



SWARNA PRAGATI HOUSING

ANNUAL REPORT

OF

**SWARNA PRAGATI HOUSING
MICROFINANCE PRIVATE LIMITED**

2017-2018

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CORPORATE INFORMATION

Board of Directors

Mr. A. Ramesh Kumar – Chairman & Director
Mr. Raj Kumar Singh - Director
Ms. Anuradha Ramachandran - Nominee Director
Ms. Sushman Kaushik – Nominee Director
Mr. Abhijeet Kudva – Nominee Director

Registered office

Amuthalakshmi Villa, Plot no. 20, Bhaskar Street,
VGN Mahalakshmi Nagar, Extension VIII,
Ayanambakkam,, Thiruverkadu – 600 077
Ph: 044 – 48585871
www.swarnapragatihousing.com

Corporate Office

142, Golcha house, New Colony, Sadar,
Nagpur – 444 000, Ph: 0712 – 6656600

Management Team

Mr. Amit Ranjan Biswal – CEO
Mr. Mohammad Sameer Siddiqui – CFO & COO
Mr. Sanku Lahiri – Vice President – IT
Mr. Binu Mathew – Vice President – HR
Mr. Srinivas B – Vice President – Internal Audit & Risk
Mr. Prashant Kumar – Regional Manager
Mr. Sudhansu Nayak – Regional Manager
Mr. A. Kannan – Regional Manager

Auditors

S.R. Batliboi & Co. LLP
Chartered Accountants, 14th Floor, The Ruby,
29, Senapati Bapat Marg, Dadar (West), Mumbai – 28

Company Secretary

Ms. Lakshmi Raghupathy

Bankers / Financial Institutions

State Bank of India
DCB Bank Ltd
Norther Arc Capital Limited (Formerly IFMR Capital
Finance Limited)
Hinduja Leyland Finance Limited

MAS Financial Services Limited
Manappuram Finance Limited
Muthoot Capital Servies Limited
Sundaram BNP Paribas Home Finance Limited
Nabkisan Finance Limited (Formerly known as Agri
Development Finance (Tamil Nadu) Limited)
Nabsamruddhi Finance Limited (Formerly Agri Business
Finance Limited)

CIN: U65922TN2009PTC101093

Email: contact@sphm.co.in

Website: www.swarnapragatihousing.com



SWARNA PRAGATI HOUSING

Swarna Pragati Housing Microfinance Private Limited

CIN NO: U65922TN2009PTC101093

DIRECTORS' REPORT TO MEMBERS

Your Directors are pleased to present the tenth Annual Report of your Company together with the audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended, 31st March, 2018.

1. Financial Results

The summarized financial results for the year ended 31st March, 2018 are as under:

Particular	Amount in Rs.	
	For the financial year ended 31 st March, 2018	For the financial year ended 31 st March, 2017
Profit/(Loss) before Tax	(29,81,020)	37,32,870
Net Current Tax Expense	51,48,000	1,08,082
Deferred Tax	(67,55,860)	8,98,103
Transfer to Statutory Reserve	-	5,45,337
Profit/(Loss) after Tax	(13,73,160)	27,26,685

2. Review of Business Operations

During the year under review, the Company has earned Rs. 3323.17 lakhs as revenue from operations and Rs. 178.62 lakhs from other income. The Profit/loss before tax for the year has been Rs. (29.81) lakhs against Rs. 37.32 lakhs during the previous financial year.

The total indebtedness of the Company as on 31st March 2018 is of Rs.8252.98 lakhs (Long Term Borrowing) and Rs.4121.30 lakhs (Current Liabilities) as against Rs.9125.96 lakhs and Rs.4436.41 lakhs during the previous financial year.

3. Distribution

During the year the distribution network, in addition to State of Tamil Nadu, Odisha, Maharashtra, Karnataka, West Bengal and Puducherry (Union Territory) got extended to Madhya Pradesh. As of March 31, 2018 Swarna Pragati had presence in 50 locations as against 42 in previous year. Your Directors are continuously looking for avenues for future growth of the Company.

4. Share Capital

During the year under review, the Company has not allotted or converted any shares:

As on 31st March, 2018, the issued, subscribed and paid up share capital of your Company stood at

Rs. 38,28,24,380/- comprising 3,38,51,319 Equity shares of Rs. 10 each and 44,31,119 CCPS of Rs. 10 each.

5. Dividend

Your Directors do not recommend for any dividend for the year ended 31st March, 2018.

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 at least 20% of its net profit every year to a reserve before a dividend is declared. As Company has incurred loss no transfer has been made to the reserves.

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, 2018.

8. Particular 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.

Details of Investment made by the Company are set out in Note 15 to the Financial Statements forming part of this report.

9. Credit Rating

CARE has maintained the grading of your Company which is CARE BBB- (Triple B Minus; Outlook: Stable)

10. Board of Directors

During the year under review,

- i) Mr. Mukul Gulati, Nominee Director of Zephyr Peacock India Fund III Limited (Zephyr) has stepped down from the Board w.e.f 18.12.2017
- ii) Mr. Abhijet Kudva has been appointed as Additional Director in place of Mr. Mukul Gulati w.e.f 19.12.2017
- iii) Mr. A. Ramesh Kumar, has stepped down from the position as Managing Director from the Board w.e.f.20.01.2018 and continues to remain as Non-Executive Chairman of the company
- iv) Mr. Robert Chandran Royappa has stepped down from the position as Independent Director from the Board w.e.f 21.01.2018.

The Present Composition of the Board as on 31st March, 2018,

Sl.No	Name	Address	Designation	Date of Appointment
1.	A. Ramesh Kumar	Plot No. 20, Bhaskar Street, VGN Mahalakshmi Nagar, Extension VIII, Ayanambakkam, Thiruverkadu – 600077	Chairman & Director	05/01/2009
2.	Raj Kumar Singh	P-51, Dakshinee Co-op Hsg Society, Canal South Road, Kolkatta – 700039, West Bengal, India	Director	05/01/2009
3.	Anuradha Ramachandran	A 804, Oberoi Splendor, JVLR, Andheri (E), Mumbai - 400060	Nominee Director	10/12/2015
4.	Sushma Kaushik	B82 Brookhaven Apt, JVLR, Jogeshwari East Mumbai – 400060, Maharashtra	Nominee Director	19/09/2016
5.	Abhijeet Kudva	C 203, Transresidency 1, Subhash Nagar, SEEPZ, Near Floral Deck Plaza, Andheri East, Mumbai - 400093	Additional Director	19/12/2017

11. Key Managerial Personnel

Pursuant to the provisions of Section 203 of Companies Act, 2013 read with the rules made thereunder, the following employees are the whole-time key managerial personnel of the Company:

1. Amit Ranjan Biswal got appointed as Chief Executive Officer of the Company w.e.f 23.01.2018.
2. Mohammad Sameer Siddiqui, the Chief Operating Officer got appointed as Chief Financial Officer of the Company w.e.f 23.01.2018
3. Lakshmi Raghupathy, Company Secretary

During the year under review, Mr. A. Ramesh Kumar has stepped down from the Board w.e.f 20.01.2018 as Managing Director and continues to be Non-executive Chairman of the Company. Mr. Anand Naik has stepped down from the position as Chief Executive Officer w.e.f 31.10.2017.

12. Details of Board meetings

During the year, 5(five) number of Board meetings were held, details of which are given below:

Sl. No.	Date of the meeting	No. of Directors who physically attended the meeting
1	30.06.2017	4
2	26.09.2017	3
3	19.12.2017	5

4	23.01.2018	5
5	28.03.2018	5

13. 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. Asset Liability Committee
- d. Debt-Approval Committee
- e. Nomination & Remuneration Committee

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

a. Audit Committee

The Audit Committee consists of the following members as on the even date of this report:

1. Mr. A. Ramesh Kumar
2. Mr. Raj Kumar Singh
3. Ms. Sushma Kaushik
4. Ms. Anuradha Ramachandran
5. Mr. AbhijeetKudva

During the year the Audit Committee had met on 30.06.2017, 26.09.2017, 19.12.2017 and 28.03.2018.

b. Risk Management Committee

The Risk Management Committee consists of the following members as on the even date of this report:

1. Mr. A. Ramesh Kumar
2. Mr. Raj Kumar Singh
3. Ms. Sushma Kaushik
4. Ms. Anuradha Ramachandran
5. Mr. AbhijeetKudva

During the year the Risk Management Committee had met on 26.09.2017 and 28.03.2018.

c. Asset Liability Committee

The Asset Liability Committee consists of the following members as on the even date of this report:

1. Mr. A. Ramesh Kumar
2. Mr. Raj Kumar Singh
3. Ms. Sushma Kaushik
4. Ms. Anuradha Ramachandran
5. Mr. AbhijeetKudva

During the year the Asset Liability Committee had met on 30.06.2017, 26.09.2017, 19.12.2017 and 28.03.2018.

d. Debt-Approval Committee

The Debt-Approval Committee consists of the following members as on the even date of this report:

1. Ms. Anuradha Ramachandran
2. Mr. AbhijeetKudva

During the year the Debt-Approval Committee had met on 13.04.2017 and 31.03.2018.

e. Nomination & Remuneration Committee

The Nomination & Remuneration Committee consists of the following members as on the even date of this report:

1. Mr. A. Ramesh Kumar
2. Ms. Anuradha Ramachandran
3. Mr. AbhijeetKudva

During the year the Nomination & Remuneration Committee had met on 28.03.2018.

14. 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.

15. 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 had been followed along with proper explanation relating to material departures:

(b) Your directors had 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 had 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 had prepared the annual accounts on a going concern basis; and

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

16. Statutory Auditors

Pursuant to the provisions of Section 139 and applicable provisions of the Companies Act, 2013 M/s. S.R. Batliboi & Co. LLP were appointed as the Statutory Auditors of the Company at the 9th Annual General Meeting (AGM) of the shareholders held on 28th September, 2017 to hold office till the conclusion of 13th AGM.

The Company has received certificate(s) of eligibility in accordance with Section 141 and other applicable provisions of the Companies Act, 2013 and Rules issued there under (including any statutory modification(s) or re-enactment(s) for the time being in force), from S.R. Batliboi & Co. LLP.

The Audit Committee and the Board at their Meetings held on 29th Sep, 2018 have recommended the ratification of appointment of Statutory Auditors.

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

17. Auditors' Report

The observations of the Statutory Auditors in their report and the reply are as enumerated below:

Observation 1

Under Annexure I of "Report on other Legal and Regulatory Requirements" point (vii)(a)

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in large number of cases. As explained to us the Company did not have any dues on account of duty of custom, duty of excise, sales-tax and value added tax.

Reply:

The Company has put up internal monitoring and control mechanism along with departmental accountability to ensure timely compliance and periodic review of the compliances by management to ensure statutory compliance on time.

Observation 2

Under Annexure I of "Report on other Legal and Regulatory Requirements" point (x)

(x) We have been informed by the management that, during the year there has been certain instances of fraud on the Company by the employees, where by cash misappropriations/ embezzlements have occurred for amounts aggregating to Rs. 10,76,980. The Company is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The Company has written off amounts aggregating to Rs. 10,76,980 towards these losses in these financial statements

Reply:

The Company has lodged FIR against the employees who committed the fraud. The amount has been written off for prudence, but the legal team of the Company is pursuing the case to recover the fraud amount.

18. 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 adequacy and effectiveness of the Company's Internal control environment and monitors the implementation of audit recommendations.

19. Extract of the Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is annexed as Annexure 1.

20. Related party transactions

The details of transactions entered into with the Related Parties are enclosed as Annexure 2.

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

The information pertaining to 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 movement timelines. Some of the major implementations completed during the financial year 17-18 are given below.

1. Field Credit Assessment has been moved to mobile app, which has replaced the previous process of Credit Appraisal being done on paper at the field and then captured in the system at CPC through scanning and data entry, thus increasing the efficiency and decreasing the Opex and TAT significantly.
2. Daily attendance and field activity log for field staff facilitating strong control and monitoring over the field force and control over movement and resulting travel allowances.
3. Real-time integration of METIS with Credit Bureau resulting in reports being pulled in real time from the bureaus' system and synced with METIS database, thus increasing the efficiency and decreasing data entry requirement and TAT.
4. Loan document automation allows all execution version of documents relating to any loan to be downloaded from the system with prefilled data, resulting into a decrease of TAT, manual errors and elimination of audit findings because of data entry error in executed documents. This further ensures immaculate document quality support in case of legal case/action against the borrower.
5. Bank reconciliation has been completely automated in METIS allowing management to view reconciliation status across all bank accounts in real time.
6. Various accounting registers such as Fixed Asset Register, Debt Repayment Schedule, Advance against Expenditures, Trade Payables, Petty Cash Register, which were previously maintained outside the system, have now been completely automated. It has direct impact on the productivity of accounts department and provides for efficient real time monitoring by management and audit.
7. All field operations have been duplicated on the mobile app, allowing branches and field staff to function to service all their requirements just with a mobile device.

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 17-18 is given below

SWIP booked in FY 17-18	: Rs. 1,24,17,243
Capitalized in FY 17-18	: Rs. 1.35,00,000

(c) Foreign Exchange Inflow and Outflow

Foreign Exchange Inflow: Nil

Foreign Exchange Outflow: Rs. 19,16,945/-

22. Disclosures

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

23. Significant/material orders passed by the Regulators:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in 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 -3

25. Employee Stock Option Plan:

The Company has Employee Stock Option Plan for its Employees/ Directors. The Company has provided grants under the Stock Option Scheme to the Employees/Directors during the year under review. The details of ESOP is annexed with this report as Annexure - 4

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.

During the year under review, your company has not received any complaints pertaining to sexual harassment.

27. Vigil Mechanism, Whistle Blower Policy

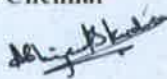
Your Company as part of the "Vigil Mechanism" has in place a "Whistle Blower Policy" to deal with instances of fraud and misappropriations, if any. During the year under review no whistle blower complaint was received.

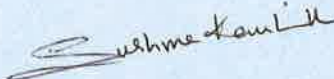
28. Acknowledgements

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 Micro Finance Private Limited**

Date: 29/09/2018
Place: Chennai


**Abhijeet Sudhakar Kudva
Director
DIN.: 03042087**


**Sushma Keshavamurthy Kaushik
Director
DIN.: 05142705**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018
of

SWARNA PRAGATI HOUSING MICROFINANCE PRIVATE LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U65922TN2009PTC101093
- ii) Registration Date : 05/01/2009
- iii) Name of the Company : Swarna Pragati Housing Microfinance Private Limited
- iv) Category / Sub-Category of the Company : Company Limited by Shares/
Indian Non-Government Company
- v) Address of the Registered Office and contact details : Amuthalakshmi Villa, Plot No.20, 2nd Floor, Bhaskar Street, VGN Mahalakshmi Nagar, Extension VIII, Ayanmabakkam, Thiruverkadu - 600077
- vi) Whether listed company : No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Interest Income	6492	93.35%

Funds (f) Insurance Companies (g) FIs (h) Foreign Venture Capital Funds (i) Others (specify) Sub-total (B)(1):-									
2. Non-Institutions (a) Bodies Corp. (i) Indian (ii) Overseas (b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh (c) Others (specify) Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Others									
Avishkar Goodwell India Microfinance Development Company II Limited	8288209	8288209	35.70%	12085737	12085737	35.70%	0%		
Avishkar Venture Management Services Private Limited	10374	10374	0.04%	15127	15127	0.04%	0%		
Swarna Pragati Welfare Trust*	1500000	1500000	4.43%	1480500	14,80,500	4.43%	0%		
Zephyr Peacock India Fund III Limited	9893823	9893823	29.22%	9893823	9893823	29.22%	0%		
ON Mauritius	883804	883804	2.61%	883804	883804	2.61%	0%		
MA Alaguppan Holdings Private Limited	514800	514800	1.87%	6,31,793	6,31,793	1.87%	0%		
Prushant Thakker & Reena Thakker	64350	64350	0.22%	76049	76049	0.22%	0%		
Jetu J T Lalvani, Partner, Telfund Finance Company	108222	108222	0.32%	108222	108222	0.32%	0%		

Primare-1 Venture Advisory LLP	198898	198898	0.59%		198898	198898	0.59%	0%
Gaurang Vinod Desai	64350	64350	0.22%		76049	76049	0.22%	0%
Vandana Singla	32175	32175	0.12%		39487	39487	0.12%	0%
Advik Holdings Private Limited	64350	64350	0.19%		64350	64350	0.19%	0%
Polaris Holding Limited Banyan Private	146241	146241	4.32%		1462416	1462416	4.32%	0%
Anand Naik					19500	19500	0.05	0.05%
Sub-total (C)	23085771	23085771	82.89%		28059446	28059446	82.89%	0%
Grand Total (A+B+C + others)	28877644	28877644	100%		33851319	33851319	100%	

*The Company had extended loans to Swarna Pragati Employees Welfare Trust ('Trust') for purchase of shares of the Company. As per the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employee Share-based payment, till March 31, 2017, the Company has adjusted the loan of ₹ 15,000,000 [March 2016 : ₹ 15,000,000] granted to the Trust for the purchase of equity share.

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledge d / encumbered to total shares	
1.	A. Ramesh Kumar	4087482	12.07%	0%	4087482	12.07%	0%	0
2.	Raj Kumar Singh	817495	2.41%	0%	817495	2.41%	0%	0
3.	SasiBhusan Dash	156661	0.46%	0%	156661	0.46%	0%	0
4.	Mukesh Kumar	272498	0.80%	0%	272498	0.80%	0%	0

5.	Mohammed Sameer Siddiqui	457737	1.35%	0%	457737	1.35%	0%	0
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(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5791873	17.09%	5791873	17.09%
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL		NIL	
	At the end of the year	5791873	17.09%	5791873	17.09%

(iv). Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRS and ADRS):

Sl. No. 1	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Aavishkaar Goodwell India Microfinance Development Company Limited II				
At the beginning of the year	12085737	35.70%	12085737	35.70%
Changes during the year:	NIL			
At the End of the year (or on the date of separation, if Separated during the year)	12085737	35.70%	8288209	35.70%

Sl. No. 2 Zephyr Peacock India Fund III Limited	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	9893823	29.22%	9893823	29.22%
Changes during the year	NIL		NIL	
At the End of the year (or on the date of separation, if Separated during the year)	9893823	29.22%	9893823	29.22%

Sl. No. 3 Swarna Pragati Employees Welfare Trust	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1500000	4.43%	1500000	4.43%
Changes during the year	19,500 shares were transferred to Mr. AnandNaik towards exercise of the options vested	0.05	14,80,500	0.05
At the End of the year (or on the date of separation, if Separated during the year)	14,80,500	4.43%	14,80,500	4.43%

Sl. No. 4	Shareholding at the beginning of the year	Cumulative shareholding during the year

Polaris Banyan Holding Private Limited	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1462416	4.32	1462416	4.32
Changes during the year	NIL		NIL	
At the End of the year (or on the date of separation, if Separated during the year)	1462416	4.32	1462416	4.32

Sl. No. 5 ON Mauritius	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	883804	2.61	883804	2.61
Changes during the year	NIL		NIL	
At the End of the year (or on the date of separation, if Separated during the year)	883804	2.61	883804	2.61

Sl. No. 6 MA Alagappan Holdings Private Limited	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	631793	1.87%	631793	1.87%
Changes during the year:	NIL		NIL	
At the End of the year (or on the date of separation, if Separated during the year)	631793	1.87%	631793	1.87%

Sl. No. 7 Vikram Gandhi	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	584966	1.73%	584966	1.73%
Changes during the year	NIL		NIL	
At the End of the year (or on the date of separation, if Separated during the year)	584966	1.73%	584966	1.73%

Sl. No. 8 PramodBhasin	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	438725	1.30%	108222	1.30%
Changes during the year	NIL		NIL	
At the End of the year (or on the date of separation, if Separated during the year)	438725	1.30%	108222	1.30%

Sl. No. 9 Jetu J T Lalvani, Partner, Telfund Finance Company	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	108222	0.32	108222	0.32

Changes during the year	NIL		NIL	
At the End of the year (or on the date of separation, if Separated during the year)	108222	0.32	108222	0.32

Sl. No. 10 Prashant Thakker & Reena Thakker	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	76049	0.17	76049	0.17
	NIL		NIL	
At the End of the year (or on the date of separation, if Separated during the year)	76049	0.17	76049	0.17

(v). Shareholding of Directors and Key Managerial Personnel: -

Sl. No.	Name	Shareholding at the beginning of the Year (as on 01/04/2017)		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/d ecrease	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total shares of the Company
A	Directors					
1.	A. Ramesh Kumar	4087482	12.07%		4087482	12.07%
2.	Raj Kumar Singh	817495	2.41%		817495	2.41%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	135,62,37,643	-	-	135,62,37,643
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	135,62,37,643		-	135,62,37,643
Change in Indebtedness during the financial year				
• Addition • Reduction	- 11,88,08,456	-		- 11,88,08,456
Net Change	11,88,08,456		-	11,88,08,456
Indebtedness at the end of the financial year	123,74,29,187	-	-	123,74,29,187
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	123,74,29,187	-	-	123,74,29,187

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. A. Ramesh Kumar. Chairman	Mr. Raj Kumar Sigh, Executive Director & Head	

		Managing Director	(Risk, Audit & Compliance)	
01.	Gross salary	60,00,000	13,41,668	73,41,668
R e m u n e r a t i o n	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under			
02.	Stock Option			
03.	Sweat Equity			
04.	. Commission - as % of profit - others, specify...			
05.	Others, please specify			
Total	Total (A)	60,00,000	13,41,668	73,41,668
h c	Ceiling as per the Act	NA	NA	

r directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Director				
	• Fee for attending board / committee meetings • Commission • Others, please specify Sitting fees	Mr. Royappa Chandran			
		Rs. 70,000			Rs. 70,000/-
	Total (1)	Rs. 70,000			Rs. 70,000/-
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings • Commission • Others, please specify Consulting fees paid as per contract				
	Total (2)				

Total (B)=(1+2)	Rs.70,000				
Total Managerial Remuneration	Rs.70,000				Rs.70,000/-
Overall Ceiling as per the Act	NA				NA

c) Remuneration to Key Managerial Personnel other than MD / Manager / WTD.

Sl. no.	Particulars of Remuneration	Key Managerial Personnel (in Rs.)				
		CEO Mr. AnandNaik*	CEO Mr. Amit RanjanBiswal*	CFO Mr. Mohammad Sammer Siddiqul*	Company Secretary Ms. R. Lakshmi	Total
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,99,549	9,09,248	4,47,349	6,74,053	38,30,199
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-			-	-
2	Stock Option	-			-	-
3	Sweat Equity	-			-	-
4	Commission	-			-	-
	- as % of profit	-			-	-
	- others, specify...	-			-	-
5	Others, please specify	-			-	-
	Total	17,99,549	9,09,248	4,47,349	6,74,053	38,30,199

- Mr. AnandNaik has stepped down from the position as Chief Executive Officer w.e.f 31.10.2017
- Amit RanjanBiswal got appointed as Chief Executive Officer of the Company w.e.f 23.01.2018.

- Mohammad Sameer Siddiqui, the Chief Operating Officer got appointed as Chief Financial Officer of the Company w.e.f 23.01.2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board
Swarna Pragati Housing Micro Finance Private Limited

Abhijeet Sudhakar Kudva

Abhijeet Sudhakar Kudva

DIN.: 03042087

Sushma Keshavamurthy Kaushik

Sushma Keshavamurthy Kaushik

Director

DIN.: 05142705

Director

FORM NO. AOC-2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship

Sl. No.	Name(s) of the related party	Nature of relationship
1	A.Ramesh Kumar	Chairman

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

Sl. No.	Name(s) of the related party	Nature of contract	Duration of Contract	Value
1	A.Ramesh Kumar	Lease Agreement for the Registered office of the Company	As per the agreement	Rs.1000/-

(f) Date(s) of approval by the Board: 10.10.2014

(g) Amount paid as advances, if any: Nil

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship:

Sl. No.	Name(s) of the related party	Nature of relationship
1	Intellectap Advisory Services Private Limited	Ms. Sushma Kaushik – Common Director (appointed as Nominee Director on Board w.e.f. 19 th Sept, 2016)*

Ms. Sushma Kaushik stepped down from Intellectap and the Audit Committee took note of the same in the Meeting held on 26th Sept, 2017.

- (b) Nature of contracts/arrangements/transactions
(c) Duration of the contracts / arrangements/transactions
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Sl. No.	Name(s) of the related party	Nature of contract	Duration of Contract	Value
1	Intellectap Advisory Services Private Limited	An agreement to syndicate primary investment into the Company and/or secondary sale of shares	As per the agreement	Rs. 6,25,511/-


(e) Date(s) of approval by the Board, if any: 14.07.2016

(f) Amount paid as advances, if any : Nil

(g) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

For and on behalf of the Board
Swarna Pragati Housing Micro Finance Private Limited


Abhijeet Sudhakar Kudva
Director


Sushma Keshavamurthy Kaushik
Director

DIN.: 03042087

DIN.: 05142705

Annexure 3

PARTICULARS OF TOP TEN EMPLOYEE'S REMUNERATION

Sl. No.	Name	Designation	Qualification & Experience	Age	Remunerati on received (inRs.)	Date of Commencem ent of Employment	Last Employment held before joining the Company
1.	*A. Ramesh Kumar	Chairman & Managing Director	MSc (Physics), CAIIB, PG Diploma in Mgt. (AIMA) 33 years of Leadership experience in Corporate, Retail and International Banking in India's Premier Bank, SBI, 7 years of heading a Systemically Important NBFC owned by a Foreign Fund, Ashoka Fellow Current ly Independent Director, UTI Mutual Fund Trustee Company Pvt Ltd	67	60,00,00/-	20/05/2015	MD & CEO at Asia Pragati Capfin Private Limited
2.	Sameer Siddiqui	Chief	B.E.,MBA.	35	23.77,344/-	01/01/2011	Project

		Financial Officer & Chief Operating Officer	<p>MA - Economics He has been closely associated with academic and research work in microfinance and housing microfinance and is also pursuing his PhD in Economics.</p> <p>He has more than 10 years of experience with MNCs and has spent last 4 years working extensively with NGOs/MFIs and HFC in designing and piloting innovative models in housing microfinance</p>				Manager at Asia Pragati Capfin Private Limited
3	Amit Ranjan Biswal	Chief Executive Officer	<p>B.Sc, MBA</p> <p>He has more than 10 years with excellent analytical skill and leadership experience in operation and Strategic Management</p>	35	20,39,313	30/10/2017	Senior VP-Head of Operations at Spandana Sphoorthy Financial Limited
4	Sanku Lahiri	Vice President - IT	<p>M.Sc Computer & Information</p>	41	19,90,422/-	22/11/2013	Manager IT at Asia Pragati Capfin Private

			Science				Limited
			He has more than 15 years of experience in the field of Information Technology, majorly in financial domain.				
5	*AnandNaik	Chief Executive Officer	B.E (Production), D.M.E & PG in Management Studies He brings over 20 years of rich experience in the domain of banking with a 3+ years of executive level experience in financial inclusion services, micro-enterprise promotion, institutional development and policy work, project management and employability related interventions. In his last assignment with a leading medium	52	17,99,549/-	25/07/2013	Advisor Financial Inclusion at Ratnakar Bank -

			pvt.sector bank, has effectively monitored and implemented various projects. on financial inclusion. Mr. Naik is an alumnus (VP & Business Head-West) of Basix a leading Indian MFI				
6	*Raj Kumar Singh	Executive Director & Head (Risk, Audit & Compliance)	B.com (Hons), CAIIB An experienced banker with 30+ years of experience working in India and abroad with State Bank of India. Had worked with SBI as a Regional Manager. Previously I was at the helm of Treasury Management in Foreign Department of SBI and contributed greatly to improving the computeriza	62	13,41,668/-	20/05/2015	COO & Director at Asia Pragati Capfin Private Limited

			tion and profitability of SBI's Treasury operators				
7	* Karthikeyan	D. Financial Controller	B.Com, CA He has 10 years of experience with BFSI in Finance Treasury and accounts.	35	13,15,434/-	12/06/2017	His last assignment was with Cholamandalam Investment & Finance Co. Ltd. as Assistant General Manager
8.	*Alivelu Reddy. K	Vice President - Karnataka	B.Com, MBA	49	12,78,184/-	25/05/2017	Consultant / Advisor
9.	*Marietta JudelyneVaz	AVP - HR, Training & Development	M.A (Social Work) and M.Phil More than 13 years of diversified experience in Development Sector in the Human Resource Function	38	12,03,790/-	01/07/2015	Senior Scientist at MS Swaminathan Research Institute
10.	BighnarajChhotaray	Vice President - Odisha	MBA, CAIIB, Msc in Physics He hold 38 years of Experience in educational and Banking industry.	61	12,03,168	01/01/2013	His last assignment was with NIIT-IFBI as faculty

- Mr. A. Ramesh Kumar has resigned from the position as Managing Director from the Board w.e.f. 20.01.2018 and continues to remain as Non-Executive Chairman of the company
- Mr. AnandNaik has stepped down from the position as Chief Executive Officer w.e.f 31.10.2017
- Mr. Raj Kumar Singh has stepped down from the position as Executive Director w.e.f. 11.09.2017 and continued as Non-executive Director
- Mr. D. Karhikeyan has stepped down from the position as Financial Controller w.e.f. 31.01.2018
- Ms. Alivelu Reddy has stepped down from the position as VP – Karnataka w.e.f 28.02.2018
- Ms. Marietta Judelynevaz has stepped down from the position as AVP-HR, Training & Development w.e.f 07.03.2018

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

Abhijeet Sudhakar Kudva

Abhijeet Sudhakar Kudva

DIN.: 03042087

Sushma Keshavamurthy Kaushik

Sushma Keshavamurthy Kaushik

Director

Director

DIN.: 05142705

Annexure 4

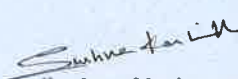
Swarna Pragati Employees Stock Option Plan (as amended up to Mar, 28, 2018)

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	15,00,000
b. Option granted	4,15,000
c. Options vested	39,000
d. Options Exercised	19,500
e. The total no.of shares arising as a result of exercise of option	19,500
f. Options Lapsed / Surrendered	2,45,500
g. Variation of terms of options	Nil
h. Total no.of options in force	1,50,000
i. Money realized by exercise of options	Rs.1,95,000/-
j. (a) Details of options granted to Key Managerial Personnel	
- Options were granted to Mr. Amit Ranjan Biswal in the Nomination and Remuneration Committee Meeting held on 28.03.2018	1,50,000
(b) Any other employee who received a grant of Option amounting to 5% or more of Options granted during the period ended 31.03.2018	Nil
(c) Identified employees who were granted Options, during the period ended 31.03.2018 equal or exceeding 1% of the issued capital of the Company at the time of grant	Nil
k. The exercise price of options	Exercise price was Rs. 9.5/- for 1,50,000 options granted on 28.03.2018

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


Abhijeet Sudhakar Kudva

DIN.: 03042087


Sushma Keshavamurthy Kaushik
Director

DIN.: 05142705

INDEPENDENT AUDITOR'S REPORT

To the Members of Swarna Pragati Housing Microfinance Private Limited

Report on the Financial Statements

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, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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 control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its loss, and its cash flows for the year ended on that date.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2018.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position; Refer Note 36 of the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Shrawan Jalan**
Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: September 29, 2018



Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Swarna Pragati Housing Microfinance Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and service tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in large number of cases. As informed, provisions relating to duty of custom, duty of excise, sales-tax and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, provisions relating to duty of custom, duty of excise, sales-tax and value added tax are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax and cess which have not been deposited on account of any dispute. As informed, provisions relating to duty of custom, duty of excise, sales-tax and value added tax are not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution and banks. The Company has neither taken any loan from government nor issued any debentures.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) We have been informed by the management that, during the year there has been certain instances of fraud on the Company by the employees, where by cash misappropriations/ embezzlements have occurred for amounts aggregating to Rs. 10,76,980. The Company is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The Company has written off amounts aggregating to Rs. 10,76,980 towards these losses in these financial statements
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: September 29, 2018



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SWARNA PRAGATI HOUSING MICROFINANCE PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Swarna Pragati Housing Microfinance Private Limited ("the Company") as of March 31, 2018, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Company.

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 financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting as at March 31, 2018 and whether such internal financial controls were operating effectively. Accordingly we do not express an opinion on Internal Financial Controls Over Financial Reporting.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

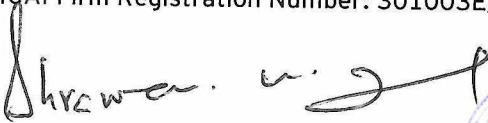
Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(1/0) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated September 29, 2018 expressed an unqualified opinion thereon. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



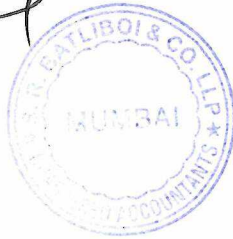
per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: September 29, 2018



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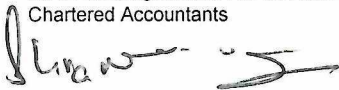
Swarna Pragati Housing Microfinance Private Limited
Balance Sheet as at March 31, 2018

Particulars	Note No.	As at	
		March 31, 2018	March 31, 2017
		₹	₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	36,80,19,380	36,78,24,380
(b) Reserves and surplus	4	30,92,22,912	31,05,93,347
		<u>67,72,42,292</u>	<u>67,84,17,727</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	82,52,98,287	91,25,96,526
(b) Other long-term liabilities	6	15,69,863	19,78,107
(c) Long-term provisions	7	1,96,66,357	1,20,86,860
		<u>84,65,34,507</u>	<u>92,66,61,493</u>
3 Current liabilities			
(a) Trade payables	8	-	-
Micro, Small and Medium Enterprises			
Others		94,55,042	73,91,958
(b) Other current liabilities	9	42,23,08,049	45,72,08,074
(c) Short-term provisions	10	3,12,75,236	1,41,85,676
		<u>46,30,38,327</u>	<u>47,87,85,708</u>
		<u>1,98,68,15,126</u>	<u>2,08,38,64,928</u>
B ASSETS			
1 Non-current assets			
(a) Property Plant and Equipments			
(i) Tangible assets	11	1,05,41,626	1,29,52,703
(ii) Intangible assets	11	1,54,56,543	41,28,803
(iii) Capital work in progress		1,77,15,213	1,91,92,387
		<u>4,37,13,382</u>	<u>3,62,73,893</u>
(b) Deferred tax assets (net)	12	1,00,37,664	32,81,804
(c) Long-term loans and advances	13	99,45,32,495	1,17,45,80,313
(d) Other non-current assets	14	5,41,62,734	5,33,00,261
		<u>1,10,24,46,275</u>	<u>1,26,74,36,271</u>
2 Current assets			
(a) Current investments	15	8,33,51,093	21,94,35,700
(b) Cash and cash equivalents	16	19,28,01,911	9,76,37,464
(c) Short-term loans and advances	17	57,58,34,545	46,90,84,167
(d) Other current assets	18	3,23,81,302	3,02,71,326
		<u>88,43,68,851</u>	<u>81,64,28,657</u>
		<u>1,98,68,15,126</u>	<u>2,08,38,64,928</u>

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

For S.R. BATLIBOI & CO. LLP
 ICAI Firm Registration No. 301003E/E300005
 Chartered Accountants




per Shrawan Jalan
 Partner
 Membership No. 102102


Place: Mumbai
 Date : September 29, 2018

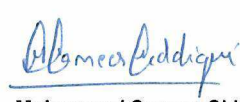


For and on behalf of the Board of Directors of
 Swarna Pragati Housing Microfinance Private Limited


 Abhijeet Sudhakar Kudva
 Director
 DIN No. 03042087
 Place: Chennai
 Date : September 29, 2018


 Amit Ranjan Biswal
 Chief Executive Officer
 Place: Chennai
 Date : September 29, 2018


 Sushma Keshavamurthy Kaushik
 Director
 DIN No. 05142705
 Place: Chennai
 Date : September 29, 2018


 Mohammad Sameer Siddiqui
 Chief Financial Officer
 Place: Chennai
 Date : September 29, 2018


 Lakshmi Raghupathy
 Company Secretary
 Membership No. 38072
 Place: Chennai
 Date : September 29, 2018



Swarna Pragati Housing Microfinance Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2018	March 31, 2017
		₹	₹
1 Revenue from operations	19	33,23,17,246	25,83,54,619
2 Other income	20	1,78,62,211	1,96,27,825
3 Total revenue (1+2)		35,01,79,457	27,79,82,444
4 Expenses			
(a) Employee benefits expense	21	7,50,19,777	6,33,76,560
(b) Finance costs	22	17,04,21,231	11,90,40,856
(c) Depreciation and amortisation expense	23	75,85,385	68,14,219
(d) Other expenses	24	10,01,34,084	8,50,17,938
5 Total expenses		35,31,60,477	27,42,49,573
6 Profit before tax (3- 5)		(29,81,020)	37,32,871
7 Tax expense:			
(a) Current tax expense		51,48,000	21,45,000
(b) MAT credit entitlement		-	(21,45,000)
(c) (Excess) provision for tax relating to prior years		-	1,08,082
(d) Net current tax expense		51,48,000	1,08,082
(e) Deferred tax (credit)/charge		(67,55,860)	8,98,103
		(16,07,860)	10,06,185
8 Profit for the year (6-7)		(13,73,160)	27,26,686
9 Earnings per share (of ₹ 10 each):			
Basic	25	(0.04)	0.09
Diluted	25	(0.04)	0.07

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

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E/E300005
Chartered Accountants

Shrawan Jalan

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date : September 29, 2018



Abhijeet Sudhakar Kudva

Abhijeet Sudhakar Kudva
Director
DIN No. 03042087
Place: Chennai
Date : September 29, 2018

Amit Ranjan Biswal
Amit Ranjan Biswal
Chief Executive Officer
Place: Chennai
Date : September 29, 2018

Sushma Keshavamurthy Kaushik

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Director
DIN No. 05142705
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Chief Financial Officer
Place: Chennai
Date : September 29, 2018

Lakshmi Raghupathy

Lakshmi Raghupathy
Company Secretary
Membership No. 38072
Place: Chennai
Date : September 29, 2018



Swarna Pragati Housing Microfinance Private Limited
Cash Flow Statement for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Profit before tax		-29,81,020		37,32,871
<i>Adjustments for:</i>				
Depreciation and amortisation	75,85,385		68,14,219	
Provision for standard assets, sub standard and doubtful assets	2,20,79,246		1,38,93,626	
Bad debts written off	45,74,325		26,96,600	
Provision for doubtful advances	-		8,85,770	
Interest Expense	(16,63,50,088)		(11,72,78,345)	
Interest from banks on deposits	(71,61,502)		(56,86,649)	
Employee stock options expenses	2,725		22,230	
Dividend on Mutual Fund	(60,55,673)		(79,91,948)	
Profit Or Loss on Redumption of Mutual Fund	(7,59,719)		-	
Loss on sale of fixed assets	20,668		-	
		-14,60,64,633		-10,66,44,497
Operating profit before working capital changes		-14,90,45,653		-10,29,11,626
Changes in working capital				
<i>Adjusted for (increase) in operating assets</i>				
Loans and advances	6,77,16,128		(68,13,00,232)	
Other assets	(29,37,189)		(5,91,63,800)	
<i>Adjusted for increase / (decrease) in operating liabilities</i>				
Trade payables	20,63,084		22,11,129	
Other current liabilities	(52,66,429)		1,53,47,164	
Provisions	25,89,811		8,826	
Other long-term liabilities	(4,08,244)		(6,22,552)	
		6,37,57,161		(72,35,19,465)
Cash used in operations		(8,52,88,492)		(82,64,31,091)
Net income tax (paid)		(39,46,011)		(62,98,442)
Net cash flow (used in) operating activities (A)		(8,92,34,503)		(83,27,29,533)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		(1,50,95,541)		(2,54,60,617)
Sale of fixed assets		50,000		-
Interest from banks on deposits		41,26,239		56,86,649
Investment during the year		13,60,84,607		(1,09,98,955)
Dividend from mutual fund		60,55,673		-
Profit on sale of mutual fund		7,59,719		-
Net cash flow (used in) / from investing activities (B)		13,19,80,697		(3,07,72,923)
C. Cash flow from financing activities				
Proceeds from issue of equity shares		-		1,17,13,940
Proceeds from Securities Premium on issue of Shares		-		2,83,36,021
Payment for share issue expenses		-		(13,60,273)
Proceeds from long term borrowings		35,50,00,000		1,11,50,00,000
Repayment of long term borrowings		(47,19,31,835)		(39,38,69,256)
Repayment of short term borrowings		-		(1,25,45,651)
Interest on term loan paid		16,63,50,088		11,72,78,345
Net cash flow from financing activities (C)		4,94,18,253		86,45,53,126
Net increase / (decrease) in Cash and cash equivalents (A+B+C)				
		9,21,64,447		10,50,670
Cash and cash equivalents at the beginning of the year		9,76,37,464		9,65,86,794
Cash and cash equivalents at the end of the year		18,98,01,911		9,76,37,464



Reconciliation of cash and cash equivalents with the Balance Sheet:

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Cash and Cash equivalents comprises of :		
(a) Cash on hand	8,94,075	2,05,633
(b) Balances with banks		
(i) In current accounts	18,10,74,124	7,43,48,119
(ii) In deposit accounts	78,33,712	2,30,83,712
Total	<u><u>18,98,01,911</u></u>	<u><u>9,76,37,464</u></u>

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.

2. Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

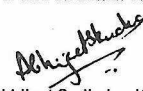
As per our report of even date

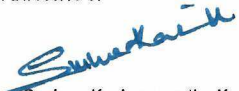
For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

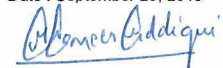
Place: Mumbai
Date : September 29, 2018

For and on behalf of the Board of Directors of


Abhijeet Sudhakar Kudva
Director
DIN No. 03042087
Place: Chennai
Date : September 29, 2018


Sushma Keshavamurthy Kaushik
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Chief Financial Officer
Place: Chennai
Date : September 29, 2018


Lakshmi Raghupathy
Company Secretary
Membership No. 38072
Place: Chennai
Date : September 29, 2018



- 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 engaged in the business of housing finance without accepting public deposits.
- 2 Basis of preparation of financial statements**
The financial statements have been prepared to comply in accordance with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013 (the 'Act') read together with of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India (IGAAP) and as per The National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions, 2010 as amended. The financial statements have been prepared on an accrual basis and under the historical cost convention. The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NHB Direction.
- 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 in case of Housing Finance Company normal operating cycle is not readily determinable, the operating cycle has been considered as 12 months.
- (b) **Use of estimates**
The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles ("IGAAP") 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) **Tangible assets**
Fixed assets 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. 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 effect 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 Tangible asset / 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 tangible fixed assets 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 lives estimated by the Management (Same as specified in Schedule II of Companies Act, 2013)
Computers and Printers	3 years
Servers	6 years
Office Equipment	5 years
Furnitures & Fixtures	10 years
Plant & Machinery	15 years
Intangible assets	5 years



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(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 that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as non-current investments. In accordance with the Guidelines issued by National Housing Bank (NHB), Current investments are carried at lower of cost and fair value determined on an individual investment basis and Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Unquoted investments in the units of mutual funds are valued at the net asset value as per guidelines issued by the NHB.

(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.

Interest income

Interest income from loans is accounted for by applying interest rate implicit in the contract. In case of non-performing assets interest income is recognised on receipt basis as per NHB guidelines.

Income from assignment

Income from assignment of loans and receivables is amortised over the tenure of loans.

Income on retained interest in the assigned asset, if any, is accounted on accrual basis except in case of non-performing assets wherein interest income is recognised on receipt basis as per NHB prudential norms.

Processing fee income

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

Profit/ Loss on sale of investments

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) **Employee benefits**

Employee benefits include provident fund, gratuity and leave encashment.

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.

Long-term employee 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**

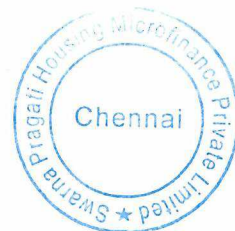
Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and 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.



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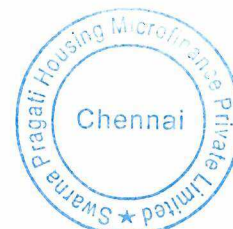
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- (l) **Earnings per Share**
Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- Diluted earnings 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.
- (o) **Securities issue expenses**
Security issue expenses related to issuance of equity and debt are debited against 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 with the arrangement of borrowings are amortised over the tenor of 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 the straight line basis.
- (r) **Provisioning / Write-off on assets**
Provisioning / Write-off on Overdue assets:
Nonperforming loans are written off / provided for, as required as per Housing Finance Companies (NHB) Directions 2010, as amended.
- The Company accounts for provision for doubtful assets after taking into account the time lag between an accounts becoming non performing, its recognition as such and realization of available security.
- Provisioning for standard assets:*
Provision on standard assets is made as per the Housing Finance Companies (NHB) Directions 2010, as amended.
- (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	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
(a) Authorised		
4,00,00,000 Equity shares [March 31, 2017 : 4,00,00,000] of ₹ 10 each with voting rights	40,00,00,000	40,00,00,000
1,00,00,000 Preference shares [March 31, 2017 : 1,00,00,000] of ₹ 10 each	10,00,00,000	10,00,00,000
	<u>50,00,00,000</u>	<u>50,00,00,000</u>
(b) Issued, subscribed and fully paid up:		
3,38,51,319 Equity shares [March 31, 2017: 3,38,51,319] of ₹ 10 each with voting rights	33,85,13,190	33,85,13,190
44,31,119 Preference shares [March 31, 2017: 44,31,119] of ₹ 10 each	4,43,11,190	4,43,11,190
Less: 14,80,500 Equity shares [March 31, 2017: 15,00,000] of ₹ 10 each held in Trust for employees under ESOP Scheme*	1,48,05,000	1,50,00,000
Total	<u>36,80,19,380</u>	<u>36,78,24,380</u>

* The Company had extended loan to Swarna Pragati Employees Welfare Trust ('Trust') for purchase of shares of the Company. As per the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employee Share-based payment, till March 31, 2018, the Company has adjusted the loan of ₹ 1,48,05,000 [March 2017 : ₹ 1,50,00,000] granted to the Trust for the purchase of equity share.

19,500 Options exercised on December 19, 2017 issued by the trust .

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

Particulars	As at		As at	
	March 31, 2018		March 31, 2017	
	No. of Shares held	₹	No. of Shares held	₹
Equity shares with voting rights				
Balance at the beginning of the year	3,38,51,319	33,85,13,190	2,88,77,644	28,87,76,440
Add: Shares issued during the year	-	-	49,73,675	4,97,36,750
Balance at the end of the year	<u>3,38,51,319</u>	<u>33,85,13,190</u>	<u>3,38,51,319</u>	<u>33,85,13,190</u>
0.001% Compulsory Convertible Preference Shares				
Balance at the beginning of the year	44,31,119	4,43,11,190	82,33,400	8,23,34,000
Add: Shares issued during the year	-	-	-	-
Less: Converted into Equity Shares	-	-	38,02,281	3,80,22,810
Balance at the end of the year	<u>44,31,119</u>	<u>4,43,11,190</u>	<u>44,31,119</u>	<u>4,43,11,190</u>

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

Equity Shares

The Company has only one class of equity shares having par value of ₹ 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.

Compulsory 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.

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:

- the expiry of 19 (Nineteen) years from 10th December, 2015.
- 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
- upon the occurrence of a Liquidation Event.

Nature:

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.



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(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, 2018		As at March 31, 2017	
	No. of Shares held	%	No. of Shares held	%
Equity shares with voting rights				
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%
4. Swarna Praagati Employees Welfare Trust	14,80,500	4.37%	15,00,000	4.43%
5. Polaris Banyan Holding Private Limited	14,62,416	4.32%	14,62,416	4.32%
0.001% Compulsory Convertible Preference Shares				
1. Omidiyar Network Mauritius	38,46,153	86.80%	38,46,153	86.80%
2. Zephyr Peacock India Fund III Limited	5,84,966	13.20%	5,84,966	13.20%

Particulars	As at March 31, 2018	As at March 31, 2017
(v) Securities convertible into equity shares	44,31,119	44,31,119
(vi) Shares reserved for issue under Employee Stock Option Scheme (Refer note 33)	14,80,500	15,00,000
(vii) Aggregate number of shares issued for a consideration other than cash during the period of five years immediately preceding the reporting date	Nil	Nil

4. RESERVES AND SURPLUS

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹
(a) Securities Premium Account		
Opening balance	28,29,74,017	25,59,98,269
Add: Received during the year	11,115	2,83,36,060
Less: Writing off shares issue expenses [See Note (2) below]	-	13,60,312
Closing balance	28,29,85,132	28,29,74,017
(b) Statutory Reserve (Under Section 29C of the National Housing Bank Act, 1987)		
Opening balance	55,45,397	50,00,060
Addition during the year [See Note (1) below]	-	5,45,337
Appropriation during the year	-	-
Closing balance	55,45,397	55,45,397
(c) General Reserve		
Opening balance	-	-
Add: Transferred from Share options outstanding account	11,115	-
Closing balance	11,115	-
(d) Share options outstanding account		
Opening balance	22,230	-
Add: Amounts recorded on grants	2,725	22,230
Less: Transferred to General Reserve on lapse of options	11,115	-
Less: Transferred to Securities Premium Account	11,115	-
Closing balance	2,725	22,230
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	2,20,51,703	1,98,70,354
Add: Profit for the year	(13,73,160)	27,26,686
Less: Transferred to Statutory Reserve	-	5,45,337
Closing balance	2,06,78,543	2,20,51,703
Total	30,92,22,912	31,05,93,347

- Note:**
- In terms of Section 29C of the National Housing Bank Act, 1987, every Housing Finance Company is required to transfer at least 20% of its net profit every year to the reserve account before any dividend is declared. Accordingly, the Company has transferred an amount of Nil [March 31, 2017: ₹ 5,45,337] to Statutory Reserve.
 - The expenses in relation to issue of shares mainly comprising of share registration, legal and professional, stamp duty etc has been written off from security premium account as per the Companies Act 2013.



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5. LONG-TERM BORROWINGS

Particulars	Non Current Portion		Current Maturities*	
	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	₹	₹	₹	₹
Secured				
Term Loan from Banks	26,81,39,187	40,56,45,110	12,71,02,758	11,61,73,080
Term Loan from Others	55,71,59,100	50,69,51,416	27,81,15,557	31,86,78,831
	<u>82,52,98,287</u>	<u>91,25,96,526</u>	<u>40,52,18,315</u>	<u>43,48,51,911</u>

* Amount disclosed under the head 'Other current liabilities' (Refer note no. 9)

a. Security details for Secured Term loans

- Term loans of ₹ 1,23,05,16,602 (Previous year: ₹ 1,34,74,48,437) is secured by way of Exclusive first charge on portfolio of receivable as accepted to the lender of the Company.
- Term loans of ₹ 50,76,41,735 (Previous year: ₹ 47,15,10,417) is secured additionally by cash collateral from financial institutions amounting to ₹ 3,72,88,308 (Previous year : ₹ 4,05,71,408).

b. Terms of repayment:

Term loans from Banks and Others-Secured
As at March 31, 2018

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	12.60% to 13.40%	Monthly and quarterly	26,30,32,284	7,98,52,191
36-48 months	12.80% and 13.30%	Monthly	32,75,14,174	14,11,93,656
24-36 months	14% and 14.50%	Monthly	23,47,51,829	12,96,78,717
Up to 12 months	13.25% to 13.50%	Monthly and quarterly	-	5,44,93,751
Grand Total			82,52,98,287	40,52,18,315

As at March 31, 2017

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	12.60% to 13.00%	Monthly and quarterly	49,29,20,601	12,20,79,272
36-48 months	14.25% and 14.50%	Monthly	35,26,82,180	13,57,10,421
12-24 months	13.5% to 14.85%	Monthly and quarterly	6,69,93,745	6,91,14,087
Up to 12 months	14.25% and 15%	Monthly	-	10,79,48,131
Grand Total			91,25,96,526	43,48,51,911



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6. OTHER LONG-TERM LIABILITIES

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Retention commission payable to business associates	15,40,156	19,78,107
Rent equalisation	29,707	-
Total	15,69,863	19,78,107

7. LONG-TERM PROVISIONS

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Provision for standard assets		
Housing Loans	31,29,217	40,17,532
Loan Against Property	4,56,934	3,72,110
Sanitation	4,357	63,516
Income Generating Loans	148	170
Provision for doubtful loans		
Housing Loans	1,32,54,959	71,49,059
Loan Against Property	1,89,395	-
Sanitation	4,892	-
Income Generating Loans	-	17,322
Provision for employee benefits		
Provision for compensated absences	26,26,455	4,67,151
Total	1,96,66,357	1,20,86,860

8 TRADE PAYABLES

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Trade payables:		
To Micro, Small and Medium Enterprises (Refer note below)	-	-
Others	94,55,042	73,91,958
Total	94,55,042	73,91,958

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

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2018. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified by the Company.

9 OTHER CURRENT LIABILITIES

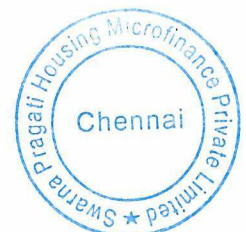
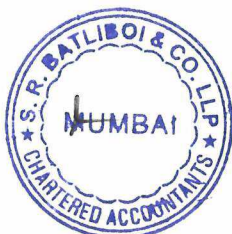
Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Current maturities of long term borrowings [Refer Note 5 above]	40,52,18,315	43,48,51,911
Interest accrued but not due on term loans	69,12,585	87,89,206
Excess death insurance claim received [Refer Note (i) below]	-	15,63,843
Other liabilities (includes statutory liabilities and payables under assignment activity)	1,01,36,038	1,20,03,114
Rent equalisation	41,111	-
Total	42,23,08,049	45,72,08,074

Notes:

(i) The amount is collected from insurance company and is payable to the legal representatives of the deceased borrowers.

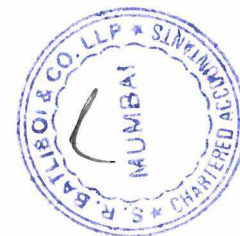
10 SHORT-TERM PROVISIONS

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Provision for standard assets		
Housing Loans	15,76,914	14,87,154
Loan Against Property	1,16,487	63,707
Sanitation	64,932	1,42,123
Income Generating Loans	222	3
Provision for doubtful loans		
Housing Loans	2,79,46,270	1,15,46,510
Loan Against Property	1,15,556	-
Sanitation	83,879	-
Income Generating Loans	20,928	26,636
Provision for employee benefits		
Provision for compensated absences	4,64,278	33,773
Other Provisions		
Provision for doubtful advances	8,85,770	8,85,770
Total	3,12,75,236	1,41,85,676



11. FIXED ASSETS

Particulars	Gross block					Accumulated depreciation and impairment				Net Block	
	Balance as at April 01, 2017	Additions	Disposals	Balance as at March 31, 2018	Balance as at April 01, 2017	Depreciation / amortisation expense for the year	Deduction during the year	Balance as at March 31, 2018	WDV as on March 31, 2018	WDV as on March 31, 2017	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
Tangible Assets											
(a) Furniture and Fixtures (Previous Year)	66,38,562 (38,31,807)	16,61,808 (28,06,755)	84,250	82,16,121 (66,38,562)	20,62,770 (9,65,696)	13,93,855 (10,97,074)	22,226	34,34,399 (20,62,770)	47,81,722 (45,75,792)	45,75,792 (28,66,111)	
(b) Office Equipment (Previous Year)	28,86,901 (20,09,256)	4,16,172 (8,77,643)	17,998	32,85,075 (28,86,901)	14,22,653 (4,76,522)	8,42,094 (9,46,131)	9,354	22,55,393 (14,22,653)	10,29,682 (14,64,246)	14,64,248 (15,32,736)	
(c) Computers (Previous Year)	82,62,283 (38,23,908)	9,81,006 (44,38,375)	-	92,43,289 (82,62,283)	44,20,725 (19,00,832)	25,98,343 (25,19,893)	-	70,19,068 (44,20,725)	22,24,221 (38,41,558)	38,41,558 (19,23,076)	
(d) Plant & Machinery (Previous Year)	36,78,124 (4,43,935)	(32,34,189)	-	36,78,124 (36,78,124)	6,37,685 (66,056)	5,51,168 (5,71,629)	-	11,88,853 (6,37,685)	24,89,271 (30,40,439)	30,40,439 (3,77,879)	
(e) Vehicle (Previous Year)	34,500	(34,500)	-	34,500 (34,500)	3,834	13,936 (3,834)	-	17,770 (3,834)	16,730 (30,666)	30,666	
Sub total	2,15,00,370 (1,01,08,908)	30,58,986 (1,13,91,462)	1,02,248	2,44,57,109 (2,15,00,370)	85,47,667 (34,09,106)	53,99,396 (51,38,561)	31,580	1,39,15,483 (85,47,667)	1,05,41,626 (1,29,52,703)	1,29,52,703 (66,99,802)	
Intangible Assets											
(f) Computer Software (Previous Year)	62,13,263 (5,85,713)	1,35,13,729 (56,27,550)	-	1,97,26,992 (62,13,263)	20,84,460 (4,08,802)	21,85,989 (16,75,658)	-	42,70,449 (20,84,460)	1,54,56,543 (41,28,803)	41,28,803 (1,76,911)	
Total	2,77,13,633 (1,06,94,621)	1,65,72,715 (1,70,19,012)	1,02,248	4,41,84,101 (2,77,13,633)	1,06,32,127 (38,17,908)	75,85,385 (68,14,219)	31,580	1,81,85,932 (1,06,32,127)	2,59,98,169 (1,70,81,506)	1,70,81,506 (68,76,713)	



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Swarna Pragati Housing Microfinance Private Limited
Notes forming part of the financial statements

12 DEFERRED TAX ASSETS / (LIABILITY)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Tax effect of items constituting deferred tax assets		
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for standard assets	14,88,150	20,32,156
Provision for doubtful loan & advances	1,18,23,958	64,88,712
Provision for gratuity and other employee benefits	11,16,793	6,45,991
On difference between book balance and tax balance of fixed assets	8,52,827	4,52,139
	<u>1,52,81,728</u>	<u>96,18,998</u>
<u>Tax effect of items constituting deferred tax liabilities</u>		
Special Reserve	15,42,729	18,33,474
Unamortised borrowing cost	37,01,335	45,03,720
	<u>52,44,064</u>	<u>63,37,194</u>
Net deferred tax asset	<u>1,00,37,664</u>	<u>32,81,804</u>

13 LONG-TERM LOANS AND ADVANCES

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Secured, considered good		
Loans and advances relating to financing activity		
Housing loans	78,23,03,820	1,00,44,86,584
Loan against Property	11,42,33,546	9,30,27,474
Secured, considered doubtful		
Loans and advances relating to financing activity		
Housing loans	5,88,12,455	2,71,95,509
Loan against Property	12,62,630	-
Unsecured, considered good		
Loans and advances relating to financing activity		
Sanitation	10,89,295	1,58,79,119
Income Generating Loans	36,995	42,401
Capital advances	2,201	559
Security deposits	15,26,270	18,11,450
Advances recoverable in cash or in kind or for value to be received*	2,93,71,585	2,50,18,653
Advance income tax [net of provisions]	58,61,820	70,63,807
Unsecured, considered doubtful		
Loans and advances relating to financing activity		
Income Generating Loans	-	54,757
Sanitation	31,878	-
Total	<u>99,45,32,495</u>	<u>1,17,45,80,313</u>

* Includes under lien ₹ 2,75,00,000 (Previous Year ₹ 2,47,88,308) against term loans from financial institution.



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Swarna Pragati Housing Microfinance Private Limited
Notes forming part of the financial statements

14 OTHER NON-CURRENT ASSETS

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Unamortised borrowing costs	91,62,734	1,03,00,261
Balances with banks		
- in deposit accounts exceeding twelve months maturity * (Refer note 16)	4,50,00,000	4,30,00,000
Total	5,41,62,734	5,33,00,261

* includes under lien ₹ 4,00,00,000 (Previous Year: ₹ 3,80,00,000) relating to term loans.

15 CURRENT INVESTMENTS

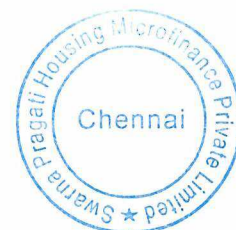
Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Investment in unquoted mutual funds (At Net Asset Value)		
- UTI Treasury Advantage Fund Plan - Institutional - Direct Plan - Daily Dividend - Nil units (Previous year - 2,18,920.362 units)	-	21,94,35,700
- UTI Liquid Cash Plan - Institutional - Direct Plan - 29,296.379 units (Previous year - Nil units)	8,33,51,093	-
Total	8,33,51,093	21,94,35,700
Aggregate value of unquoted investments	8,33,51,093	21,94,35,700
Aggregate net assets value (NAV) of unquoted investments	8,33,51,093	21,94,35,700

16 CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Cash and Cash Equivalents		
Cash on hand	8,94,075	2,05,633
Balances with banks		
(i) In current accounts	18,10,74,124	7,43,48,119
(ii) In deposit accounts having original maturity less than three months*	78,33,712	2,30,83,712
	18,98,01,911	9,76,37,464
Other Bank Balances		
Deposit with original maturity for more than three months but less than twelve months #	30,00,000	-
Total	19,28,01,911	9,76,37,464
Amount disclosed under non-current assets (Refer note no. 14)	4,50,00,000	4,30,00,000

* includes under lien Nil (Previous Year: ₹ 50,00,000) relating relating to term loans and ₹ 15,00,000 (Previous Year : ₹ 15,00,000) against corporate credit card.

includes under lien ₹ 30,00,000 (Previous Year: Nil) relating to term loans.



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Swarna Pragati Housing Microfinance Private Limited
Notes forming part of the financial statements

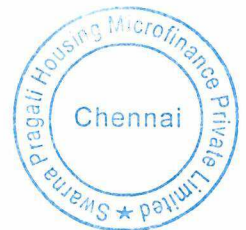
17 SHORT-TERM LOANS AND ADVANCES

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Secured, considered good		
Loans and advances relating to financing activity		
Housing loans	38,13,23,801	35,60,25,716
Loan against Property	2,72,58,878	1,44,58,930
Secured, considered doubtful		
Loans and advances relating to financing activity		
Housing loans	12,39,98,024	4,38,92,809
Loan against Property	7,70,371	-
Unsecured, considered good		
Loans and advances relating to financing activity		
Sanitation	1,60,36,193	3,48,67,322
Income Generating Loans	54,288	710
Security deposits	10,29,180	9,64,500
Advances recoverable in cash or in kind or for value to be received*	2,38,79,129	1,79,04,211
Unsecured, considered doubtful		
Loans and advances relating to financing activity		
Sanitation	5,46,592	-
Income Generating Loans	52,319	84,199
Advances recoverable in cash or in kind or for value to be received	8,85,770	8,85,770
Total	57,58,34,545	46,90,84,167

* Includes under lien ₹ 97,88,308 (Previous Year ₹ 1,57,83,100) against term loans from financial institution.

18 OTHER CURRENT ASSETS

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Interest accrued but not due	2,62,30,848	2,61,40,229
Unamortised borrowing costs	41,41,847	33,21,370
Service Tax/GST Input Credit	20,08,607	8,09,727
Total	3,23,81,302	3,02,71,326



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19 REVENUE FROM OPERATIONS

Particulars	As at	Year ended
	March 31, 2018	March 31, 2017
	₹	₹
Interest Income		
Interest Income (Refer note 1 below & note 38)	32,69,11,856	24,75,55,709
Other financial services		
Fee income on Loans	54,05,390	1,07,98,910
Total	33,23,17,246	25,83,54,619
Note 1:		
Interest income includes ₹ 22,37,786 (previous year ₹ 62,33,899) recovered as first loss default guarantee from commission amount payable to business associates.		

20 OTHER INCOME

Particulars	As at	Year ended
	March 31, 2018	March 31, 2017
	₹	₹
Interest on fixed deposits	71,61,502	56,86,649
Dividend income from mutual fund	60,55,673	79,91,948
Profit or loss on redemption of mutual fund	7,59,719	-
Interest on delayed collection of deposit from Business Associates	32,38,887	57,31,985
Other non-operating income	4,31,000	2,03,085
Interest on Income Tax Refund	2,15,430	14,158
Total	1,78,62,211	1,96,27,825

21 EMPLOYEE BENEFITS EXPENSE

Particulars	As at	Year ended
	March 31, 2018	March 31, 2017
	₹	₹
Salaries and wages (Refer Note 38)	6,83,66,309	5,63,26,592
Contributions to provident fund	40,46,472	32,23,745
Gratuity (Refer Note 29)	-6,39,717	7,86,785
Staff welfare expenses	32,46,713	30,39,438
Total	7,50,19,777	6,33,76,560

22 FINANCE COSTS

Particulars	As at	Year ended
	March 31, 2018	March 31, 2017
	₹	₹
Interest expense	16,63,50,088	11,72,78,345
Other borrowing cost	40,71,143	17,62,511
Total	17,04,21,231	11,90,40,856

23 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	As at	Year ended
	March 31, 2018	March 31, 2017
	₹	₹
Depreciation (Refer Note 38)	53,99,396	51,38,561
Amortisation of intangible Assets	21,85,989	16,75,658
Total	75,85,385	68,14,219



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Swarna Pragati Housing Microfinance Private Limited
Notes forming part of the financial statements

24 OTHER EXPENSES

Particulars	As at	Year ended
	March 31, 2018	March 31, 2017
	₹	₹
Rent expenses [Refer Note 31]	68,90,688	46,42,345
Repairs & Maintenance		
Building	10,09,840	15,01,639
Others	14,62,463	11,20,678
Rates & Taxes	41,98,601	31,20,851
Auditors Remuneration (Refer Note 1 below)		
- as auditor	29,00,000	7,00,000
- for Certification	4,00,000	2,00,000
- for reimbursement of expenses	1,04,750	-
Travelling & Conveyance	1,50,83,384	1,05,23,895
Printing & stationery	11,95,816	21,42,462
Communication expenses	26,28,749	27,45,301
Business promotion expenses	8,60,974	9,49,214
Electricity & water charges	11,70,499	7,20,071
Commission to business associates	2,34,60,381	2,82,84,572
Legal & Professional charges	98,45,235	75,29,672
Provision and Write offs:		
Provision made during the period on standard assets, sub standard and doubtful assets	2,20,79,246	1,38,93,626
Bad debts written off (Refer Note 2 below)	45,74,325	26,96,600
Provision for doubtful advances	-	8,85,770
Directors sitting fees	70,000	2,00,000
General office expenses	9,80,707	14,88,208
Miscellaneous expenses (Refer Note 38)	12,18,426	16,73,034
Total	10,01,34,084	8,50,17,938

Note 1

Audit fees includes ₹ 9,00,000 relating to the year March 31, 2017 based on the discussion in the current year. Further includes ₹ 13,00,000 as one time fees for the year ended March 31, 2018.

Note 2

During the year, the Company has written off loans amounting to ₹ 45,74,325 (Previous year: ₹ 26,96,600) pursuant to Companies estimates for non-recovery of loan.

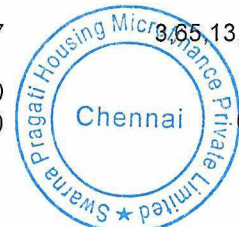
25 Earnings per share (EPS)

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	As at	Year ended
	March 31, 2018	March 31, 2017
	₹	₹
Basic EPS		
Net profit for the year	(13,73,160)	27,26,686
Weighted average number of equity shares – for Basic EPS	3,23,56,822	2,89,85,090
Par value per share	10	10
Earnings per share – Basic	(0.04)	0.09
Diluted EPS		
Net Profit considered for basic EPS calculation	(13,73,160)	27,26,686
Weighted average number of equity shares – for Basic EPS	3,23,56,822	2,89,85,090
Add: Weighted number of equity shares under options	1,09,286	1,06,128
Add: Weighted number of equity shares under Compulsorily Convertible Preference Shares	44,31,119	74,21,860
Weighted average number of diluted equity shares	3,68,97,227	3,65,13,078
Nominal value per equity share	10	10
Earning per equity share - Diluted	(0.04)	0.07



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Swarna Pragati Housing Microfinance Private Limited
Notes forming part of the financial statements

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

Particulars	As at	Year ended
	March 31, 2018	March 31, 2017
	₹	₹
(i) Contingent liabilities	-	-
(ii) Commitments		
(a) Other commitments:		
Housing loans sanctioned but not disbursed to the borrowers	1,77,39,872	4,13,34,314

27. Loans rescheduled during the year amounting to ₹ 49,03,12,995 on account of Natural Disaster (Drought) in Tamil Nadu are being classified under standard assets as per para 2c (ii) of The Housing Finance Companies Direction, 2010 issued by National Housing Bank.

28. Disclosure regarding provisions made for standard assets as per the Prudential Norms contained in the Housing Finance Companies (NHB) Directions, 2010 as amended.

Amounts in ₹

Particulars For the year ended March 31, 2018				
	Standard	Sub-Standard	Doubtful	Total
Loans				
Housing loans	1,16,36,27,621	10,08,53,360	8,19,57,119	1,34,64,38,100
Mortgage Loans	14,14,92,424	20,33,001	-	14,35,25,425
Sanitation	1,71,25,488	5,58,470	20,000	1,77,03,958
Income Generating Loans	91,283	-	52,319	1,43,602
Total Loans	1,32,23,36,816	10,34,44,831	8,20,29,438	1,50,78,11,085

Provisions				
	Standard	Sub-Standard	Doubtful	Total
Housing loans *	47,06,131	1,51,29,003	2,60,72,226	4,59,07,360
Mortgage Loans *	5,73,421	3,04,951	-	8,78,371
Sanitation*	69,289	83,771	5,000	1,58,060
Income Generating Loans*	370	-	20,928	21,297
Total Provisions	53,49,211	1,55,17,725	2,60,98,154	4,69,65,088

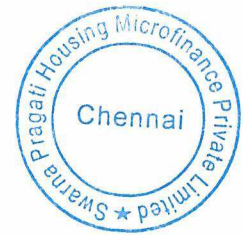
Particulars For the year ended March 31, 2017				
	Standard	Sub-Standard	Doubtful	Total
Loans				
Housing loans	1,36,05,12,300	2,57,34,965	4,53,53,353	1,43,16,00,618
Mortgage Loans	10,74,86,404	-	-	10,74,86,404
Sanitation	5,07,46,441	-	-	5,07,46,441
Income Generating Loans	43,111	-	1,38,956	1,82,067
Total Loans	1,51,87,88,256	2,57,34,965	4,54,92,309	1,59,00,15,530

Provisions				
	Standard	Sub-Standard	Doubtful	Total
Housing loans *	55,04,686	38,60,245	1,48,35,325	2,42,00,256
Mortgage Loans *	4,35,817	-	-	4,35,817
Sanitation*	2,05,639	-	-	2,05,639
Income Generating Loans*	172	-	43,958	44,130
Total Provisions	61,46,314	38,60,245	1,48,79,283	2,48,85,842

* Includes standard asset provision created on Interest accrued but not due.



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29. 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	As at	As at
	March 31, 2018	March 31, 2017
	₹	₹
Components of employer expense		
Current service cost	2,68,027	6,86,762
Interest cost	1,06,788	60,110
Expected return on plan assets	(1,16,472)	85,264
Actuarial losses/(gains)	(8,98,060)	(45,351)
Total expense recognized in the Statement of Profit and Loss	-6,39,717	7,86,785
Net asset / (liability) recognized in the Balance Sheet		
Present value of defined benefit obligation	9,23,619	14,52,896
Fair value of plan assets	26,51,365	15,42,675
Net asset / (liability) recognized in the Balance Sheet	17,27,746	89,779
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	14,52,896	7,51,375
Current service cost	2,68,027	6,86,762
Interest cost	1,06,788	60,110
Actuarial losses/(gains)	(9,04,092)	(45,351)
Present value of DBO at the end of the year	9,23,619	14,52,896
Change in fair value of assets during the year		
Plan assets at beginning of the year	15,42,675	4,49,473
Actual company contributions	9,98,250	11,78,466
Actuarial gain / (loss)	1,10,440	(85,264)
Benefits paid	-	-
Plan assets at the end of the year	26,51,365	15,42,675
Actual return / (loss) on plan assets	1,10,440	(85,264)
Major categories of plan assets (as percentage of total plan assets)		
Funds Managed by Insurer	100%	100%
Actuarial assumptions		
Discount rate	7.08%	7.35%
Salary escalation	7.00%	5.50%
Mortality tables	IALM (2006-08)	IALM (2006-08)
Attrition		
Ages:		
Upto 30 years	30.07%	3.00%
From 31 to 44 years	30.07%	2.00%
Above 44 years	30.07%	1.00%
Estimate of amount of contribution in the immediate next year	2,45,093	4,85,265

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	Present value of DBO	Fair value of plan assets	Experience gain/ (loss) adjustments on plan liabilities	Experience gain/ (loss) adjustments on plan assets
	₹	₹	₹	₹
2013-14	1,62,400	-	-	-
2014-15	2,88,158	7,51,375	(33,627)	-
2015-16	7,51,375	4,49,473	(5,719)	(1,101)
2016-17	14,52,896	15,42,675	77,444	(1,22,795)
2017-18	9,23,619	26,51,365	(8,98,060)	(6,032)



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30. Segment Reporting

The main business of the Company is to provide loans for purchase or construction of residential houses. All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per "Accounting Standards ('AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Rules, 2016.

Geographical Segments:

The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.

31. Operating Leases

The Company has entered into operating lease arrangements for office premises. The leases are non-cancellable and is for a period of three years. Expected future minimum commitments for non-cancellable leases are as follows:

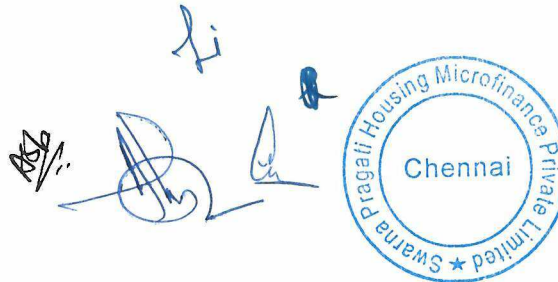
Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
	₹	₹
Lease payments recognised in the Statement of Profit and Loss [Refer to Note 24]	68,90,688	46,42,345
Details of non-cancellable leases are as follows:		
Future minimum lease payments:		
- not later than one year	14,50,148	14,50,148
- later than one year and not later than five years	6,04,228	20,54,376

32. 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. A. Ramesh Kumar - Director Mr. Raj Kumar Singh - Director Mr. Anand Naik - Chief Executive Officer (upto October 31, 2017) Mr. Amit Ranjan Biswal - Chief Executive Officer (wef. January 23, 2018) Mr. Mohammad Sameer Siddiqui - Chief Financial Officer (wef. January 23, 2018) Ms. Lakshmi Raghupathy - Company Secretary
Company in which KMP / Relatives of KMP can exercise significant influence	Intellcap Advisory Services Private Limited



(b) Details of related party transactions during the year ended March 31, 2018 and outstanding balance as at March 31, 2018:

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
	₹	₹
A. Company in which KMP/Relatives of KMP can exercise significant influence		
Professional fees	6,25,511	11,48,084
B. <u>Remuneration paid*</u>		
Key Managerial Personnel #		
Mr. A. Ramesh Kumar	60,00,000	61,25,323
Mr. Anand Naik	17,99,549	30,00,000
Mr. Raj Kumar Singh	13,41,668	31,18,402
Mr. Amit Ranjan Biswal	9,09,248	-
Mr. Mohammad Sameer Siddiqui	4,47,349	-
Ms. Lakshmi Raghupathy	6,74,053	-
* Does not include reimbursement expenses		
# Includes amount taken to Capital work in progress		

33. 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 9 months from the date of vesting and lock in period is 3 years from the date of allotment.

Vesting Condition

- There shall be minimum period of 1 year between Grant of Options and its first vesting date;
- Vesting of options is subject to the loyalty and performance of the Employee in the following manner:
 - 40% of the Grant of options due for vesting will be based upon loyalty and
 - 60% of the Grant of options due for vesting will be discretionary and based upon performance criteria, as may be determined by the Chairman & MD and recommended to the Compensation Committee;
- 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

During the year 2014-15 the Company has transferred 1,500,000 number of shares to Swarna Pragati Employees Welfare Trust at face value of ₹ 10 per share for issuance to eligible employees on vesting of such options.



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Employee stock options details are as follows:

Particulars	During the year ended March 31, 2018		During the year ended March 31, 2017	
	Options (Numbers)	Weighted average exercise price per share (₹)	Options (Numbers)	Weighted average exercise price per share (₹)
Option outstanding at the beginning of the year:	1,11,000	10	1,30,500	10
Granted during the year:	1,50,000	9.5	-	-
Vested during the year:	-	-	19,500	10
Exercised during the year:	19,500	10	-	-
Lapsed/Forfeited during the year:	1,11,000	10	-	-
Options outstanding at the end of the year:	1,50,000	10	1,11,000	10
Exercisable at end of year:	-	-	19,500	10

34. Expenditure in foreign currency (on accrual basis & Gross of TDS)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	₹	₹
Membership & Subscription	-	91,542
Travelling	14,75,331	3,03,079
Training Expenses	-	5,74,063
Advertisement	4,41,614	-

35. Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010, as amended. During the current year, the Company has:

- Neither been imposed any penalty by National Housing Bank
- Nor received any adverse comments in writing from National Housing Bank on regulatory compliances.

36. The Company does not have any pending litigations which would impact its financial position other than those disclosed under note 26 for contingent liabilities.

37. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

38. Prior year items

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	₹	₹
Interest Income	-	73,35,169
Depreciation and amortisation expense	-	4,15,000
Salary & wages	-	2,44,053
Miscellaneous expenses	2,43,915	1,43,337

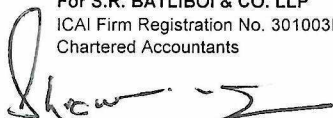
39. The additional information pursuant to Schedule III to the Companies Act, 2013 are either Nil or Not Applicable.

40. Additional information as per notification issued by the National Housing Bank is given in Annexure 1.

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

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E/E300005
Chartered Accountants

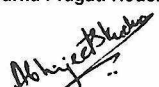


per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date : September 29, 2018




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



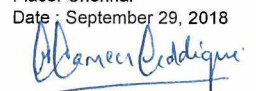
Abhijeet Sudhakar Kudva
Director
DIN No. 03042087
Place: Chennai
Date : September 29, 2018



Amit Ranjan Biswal
Chief Executive Officer
Place: Chennai
Date : September 29, 2018



Sushma Keshavamurthy Kaushik
Director
DIN No. 05142705
Place: Chennai
Date : September 29, 2018



Mohammad Sameer Siddiqui
Chief Financial Officer
Place: Chennai
Date : September 29, 2018



Lakshmi Raghupathy
Company Secretary
Membership No. 38072
Place: Chennai
Date : September 29, 2018



Annexure 1 of the Note No. 40 to the Financial Statements for the year ended March 31, 2018

1.1 Capital to Risk Assets Ratio (CRAR)

Particulars	Current Year	Previous Year
i) CRAR (%)	69.82%	77.49%
ii) CRAR - Tier I capital (%)	69.22%	76.77%
iii) CRAR - Tier II Capital (%)	0.60%	0.72%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

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

Amounts in ₹

Particulars	Current Year	Previous Year
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	55,45,397	50,00,060
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 29C of the NHB Act, 1987	-	-
c) Total	55,45,397	50,00,060
Addition / Appropriation / Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-	5,45,337
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 Section 29C of the NHB Act, 1987	-	-
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 provisions u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	55,45,397	55,45,397
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 29C of the NHB Act, 1987	-	-
c) Total	55,45,397	55,45,397

1.3 Investments

Amounts in ₹

Particulars	Current Year	Previous Year
3.5.1. Value of Investments		
i) Gross Value of Investments		
(a) In India	8,33,51,093	21,94,35,700
(a) Outside India	-	-
ii) Provision for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	8,33,51,093	21,94,35,700
(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	-	-

1.4 Derivatives

1.4.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Amounts in ₹

Particulars	Current Year	Previous Year
(i) The notional principal of swap agreements	NIL	NIL
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL
(iii) Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv) Concentration of credit risk arising from the swaps \$	NIL	NIL
(v) The fair value of the swap book @	NIL	NIL

1.4.2 Exchange Traded Interest Rate (IR) Derivative

Amounts in ₹

Particulars	Current Year	Previous Year
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	NIL	NIL
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2017	NIL	NIL
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	NIL	NIL
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL



1.4.3. Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company doesn't deal in Derivatives.

B. Quantitative Disclosure

Particulars	Amounts in ₹	
	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	NIL	NIL
(ii) Marked to Market Positions [1]	NIL	NIL
(a) Assets (+)	NIL	NIL
(b) Liability (-)	NIL	NIL
(iii) Credit Exposure [2]	NIL	NIL
(iv) Unhedged Exposures	NIL	NIL

1.5.1 Securitisation

Particulars		No. / Amount
1	No of SPVs sponsored by the HFC for securitisation transactions*	NA
2	Total amount of securitised assets as per books of the SPVs sponsored	NA
3	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	NA
	(I) Off-balance sheet exposures towards Credit Enhancements	
	a)	
	b)	
	(II) On-balance sheet exposures towards Credit Enhancements	
	a)	
4	Amount of exposures to securitisation transactions other than MRR	NA
	(I) Off-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	
	i.)	
	ii.)	
	b) Exposure to third party securitisations	
	i.)	
	ii.)	
	(II) On-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitisations	
	i.)	
	ii.)	

*Only the SPVs relating to outstanding securitisation transactions may be reported here

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

Particulars	Amounts in ₹	
	Current Year	Previous Year
(i) No. of accounts	NIL	NIL
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	NIL	NIL
(iii) Aggregate consideration	NIL	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v) Aggregate gain / loss over net book value	NIL	NIL

1.5.3 Details of Assignment transactions undertaken by HFCs

Particulars	Amounts in ₹	
	Current Year	Previous Year
(i) No. of accounts	NIL	NIL
(ii) Aggregate value (net of provisions) of accounts assigned	NIL	NIL
(iii) Aggregate consideration	NIL	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v) Aggregate gain / loss over net book value	NIL	NIL

1.5.4 Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased:

Particulars	Amounts in ₹	
	Current Year	Previous Year
1. (a) No. of accounts purchased during the year		
(b) Aggregate outstanding	NIL	NIL
2. (a) Of these, number of accounts restructured during the year		
(b) Aggregate outstanding	NIL	NIL

B. Details of Non-performing Financial Assets sold:

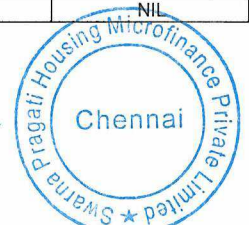
Particulars	Amounts in ₹	
	Current Year	Previous Year
1 No. of accounts sold	NIL	NIL
2 Aggregate outstanding	NIL	NIL
3 Aggregate consideration received	NIL	NIL



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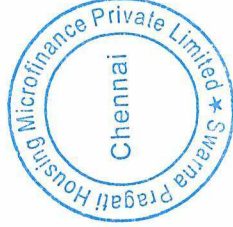


1.6 Asset Liability Management

Amounts in Rupees

	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											
Borrowings from Banks	1,87,85,036 (96,81,090)	98,47,063 (96,81,090)	98,47,063 (96,81,090)	2,95,41,189 (2,90,43,270)	5,90,82,407 (5,80,86,540)	21,45,11,350 (22,14,37,110)	5,36,27,837 (18,42,09,000)	-	-	-	39,52,41,945 (62,18,18,190)
Market Borrowings	2,70,64,616 (2,99,94,281)	2,58,69,672 (3,31,09,217)	1,96,02,444 (3,05,43,239)	7,67,22,216 (8,67,46,022)	12,88,56,609 (13,82,86,072)	45,33,78,484 (36,52,98,239)	10,37,82,616 (13,94,20,631)	(22,32,546)	-	-	83,52,74,657 (82,56,30,247)
Assets											
Advances	16,83,33,226 (8,85,01,270)	3,48,66,922 (3,35,22,142)	3,40,79,265 (3,94,71,662)	10,35,19,411 (10,17,50,449)	20,92,41,642 (20,99,94,202)	63,10,69,047 (74,54,34,555)	28,46,30,812 (33,12,53,776)	4,20,70,760	-	-	1,50,78,11,086 (1,60,79,25,670)
Investments	6,33,51,093 (21,94,35,700)	-	-	-	-	-	-	(6,39,97,514)	-	-	6,33,51,093 (21,94,35,700)

Figures in bracket relate to previous year.



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1.7 Exposure

1.7.1 Exposures to real estate sector

Amounts in ₹		
Particulars	Current Year	Previous Year
a) Direct exposure		
(i) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
Housing loans up to Rs. 15 lakhs	1,34,64,38,100	1,43,16,00,618
Housing loans more than Rs. 15 lakhs	-	-
Non Housing Loans	16,13,72,985	15,84,14,912
(ii) Commercial Real Estate –		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential,	-	-
b. Commercial Real Estate.	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

1.7.2 Exposure to Capital Market

Amounts in ₹		
Particulars	Current Year	Previous Year
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented	NIL	NIL
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for	NIL	NIL
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of	NIL	NIL
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares	NIL	NIL
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(vii) bridge loans to companies against expected equity flows / issues;	NIL	NIL
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
Total Exposure to Capital Market		

1.7.3 Details of financing of parent company products

There are no such instances.

1.7.4 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 NHB Regulation.

1.7.5 Unsecured Advances

There are no loans and advances secured against rights, licences, authorities etc.

2 Miscellaneous

Particulars	
2.1. Registration obtained from other financial sector regulators	
NHB registration no.	08.0075.09
Company Identification no. (CIN) :	U65922TN2009PTC101093
2.2. Disclosure of Penalties imposed by NHB and other regulators	
During the year ended March 31, 2018, no penalties have been levied by any regulator on the Company.	
2.3 Related Party Transactions	
Refer note 32 for transactions with related party transactions	
2.4 Ratings assigned by credit rating agencies and migration of ratings during the year	
Long term Bank facilities	CARE : BBB-
2.5 Remuneration of Directors (Non-executive)	
- Sitting fees	70,000

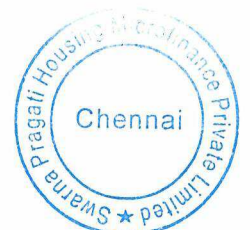


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Amounts in ₹

3.1	Break up of 'Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
	1. Provision for depreciation on investments	-	-
	2. Provision made towards Income tax	-16,07,860	10,06,185
	3. Provision towards NPA & doubtful advances	2,28,76,350	1,25,86,360
	4. Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH, etc.)	-7,97,104	13,07,266
	5. Other Provision and Contingencies (with details)	-	-

Amounts in ₹

3.2	Break up of Loan & Advances and Provisions thereon	Housing loans		Non Housing loans	
		Current Year	Previous Year	Current Year	Previous Year
	Standard Assets				
	a) Total Outstanding Amount	1,16,36,27,621	1,36,05,12,300	15,87,09,195	15,82,75,956
	b) Provisions made	47,06,131	55,04,686	6,43,080	6,41,628
	Sub-Standard Assets				
	a) Total Outstanding Amount	10,08,53,360	2,57,34,965	25,91,471	-
	b) Provisions made	1,51,29,003	38,60,245	3,88,721	-
	Doubtful Assets – Category-I				
	a) Total Outstanding Amount	4,48,77,562	2,49,27,264	20,000	77,493
	b) Provisions made	1,12,18,391	62,31,816	5,000	19,373
	Doubtful Assets – Category-II				
	a) Total Outstanding Amount	3,70,42,870	1,97,04,300	52,319	61,463
	b) Provisions made	1,48,17,148	78,81,720	20,928	24,585
	Doubtful Assets – Category-III				
	a) Total Outstanding Amount	36,687	7,21,789	-	-
	b) Provisions made	36,687	7,21,789	-	-
	Loss Assets				
	a) Total Outstanding Amount	NIL	NIL	NIL	NIL
	b) Provisions made	NIL	NIL	NIL	NIL
	Total				
	a) Total Outstanding Amount	1,34,64,38,100	1,43,16,00,618	16,13,72,985	15,84,14,912
	b) Provisions made	4,59,07,360	2,42,00,256	10,57,728	6,85,586

3.3. Concentration of Public Deposits, Advances, Exposures and NPAs

3.3.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

Amounts in ₹

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total deposits	NA	NA

3.3.2 Concentration of Loans & Advances

Amounts in ₹

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	1,16,35,272	1,19,64,640
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	0.77%	0.75%

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

Amounts in ₹

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers /Customers	1,16,35,272	1,19,64,640
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	0.77%	0.75%

3.3.4 Concentration of NPAs

Amounts in ₹

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	44,17,351	39,66,924

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

Amounts in ₹

Sr No.	Sector	Principal Outstanding	Provision	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:			
1	Individuals	18,28,10,479	4,12,01,229	13.58%
2	Builders/Project Loans			
3	Corporates			
4	Others (specify)			
B.	Non-Housing Loans:			
1	Individuals	26,63,790	4,14,648	1.65%
2	Builders/Project Loans			
3	Corporates			
4	Others (specify)			



3.4 Movement of NPAs

Particulars	Amounts in ₹	
	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	9.54%	3.30%
(II) Movement of NPAs (Gross)		
a) Opening balance	7,12,27,275	3,04,96,917
b) Additions during the year	13,03,75,854	4,60,14,733
c) Reductions during the year	(1,61,28,859)	(52,84,375)
d) Closing balance	18,54,74,270	7,12,27,275
(III) Movement of Net NPAs		
a) Opening balance	5,24,87,747	2,34,57,979
b) Additions during the year	10,27,59,408	3,31,82,660
c) Reductions during the year	(1,13,88,763)	(41,52,892)
d) Closing balance	14,38,58,392	5,24,87,747
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	1,87,39,528	70,38,938
b) Provisions made during the year	2,76,16,446	1,28,32,073
c) Write-off/write-back of excess provisions	(47,40,096)	(11,31,483)
d) Closing balance	4,16,15,878	1,87,39,528

3.5 Overseas Assets

Particulars	Amounts in ₹	
	Current Year	Previous Year
	NIL	NIL

3.6 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
NA	NA

4 Disclosure of Complaints

4.1 Customers 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	-	-
c) No. of complaints redressed during the year	-	-
d) No. of complaints pending at the end of the year	-	-



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