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs 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 were established and maintained and if such controls operated effectively in all material respects.

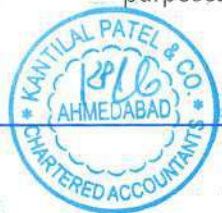
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to the 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 system over financial reporting with reference to the financial statements.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting 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

UDIN: - 23153599BGVAZW7159



Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Swarna Pragati Housing Microfinance Private Limited

financial reporting with reference to these financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the 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 (iii) 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, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 **Kantilal Patel & Co.**,

Chartered Accountants

Firm's Registration No.: 104744W

Jinal A. Patel

Partner

Membership No.: 153599

Place: Ahmedabad

Date: July 18, 2023



UDIN: - 23153599BGVAZW7159

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A	EQUITY AND LIABILITIES			
	1) Shareholders' funds			
	(a) Share capital	3	419.69	419.69
	(b) Reserves and surplus	4	(84.57)	(63.63)
			335.13	356.06
	2) Non-current liabilities			
	(a) Long-term borrowings	5	-	-
	(b) Other long-term liabilities	6	9.65	18.62
	(c) Long-term provisions	7	108.38	122.81
			118.03	141.42
	3) Current liabilities			
	(a) Short Term Borrowings			
	Current maturities of long term borrowings		-	82.70
	(b) Trade payables	8		
	Micro, Small and Medium Enterprises		-	-
	Others		6.68	6.50
	(c) Other current liabilities	6	11.67	7.15
	(d) Short-term provisions	7	2.10	4.64
			20.45	100.98
	TOTAL (1 + 2 + 3)		473.61	598.47
B	ASSETS			
	1) Non-current assets			
	(a) Fixed Assets			
	(i) Property, Plant and Equipment	9A	5.23	4.24
	(ii) Intangible assets	9B	2.09	3.71
	(iii) Intangible assets under development		0.42	0.42
	(b) Long-term loans and advances	10	329.77	438.52
	(c) Other non-current assets	11	42.95	28.12
			380.45	475.00
	2) Current assets			
	(a) Current investments	12	11.57	-
	(b) Cash and bank balances	13	20.81	14.35
	(c) Short-term loans and advances	10	52.67	94.56
	(d) Other current assets	11	8.10	14.56
			93.15	123.47
	TOTAL (1 + 2)		473.61	598.47

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm Registration No. 104744W

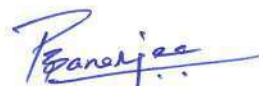
For and on behalf of the Board of Directors of
Swarna Pragati Housing Microfinance Private Limited



CA Jinal Patel
Partner
Membership No. 153599
Place: Ahmedabad
Date: July 18, 2023



Mukul Gulati
Director
DIN No. 00746183
Place: Bangalore
Date: July 18, 2023



Prashant Banerjee
Director & Chief Executive Officer
DIN No. 09786756
Place: Bangalore
Date: July 18, 2023




Meenakshi Dholwani
Chief Financial Officer
Place: Bangalore
Date: July 18, 2023



Megha Mohunta
Company Secretary
Membership No. F 10009
Place: Bangalore
Date: July 18, 2023

Swarna Pragati Housing Microfinance Private Limited
Statement of Profit and Loss for the year ended March 31, 2023

₹ in Million

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I	Income			
(a)	Revenue from operations	14	60.16	86.26
(b)	Other income	15	49.43	36.00
	Total income (I)		109.59	122.26
II	Expenses			
(a)	Employee benefits expense	16	98.67	77.55
(b)	Finance costs	17	4.71	33.26
(c)	Depreciation and amortisation expense	18	3.42	4.68
(d)	Other expenses	19	32.88	23.00
(e)	Loan losses and provisions	20	(5.70)	(111.64)
	Total expenses (II)		133.98	26.84
III	Profit / (Loss) before tax (I- II)		(24.39)	95.43
IV	Tax expense:			
(a)	Current tax expense		-	-
(b)	(Excess) provision for tax relating to prior years		-	-
(c)	Deferred tax (credit)/charge		-	-
	Total Tax expense (IV)		-	-
V	Profit / (Loss) for the year (III-IV)		(24.39)	95.43
VI	Earnings per share (EPS) (nominal value of ₹ 10 each):			
	Basic EPS (Rs. per share)	21	(0.72)	2.82
	Diluted DPS (Rs. per share)	21	(0.72)	2.19

Summary of significant accounting policies

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm Registration No. 104744W



CA Jinal Patel
Partner
Membership No. 153599
Place: Ahmedabad
Date: July 18, 2023

For and on behalf of the Board of Directors of
Swarna Pragati Housing Microfinance Private Limited



Mukul Gulati
Director
DIN No. 00746183
Place: Bangalore
Date: July 18, 2023



Prashant Banerjee
Director & Chief Executive Officer
DIN No. 09786756
Place: Bangalore
Date: July 18, 2023




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Chief Financial Officer
Place: Bangalore
Date: July 18, 2023



Megha Mohunta
Company Secretary
Membership No. F 10009
Place: Bangalore
Date: July 18, 2023

Swarna Pragati Housing Microfinance Private Limited
Cash Flow Statement for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Profit / (Loss) before tax		-24.39		95.43
<u>Adjustments for:</u>				
Depreciation on property, plant and equipment	1.81		1.55	
Amortisation of intangible assets	1.62		3.12	
Loss on sale of property, plant and equipment	-0.01		0.00	
Employee stock option expense	3.45		0.34	
Contingent provision on standard assets	-0.27		-0.76	
Provision for doubtful advances (related to financing activity)	-15.79		-112.12	
Bad debts written off	10.36		1.24	
Amortisation of ancillary borrowing costs	0.42		2.51	
Provision for other advances	1.44		0.19	
Interest income on fixed deposits	-0.65		-3.69	
Profit on sale of current investments	-0.55		-0.27	
		1.83		-107.89
Operating profit before working capital changes		-22.56		-12.46
<u>Changes in working capital</u>				
Adjusted for (increase) / decrease in assets				
Long term loans and advances	98.66		94.03	
Short term loans and advances	41.89		57.20	
Other non-current assets	-15.25		-1.73	
Other current assets	6.54		51.07	
Adjusted for increase / (decrease) in liabilities				
Long term liabilities	-8.97		-2.78	
Trade payables	0.18		-1.08	
Other current liabilities	4.52		-2.73	
Short term provisions	-2.35		1.09	
		125.23		195.08
Cash used in operations		102.67		182.62
Net income tax (paid)		-0.27		-0.51
Net cash flow (used in) / from operating activities (A)		102.40		182.11
B. Cash flow from investing activities				
Purchase of property, plant and equipment and purchase of Intangible assets		-2.81		-0.61
Sale of property, plant and equipment		0.03		0.04
Interest income on fixed deposits		0.57		13.15
Investment in fixed deposits not considered as cash and cash equivalents		0.00		0.00
Purchase of current investments		-119.85		-88.00
Sale of current investments		108.83		92.29
Net cash flow (used in) / from investing activities (B)		-13.24		16.88
C. Cash flow from financing activities				
Proceeds from long term borrowings		0.00		0.00
Repayment of long term borrowings		-82.70		-278.84
Proceeds from issue of compulsorily convertible preference shares		0.00		
Net cash flow (used in) / from financing activities (C)		-82.70		-278.84
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		6.46		-79.85
Cash and cash equivalents at the beginning of the year		14.35		94.20
Cash and bank balances at the end of the year (refer note 16)		20.81		14.35

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' notified under section 133 of the Companies Act 2013, read together with the Companies (Accounts) Rules 2014.

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm Registration No. 104744W



CA Jinal Patel
Partner
Membership No. 153599
Place: Ahmedabad



For and on behalf of the Board of Directors of
Swarna Pragati Housing Microfinance Private Limited

Mukul Gulati
Director
DIN No. 00746183
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Chief Financial Officer
Place: Bangalore
Date: July 18, 2023



Megha Mohunta
Company Secretary
Membership No. F 10009
Place: Bangalore
Date: July 18, 2023

- 1 **Corporate Information**
Swarna Pragati Housing Microfinance Private Limited ('the Company') was incorporated in India on January 05, 2009 to provide housing finance in respect of new house / habitat and upgradation and repairs/ renovations of existing shelters by way of productive housing in Indian rural areas. The Company is registered as a housing finance company without accepting public deposits with National Housing Bank ('NHB') with effect from August 31, 2009 having registration no. 08.0075.09
- 2 **Basis of preparation of financial statements**
The financial statements have been prepared in conformity with generally accepted accounting principles in India ('Indian GAAP') to comply in all material respects with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013 (the 'Act') read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, The National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions, 2010 (as amended) ('the NHB Directions') issued by NHB from time to time. The financial statements have been prepared on an accrual basis and under the historical cost convention except as detailed in note no. 2.1(h). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- 2.1 **Summary of significant accounting policies**
- (a) **Current/ Non Current classification of assets and liabilities**
As required by Schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Since normal operating cycle is not readily determinable considering the Company's business i.e housing finance, the operating cycle has been considered as 12 months.
- (b) **Use of estimates**
The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.
- (c) **Property, plant and equipment**
Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
- (d) **Intangible assets**
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.
Intangible assets are amortized on a written down value basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.
The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
- (e) **Depreciation on Property, plant and equipment/ Amortisation of Intangible asset**
Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
Depreciation on property, plant and equipment has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
The Company has used the following rates to provide depreciation on its fixed assets.
- | Particulars | Useful life estimate (As specified in Schedule II of Companies Act, 2013) |
|-------------------------------|--|
| Computers: Servers | 6 years |
| Computers: other than servers | 3 years |
| Office Equipment | 5 years |
| Furnitures & Fixtures | 10 years |
| Plant & Machinery | 15 years |
| Vehicles | 5 years |
| Computer Software | 5 years |
- (f) **Loans to borrowers**
Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date.
- (g) **Investments**
Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investment are carried in the financial statements at lower of cost and fair value except for investment in mutual funds which are carried at their Net asset value declared by the mutual fund in accordance with the NHB Directions.
- (h) **Revenue recognition**
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (a) **Interest income**
Interest income on loans is recognised by applying interest rate implicit in the contract. In case of non-performing assets, interest income is recognised on receipt basis in accordance with the NHB directions.



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(b) Income from assignment

Income on retained interest in the assigned asset, if any, is accounted on an accrual basis, except in case of non-performing assets wherein interest income is recognised on receipt basis in accordance with the NHB Directions.

(c) Processing fee income

Processing fee income on loan is recognised as income in the year in which the loan is disbursed to the borrowers.

(d) Profit/ Loss on sale of investments

Profit/loss earned on sale of investments is recognised on trade date basis. Profit or loss on sale of investments is determined on the basis of the weighted average cost method. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(i) Retirement and other employee benefits

Defined contribution plans

In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). Company's contribution to Provident Fund is charged as an expense in the Statement of Profit and Loss.

Leave benefits

Compensated absences with respect to leave encashment benefits payable to employees of the Company while in service, on retirement, death while in service or on termination of employment with respect to accumulated leaves outstanding at the year end are accounted for on the basis of an actuarial valuation as at the balance sheet date.

Defined benefit plans

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the Statement of Profit and Loss. The expected return on plan assets is based on the assumed rate of return of such assets.

(j) Leases

Operating Lease

Where the Company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the tenure of the lease.

(k) Taxes on income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(l) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(m) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted at the pre tax discount rate reflecting current market assessment of time value of money and risks specific to asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(n) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.



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- (o) **Expenses on issue of securities**
Expenses incurred with respect to issuance of securities are debited to securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013.
- (p) **Borrowing costs**
Borrowing costs consists of interest and other ancillary cost that an entity incurs in connection with borrowing of funds. Ancillary costs incurred in connection such borrowings are amortised on a straight line basis over the tenure of such borrowings.
- (q) **Employee share based payments**
In case of stock option plan, measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock option using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.
- (r) (i) **Provisioning norms for loans under financing activity**
Contingent provision for standard assets and provision for non-performing assets is determined based on management estimates subject to minimum requirements stipulated in the NHB Directions.
- (ii) **Write off (Loans under financing activity)**
Loans are written off by the Company based upon management's assessment of ultimate recovery (net of recoveries, if any made during the year).
- (s) **Provisions**
A provision is recognised when the Company has a present obligation as a result of past event, it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (t) **Contingent liabilities**
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
- (u) **Cash and Cash Equivalents**
Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.



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3. SHARE CAPITAL

Particulars	₹ in Million	
	As at March 31, 2023 ₹	As at March 31, 2022 ₹
(a) Authorised		
*3,90,00,000 Equity shares [March 31, 2022 : 3,90,00,000] of ₹ 10 each	390.00	390.00
*1,10,00,000 Preference shares [March 31, 2022 : 1,10,00,000] of ₹ 10 each	110.00	110.00
	<u>500.00</u>	<u>500.00</u>
(b) Issued, subscribed and fully paid up:		
I. Equity share capital		
3,38,51,319 Equity shares [March 31, 2022: 3,38,51,319 Shares] of ₹ 10 each	338.51	338.51
Less: 14,80,500 Equity shares [March 31, 2022: 14,80,500] of ₹10 each held in Trust for employees under ESOP Scheme#	(14.81)	(14.81)
Total (A)	323.71	323.71
II. Preference share capital		
95,98,513 Compulsorily Convertible Preference shares [March 31, 2022: 95,98,513] of ₹ 10 each (B)	95.99	95.99
Total (A + B)	<u>419.69</u>	<u>419.69</u>

#Represents loan given to ESOP trust for subscription of shares of the Company in accordance with the ESOP scheme. The balance of unexercised equity shares by the trust at the end of the year has been reduced against the relevant equity account i.e share capital as if the trust is administered by the Company itself in accordance with the Guidance Note on Accounting for Employee Share based Payments issued by the Institute of Chartered Accountants of India.

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	₹ in Million			
	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	₹	No. of Shares held	₹
Equity shares				
Balance at the beginning of the year	3,38,51,319	338.51	3,38,51,319	338.51
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	<u>3,38,51,319</u>	<u>338.51</u>	<u>3,38,51,319</u>	<u>338.51</u>
0.001% Compulsorily Convertible Preference Shares				
Balance at the beginning of the year	95,98,513	95.99	95,98,513	95.99
Add: Shares issued during the year	-	-	-	-
Less: Conversion into Equity Shares	-	-	-	-
Balance at the end of the year	<u>95,98,513</u>	<u>95.99</u>	<u>95,98,513</u>	<u>95.99</u>

(ia) Shareholding of Promoters

Current Reporting Period

Promoter Name	Beginning of the year		End of the year		% Change during the year 2022-23
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
A. Ramesh Kumar	40,87,482	9.41	40,87,482	9.41	-
Raj Kumar Singh	8,17,495	1.88	8,17,495	1.88	-
Mukesh Kumar	2,72,498	0.63	2,72,498	0.63	-
SasiBhushan Dash	1,56,661	0.36	1,56,661	0.36	-
Mohammad Sameer Siddiqui	4,57,737	1.05	4,57,737	1.05	-

Previous Reporting Period

Promoter Name	Beginning of the year		End of the year		% Change during the year 2021-22
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
A. Ramesh Kumar	40,87,482	9.41	40,87,482	9.41	-
Raj Kumar Singh	8,17,495	1.88	8,17,495	1.88	-
Mukesh Kumar	2,72,498	0.63	2,72,498	0.63	-
SasiBhushan Dash	1,56,661	0.36	1,56,661	0.36	-
Mohammad Sameer Siddiqui	4,57,737	1.05	4,57,737	1.05	-

(ii) Terms / Rights attached to equity and preference shares

Equity Shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of Equity shares is entitled to one vote per share. The dividend, if any, is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion of their shareholding.

Compulsorily Convertible Preference Shares ("CCPS")

Voting Rights:

The CCPS Holders shall be entitled to exercise similar voting rights as the Shareholders holding Equity Shares, pro rata to their respective shareholding in the Company, and in computing the CCPS Holders' shareholding for the purposes of voting rights, the CCPS Holders' entire shareholding in the Company (including the holding of CCPS) shall be taken into account on an 'as converted basis', irrespective of the number of Equity Shares held by the CCPS Holders.



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Terms of Conversion:

CCPS convertible into 1 (one) equity share

The entire issue of CCPS shall be convertible, at the option of the CCPS holders, within 7 days of receipt notice from the CCPS holders at the then applicable conversion ratio in proportion to the face value of equity shares at the date of conversion, provided that the CCPS shall be converted upon the sooner to occur of

a) the expiry of 19 (Nineteen) years from 10th December, 2015.

b) if required by the applicable law, on the occurrence of a Qualified IPO, as defined in the Share Holders Agreement, effective on the latest date prior to the Qualified IPO as is permissible under applicable law, or

c) upon the occurrence of a Liquidation Event.

The equity shares issued and allotted upon conversion of the CCPS Series shall rank pari passu with all the other equity shares of the Company.

CCPS issued during F.Y. 19 -20 (hereinafter 'Bridge Round CCPS') -

Bridge Round CCPS shall be convertible at the option of the Bridge Round CCPS holder within 10 days of receipt of Bridge Round CCPS Conversion Notice as per the applicable Conversion Price.

Provided the Bridge Round CCPS shall be compulsorily convertible into fully paid at the then applicable Conversion Price at the earlier of:

a) Expiry of 19 (Nineteen) years from March 18, 2019,

b) Immediately prior to filing of a red herring prospectus (or equivalent document, by whatever name called) by the Company in connection with an IPO in accordance with the Articles (as amended from time to time).

The Equity Shares to be issued upon the conversion of the Bridge Round CCPS shall, without prejudice to the special rights of the holders of the Bridge Round CCPS under the Articles, rank pari passu in all respects with the existing Equity Shares of the Company.

(iii) Details of shares held by the holding company: Nil

(iv) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	%	No. of Shares held	%
Equity shares				
1. Aavishkaar Goodwill India Microfinance Development Company - II Limited	1,20,85,737	35.70%	1,20,85,737	35.70%
2. Zephyr Peacock India Fund III Limited	98,93,823	29.23%	98,93,823	29.23%
3. A. Ramesh Kumar	40,87,482	12.07%	40,87,482	12.07%
0.001% Compulsory Convertible Preference Shares				
1. Omidyar Network Mautilus	56,54,741	58.91%	56,54,741	58.91%
2. Zephyr Peacock India Fund III Limited	39,43,772	41.09%	39,43,772	41.09%

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(v) Securities convertible into equity shares	95,98,513	95,98,513
(vi) Shares reserved for issue under Employee Stock Option Scheme (Refer note 28)	14,80,500	14,80,500
(vii) Aggregate number of shares issued for a consideration other than cash during the period of five years immediately preceding	Nil	Nil

4. RESERVES AND SURPLUS

Particulars	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
(a) Securities Premium Account		
Opening balance	407.98	407.98
Add: Premium on shares issued during the year		
Closing balance	407.98	407.98
(b) Statutory Reserve (Under Section 29C of the National Housing Bank Act, 1987 (NHB Act))		
Opening balance	24.63	5.55
Addition during the year	0.00	19.09
Appropriation during the year	0.00	-
Closing balance	24.63	24.63
(c) General Reserve		
Opening balance	0.01	0.01
Add: Transferred from Share options outstanding account	0.00	-
Closing balance	0.01	0.01
(d) Share options outstanding account		
Opening balance	0.34	-
Add: Cost amortised during the year	3.45	0.34
Less: Reversed to statement of profit and loss upon forfeiture of options	0.00	-
Closing balance	3.79	0.34
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(496.60)	(572.93)
Add: Profit / (Loss) for the year	(24.39)	95.43
Less: Transferred to Statutory Reserve as per Section 29C of NHB Act	-	19.09
Closing balance	(520.98)	(496.60)
Total	(64.57)	(63.63)



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5. LONG-TERM BORROWINGS

Particulars	Non Current maturities			₹ in Million
			Current Maturities*	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
Term loans				
- Banks	-	-	-	-
- Others	-	-	-	82.70
	-	-	-	82.70

* Amount disclosed under the head 'Other current liabilities' (Refer note no. 6)

a. Security details for Secured Term loans

1. The company is debt free as on 31-03-2023.
2. For the previous year, term loan of ₹ 34.59 Million was secured by way of Exclusive first charge on portfolio of receivable as accepted to the lender of the Company and term loans of ₹ 17.35 Million was secured additionally by cash collateral from financial institutions amounting ₹ 4.29 Million.



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6. OTHER LIABILITIES

Particulars	₹ in Million			
	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Retention commission payable to business associates	9.65	18.62	-	-
Current maturities of long term borrowings [Refer Note 5 above]	-	-	-	82.70
Interest accrued but not due on borrowings	-	-	-	0.21
Payable to Employees	-	-	4.66	1.02
Excess money received from borrowers	-	-	2.21	1.54
Statutory dues	-	-	4.69	4.25
Others	-	-	0.11	0.12
Total	9.65	18.62	11.67	89.85

7. PROVISIONS

Particulars	₹ in Million			
	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Contingent provision for standard assets	0.25	0.34	0.20	0.38
Provision for non-performing assets	75.91	91.69	-	-
Provision towards doubtful advances	8.90	8.43	-	-
Provision towards other assets	23.31	22.35	-	-
Provision for compensated absences	-	-	1.91	4.25
Total	108.38	122.81	2.10	4.64

8 TRADE PAYABLES

Particulars	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
	₹	₹
Trade payables:		
To Micro, Small and Medium Enterprises (Refer note below)	-	-
Others	6.68	6.50
Total	6.68	6.50

* Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Based on current information / confirmations available with the Company, there are no dues to suppliers who are registered under the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED Act') as at March 31, 2023 (March 31, 2022: Nil)

Ageing Schedule for Trade Payable due for Payment FY 2022-23

Particulars	₹ in Million			
	Outstanding for following periods from due date of payment			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) MSME	-	-	-	-
(ii) Others	6.68	-	-	-
(ii) Disputed Dues - MSME	-	-	-	-
(ii) Disputed Dues - Others	-	-	-	-

Ageing Schedule for Trade Payable due for Payment FY 2021-22

Particulars	₹ in Million			
	Outstanding for following periods from due date of payment			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) MSME	-	-	-	-
(ii) Others	6.50	-	-	-
(ii) Disputed Dues - MSME	-	-	-	-
(ii) Disputed Dues - Others	-	-	-	-



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9. Fixed assets

₹ in Million

Particulars	Gross block				Accumulated depreciation				Net Block	
	Balance as at April 01, 2022	Additions	Disposals	As at March 31, 2023	Balance as at April 01, 2022	Depreciation / amortisation expense for the period	Deduction during the period	As at March 31, 2023	As at March 31, 2023	Balance as at March 31, 2022
A. Property, plant and equipment										
(a) Furniture and Fixtures (Previous Year)	10.06 (10.18)	0.11 (0.03)	0.10 (0.15)	10.07 (10.06)	7.88 (7.22)	0.59 (0.77)	0.08 (0.11)	8.39 (7.88)	1.68 (2.18)	2.18 (2.96)
(b) Office Equipment (Previous Year)	3.81 (3.79)	0.02 (0.02)	- -	3.83 (3.81)	3.58 (3.45)	0.06 (0.13)	- -	3.64 (3.58)	0.19 (0.23)	0.23 (0.34)
(c) Computers (Previous Year)	11.15 (10.76)	1.46 (0.55)	0.23 (0.16)	12.38 (11.15)	10.44 (10.19)	0.67 (0.41)	0.23 (0.16)	10.88 (10.44)	1.50 (0.71)	0.71 (0.57)
(d) Plant & Machinery (Previous Year)	3.68 (3.68)	- -	- -	3.68 (3.68)	2.56 (2.31)	0.20 (0.25)	- -	2.77 (2.56)	0.91 (1.12)	1.12 (1.36)
(e) Vehicles (Previous Year)	0.03 (0.03)	1.23 -	- -	1.26 (0.03)	0.03 (0.03)	0.28 (0.00)	- -	0.31 (0.03)	0.95 (0.00)	0.00 (0.00)
Sub total	28.73	2.81	0.33	31.21	24.49	1.81	0.31	25.99	5.23	4.24
(Previous Year)	(28.44)	(0.61)	(0.31)	(28.73)	(23.21)	(1.55)	(0.27)	(24.49)	(4.24)	(5.23)
B. Intangible Assets										
(f) Computer Software (Previous Year)	37.10 (37.10)	- -	- -	37.10 (37.10)	33.39 (30.27)	1.62 (3.12)	- -	35.01 (33.39)	2.09 (3.71)	3.71 (6.83)
Total (A+B)	65.83	2.81	0.33	68.31	57.88	3.42	0.31	60.99	7.32	12.06
Previous year	(65.53)	(0.61)	(0.31)	(65.83)	(53.47)	(4.68)	(0.27)	(57.88)	(7.95)	(17.81)

During the FY 2022-23, there was no revaluation of Property Plant and Equipments (PPE) and Intangible Assets.

9A. Intangible Assets under development aging schedule

There is no Capital Work in Progress as at 31-03-2023. Details of Intangible Asset under development is mentioned below:

Intangible Assets under development	Amount in SWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
A. Project in Progress:					
1. Appraisal Module	-	-	0.42	-	0.42
B. Projects Temporarily Suspended					
NIL	-	-	-	-	-

₹ in Million



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10 LOANS AND ADVANCES

Particulars	₹ in Million			
	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
I. Loans and advances related to financing activity				
Secured, considered good*				
Housing loans	44.02	69.81	38.02	71.91
Non-housing loans	19.64	15.53	9.48	19.37
Secured, considered doubtful**				
Housing loans	216.31	291.19	-	-
Non-housing loans	29.28	36.17	-	-
Unsecured, considered good*				
Non-housing loans	-	-	-	-
Unsecured, considered doubtful**				
Non-housing loans	0.32	0.52	-	-
TOTAL	309.57	413.23	47.50	91.29
II. Other loans and advances				
Unsecured, considered good				
Security deposits	1.87	1.80	-	-
Advances recoverable in cash or in kind or for value to be received	3.34	5.19	5.17	3.27
Advance income tax (net of provisions)	13.62	13.35	-	-
Unsecured, considered doubtful				
Other advances	1.37	4.95	-	-
TOTAL	20.20	25.29	5.17	3.27
GRAND TOTAL (I + II)	329.77	438.52	52.67	94.56

* represents standard assets in accordance with the asset classification policy of the Company (refer note 2.1(r))

** represents non-performing assets in accordance with the asset classification policy of the Company (refer note 2.1(r))



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11 OTHER ASSETS

Particulars	₹ in Million			
	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Interest accrued on deposits with banks and financial institutions	-	-	1.39	1.31
Interest accrued on loans and advances under financing activities	-	-	1.48	4.10
Unamortised borrowing costs	-	-	-	0.42
Deposits with financial institutions**	-	-	-	1.79
Deposits with banks (Refer note 13)	1.68	1.14	-	2.50
Receivable from business associates (Refer Note 23)	41.26	26.97	-	-
Other assets	-	-	3.15	2.35
Insurance Claim Receivable	-	-	2.09	2.09
Total	42.95	28.12	8.10	14.56

**represents deposits lien marked against term loans availed by the Company.

12 CURRENT INVESTMENTS

Particulars	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
Investment in Mutual Funds	11.57	-

* measured at net asset value declared by the mutual fund in accordance with the NHB Directions.

13 CASH AND BANK BALANCES

Particulars	₹ in Million	
	As at March 31, 2023	As at March 31, 2022
I. Cash and cash equivalents		
Cash on hand	0.82	1.48
Balances in current accounts with banks	7.99	3.37
	8.81	4.85
II. Other Bank Balances		
Deposit with original maturity for more than three months but less than twelve months #	12.00	9.50
Total (I + II)	20.81	14.35

Amount disclosed under non-current assets (Refer note no. 11) #

1.68

1.14

represents deposits lien marked as LDC by the Company.



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14 REVENUE FROM OPERATIONS

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Financing activity		
Interest Income on housing and non-housing loans	54.75	83.75
Processing fees	1.36	0.56
Legal and Technical Fee	0.57	0.28
Loan File Login Fee	0.18	0.09
Other operating revenue		
Income from Business Correspondance activity	3.31	1.58
Total	60.16	86.26

15 OTHER INCOME

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest on fixed deposits with banks and financial institutions	0.65	3.69
Interest on delayed collection of deposit from business associates	10.09	6.36
Profit on sale of current investments	0.55	0.27
Bad debts recovery	37.53	25.31
Miscellaneous income	0.59	0.37
Total	49.43	36.00

16 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	85.63	70.26
Contributions to provident fund	4.26	3.95
Gratuity (Refer Note 24)	1.75	0.97
Staff welfare expenses	3.58	2.03
Stock option cost (refer note 28)	3.45	0.34
Total	98.67	77.55

17 FINANCE COSTS

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings	4.28	30.75
Amortisation of ancillary borrowing costs	0.42	2.51
Total	4.71	33.26

18 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (Refer Note 9)	1.81	1.55
Amortisation of intangible Assets (Refer Note 9)	1.62	3.12
Total	3.42	4.68



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19 OTHER EXPENSES

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Rent expenses [Refer Note 26]	6.46	5.89
Repairs & Maintenance	1.39	0.92
Rates & Taxes	0.02	0.00
Travelling & Conveyance	9.80	6.42
Printing & stationery	0.53	0.14
Communication expenses	1.19	0.90
Business promotion expenses	0.24	0.16
Electricity & water charges	0.85	0.48
Commission to business associates	2.02	2.32
Legal & Professional charges	5.18	3.69
Auditors Remuneration		
- as auditor	0.78	0.26
- for Certification	-	0.20
Director Sitting Fee	0.87	0.22
Bank charges	0.08	0.06
Provision for other advances	1.13	0.19
Miscellaneous expenses	2.34	1.15
Total	32.88	23.00

Note:

The provisions with respect to Corporate Section Responsibility under Section 135 of the Act are not applicable to the Company.

20 LOAN LOSSES AND PROVISIONS

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Contingent provision on standard assets	(0.27)	(0.76)
Provision for doubtful advances (financing activity)	(15.79)	(112.12)
Bad debts written off	10.36	1.24
Total	(5.70)	(111.64)

21 Earnings per share (EPS)

The following is a computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Basic EPS		
Net profit / (loss) for the year	(24.39)	95.43
Weighted average number of equity shares – for Basic EPS	3,38,51,319	3,38,51,319
Par value per share	10	10
Earnings per share – Basic	(0.72)	2.82
Diluted EPS		
Net Profit / (loss) considered for basic EPS calculation	(24.39)	95.43
Weighted average number of equity shares – for Basic EPS	3,38,51,319	3,38,51,319
Add: Weighted number of equity shares under options	5,21,874	24,527
Add: Weighted number of equity shares under Compulsorily Convertible Preference Shares	95,98,513	95,98,513
Weighted average number of diluted equity shares	4,39,71,706	4,34,74,359
Nominal value per equity share	10	10
Earning per equity share - Diluted*	(0.72)	2.19

Since the impact of conversion of potential equity shares is anti-dilutive in nature, the same has not been considered in the calculation of diluted EPS.



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Swarna Pragati Housing Microfinance Private Limited
Notes to the financial statements for the year ended March 31, 2023

22. Contingent liabilities and commitments (to the extent not provided for)

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
(i) Contingent liabilities		
(a) Dividend payable on compulsorily convertible preference shares	0.004	0.003
(b) Income tax dispute	28.09	28.09
(c) FD (Lien Mark to Satin Finserv Limited as LDC)	1.68	1.14
(ii) Commitments		
(a) Other commitments:		
Loans sanctioned but not disbursed to the borrowers	5.92	1.03
TOTAL	35.70	30.27

In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

23. Other assets include an amount of Rs 41.26 Million representing receivable from business associates ('BAs') towards loan collections made from borrowers on behalf of the Company. The Company expects to recover the outstanding balances from the BA's in due course. Based on availability of documentation confirming collections by the BA's from the Company's borrowers, no change in the asset classification of the loans given to the borrowers is considered necessary.

24. Employee benefit plans

(i) Defined benefit plans

The Company offers the employee benefit schemes of Gratuity to its employees. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. Gratuity expense has been included under Personnel expenses.

The following table sets out the funded status of defined benefit schemes and the amount recognised in the financial statements:

Particulars	₹ in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Components of employer expense		
Current service cost	0.86	0.64
Interest cost	0.23	0.15
Expected return on plan assets	(0.16)	(0.16)
Actuarial losses/(gains)	0.82	0.34
Total expense recognized in the Statement of Profit and Loss	1.75	0.97
Net asset / (liability) recognized in the Balance Sheet		
Present value of defined benefit obligation	4.50	3.10
Fair value of plan assets	2.02	2.33
Net asset / (liability) recognized in the Balance Sheet	(2.47)	(0.77)
Change in defined benefit obligations (DBO) during the year		
Present value of the DBO at beginning of the year	3.10	2.21
Current service cost	0.86	0.64
Interest cost	0.23	0.15
Actuarial losses/(gains)	0.75	0.27
Benefit Paid	(0.44)	(0.18)
Present value of DBO at the end of the year	4.50	3.10
Change in fair value of assets during the year		
Plan assets at beginning of the year	2.33	2.34
Actual company contributions	0.04	0.07
Actuarial gain / (loss)	0.17	0.09
Benefits paid	(0.44)	(0.18)
Premium Adjustment	(0.07)	(0.00)
Plan assets at the end of the year	2.02	2.33
Experience adjustment on plan asset Gain/(loss)	(0.76)	(0.31)
Major categories of plan assets (as percentage of total plan assets)		
Funds Managed by Insurer	100%	100%



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Actuarial assumptions

Discount rate	7.36%	7.26%
Salary escalation	7.00%	7.00%
Mortality tables	IALM (2012-14)	IALM (2012-14)
Attrition		
Ages:		
Upto 30 years	30.07%	30.07%
From 31 to 44 years	30.07%	30.07%
Above 44 years	30.07%	30.07%

The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Experience adjustments	₹ in Million			
	Present value of DBO	Fair value of plan assets	Experience gain/ (loss) adjustments on plan liabilities	Experience gain/ (loss) adjustments on plan assets
2015-16	0.75	0.45	(0.01)	(0.00)
2016-17	1.45	1.54	0.08	(0.12)
2017-18	0.92	2.65	(0.90)	(0.01)
2018-19	1.60	2.84	0.26	(0.04)
2019-20	2.51	3.05	0.37	(0.04)
2020-21	2.21	2.34	0.24	(0.17)
2021-22	3.10	2.33	(0.31)	0.07
2022-23	4.50	2.02	(0.76)	0.07

25 Segment Reporting

The Company operates in a single reportable segment i.e financing which has similar risks and profits for the purpose of AS-17 on Segment Reporting. The Company operates in single geographical segment i.e domestic.

26. Operating Leases

The Company has entered into operating lease arrangements for office premises.

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
	₹	₹
Lease payments recognised in the Statement of Profit and Loss [Refer to Note 19]	6.46	5.89

27. Related party transactions

The names of related parties of the Company as required to be disclosed under Accounting Standard 18 is as follows:

(a) Details of related parties:

Description of relationship	Names of related parties
Key Managerial Personnel	Mr. Prashant Banerjee Director & Chief Executive Officer Mrs. Meenakshi Dholwani - Chief Financial Officer Mrs. Megha Vivek Mohunta- Company Secretary

(b) Details of related party transactions during the year ended March 31, 2023 and outstanding balance as at March 31, 2023:

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
	₹	₹

I) Transactions during the year**a) Remuneration paid***

Key Managerial Personnel #	Year ended	Year ended
	March 31, 2023	March 31, 2022
	₹	₹
Mr. Prashant Banerjee	7.71	6.11
Mrs. Meenakshi Dholwani	4.06	3.40
Mrs. Megha Vivek Mohunta	3.22	1.88



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28. Disclosures on Employee share based payments

On March 17, 2015 the Company's Board of Directors approved an Employee Stock Option Plan whereby common stock are reserved for issuance to eligible employees of the Company. Under the plan, options are to be granted to the employees as and when advised by the Compensation Committee/Board constituted for the purpose. The options are to be converted into one share at a predetermined price to be exercised in accordance with the plan. The options granted will vest in a graded manner and are to be exercised within a period of 3 years from the date of vesting.

Vesting Condition

1. There shall be minimum period of 1 year between Grant of Options and its first vesting date;
2. Vesting of options is subject to the loyalty and performance of the Employee in the following manner:
 - a. 40% of the Grant of options due for vesting will be based upon loyalty and
 - b. 60% of the Grant of options due for vesting will be discretionary and based upon performance criteria, as may be determined by the Board and recommended to the Compensation Committee;
3. Under the Scheme, the options granted will vest with the Employees over a period of 3 years from the date of Grant;

For the loyalty part of the option, vesting will happen as follow:

Time Period	Options Vested
1st Year from the date of Grant	13% of the Grant
2nd Year from the date of Grant	13% of the Grant
3rd Year from the date of Grant	14% of the Grant

Other information with respect to the plan is as follows:

Particulars	
Exercise period	18 months from date of vesting
Vesting conditions	Employee to be in service at the time of vesting
Weighted average remaining contractual life (years)	Vest II: 1 year Vest III: 2 years
Weighted average exercise price per option (Rs.)	5.99
Weighted average fair value of each option (Rs.)	6.75

Reconciliation of options:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Options outstanding at the beginning of the year	24,527	-
Granted during the year	4,97,347	24,527
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	5,21,874	24,527
Exercisable at the end of the year	-	-

29. During the current year, the company has paid Rs.0.28 MN as Director's Sitting Fee in foreign currency.

30. The code on Social Security, 2020 ('Code') relating to the employee benefits during the employment and post-employment benefits received Presidential assent in September 2020, The code has been published in Gazette of India. However, the date on which 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.



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- 31 **Trade Receivables- categorised under the heading non-current & current assets**
The company does not have Trade Receivable.
- 32 **The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date and the same has been deployed for company"s own book lending.**
- 33 **If, in the opinion of the Board, any of the assets other than PPE and Intangible Assets and non-current investments do not have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of the that opinion, shall be stated.**
Not Applicable
- 34 **Title deeds of Immovable Property not held in name of the Company,**
The company does not hold any Immovable Property.
- 35 **Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are:**
a) repayable on demand or
b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	Not Applicable. The Company has not granted any loans to promoters, directors, KMPs and the related parties during the current reporting year	
Director		
KMPs		
Related Parties		

- 36 **Details of Benami Property held**
The Company does not hold any Benami Property.
- 37 **Borrowing on the basis of security of Current Assets.**
a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
The company regularly sends its hypothecated book debts (Loans and Advances - Current & Non Current) to its lenders.
b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.
Not Applicable
- 38 **Willful Defaulter***
Where a company is a declared willful defaulter by any bank or financial Institution or other lender, following details shall be given:
a) Date of declaration as willful defaulter,
b) Details of defaults (amount and nature of defaults)
* "willful defaulter" here means a person or an issuer who or which is categorized as a willful defaulter by any bank or financial institution (as defined under the Act) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
Not Applicable. The company has not been declared or categorized Defaulter by any bank or financial institution or consortium thereof.

39 **Relationship with Struck off Companies:**

Nature of transactions with struck-off Company	Name of struck off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Investments in securities	Not Applicable. The Company does not have any relations with Struck Off Companies		
Receivables			
Payable			
Shares held by Struck Off Company			
Other Outstanding Balance (To be Specified)			

- 40 **Registration of charges or satisfaction with Registrar of Companies:**
Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.
No New Charges registered during the period
7 Charges were satisfied during the financial year 2021-22 without any delay.
- 41 **Compliance with number of layers of companies:**
Where the company has not complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, the name and CIN of the companies beyond the specified layers and the relationship/extent of holding of the company in such downstream companies shall be disclosed.
Not Applicable.



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Ratio	Numerator	Denominator	2022-23	2021-22	Change (%)	Remarks
Current Ratio	Current Assets	Current Liabilities	4.55	1.22	272.54%	Loans Repaid
Debt Equity Ratio	Total Borrowings	Shareholder's Fund	-	0.23	-100.00%	Loans Repaid
Debt Service Coverage Ratio	EBTDA	Debt Serviced (Prin+Int)	-0.24	0.32	-174.54%	Loans Repaid
Return on Equity Ratio	Profit After Tax	Shareholder's Fund	-0.07	0.27	-127.15%	Excess Provisioning on Non Performing Assets Reversed in FY 2021-22. (Minimum provisioning maintained as per RBI Guidelines).
Inventory turnover ratio	Not Applicable. The company being Housing Finance Company, is not applicable.					
Trade Receivables turnover ratio	Not Applicable. The company being Housing Finance Company, is not applicable.					
Trade payables turnover ratio	Not Applicable. The company being Housing Finance Company, is not applicable.					
Net capital turnover ratio	Turnover	Working Capital (CA-CL)	0.83	3.84	-78.43%	Loans Repaid
Net profit ratio	Profit After Tax	Revenue from Operation	(0.41)	1.11	-136.64%	Excess Provisioning on Non Performing Assets Reversed in FY 2021-22. (Minimum provisioning maintained as per RBI Guidelines).
Return on Capital employed	Profit After Tax	Total Assets - Current Liabilities	-5.38%	19.18%	-128.06%	Excess Provisioning on Non Performing Assets Reversed in FY 2021-22. (Minimum provisioning maintained as per RBI Guidelines) & Loans repaid during the FY 2022-23.
Return on investment	Profit from Investment	Average Investment	5.23%	4.69%	11.45%	

43 **Compliance with approved Scheme(s) of Arrangements:**

Where any Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, the Company shall disclose that the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards' and deviation in this regard shall be explained.

Not Applicable. There is no such scheme of arrangements

44 **Utilisation of Borrowed Funds and Share Premium:**

During the FY 2022-23, there was no capital infusion neither any fresh borrowings was received.

45 **Undisclosed Income:**

Not Applicable. The company has not disclosed or surrendered as unrecorded during the financial year 2022-23.

46 **Corporate Social Responsibility (CSR)**

Section 135 of the Companies Act, 2013 is Not Applicable to the Company.

47 **Details of Crypto Currency or Virtual Currency**

Not Applicable. The Company has not invested in or traded in Crypto Currency or Virtual Currency during the financial year 2022-23.



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48. Additional disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2019, as amended

48.1 Capital to Risk Assets Ratio (CRAR)

Particulars	Current Year	Previous Year
i) CRAR (%)	102.64%	89.48%
ii) CRAR - Tier I capital (%)	102.50%	89.30%
iii) CRAR - Tier II Capital (%)	0.14%	0.18%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

48.2 Disclosure regarding Reserve fund under Section 29C of NHB Act, 1987 as per NHB Circular dated April 7, 2014.

Particulars	₹ in Million	
	Current Year	Previous Year
Balance at the beginning of the year:		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	24.63	5.55
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section	-	-
c) Total	24.63	5.55
Addition / Appropriation / Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-	19.09
b) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under	-	-
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purposes of	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	24.63	24.63
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section	-	-
c) Total	24.63	24.63

48.3 Investments

Particulars	₹ in Million	
	Current Year	Previous Year
3.5.1. Value of Investments		
i) Gross Value of Investments		
(a) In India	11.57	-
(a) Outside India	-	-
ii) Provision for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	11.57	-
(a) Outside India	-	-
3.5.2. Movement of provisions held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off/ write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

48.4 Derivatives

The Company has not entered into derivative / forward rate agreements / interest rate swaps/ exchange traded interest rate derivatives during the current year or previous year.

48.5 Securitisation

The Company has not entered into any securitization transaction during the current year or previous year.

48.6 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Company has not entered into any securitization transaction during the current year or previous year.

48.7 Details of Assignment transactions

The Company has not entered into any assignment transaction during the current year or previous year.

48.8 Details of non-performing financial assets purchased / sold

The Company has not purchased / sold any non-performing financial assets during the current or previous year.

48.9 Exposure

48.9.1 Exposures to real estate sector

Particulars	₹ in Million	
	Current Year	Previous Year
a) Direct exposure		
(i) Residential Mortgages –		
Housing loans up to Rs. 15 lakhs	298.35	432.92
Housing loans more than Rs. 15 lakhs	-	-
Non Housing Loans	58.73	71.60
(ii) Commercial Real Estate –		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

48.9.2 Exposure to Capital Market

The Company does not have any exposure to capital markets.

48.9.3 Details of financing of parent company products

There are no such instances.

48.9.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

During the year, the Company has not exceeded SGL & GBL limits as prescribed under the NHB Directions.

48.9.5 Unsecured Advances

Refer Note 10.



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48.10 Miscellaneous

48.10.1 Registration obtained from other financial sector regulators
Company Identification no. (CIN) : U65922MH2009PTC331333

48.10.2 Disclosure of Penalties imposed by NHB and other regulators
During the year ended March 31st, 2023, no penalty has been levied by NHB on the Company.
No adverse findings have been communicated by NHB during the year.

48.10.3 2.3 Related Party Transactions
Refer note 27 for transactions with related party transactions

48.10.4 Ratings assigned by credit rating agencies and migration of ratings during the year
Long term Bank facilities Current year: CARE B; Stable (Single B; Outlook: Stable) (Previous year: CARE D, Outlook : "Stable")

48.10.5 Remuneration of Directors (Non-executive) - Refer Note 27

48.10.6 Drawdown from reserves
The Company has not drawn any amount from reserves during the year.

48.10.7 The Company has not granted loans against security of gold / gold jewellery during the year.

48.11 Break up of 'Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account

₹ in Million

Particulars	Current Year	Previous Year
1. Provision for depreciation on investments	-	-
2. Provision towards income tax	-	-
3. Provision towards non-performing assets	(15.79)	(112.12)
4. Contingent provision towards standard assets	(0.27)	(0.76)
5. Provisions towards other assets and advances	1.13	0.19

48.12 Break up of Loan & Advances and Provisions thereon

₹ in Million

Particulars	Housing loans		Non Housing loans	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount	82.04	141.73	29.13	34.91
b) Provisions made	0.33	0.58	0.12	0.14
Sub-Standard Assets				
a) Total Outstanding Amount	46.22	101.34	7.84	15.31
b) Provisions made	6.93	15.20	1.18	2.30
Doubtful Assets – Category-I				
a) Total Outstanding Amount	51.66	75.75	7.99	9.35
b) Provisions made	12.91	18.94	2.00	2.34
Doubtful Assets – Category-II				
a) Total Outstanding Amount	118.44	110.03	13.78	11.99
b) Provisions made	47.38	44.01	5.51	4.80
Doubtful Assets – Category-III				
a) Total Outstanding Amount	-	4.06	-	0.04
b) Provisions made	-	4.06	-	0.04
Loss Assets				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
Total				
a) Total Outstanding Amount	298.35	432.92	56.73	71.60
b) Provisions made	67.55	82.80	8.80	9.62

48.13 Concentration of Public Deposits, Advances, Exposures and NPAs

48.13.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)
The Company has not accepted any public deposits during the current or previous year.

48.13.2 Concentration of Loans & Advances

₹ in Million

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	11.03	10.37
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	3.09%	2.05%

48.13.3 Concentration of all Exposure (including off-balance sheet exposure)

₹ in Million

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers /Customers	11.03	10.37
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	3.09%	2.05%

48.13.4 Concentration of NPAs

₹ in Million

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	4.79	4.97

48.13.5 Sector-wise NPAs (As certified by the management and relied upon by auditors)

Sr No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	72.50%
2	Builders/Project Loans	
3	Corporates	
4	Others (specify)	
B.	Non-Housing Loans:	
1	Individuals	50.40%
2	Builders/Project Loans	
3	Corporates	
4	Others (specify)	



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48.13.6 Movement of NPAs

Particulars	₹ in Million	
	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	60.15%	57.21%
(II) Movement of NPAs (Gross)		
a) Opening balance	327.89	289.61
b) Additions during the year	15.39	74.08
c) Reductions during the year	(97.36)	(35.80)
d) Closing balance	245.91	327.89
(III) Movement of Net NPAs		
a) Opening balance	236.19	124.07
b) Additions during the year	13.05	62.48
c) Reductions during the year	(79.23)	87.92
d) Closing balance	170.01	236.19
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	91.69	203.82
b) Provisions made during the year	2.34	11.61
c) Write-off/write-back of excess provisions	(18.12)	(123.73)
d) Closing balance	75.91	91.69

48.14 Overseas Assets
Nil. (March 31, 2023: Nil)

48.15 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
None	None

48.16 Disclosure of customer complaints (As certified by the management and relied upon by auditors)

Particulars	Current Year	Previous Year
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	2	-
c) No. of complaints redressed during the year	2	-
d) No. of complaints pending at the end of the year	-	-

49. During the year, there were 7 instances amounting to Rs. 0.48 Million involving cash embezzlement by the employees of the Company. Further, such instances have been referred to statutory authorities for further investigation. The Company has fully provided for the outstanding exposure as at March 31, 2023.

50. Figures for previous year have been regrouped and/or reclassified wherever considered necessary, to conform to current year classifications.

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm Registration No. 104744W



CA Jinal Patel
Partner
Membership No. 153599
Place: Ahmedabad

For and on behalf of the Board of Directors of
Swarna Pragati Housing Microfinance Private Limited



Mukul Gulati
Director
DIN No. 00746183
Place: Bangalore
Date: July 18, 2023



Meegakshi Dhawani
Chief Financial Officer
Place: Bangalore
Date: July 18, 2023



Prashant Banerjee
Director & Chief Executive Officer
DIN No. 09786756
Place: Bangalore
Date: July 18, 2023



Megha Mohunta
Company Secretary
Membership No. F 10009
Place: Bangalore
Date: July 18, 2023



38.10.8 Asset Liability Management

As at March 31, 2023

₹ in Million

Current Year											
	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 year to 7 years	Over 7 year to 10 years	Over 10 year	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	Nil
Borrowings from Banks	-	-	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Assets											
Advances	8.95	4.89	4.71	10.73	18.18	197.09	112.44	0.08	-	-	357.07
Investments	11.57	-	-	-	-	-	-	-	-	-	11.57
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	Nil

₹ in Million

Previous Year											
	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 year to 7 years	Over 7 year to 10 years	Over 10 year	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	Nil
Borrowings from Banks	-	-	-	-	-	-	-	-	-	-	-
Market Borrowings	12.93	9.89	13.27	24.10	22.51	-	-	-	-	-	82.70
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Assets											
Advances	17.50	7.15	7.03	20.38	39.23	277.67	135.55	-	-	-	504.51
Investments	0.00	-	-	-	-	-	-	-	-	-	0.00
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	Nil



Mr. *Meq* *[Signature]* *[Signature]*