



SWARNA PRAGATI HOUSING

ANNUAL REPORT  
OF  
SWARNA PRAGATI HOUSING  
MICROFINANCE PRIVATE LIMITED  
2018-2019

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## CORPORATE INFORMATION

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Board of Directors

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

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Registered office

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

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Corporate Office

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

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Auditors

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

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Company Secretary

Ms. Megha Mohunta

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Bankers / Financial Institutions

State Bank of India  
Norther Arc Capital Limited (Formerly IFMR Capital  
Finance Limited)  
Hinduja Leyland Finance Limited  
MAS Financial Services Limited  
Muthoot Capital Services 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)

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CIN: U65922MH2009PTC331333

Email: [cs@sphm.co.in](mailto:cs@sphm.co.in)

Website: [www.sphm.co.in](http://www.sphm.co.in)



SWARNA PRAGATI HOUSING

## **BOARDS' REPORT**

Your Directors are pleased to present the eleventh Annual Report of your Company together with the audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended, 31<sup>st</sup> March, 2019.

### **1. Financial Results**

The summarized financial results for the year ended 31<sup>st</sup> March, 2019 are as under:

Particular	Amount in Rs.	
	For the financial year ended 31 <sup>st</sup> March, 2019	For the financial year ended 31 <sup>st</sup> March, 2018
Profit/(Loss) before Tax	(15,13,82,901)	(29,81,020)
Net Current Tax Expense	(19,227)	51,48,000
Deferred Tax	1,00,37,664	(67,55,860)
Transfer to Statutory Reserve	-	-
Profit/(Loss) after Tax	(16,14,01,338)	(13,73,160)

### **2. State of Affairs**

The business continues to serve an underserved market for housing credit in rural and semi-urban markets. The head start that the Company has had in this segment has led to a strong learning curve, which is now yielding positive results and showing in the quality of book. However, the liquidity situation in the economy will impact growth in the coming quarters. Portfolio quality is expected to deteriorate as the early vintage portfolio washes out. The Company is taking proactive measures to anticipate both the liquidity issues and the portfolio quality and is confident of emerging stronger through appropriate management interventions.

### **3. Material Changes and Commitments**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statements relate on the date of this report.

### **4. Review of Business Operations**

During the year under review, the Company has earned Rs. 3016.09 lakhs as revenue from operations and Rs. 178.81 lakhs from other income. The Profit/loss before tax for the year has been Rs. (1513.83) lakhs as against Rs. (29.81) lakhs during the previous financial year.

The total indebtedness of the Company as on 31<sup>st</sup> March 2019 is of Rs.5975.63 lakhs (Long Term Borrowing) and Rs.4003.61 lakhs (Current Liabilities) as against Rs.8252.98 lakhs and Rs.4121.31 lakhs during the previous financial year.

Swarna Pragati Housing Microfinance Private Limited | CIN NO: U65922TN2009PTC101093  
Corporate Office: 142, Golcha House, New Colony, Sadar, Nagpur -440001  
Regd. Office: Plot No.20, 2<sup>nd</sup> Floor, Bhaskar Street, VGN Mahalakshmi Nagar, Thiruverkadu - 600077,  
Website: <http://www.sphm.co.in> | Phone: 0712- 2585800 | E-mail: [contact@sphm.co.in](mailto:contact@sphm.co.in)

PARTNER IN YOUR DREAM HOME

## 5. Share Capital

During the year under review, the Company has reclassified its Authorised Share Capital of the Company from existing Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 4,00,00,000 (Four Crores) Equity Shares Rs. 10/- (Rupees Ten only) each and 1,00,00,000 (One Crore) Preference shares of Rs. 10/- (Rupees Ten only) reclassified to 3,90,00,000 (Three Crores Ninety Lacs ) Equity Shares and 1,10,00,000 (One Crore Ten Lacs) Preference shares of Rs. 10/- (Rupees Ten Only) each by Special Resolution passed at the Extra Ordinary General Meeting held on March 18, 2019.

## 6. Dividend

Your Directors do not recommend for any dividend for the year ended 31<sup>st</sup> March, 2019.

## 7. 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.

For transfer to reserves in terms of section 134(3)(J) of the Companies Act, 2013, for the financial year ended 31<sup>st</sup> March, 2019 your Directors propose to transfer ₹ NIL amount to General Reserve of the company and the amount Rs. (16,14,01,338) of will be transferred to Profit & Loss account.

## 8. 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, 2019.

## 9. 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.

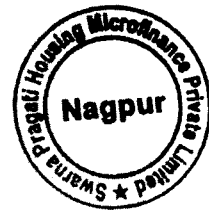
Details of Investment made by the Company are set out in Note 15 to the Financial Statements forming part of this report.

## 10. Credit Rating

CARE has given grading of your Company on March 5, 2019 which is CARE BBB- (Triple B Minus; Outlook: Negative)

## 11. Board of Directors

During the year under review, Mr. Rajkumar Singh resigned from directorship w.e.f. 28.04.2018. The Present Composition of the Board as on 31<sup>st</sup> March, 2019.



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.	Anuradha Ramachandran	A 804, Oberoi Splendor, JVLR, Andheri (E), Mumbai - 400060	Nominee Director	10/12/2015
3.	Sushma Kaushik	B82 Brookhaven Apt, JVLR, Jogeshwari East Mumbai - 400060, Maharashtra	Nominee Director	19/09/2016
4.	Abhijeet Kudva	C 203, Transresidency 1, Subhash Nagar, SEEPZ, Near Floral Deck Plaza, Andheri East, Mumbai - 400093	Director	19/12/2018

\* Ms. Sushma Kaushik has stepped down from directorship w.e.f. May 13, 2019.

#### 12. 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, Chief Executive Officer of the Company.
2. Mohammad Sameer Siddiqui, Chief Financial Officer of the Company

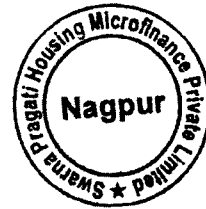
During the year under review Ms. Lakshmi Raghupathy resigned as Company Secretary of the Company w.e.f. 22.11.2018.

Mr. Amit Biswal has resigned from the office of Chief Executive Officer of the Company, Board of Directors relieved him from services w.e.f. May 31, 2019.

#### 13. Details of Board meetings

During the year, 4 (four) number of Board meetings were held, details of which are given below-

Sr. No.	Dates of the meeting
1	26.06.2018
2	29.09.2018
3	06.12.2018
4	12.03.2019



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#### **14. Committees of the Board**

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

- a. Audit Committee
- b. Risk Management Committee
- c. 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** - During the year the Audit Committee had met on 26.06.2018, 29.09.2018, 06.12.2018, 28.03.2019

**b. Risk Management Committee** - During the year the Risk Management Committee had met on 29.09.2018 and 28.03.2019.

**c. Asset Liability Committee** -During the year the Asset Liability Committee had met on 26.06.2018, 29.09.2018, 06.12.2018, 28.03.2019

**d. Debt-Approval Committee** -During the year the Debt-Approval Committee had met on 28.09.2018.

**e. Nomination & Remuneration Committee** - During the year the Nomination & Remuneration Committee had met on 26.06.2018 and 29.09.2018.

#### **15. Compliance with Secretarial Standards**

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

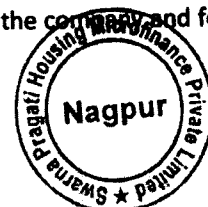
#### **16. Directors' Responsibility Statement**

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

(a) in the preparation of the annual accounts, the applicable accounting standards 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.

#### **17. 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 9<sup>th</sup> Annual General Meeting (AGM) of the shareholders held on 28<sup>th</sup> September, 2018 to hold office till the conclusion of 13<sup>th</sup> 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 report of the Statutory Auditors along with notes to Schedules is enclosed to this report.

#### **18. Auditors' Report**

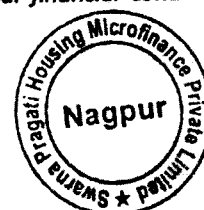
The Statutory Auditors in their report have expressed a qualified opinion which is reproduced hereinunder:

*"According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these financial statements as at March 31, 2019:*

*The Company's internal financial controls over system change management were not operating effectively on account of certain instances of lack of segregation of duties and adequate review controls to monitor system changes. Further, the Company's internal financial controls over user access management were not operating effectively as observed in certain instances of delays in deactivating users with access to information systems. We believe that such material weakness in the internal financial controls over information systems could result in material misstatement in the Company's financial statement balances and presentation and disclosure of financial statements.*

*A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.*

*In our opinion, except for the above, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2019."*



BY

The Audit Committee of the Board has considered the qualified opinion of the Auditors, sought responses from the Management and deliberated on practical solutions to address the matters raised. The Management will take steps to further strengthen their Change Management process with regard to segregation of developer and deployer functions for change management. With regards to the synchronization of the access control with the date of exit of employees, this is practically difficult to implement due to the dispersed nature of the Company's operations and the time lag between an employee's exit from the Company and the access being blocked. Further strengthening of the internal audit on this issue and the blocking of access after a period of inactivity, will ensure that the possibility of mishandling of outgoing users, if any will be identified quickly and addressed. The Board took note that despite this lack of synchronization, no instance of misstatement of financial transactions or statements was reported during the financial year.

A detailed report on the Change Management Process followed by the Company by Mr. Sanku Lahiri – Head (IT) has been attached to this report as Annexure 4.

#### **19. Risk Management Policy & Internal Control Adequacy**

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

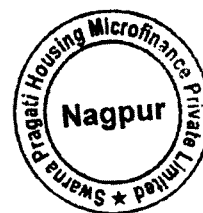
The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Significant audit observations and follow up actions thereon are reported to the Board. The Board of Directors reviews adequacy and effectiveness of the Company's Internal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

#### **20. 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.

#### **21. Related party transactions**

All contracts or arrangements with related parties, entered into or modified during the financial year, were on an arm's length basis and in the ordinary course of business. No material contracts or arrangements with related parties were entered into during the year under review. Further, the prescribed details of related party transactions of the Company in Form No. AOC-2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the Annexure to this Report. (Annexure 2).



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## **22. 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 18-19 are given below.

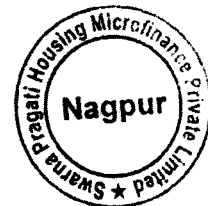
1. Feature for calculating and adjusting Broken Period Interest has been implemented. This has significantly reduced the cost and TAT for collection of Broken Period Interest.
2. Feature has been implemented for pre-disbursal and post-disbursal checklist and validations.
3. Platform for capturing all records and documents of HR master has been implemented.
4. Managing leave and attendance records for all employees of the Company is now done in METIS platform only.
5. A separate dedicated module for Branch audit has been developed and implemented.
6. Capturing legal notices and generating different types of SOA depending on the legal cases are now done through METIS.
7. Provision was created to accept collections on Written Off accounts along with the applications of related accounting entries.
8. Recording and maintenance of Fixed Asset register has been implemented.

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 : NIL  
Capitalized in FY 17-18 : Rs.158,68,929/-

### **(c) Foreign Exchange Inflow and Outflow**

Foreign Exchange Inflow: Nil  
Foreign Exchange Outflow: Nil



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

There were no such reporting by the auditor under Section 143 (12) of the Companies Act, 2013 during the year under review and hence the said provision is not applicable. The Notes on financial statements are self-explanatory, and needs no further explanation.

**24. 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.

**25. 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

**26. Employee Stock Option Plan:**

The Company has Employee Stock Option Plan for its Employees/ Directors. The Company has not provided any grants and there has not been any vesting under the Stock Option Scheme to the Employees/Directors during the year under review.

**27. 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. YourCompany believes in providing a safe and harassment free workplace for every individual and endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

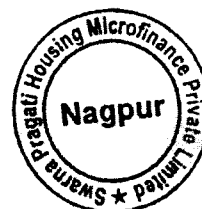
The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No cases of Sexual Harassment were reported during the year under review, pursuant to the Sexual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

**28. 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.

**29. Transfer of unclaimed dividend to investor education and protection fund**

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



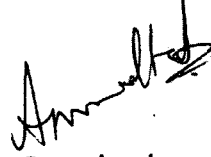
**30. Acknowledgements**

Your Directors place on  
Shareholders, Bankers and Business associates at all levels.

record their gratitude for the continuing support of

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

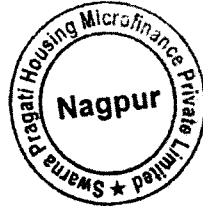
**Date: 03/09/2019  
Place: Bengaluru**



**Anuradha Ramachandran  
Director  
DIN.: 01983108**



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



**Annexure 1**

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March, 2019  
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]

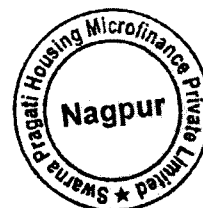
**I. REGISTRATION AND OTHER DETAILS:**

- 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 : Amuthalakshmi Villa, Plot  
and contact details No.20, 2<sup>nd</sup> 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	91.52%



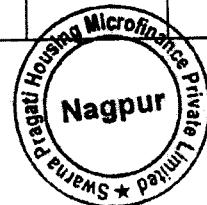
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NA					

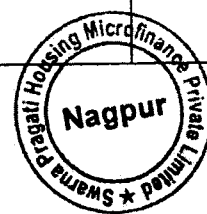
VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/HUF		5791873	5791873	17.11%		5791873	5791873	17.11%	0%
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp*.									
(e) Banks / FI									
(f) Any Other....									
<b>Sub-total (A) (1):-</b>		<b>5791873</b>	<b>5791873</b>	<b>17.11%</b>		<b>5791873</b>	<b>5791873</b>	<b>17.11%</b>	<b>0%</b>
(2) Foreign									
(a) NRIs - Individuals									
(b) Other – Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
<b>Sub-total (A) (2):-</b>		<b>5791873</b>	<b>5791873</b>	<b>17.11%</b>		<b>5791873</b>	<b>5791873</b>	<b>17.11%</b>	<b>0%</b>

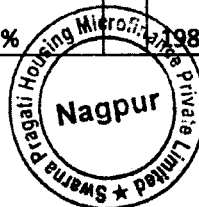


<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>							
<b>B. Public Shareholding</b>  <b>1. Institutions</b> (a) Mutual Funds (b) Banks / FI (c) Central Govt (d) State Govt(s) (e) Venture Capital Funds (f) Insurance Companies (g) FIs (h) Foreign Venture Capital Funds (i) Others (specify) Sub-total (B)(1):-  <b>2. Non-Institutions</b> (a) Bodies Corp. (i) Indian (ii) Overseas (b) Individuals (i) Individual shareholders holding nominal share capital uptoRs. 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								
<b>Others</b>								
Aavishkar Goodwill India Microfinance Development Company II Limited	12085737	12085737	35.70%	12085737	12085737	35.70%	0%	
Aavishkaar Venture Management Services Private Limited	15127	15127	0.04%	15127	15127	0.04%	0%	
Swarna Pragati Welfare Trust*	1480500	14,80,500	4.37%	1480500	14,80,500	4.37%	0%	
Zephyr Peacock India Fund III Limited	9893823	9893823	29.23%	9893823	9893823	29.23%	0%	
ON Mauritius	883804	883804	2.61%	883804	883804	2.61%	0%	
MA Alagappan Holdings Private Limited	6,31,793	6,31,793	1.87%	6,31,793	6,31,793	1.87%	0%	
Prashant Thakker & Reena Thakker	76049	76049	0.22%	76049	76049	0.22%	0%	
Jetu J T Lalvani, Partner, Telfund Finance Company	108222	108222	0.32%	108222	108222	0.32%	0%	
Primarc- I Venture Advisory LLP	198898	198898	0.59%	198898	198898	0.59%	0%	



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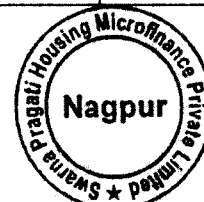
Gaurang Vinod Desai	76049	76049	0.22%	76049	76049	0.22%	0%
Vandana Singla	39487	39487	0.12%	39487	39487	0.12%	0%
Advik Holdings Private Limited	64350	64350	0.19%	64350	64350	0.19%	0%
Polaris Banyan Holding Private Limited	1462416	1462416	4.32%	1462416	1462416	4.32%	0%
Anand Naik	19500	19500	0.06%	19500	19500	0.06%	0%
Vikram Gandhi	584966	584966	1.73%	584966	584966	1.73%	0%
PramodBhasin	438725	438725	1.30%	438725	438725	1.30%	0%
Sub-total (C)	28059446	28059446	82.89%	28059446	28059446	82.89%	0%
Grand Total (A+B+C + others)	33851319	33851319	100%	33851319	33851319	100%	0%

\*The Company had extended loans to Swarna Pragati Employees Welfare Trust ('Trust') for purchase of shares of the Company.

\*\* The Company's paid up share capital includes 4431119 Preference Shares.

**(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	% of Shares	No. of Shares	% of total	% of Shares	



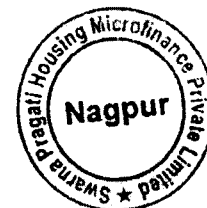
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			Shares of the company	Pledged / encumbered to total shares		Shares of the company	Pledged / encumbered to total shares	
1.	A. Ramesh Kumar	4087482	12.07%	0%	4087482	12.07%	0%	0
2.	Raj Kumar Singh	817495	2.41%	0%	817495	2.41%	0%	0
3.	Sasi Bhusan 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

**(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	17.11%	5791873	17.11%
	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	17.11%	5791873	17.11%

*[Handwritten mark]*

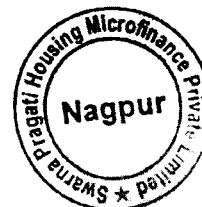


(iv). Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRS and ADRS):

Sl. No. 1  Aavishkaar Goodwell India Microfinance Development Company II 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	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%	12085737	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	29.23%	9893823	29.23%
Changes during the year	NIL		NIL	
At the End of the year ( or on the date of separation, if Separated during the year)	9893823	29.23%	9893823	29.23%

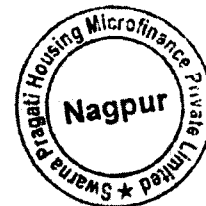
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Sl. No. 3  Swarna Pragati Employees Welfare Trust	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	14,80,500	4.37%	14,80,500	4.37%
Changes during the year	NIL			
At the End of the year ( or on the date of separation, if Separated during the year)	14,80,500	4.37%	14,80,500	4.37%

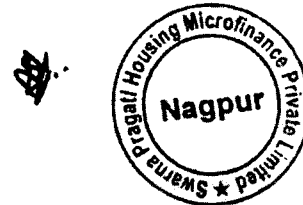
Sl. No. 4  Polaris Banyan Holding Private Limited	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1462416	4.32%	1462416	4.32%
Changes during 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%

BY.



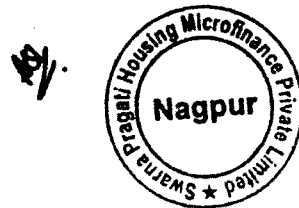
Sl. No. 5  <b>ON Mauritius</b>	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	883804	2.61%	883804	2.61%
Changes during the year	NIL		NIL	
At 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%



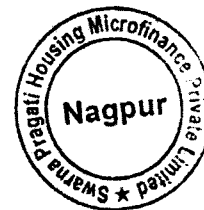
Sl. No. 7 Vikram Gandhi	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	584966	1.73%	584966	1.73%
Changes during the year	NIL		NIL	
At the End 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%	438725	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%	438725	1.30%



Sl. No. 9	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
Jetu J T Lalvani, Partner, Telfund Finance 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	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
Prashant Thakker & Reena Thakker				
At the beginning of the year	76049	0.22%	76049	0.22%
	NIL		NIL	
At the End of the year ( or on the date of separation, if Separated during the year)	76049	0.22%	76049	0.22%





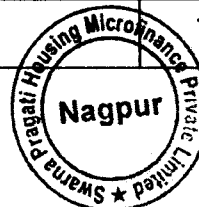
(v). Shareholding of Directors and Key Managerial Personnel: -

Sl. No.	Name	Shareholding at the beginning of the Year (as on 01/04/2018)		Date wise Increase/D decrease in Shareholding during the year specifying the reasons for increase/d decrease	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total shares of the Company
<b>A</b>	<b>Directors</b>					
1.	A. Ramesh Kumar	4087482	12.07%		4087482	12.07%

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	123,74,29,187	-	-	123,74,29,187
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>123,74,29,187</b>		-	<b>123,74,29,187</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	18,00,00,000	-		18,00,00,000
• Reduction	41,95,04,908			41,95,04,908
<b>Net Change</b>	<b>(23,95,04,908)</b>		-	<b>(23,95,04,908)</b>



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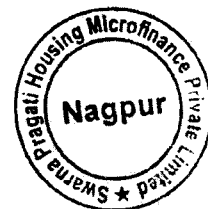
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	99,34,25,498	-	-	99,34,25,498
ii) Interest due but not paid				
iii) Interest accrued but not due	44,98,780			44,98,780
<b>Total (i+ii+iii)</b>	<b>99,79,24,279</b>	-	-	<b>99,79,24,279</b>

**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
1.	Gross salary (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			
2.	Stock Option			
3.	Sweat Equity			
4.	. Commission - as % of profit - others, specify...			
5.	Others, please specify			
	Total (A)			
	Ceiling as per the Act			

C.

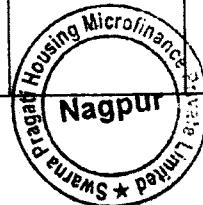


directors:

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					
	Total (1)					
	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)					
	Total Managerial Remuneration					
	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. Amit Ranjan Biswal*	CFO Mr. Mohammad Sammer Siddiqui*	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	57,70,992	32,98,474	4,84,267	95,53,733



*[Handwritten signature]*

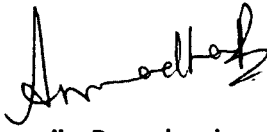
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			-	-
2	Stock Option			-	-
3	Sweat Equity			-	-
4	Commission			-	-
	- as % of profit			-	-
	- others, specify...			-	-
5	Others, please specify			-	-
	<b>Total</b>	<b>57,70,992</b>	<b>32,98,474</b>	<b>4,84,267</b>	<b>95,53,733</b>

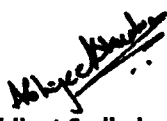
\*Ms. Lakshmi Raghupathy resigned as Company Secretary w.e.f 22.11.2018

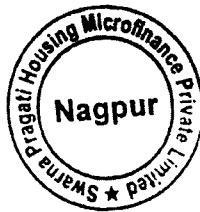
**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

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

**Date: 03/09/2019  
Place: Bengaluru**

  
**Anuradha Ramachandran  
Director  
DIN.: 01983108**

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



**Annexure 2**

**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 : NA

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

Sl. No.	Name(s) of the related party	Nature of relationship

(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

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

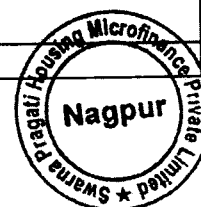
(g) Amount paid as advances, if any:

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

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	A.Ramesh Kumar	Chairman



*[Handwritten signature]*

- (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	A.Ramesh Kumar	Lease Agreement for the Registered office of the Company	As per the agreement	Rs.216000/-

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

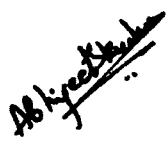
(f) Amount paid as advances, if any : Nil

(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

Date: 03/09/2019  
Place: Bengaluru

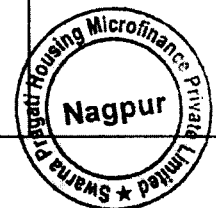
  
Anuradha Ramachandran  
Director  
DIN.: 01983108

  
Abhijeet Sudhakar Kudva  
Director  
DIN.: 03042087

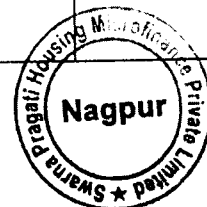


## PARTICULARS OF TOP TEN EMPLOYEE'S REMUNERATION

Sl. No.	Name	Designation	Qualification & Experience	Age	Remuneration received (in Rs.)	Date of Commencement of Employment	Last Employment held before joining the Company
1.	Amit Ranjan Biswal	Chief Executive Officer	B.Sc., MBA He has more than 10 years with excellent analytical skill and leadership experience in operation and Strategic Management	35	57,70,992/-	30/10/2017	Senior VP-Head of Operations at SpandanaSphoorthy Financial Limited
2.	Sameer Siddiqui	Chief Financial Officer & Chief Operating Officer	B.E., MBA, 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.  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	35	32,98,474/-	01/01/2011	Project Manager at Asia Pragati Capfin Private Limited



			piloting innovative models in housing microfinance				
3.	Sanku Lahiri	Vice President - IT	M.Sc Computer & Information Science  He has more than 15 years of experience in the field of Information Technology, majorly in financial domain.	41	23,96,450/-	22/11/2013	Manager IT at Asia Pragati Capfin Private Limited
4.	Govindarajan Kannan	Sr. Vice President - Business	B.com, P.G.D.B.A in Business Administration and M.BA  He has 23yrs+ experience in Sales and Retail Lending Products Like Home loans, Two-wheeler Loans	50	9,54,200/-	31/10/2018	Axis Bank
5.	Prashant Kumar	Vice President-Business	B.sc IT and PGDBM  He has 7+ years of experience in Sales and Business Management.	36	18,21,340/-	30/01/2018	Fullerton India Credit Co. Ltd
6.	Binu Mathew	Vice-President - HR	MBA he has 11 years of experience in HR and Administration	35	11,50,824/-	08/01/2018	Armaan Financial Services.

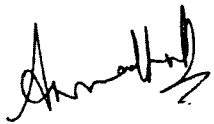


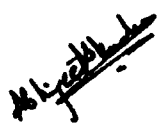


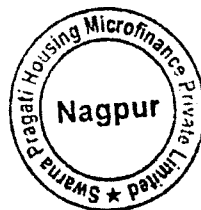
7.	Krusch Antony P.	Vice President-Legal	B.A, LLB and Masters in Business Law. He has 17 + years of Experience.	48	11,59,815/-	28/05/2018	Sakthi Finance Limited & Group of Companies.
8.	Arun Kumar Agarwal	Vice President - Learning and Development	B.com, MBA He has experience of 9 years in Learning and Development.	36	10,68,514/-	26/04/2018	Bajaj Financial Services
9.	Sudhanshu Sekhar	Regional Manager	P.G.D.M He has 9+ years of experience in Housing Finance Industries.	32	13,38,244/-	06/02/2018	His Last assignment was with MSM Microfinance
10.	Meenakshi Dholwani	Sr. Manager Financial Analyst	Chartered Accountant	28	3,30,381/-	03/10/2018	Tata Consultancy Services.

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

Date: 03/09/2019  
Place: Bengaluru

  
Anuradha Ramachandran  
Director  
DIN.: 01983108

  
Abhijeet Sudhakar Kudva  
Director  
DIN.: 03042087



**Change Management Process**

Change Management are broadly divided into two parts,

- a) Change in the front end
- b) Change in the backend / database

➤ **For change management in front end**

There are several tools available in market for change management in front end. Bitbucket is one of them and widely used in the industry. We started using this tool from the last quarter of FY17-18. However, any changes before that were maintained in hard copies. So for the first three quarters of FY17-18 hard copies were produced as the evidences for change management while for the last quarter it was produced by extracting log from the Bitbucket tool. The same was provided to the IT Team of statutory auditor's ('ITGC team').

For FY18-19 each and every change in the front end have been routed through the Bitbucket tool. We have a ticketing system called Freshdesk where users raise their requirement. A developer works on the code against that ticket, submits a change request in Bitbucket tool with reference to the ticket number and Head IT approves the request in the Bitbucket tool. No developer can deploy any change in the production by passing the approval of Head – IT. The same has also been provided to the ITGC team.

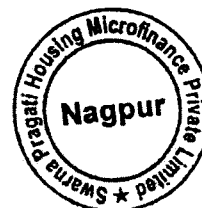
As per the current process which has been adopted since last quarter of 2017-18, even a change of a single character anywhere in the front end code must be recorded in Bitbucket tool and have approval of Head – IT to get deployed in production environment.



➤ **For change management in backend/database**

***There is no tool like Bitbucket is available for the database.*** Changes in the database are done through stored procedures or functions and for the deployment of those no maker-checker facility is available. For FY17-18, we produced hard copy evidences on sample basis as requested by the ITGC team.

In the course of our discussions during the audit with the 'ITGC team' and internal assessment, we started using the ticket numbers from Freshdesk for keeping track of changes in the database. We have manually maintained link between the ticket number through which change was requested and the name of the procedure/function in which the change has been done. Last year (2018) audit started sometime around June and hence from July onwards we started maintaining this record in Excel. The same has been shared with 'ITGC team' as well.



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The ITGC team has raised following observations in the course of their audit for FY 2019 with respect to change management:

- i) Such records are not available for the month of Apr to Jun 2018. We started this practice from July 2018 onwards based on our internal assessment in the course of statutory audit for the financial year 2017-18.
- ii) Tickets are raised by layman users in their own language. Changes are done in the procedures/functions by the developers as per the requirement of system logic. Therefore, it is not possible to directly link the ticket and the procedure by looking into the text in the ticket raised and the name of the procedure.

As far as the Change Management in SwarnaPragati is concerned, the processes have been substantially improved in FY2018-19 compared to the previous FY.



ASZ

**INDEPENDENT AUDITOR'S REPORT****To the Members of Swarna Pragati Housing Microfinance Private Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Swarna Pragati Housing Microfinance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

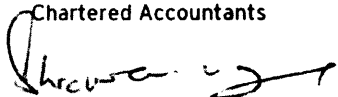
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - 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  
ICAI Firm's Registration Number: 301003E/E300005  
Chartered Accountants



per Shrawan Jalan  
Partner  
Membership Number: 102102  
UDIN: 19102102AAAAYL9846  
Mumbai  
September 3, 2019

**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**

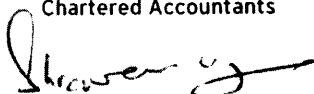
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According 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 and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious. 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, goods and service tax, cess and other material 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, the dues outstanding of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and services tax and cess which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of disputed dues	Amount under dispute (Rs.)	Amount paid (Rs.)*	Period to which the amount relates	Forum where dispute is pending
Income Tax, 1961	Income Tax	26,069,428	5,213,886	FY 2015-16	Commissioner of Income Tax (Appeals)

\*paid under protest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank, debenture holders or government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.
- Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (x) We have been informed that during the year there was an instance of misappropriation of cash by employee of the Company aggregating to Rs. 223,830; As informed, services of the employee have been terminated and the Company is in the process of taking legal action against the employee. The outstanding balance (net of recovery) aggregating Rs. 223,830 has been fully provided in the books of account.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is 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 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has 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 the Act.
- (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  
ICAI Firm's Registration Number: 301003E/E300005  
Chartered Accountants



per Shrawan Jalan  
Partner  
Membership Number: 102102  
UDIN: 19102102AAAAYL9846

Mumbai  
September 3, 2019



Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of Swarna Pragati Housing Microfinance Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**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.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these financial statements as at March 31, 2019:

The Company's internal financial controls over system change management were not operating effectively on account of certain instances of lack of segregation of duties and adequate review controls to monitor system changes. Further, the Company's internal financial controls over user access management were not operating effectively as observed in certain instances of delays in deactivating users with access to information systems. We believe that such material weakness in the internal financial controls over information systems could result in material misstatement in the Company's financial statement balances and presentation and disclosure of financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the above, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2019.

**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(10) of the Act, the financial statements of Swarna Pragati Housing Microfinance Private Limited, which comprise the Balance Sheet as at March 31, 2019, 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. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 financial statements of Swarna Pragati Housing Microfinance Private Limited and this report does not affect our report dated September 3, 2019, which expressed an unqualified opinion on those financial statements.

**For S.R. BATLIBOI & CO. LLP**

ICAI Firm's Registration Number: 301003E/E300005

Chartered Accountants



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 19102102AAAAAYL9846

Mumbai

September 3, 2019

Swarna Pragati Housing Microfinance Private Limited  
Balance Sheet as at March 31, 2019

Sr. No	Particulars	Note No.	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1)	<b>Shareholders' funds</b>			
	(a) Share capital	3	36,80,19,380	36,80,19,380
	(b) Reserves and surplus	4	14,85,33,734	30,92,22,913
			51,65,53,114	67,72,42,293
2)	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	59,75,62,831	82,52,98,287
	(b) Other long-term liabilities	6	41,09,962	15,69,663
	(c) Long-term provisions	7	4,58,55,241	4,60,92,304
			64,75,28,034	87,29,60,455
3)	<b>Current liabilities</b>			
	(a) Trade payables	8		
	Micro Small and Medium Enterprises			
	Others		1,05,82,982	92,86,794
	(b) Other current liabilities	9	41,19,49,437	42,24,96,299
	(c) Short-term provisions	10	54,07,446	48,49,287
			42,79,39,865	43,66,12,380
	<b>TOTAL</b>		<b>1,59,20,21,013</b>	<b>1,98,68,15,126</b>
<b>B</b>	<b>ASSETS</b>			
1)	<b>Non-current assets</b>			
	(a) Fixed Assets			
	(i) Property, Plant and Equipment	11	1,12,72,610	1,05,41,626
	(ii) Intangible assets	11	1,93,02,670	1,54,56,543
	(iii) Capital work in progress		19,15,213	1,77,15,213
			3,24,90,493	4,37,13,382
	(b) Deferred tax assets (net)	12		1,00,37,664
	(c) Long-term loans and advances	13	96,17,41,867	1,09,52,94,178
	(d) Other non-current assets	14	6,57,20,595	8,16,62,734
			1,05,99,52,955	1,23,07,07,958
2)	<b>Current assets</b>			
	(a) Current investments	15	1,05,05,650	8,33,51,093
	(b) Cash and bank balances	16	2,63,60,350	19,28,01,911
	(c) Short-term loans and advances	17	45,78,60,204	43,97,93,161
	(d) Other current assets	18	3,73,41,852	4,01,61,003
			53,20,68,056	75,61,07,169
	<b>TOTAL</b>		<b>1,59,20,21,013</b>	<b>1,98,68,15,126</b>

Summary of significant accounting policies  
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 03, 2019



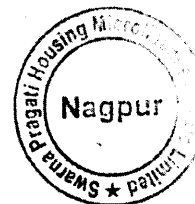
For and on behalf of the Board of Directors of  
Swarna Pragati Housing Microfinance Private Limited

*Abhijeet Sudhakar Kudva*  
Abhijeet Sudhakar Kudva  
Director  
DIN No. 03042087  
Place: Bangalore  
Date: September 03, 2019

*Mohammad Sameer Siddiqui*  
Mohammad Sameer Siddiqui  
Chief Financial Officer  
Place: Nagpur  
Date: September 03, 2019

*Anuradha Ramachandran*  
Anuradha Ramachandran  
Director  
DIN No. 01983108  
Place: Bangalore  
Date: September 03, 2019

*Megha Mohunta*  
Megha Mohunta  
Company Secretary  
Membership No. F 10009  
Place: Nagpur  
Date: September 03, 2019



Swarna Pragati Housing Microfinance Private Limited  
Statement of Profit and Loss for the year ended March 31, 2019

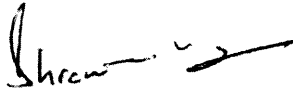
Sr. No	Particulars	Note No.	For the year ended	For the year ended
			March 31, 2019	March 31, 2018
			₹	₹
I	<b>Income</b>			
(a)	Revenue from operations	19	30,16,09,308	33,23,17,246
(b)	Other income	20	1,78,80,943	1,78,62,212
	<b>Total income (I)</b>		<b>31,94,90,251</b>	<b>35,01,79,458</b>
II	<b>Expenses</b>			
(a)	Employee benefits expense	21	11,55,74,310	7,50,19,777
(b)	Finance costs	22	15,65,56,452	17,04,21,231
(c)	Depreciation and amortisation expense	23	1,65,66,412	75,85,385
(d)	Other expenses	24	6,14,32,779	7,34,80,513
(e)	Loan losses and provisions	25	12,07,43,199	2,66,53,571
	<b>Total expenses (II)</b>		<b>47,08,73,152</b>	<b>35,31,80,477</b>
III	<b>Profit / (Loss) before tax (I- II)</b>		<b>(15,13,82,901)</b>	<b>(29,81,019)</b>
IV	<b>Tax expense:</b>			
(a)	Current tax expense		-	51,48,000
(b)	(Excess) provision for tax relating to prior years		(19,227)	-
(c)	Deferred tax (credit)/charge		1,00,37,664	(67,55,860)
	<b>Total Tax expense (IV)</b>		<b>1,00,18,437</b>	<b>(16,07,860)</b>
V	<b>Profit / (Loss) for the year (III-IV)</b>		<b>-16,14,01,338</b>	<b>-13,73,169</b>
VI	<b>Earnings per share (EPS) (nominal value of ₹ 10 each):</b>			
	Basic EPS (Rs. per share)	26	-4.77	-0.04
	Diluted DPS (Rs. per share)	26	-4.77	-0.04

Summary of significant accounting policies

The accompanying notes are an integral part of the Financial Statements

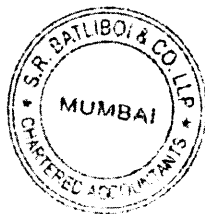
As per our report of even date

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



per Shrawan Jalan  
Partner  
Membership No. 102102

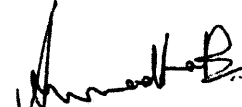
Place: Mumbai  
Date: September 03, 2019



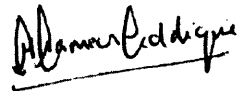
For and on behalf of the Board of Directors of  
Swarna Pragati Housing Microfinance Private Limited



Abhijeet Sudhakar Kudva  
Director  
DIN No. 03042087  
Place: Bangalore  
Date: September 03, 2019



Anuradha Ramachandran  
Director  
DIN No. 01963108  
Place: Bangalore  
Date: September 03, 2019



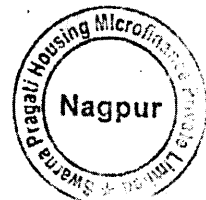
Mohammad Sameer Siddiqui

Chief Financial Officer  
Place: Nagpur  
Date: September 03, 2019



Megha Mohunta

Company Secretary  
Membership No. F 10009  
Place: Nagpur  
Date: September 03, 2019

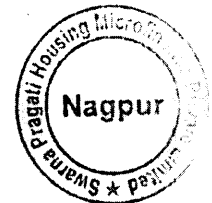


Swarna Pragati Housing Microfinance Private Limited  
Cash Flow Statement for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	₹	₹	₹	₹
<b>A. Cash flow from operating activities</b>				
Profit / (Loss) before tax		(15,13,82,901)		(29,81,019)
<u>Adjustments for:</u>				
Depreciation and amortisation	1,65,66,412		75,85,385	
Loan losses and provision	12,07,43,199		2,68,53,571	
Provision for other doubtful advances	35,62,069		-	
Provision for gratuity				
Provision for compensated absences				
Interest on deposits	(53,88,822)		(71,61,502)	
Employee stock options expense	7,12,160		2,725	
Dividend on mutual funds	-		(60,55,673)	
Profit on redemption of mutual fund	(71,54,557)		(7,56,719)	
Loss on sale of property, plant and equipment			20,668	
		12,80,40,489		2,02,85,454
Operating profit before working capital changes		(2,23,42,412)		1,73,04,435
<u>Changes in working capital</u>				
<u>Adjusted for (increase) / decrease in assets</u>				
Loans and advances	(26,27,429)		6,77,16,128	
Other assets	1,58,50,736		(29,37,189)	
<u>Adjusted for increase / (decrease) in liabilities</u>				
Trade payables	13,11,138		18,74,836	
Other liabilities	13,48,884		(54,86,423)	
Provisions	(3,60,064)		25,89,811	
		1,55,23,268		6,37,57,161
Cash used in operations		(68,19,146)		8,10,61,597
Net income tax (paid)		(54,85,442)		(39,46,011)
Net cash flow (used in) operating activities (A)		(1,28,04,688)		7,71,16,686
<b>B. Cash flow from investing activities</b>				
Purchase of property, plant and equipment and purchase of Intangible assets		(53,45,249)		(1,50,95,541)
Sale of property, plant and equipment		-		50,000
Interest on deposits		82,99,376		41,26,239
Purchase of investments in mutual fund		(35,50,00,000)		(26,47,36,857)
Dividend from mutual fund		-		60,55,673
Sale of investment in mutual funds		43,50,00,000		40,15,81,184
Net cash flow (used in) / from investing activities (B)		8,28,64,127		13,18,80,686



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<b>C. Cash flow from financing activities</b>			
Proceeds from long term borrowings		18,00,00,000	35,50,00,000
Repayment of long term borrowings		(41,70,91,103)	(47,19,31,835)
Net cash flow from financing activities (C)		(23,70,91,103)	(11,69,31,835)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		(16,64,41,564)	9,21,64,449
Cash and cash equivalents at the beginning of the year		18,98,01,911	9,76,37,464
<b>Cash and bank balances at the end of the year (refer note 16)</b>		<b>2,33,60,350</b>	<b>18,98,01,911</b>


**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.

As per our report of even date

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

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



per Shrawan Jalan  
Partner  
Membership No. 102102

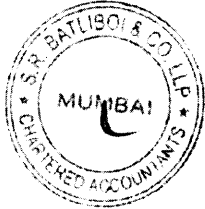
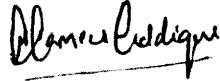
Place: Mumbai  
Date : September 03, 2019



Abhijeet Sudhakar Kudva  
Director  
DIN No. 03042067  
Place: Bangalore  
Date : September 03, 2019



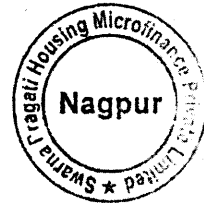
Anuradha Ramachandran  
Director  
DIN No. 01983108  
Place: Bangalore  
Date : September 03, 2019

Mohammad Sameer Siddiqui  
Chief Financial Officer  
Place: Nagpur  
Date : September 03, 2019



Megha Mohunta  
Company Secretary  
Membership No. F 10009  
Place: Nagpur  
Date : September 03, 2019



1 Corporate Information  
Swarna Pragati Housing Microfinance Private Limited (the Company) was incorporated in India on January 05, 2009 to provide housing finance in respect of new house / habitat and upgradation and repairs/ renovations of existing shelters by way of productive housing in Indian rural areas. The Company is registered as a housing finance company without accepting public deposits registered with National Housing Bank (NHB) with effect from August 31, 2009 having registration no. 08.0075.09

2 Basis of preparation of financial statements  
The financial statements have been prepared in conformity with generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 (the 'Act') read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, The National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions, 2010 (as amended) (the NHB Directions) issued by NHB from time to time. The financial statements have been prepared on an accrual basis and under the historical cost convention except as detailed in note no. 2.1(f). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

(a) Current/ Non Current classification of assets and liabilities

As required by Schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Since 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 GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a written down value basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the 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.

(e) Depreciation on Property, plant and equipment/ Amortisation of Intangible asset

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The Company has used the following rates to provide depreciation on its fixed assets.

Particulars	Useful lives estimated by the Management (As specified in Schedule II of Companies Act, 2013)
Computers, Servers	6 years
Computers: other than servers	3 years
Office Equipment	5 years
Furniture & Fixtures	10 years
Plant & Machinery	15 years
Vehicles	5 years
Computer Software	5 years

(f) Loans to borrowers

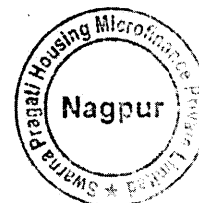
Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date.

(g) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investment are carried in the financial statements at lower of cost and fair value except for investment in mutual funds which are carried at their Net asset value declared by the mutual fund in accordance with the NHB Master Directions.



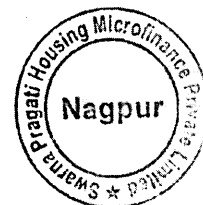
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- (h) **Revenue recognition**  
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (a) **Interest Income**  
Interest income on loans is recognized by applying interest rate implicit in the contract. In case of non-performing assets, interest income is recognized on receipt basis in accordance with the NHB directions.
- (b) **Income from assignment**  
Income on retained interest in the assigned asset, if any, is accounted on an accrual basis, except in case of non-performing assets wherein interest income is recognized on receipt basis in
- (c) **Processing fee income**  
Processing fee income on loan is recognized as income in the year in which the loan is disbursed to the borrowers.
- (d) **Profit/Loss on sale of investments**  
Profit/loss earned on sale of investments is recognized on trade date basis. Profit or loss on sale of investments is determined on the basis of the weighted average cost method. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.
- (i) **Retirement and other employee benefits**
- Defined contribution plans**  
In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). Company's contribution to Provident Fund is charged as an expense in the Statement of Profit and Loss.
- Leave benefits**  
Compensated absences with respect to leave encashment benefits payable to employees of the Company while in service, on retirement, death while in service or on termination of employment with respect to accumulated leaves outstanding at the year end are accounted for on the basis of an actuarial valuation as at the balance sheet date.
- Defined benefit plans**  
Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss. The expected return on plan assets is based on the assumed rate of return of such assets.
- (j) **Leases**
- Operating Lease**  
Where the Company is lessee  
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the tenure of the lease.
- (k) **Taxes on income**
- Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
- Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.
- Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.
- (l) **Earnings per Share**
- Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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.



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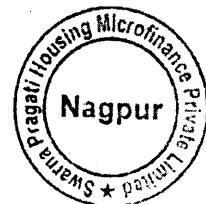




- (m) **Impairment of assets**  
The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable 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) **Expenses on issue of securities**  
Expenses incurred with respect to issuance of securities are debited to securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013.
- (p) **Borrowing costs**  
Borrowing costs consists of interest and other ancillary cost that an entity incurs in connection with borrowing of funds. Ancillary costs incurred in connection such borrowings are amortised on a straight line basis over the tenure of such borrowings.
- (q) **Employee share based payments**  
In case of stock option plan, measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock option using the fair value method. Compensation expense is amortised over the vesting period of the option on the straight line basis.
- (r) **Asset classification of loans under financing activity**  
Loan accounts are classified into various categories in accordance with the NHB Directions.
- (s) (i) **Provisioning norms for loans under financing activity**  
Contingent provision for standard assets and provision for doubtful debts is determined based on management estimates subject to minimum requirements stipulated in the NHB directions.  
(ii) **Write off**  
Loans are written off by the Company based upon management's estimate of ultimate recovery (net of recoveries, if any made during the year).
- (t) **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
- (u) **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.
- (v) **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, 2019	March 31, 2018
	₹	₹
(a) <b>Authorised</b>		
*3,90,00,000 Equity shares [March 31, 2018: 4,00,00,000] of ₹ 10 each	39,00,00,000	40,00,00,000
*1,10,00,000 Preference shares [March 31, 2018: 1,00,00,000] of ₹ 10 each	11,00,00,000	10,00,00,000
	<u>50,00,00,000</u>	<u>50,00,00,000</u>
(b) <b>Issued, subscribed and fully paid up:</b>		
3,38,51,319 Equity shares [March 31, 2018: 3,38,51,319 Shares] of ₹ 10 each	33,85,13,190	33,85,13,190
44,31,119 Preference shares [March 31, 2018: 44,31,119] of ₹ 10 each	4,43,11,190	4,43,11,190
Less: 14,80,500 Equity shares [March 31, 2018: 14,80,500] of ₹ 10 each held in Trust for employees under ESOP Scheme#	-1,48,05,000	-1,48,05,000
<b>Total</b>	<u>36,80,19,380</u>	<u>36,80,19,380</u>

\*The company has vide its EGM resolution dated March 18, 2019 modified its authorised capital from 4,00,00,000 Equity shares to 3,90,00,000 equity shares and from 1,00,00,000 Preference shares to 1,10,00,000 preference shares

#Represents loan given to ESOP trust for subscription of shares of the Company in accordance with the ESOP scheme

(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, 2019		March 31, 2018	
	No. of Shares held	₹	No. of Shares held	₹
<b>Equity shares</b>				
Balance at the beginning of the year	3,38,51,319	33,85,13,190	3,38,51,319	33,85,13,190
Add: Shares issued during the year				
<b>Balance at the end of the year</b>	<u>3,38,51,319</u>	<u>33,85,13,190</u>	<u>3,38,51,319</u>	<u>33,85,13,190</u>
<b>0.001% Compulsory Convertible Preference Shares</b>				
Balance at the beginning of the year	44,31,119	4,43,11,190	44,31,119	4,43,11,190
Add: Shares issued during the year				
Less: Conversion into Equity Shares				
<b>Balance at the end of the year</b>	<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 Rs 10 per share. Each holder of Equity shares is entitled to one vote per share. The dividend, if any, is

**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

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

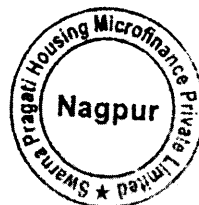
b) if required by the applicable law, on the occurrence of a Qualified IPO, as defined in the Share Holders Agreement, effective on the latest date prior to the Qualified IPO as

c) upon the occurrence of a Liquidation Event

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



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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, 2019		As at March 31, 2018	
	No. of Shares held	%	No. of Shares held	%
<b>Equity shares</b>				
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. Swama Pragati Employees Welfare Trust	14,80,500	4.37%	14,80,500	4.37%
5. Polaris Banyan Holding Private Limited	14,62,416	4.32%	14,62,416	4.32%
<b>0.001% Compulsory Convertible Preference Shares</b>				
1. Omdiyar 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%
3. Aavishkaar Goodwill India Microfinance Development	-	-	-	-

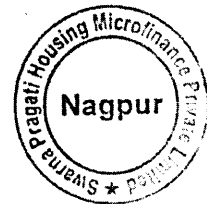
Particulars	As at	As at
	March 31, 2019	March 31, 2018
(v) Securities convertible into equity shares	44,31,119	44,31,119
(vi) Shares reserved for issue under Employee Stock Option Scheme (Refer note 33)	14,80,500	14,80,500
(vii) Aggregate number of shares issued for a consideration other than cash during the period of five years immediately	Nil	Nil

4. RESERVES AND SURPLUS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) <b>Securities Premium Account</b>		
Opening balance	28,29,85,132	28,29,74,017
Add: Received during the year	-	11,115
Closing balance	<u>28,29,85,132</u>	<u>28,29,85,132</u>
(b) <b>Statutory Reserve (Under Section 29C of the National Housing Bank Act, 1987)</b>		
Opening balance	55,45,397	55,45,397
Addition during the year	-	-
Appropriation during the year	-	-
Closing balance	<u>55,45,397</u>	<u>55,45,397</u>
(c) <b>General Reserve</b>		
Opening balance	11,115	-
Add: Transferred from Share options outstanding account	-	11,115
Closing balance	<u>11,115</u>	<u>11,115.00</u>
(d) <b>Share options outstanding account</b>		
Opening balance	2,725	22,230
Add: Cost amortised during the year	7,12,160	2,725
Less: Transferred to General Reserve on lapse of options	-	11,115
Less: Transferred to Securities Premium Account	-	11,115
Closing balance	<u>7,14,885</u>	<u>2,725</u>
(e) <b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	2,06,78,544	2,20,51,703
Add: Profit / (loss) for the year	(16,14,01,338)	(13,73,159)
Less: Transferred to Statutory Reserve as per Section 29C of NHB Act	0	0
Closing balance	<u>-14,07,22,795</u>	<u>2,06,78,544</u>
<b>Total</b>	<u>14,85,33,734</u>	<u>30,92,22,813</u>



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5. LONG-TERM BORROWINGS

Particulars	Non Current Portion		Current Maturities*	
	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Secured Term loans				
- Banks	17,37,79,275	26,81,39,187	10,52,64,000	12,71,02,758
- Others	42,37,83,556	55,71,59,100	29,05,98,668	27,81,15,557
	<b>59,75,62,831</b>	<b>82,52,98,287</b>	<b>39,58,62,668</b>	<b>40,52,18,315</b>

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

a. Security details for Secured Term loans

1. Term loans of ₹ 99,34,25,499 (Previous year: ₹ 1,23,05,16,602) is secured by way of Exclusive first charge on portfolio of receivable as accepted to the lender of the Company.
2. Term loans of ₹ 29,94,79,171 (Previous year: ₹ 50,76,41,735) is secured additionally by cash collateral from financial institutions amounting to ₹ 2,93,75,000 (Previous year: ₹ 3,72,88,308).

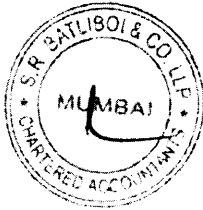
b. Terms of repayment:

Term loans from Banks and Others-Secured  
As at March 31, 2019

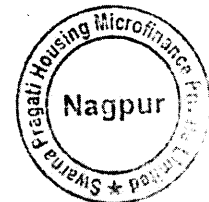
Tenure	Rate of Interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months				
36-48 months	12.60% to 13.95%	Monthly and quarterly	19,52,19,060	7,01,18,547
24-36 months	12.80% to 14.05%	Monthly and quarterly	31,81,05,127	18,30,99,284
12-24 months	14.25% to 15%	Monthly	8,62,38,645	14,26,44,827
<b>Grand Total</b>			<b>59,75,62,831</b>	<b>39,58,62,668</b>

As at March 31, 2018

Tenure	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	14,11,93,856
24-36 months	14% and 14.50%	Monthly	23,47,51,829	12,96,78,717
Up to 12 months	13.25% to 13.90%	Monthly and quarterly	-	5,44,93,751
<b>Grand Total</b>			<b>82,52,98,287</b>	<b>40,52,18,315</b>



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Swarna Pragati Housing Microfinance Private Limited  
Notes to the financial statements for the year ended March 31, 2019

6. OTHER LONG-TERM LIABILITIES

Particulars	As at	As at March 31, 2018
	March 31, 2019	
	₹	₹
Retention commission payable to business associates	41,09,962	15,40,156
Rent equalisation	0	29,707
<b>Total</b>	<b>41,09,962</b>	<b>15,69,863</b>

7. LONG-TERM PROVISIONS

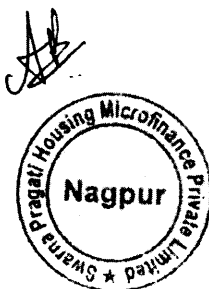
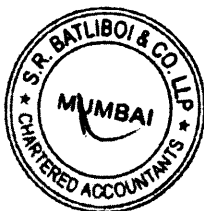
Particulars	As at	As at March 31, 2018
	March 31, 2019	
	₹	₹
<b>Provision for standard assets</b>		
Housing Loans	27,02,522	31,29,217
Loan Against Property	5,51,928	4,58,934
Sanitation	252	4,357
Income Generating Loans	174	148
<b>Provision for doubtful loans</b>		
Housing Loans	3,79,49,807	4,12,01,230
Loan Against Property	9,84,889	3,04,950
Sanitation	34,260	88,771
Income Generating Loans	69,312	20,928
<b>Other Provisions</b>		
Provision for doubtful advances	35,62,099	8,85,770
<b>Total</b>	<b>4,58,55,241</b>	<b>4,60,92,304</b>

8 TRADE PAYABLES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
<b>Trade payables:</b>		
To Micro, Small and Medium Enterprises (Refer note below)	-	-
Others	1,05,82,982	92,66,794
<b>Total</b>	<b>1,05,82,982</b>	<b>92,66,794</b>

\* 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, 2019. 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.



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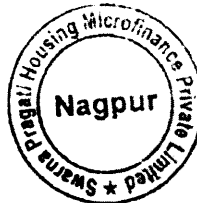
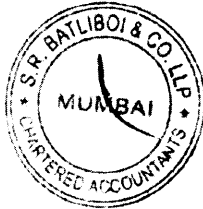
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**9 OTHER CURRENT LIABILITIES**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
Current maturities of long term borrowings [Refer Note 5 above]	39,58,62,668	40,52,18,315
Interest accrued but not due on term loans	44,98,780	69,12,565
Rent equalisation	29,707	41,111
Payable to Employees	21,53,999	31,57,395
Excess Money Received from borrowers	33,87,001	27,65,577
Statutory dues	58,94,956	28,76,318
Other liabilities	1,22,326	15,24,998
<b>Total</b>	<b>41,19,49,437</b>	<b>42,24,96,299</b>

**10 SHORT-TERM PROVISIONS**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
<b>Provision for standard assets</b>		
Housing Loans	16,08,904	15,76,914
Loan Against Property	1,75,766	1,16,487
Sanitation	6,030	64,932
Income Generating Loans	306	222
<b>Provision for employee benefits:</b>		
Provision for compensated absences	36,16,440	30,90,733
(ii) Provision for gratuity [Refer Note 29]	-	-
<b>Total</b>	<b>54,07,446</b>	<b>48,49,287</b>



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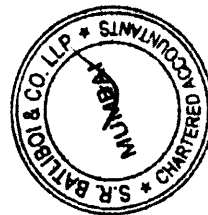
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Svama Pragati Housing Microfinance Private Limited  
Notes forming part of the financial statements

11. Fixed assets

Particulars	Gross block				Accumulated depreciation and impairment				Net Block	
	Balance as at April 01, 2018	Additions	Disposals	Balance as at Mar. 31, 2019	Balance as at April 01, 2018	Depreciation / amortisation expense for the year	Deduction during the year	Balance as at Mar. 31, 2019	As at Mar 31, 2019	As at March 31, 2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>A. Property, plant and equipment</b>										
(a) Furniture and Fixtures (Previous Year)	82,16,121 (86,36,562)	28,12,686 (16,61,806)	- (84,250)	1,10,28,616 (82,16,121)	34,34,399 (20,62,770)	18,98,488 (13,93,635)	(22,226)	50,92,705 (34,34,399)	59,36,114 (47,81,722)	47,81,722 (45,75,782)
(b) Office Equipment (Previous Year)	32,85,075 (28,86,801)	6,86,400 (4,16,172)	(17,998)	39,71,475 (32,85,075)	22,55,383 (14,22,663)	5,92,274 (6,42,094)	(9,364)	28,37,667 (22,55,393)	11,33,806 (10,29,882)	10,29,882 (14,64,248)
(c) Computers (Previous Year)	82,43,288 (82,62,283)	17,75,497 (9,81,006)	-	1,10,18,785 (92,43,289)	70,19,088 (44,20,725)	18,43,726 (25,98,343)	-	98,62,787 (70,19,088)	21,55,988 (22,24,221)	22,24,228 (38,41,598)
(d) Plant & Machinery (Previous Year)	36,78,124 (36,78,124)	-	-	36,78,124 (36,78,124)	11,86,863 (6,37,695)	4,51,688 (6,51,166)	-	16,40,541 (11,86,863)	20,37,583 (24,89,271)	24,89,271 (30,40,438)
(e) Vehicles (Previous Year)	34,500	-	-	34,500 (34,500)	17,789 (3,854)	7,823 (13,253)	-	25,392 (17,789)	9,108 (18,731)	16,739 (30,988)
<b>Sub total</b>	<b>2,44,57,104 (2,14,65,870)</b>	<b>62,74,894 (30,88,986)</b>	<b>- (1,02,248)</b>	<b>2,87,51,783 (2,44,22,498)</b>	<b>1,39,19,492 (85,47,697)</b>	<b>45,43,619 (83,99,335)</b>	<b>- (31,580)</b>	<b>1,84,86,992 (1,39,19,492)</b>	<b>1,32,72,618 (1,09,41,627)</b>	<b>1,84,86,992 (1,29,53,799)</b>
<b>B. Intangible Assets</b>										
(f) Computer Software (Previous Year)	1,97,26,992 (82,13,283)	1,58,68,929 (1,35,13,729)	-	3,55,95,921 (1,97,26,992)	42,70,449 (20,64,460)	1,20,22,802 (21,05,969)	-	1,82,93,251 (42,70,449)	1,93,02,670 (1,54,56,543)	1,54,56,540 (41,21,988)
<b>Total (A+B)</b>	<b>4,41,64,101 (2,79,79,133)</b>	<b>2,11,43,523 (1,85,72,719)</b>	<b>- (1,02,248)</b>	<b>6,33,27,624 (4,41,84,101)</b>	<b>1,81,89,931 (1,06,35,137)</b>	<b>1,65,66,412 (75,99,265)</b>	<b>- (31,580)</b>	<b>3,47,52,343 (1,81,89,931)</b>	<b>3,89,74,308 (2,99,93,178)</b>	<b>2,89,81,328 (1,70,81,999)</b>



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**12 DEFERRED TAX ASSETS / (LIABILITY)**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
<b>Tax effect of items constituting deferred tax assets</b>		
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for standard assets	-	14,88,150
Provision for doubtful loan & advances	-	1,18,23,958
Provision for gratuity and other employee benefits	-	11,16,793
Disallowances under Section 43B of the Income Tax Act, 1961	-	
On difference between book balance and tax balance of fixed assets	-	8,52,827
Unamortised processing fees	-	
		<u>1,52,81,728</u>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Special Reserve	-	15,42,729
Unamortised LOC	-	
Unamortised borrowing cost	-	37,01,335
		<u>52,44,064</u>
		<u>1,00,37,664</u>
<b>Net deferred tax asset</b>	<b>-</b>	<b>1,00,37,664</b>
The Company has derecognised deferred tax asset (net) during the year in absence of virtual certainty of earning sufficient future taxable profits.		

**13 LONG-TERM LOANS AND ADVANCES**

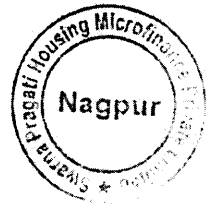
Particulars	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
<b>Secured, considered good*</b>		
Loans and advances relating to financing activity		
Housing loans	67,56,30,402	78,23,03,821
Loan against Property	13,79,81,881	11,42,33,546
<b>Secured, considered doubtful**</b>		
Loans and advances relating to financing activity		
Housing loans	12,30,88,467	18,28,10,479
Loan against Property	58,90,730	20,33,001
<b>Unsecured, considered good*</b>		
Loans and advances relating to financing activity		
Sanitation	63,039	10,89,295
Income Generating Loans	43,437	36,995
Capital advances	2,201	2,201
Security deposits	6,24,170	15,26,270
Advances recoverable in cash or in kind or for value to be received*	35,70,863	38,80,192
Advance income tax (net of provisions)	1,13,73,262	58,61,820
<b>Unsecured, considered doubtful**</b>		
Loans and advances relating to financing activity		
Income Generating Loans	75,482	5,46,592
Sanitation	1,40,329	84,197
Advances recoverable in cash or in kind or for value to be received*	32,57,804	8,85,770
<b>Total</b>	<b>96,17,41,867</b>	<b>1,09,52,94,178</b>

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

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



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14 OTHER NON-CURRENT ASSETS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
Unamortised borrowing costs	57,20,595	91,62,734
Deposits with financial institutions**	2,00,00,000	2,75,00,000
Deposits with banks (Refer note 16)	4,00,00,000	4,50,00,000
<b>Total</b>	<b>6,57,20,595</b>	<b>8,16,62,734</b>

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

15 CURRENT INVESTMENTS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
- UTI Liquid Cash Plan - Institutional - Direct Plan 3432.389 units (Previous year - 29,296.379 units)	1,05,05,650	8,33,51,093
<b>Total</b>	<b>1,05,05,650</b>	<b>8,33,51,093</b>
Aggregate value of unquoted investments	1,05,05,650	8,33,51,093
Aggregate net asset value (NAV) of unquoted investments	1,05,05,650	8,33,51,093

16 CASH AND BANK BALANCES

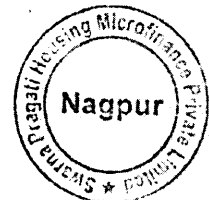
Particulars	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
<b>Cash and Bank Balances</b>		
Cash on hand	23,35,293	8,94,075
Balances with banks		
(i) In current accounts	2,10,25,057	18,10,74,124
(ii) In deposit accounts having original maturity less than three months*	0	78,33,712
	2,33,60,350	18,98,01,911
<b>Other Bank Balances</b>		
Deposit with original maturity for more than three months but less than twelve months #	30,00,000	30,00,000
<b>Total</b>	<b>2,63,60,350</b>	<b>19,28,01,911</b>
Amount disclosed under non-current assets (Refer note no. 14) #	4,00,00,000	4,50,00,000

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

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



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

**17 SHORT-TERM LOANS AND ADVANCES**

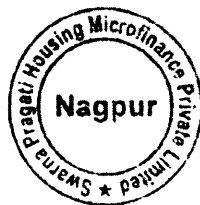
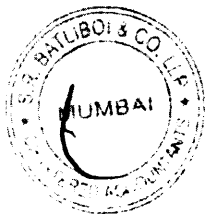
Particulars	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
<b>Secured, considered good*</b>		
Loans and advances relating to financing activity		
Housing loans	38,97,29,797	38,13,23,801
Loan against Property	4,13,35,301	2,72,58,878
<b>Unsecured, considered good*</b>		
Loans and advances relating to financing activity		
Sanitation	14,90,224	1,60,36,193
Income Generating Loans	75,535	54,288
Security deposits	20,84,100	10,29,180
Advances recoverable in cash or in kind or for value to be received	2,31,45,247	1,40,90,821
<b>Total</b>	<b>46,78,60,204</b>	<b>43,97,93,181</b>

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

**18 OTHER CURRENT ASSETS**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
Interest accrued on deposits with banks and financial institutions	83,54,895	1,12,85,449
Interest accrued on loans and advances under financing activities	1,51,20,545	1,49,85,399
Unamortised borrowing costs	44,91,412	41,41,847
Deposits with financial institutions**	93,75,000	97,88,308
<b>Total</b>	<b>3,73,41,852</b>	<b>4,01,61,003</b>

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



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

19 REVENUE FROM OPERATIONS

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	₹	₹
Financing activity		
Interest Income	29,05,04,460	32,35,13,777
Processing fee income on loans	92,25,240	54,05,390
Other operating revenue		
Income from asset assignment	18,79,608	33,98,079
<b>Total</b>	<b>30,16,09,308</b>	<b>33,23,17,246</b>

20 OTHER INCOME

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	₹	₹
Interest on fixed deposits	53,88,822	71,61,502
Interest on delayed collection of deposit from business associates	28,40,989	32,38,888
Dividend income from mutual fund	-	60,55,673
Profit on redemption of mutual fund	71,54,557	7,59,719
Interest on Income Tax Refund	3,00,830	2,15,430
Miscellaneous income	21,95,745	4,31,000
<b>Total</b>	<b>1,78,80,943</b>	<b>1,78,62,212</b>

21 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	₹	₹
Salaries and wages	10,43,65,553	6,83,66,309
Contributions to provident fund	71,39,606	40,46,472
Gratuity (Refer Note 29)	5,14,835	-6,39,717
Staff welfare expenses	28,42,356	32,46,713
Stock option cost (refer note 33)	7,12,160	-
<b>Total</b>	<b>11,56,74,310</b>	<b>7,50,19,777</b>

22 FINANCE COSTS

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	₹	₹
Interest expense	15,04,00,183	16,63,50,088
Ancillary borrowing costs	61,56,269	40,71,143
<b>Total</b>	<b>15,65,56,452</b>	<b>17,04,21,231</b>

23 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	₹	₹
Depreciation on property, plant and equipment (Refer Note 11)	45,43,610	53,99,396
Amortisation of intangible Assets (Refer Note 11)	1,20,22,802	21,85,989
<b>Total</b>	<b>1,65,66,412</b>	<b>75,85,385</b>

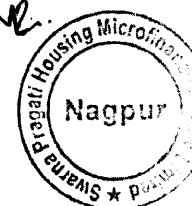


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Swarna Pragati Housing Microfinance Private Limited  
Notes forming part of the financial statements

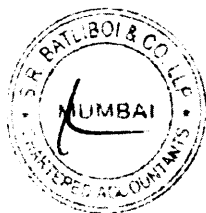
24 OTHER EXPENSES

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	₹	₹
Rent expenses [Refer Note 31]	79,70,271	68,90,688
Repairs & Maintenance		
Building	9,580	10,09,840
Others	12,91,241	14,62,463
Rates & Taxes	38,75,928	41,98,601
Travelling & Conveyance	1,52,29,193	1,50,83,384
Printing & stationery	10,81,501	11,95,816
Communication expenses	13,62,688	26,28,749
Business promotion expenses	5,62,123	8,60,974
Electricity & water charges	10,95,110	11,70,499
Commission to business associates	1,44,20,261	2,34,60,381
Legal & Professional charges	23,71,867	98,45,235
Auditors Remuneration		
- as auditor	13,00,000	29,00,000
- for Certification	2,80,000	4,00,000
- for reimbursement of expenses	11,000	1,04,750
Provision for other doubtful advances	35,62,099	-
Chairman's Office Fee	40,55,039	-
Directors sitting fees	-	70,000
Bank charges*	8,75,199	-
Miscellaneous expenses	20,79,679	21,99,133
<b>Total</b>	<b>6,14,32,779</b>	<b>7,34,80,513</b>

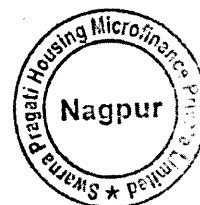
\*includes Rs.479,356 charged by banks with respect to certain bank accounts not pertaining to the Company.  
\*The Company is in the process of resolving this matter with banks.

25 LOAN LOSSES AND PROVISIONS

Contingent provision on standard assets	(3,03,330)	(7,97,464)
Provision for doubtful advances	(25,77,610)	2,28,76,710
Bad debts written off (net of recoveries)	12,36,24,139	45,74,325
<b>Total</b>	<b>12,07,43,199</b>	<b>2,66,53,571</b>



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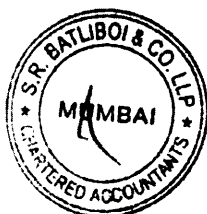


**26 Earnings per share (EPS)**

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	Year ended	Year ended
	March 31, 2019	March 31, 2018
	₹	₹
<b>Basic EPS</b>		
Net profit / (loss) for the year	-16,14,01,338	-13,73,159
Weighted average number of equity shares – for Basic EPS	3,38,51,319	3,23,56,822
Par value per share	10	10
Earnings per share – Basic	-4.77	-0.04
<b>Diluted EPS</b>		
Net Profit / (loss) considered for basic EPS calculation	-16,14,01,338	-13,73,159
Weighted average number of equity shares – for Basic EPS	3,38,51,319	3,23,56,822
Add: Weighted number of equity shares under options	8,399	1,09,286
Add: Weighted number of equity shares under Compulsorily Convertible Preference Shares	44,31,119	44,31,119
Weighted average number of diluted equity shares	3,82,90,837	3,68,97,227
Nominal value per equity share	10	10
Earning per equity share - Diluted*	-4.77	-0.04

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



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

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

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	₹	₹
(i) Contingent liabilities		
(a) Dividend payable on compulsorily convertible preference shares	1,329	
(b) Income tax dispute	2,60,69,428	
(ii) Commitments		
(a) Other commitments:		
Housing loans sanctioned but not disbursed to the borrowers	1,90,98,000	1,77,39,872

28 The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The Company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

**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, 2019	March 31, 2018
	₹	₹
<b>Components of employer expense</b>		
Current service cost	3,93,833	2,68,027
Interest cost	65,392	1,06,788
Expected return on plan assets	(2,00,178)	(1,18,472)
Actuarial losses/(gains)	2,55,588	(8,98,060)
<b>Total expense recognized in the Statement of Profit and Loss</b>	<b>5,14,635</b>	<b>-6,39,717</b>
<b>Net asset / (liability) recognized in the Balance Sheet</b>		
Present value of defined benefit obligation	16,00,549	9,23,619
Fair value of plan assets	28,44,041	28,51,365
<b>Net asset / (liability) recognized in the Balance Sheet</b>	<b>12,43,492</b>	<b>17,27,746</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of the DBO at beginning of the year	9,23,619	14,52,896
Current service cost	3,93,833	2,68,027
Interest cost	65,392	1,06,788
Actuarial losses/(gains)	2,17,705	(9,04,062)
<b>Present value of DBO at the end of the year</b>	<b>16,00,549</b>	<b>9,23,619</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	28,51,365	15,42,675
Actual company contributions	30,381	9,96,250
Actuarial gain / (loss)	1,62,295	1,10,440
Benefits paid	-	-
<b>Plan assets at the end of the year</b>	<b>28,44,041</b>	<b>28,51,365</b>
Actual return / (loss) on plan assets	1,62,295	1,10,440
<b>Major categories of plan assets (as percentage of total plan assets)</b>		
Funds Managed by Insurer	100%	100%



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**Actuarial assumptions**

Discount rate	6.65%	7.08%
Salary escalation	7.00%	7.00%
Mortality tables	IALM (2006-08)	IALM (2006-08)
Attrition		
Ages:		
Upto 30 years	30.07%	30.07%
From 31 to 44 years	30.07%	30.07%
Above 44 years	30.07%	30.07%
Estimate of amount of contribution in the immediate next year	3,87,501	2,45,093

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

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
	₹	₹	₹	₹
2014-15	2,88,158	9,23,619	(33,627)	-
2015-16	7,51,375	26,51,365	(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)
2018-19	16,00,549	28,44,041	2,55,588	(37,883)

**30 Segment Reporting**

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

**31. Operating Leases**

The Company has entered into operating lease arrangements for office premises. The leases with respect to head office 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 March 31, 2019	Year ended March 31, 2018
	₹	₹
Lease payments recognised in the Statement of Profit and Loss [Refer to Note 24]	79,70,271	68,90,688

Details of non-cancellable leases are as follows:

Future minimum lease payments:

- not later than one year	6,04,228	14,50,148
- later than one year and not later than five years		6,04,228

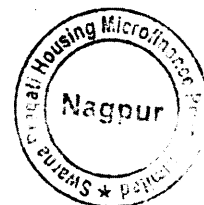


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32. Related party transactions

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. Amit Ranjan Biswal - Chief Executive Officer Mr. Sameer Siddiqui - Chief Financial Officer Mr. Anand Naik - Chief Executive Officer (upto October 31, 2017)
Enterprises over which Key Managerial personnel or their relatives exercise significant influence	Intelcap Advisory Services Private Limited

(b) Details of related party transactions during the year ended March 31, 2019 and outstanding balance as at March 31, 2019:

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	₹	₹
<b>I) Transactions during the year</b>		
A) Professional fees - Mr. A Ramesh Kumar	40,55,039	
B) Rent expense - Mr. A. Ramesh Kumar	1,97,063	
C) Professional fees - Intelcap Advisory Services Private Limited	-	6,25,511
<b>D) Remuneration paid*</b>		
Key Managerial Personnel #		
Mr. A. Ramesh Kumar	2,50,000	60,00,000
Mr. Anand Naik	-	17,99,549
Mr. Raj Kumar Singh	-	13,41,668
Mr. Amit Ranjan Biswal	57,70,992	9,09,248
Mr. Sameer Siddiqui	32,98,474	4,47,349
* Does not includes reimbursement expenses		
<b>II) Outstanding balance</b>		
A) Professional fees - Mr. A Ramesh Kumar	40,55,039	

33. Disclosures on Employee share based payments

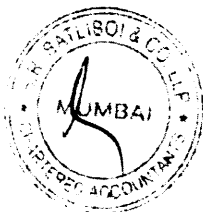
On March 17, 2015 the Company's Board of Directors approved an Employee Stock Option Plan whereby common stock are reserved for issuance to eligible employees of the Company. Under the plan, options are to be granted to the employees as and when advised by the Compensation Committee/Board constituted 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 3 years from the date of vesting.

**Vesting Condition**

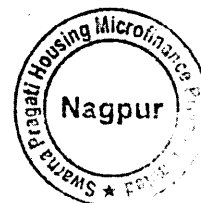
- There shall be minimum period of 1 year between Grant of Options and its first vesting date;
- Vesting of options is subject to the loyalty and performance of the Employee in the following manner;
- Under the Scheme, the options granted will vest with the Employees over a period of 3 years from the 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



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Other information with respect to the plan is as follows:

Particulars	
Exercise period	48 months from date of vesting
Vesting conditions	Employee to be in service at the time of vesting
Weighted average remaining contractual life (years)	Vest II: 1 year Vest III: 2 years
Weighted average exercise price per option (Rs.)	17.69
Weighted average fair value of each option (Rs.)	17.31

Reconciliation of options:

Particulars	31-Mar-19	31-Mar-18
Options outstanding at the beginning of the year	1,50,000	1,11,000
Granted during the year	-	1,50,000
Forfeited during the year	-	-91,500
Exercised during the year	-	-19,500
Expired during the year	-	-
Outstanding at the end of the year	1,50,000	1,50,000
Exercisable at the end of the year	19,500	-

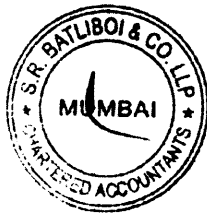
34. Expenditure in foreign currency (on accrual basis & Gross of TDS)

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	₹	₹
Travelling expenses	-	14,75,331
Advertisement expenses	-	4,41,614

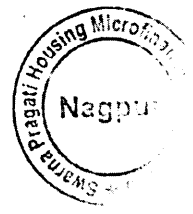
35. Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010, as amended. NHB has not imposed any penalty for the year ended 31st March, 2019. Further there are no adverse comments in writing from NHB.

36. The Company does not have any pending litigations which would impact its financial position other than those disclosed under note 27 for contingent liabilities.

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



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38 Additional disclosures prescribed by NHB

38.1 Capital to Risk Assets Ratio (CRAR)

Particulars	Amounts in Rupees	
	Current Year	Previous Year
i) CRAR (%)	63.55%	68.82%
ii) CRAR - Tier I capital (%)	62.90%	69.22%
iii) CRAR - Tier II Capital (%)	0.68%	0.60%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

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

Particulars	Amounts in Rupees	
	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	55,45,397
b) Amount of special reserve u/s 36(1)(vi) of Income Tax Act, 1961 taken into account for the purposes of Statutory	-	-
c) Total	55,45,397	55,45,397
Addition / Appropriation / Withdrawal during the year		
Add a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(vi) of the Income Tax Act, 1961 taken into account for the purposes of Statutory	-	-
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)(vi) of the Income Tax Act, 1961 which has been taken into account for	-	-
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)(vi) of Income Tax Act, 1961 taken into account for the purposes of Statutory	-	-
c) Total	55,45,397	55,45,397

38.3 Investments

Particulars	Amounts in Rupees	
	Current Year	Previous Year
3.5.1. Value of Investments		
i) Gross Value of Investments		
(a) In India	1,05,05,650	8,33,51,093
(a) Outside India	-	-
ii) Provision for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	1,05,05,650	8,33,51,093
(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	-	-

38.4 Derivatives

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

38.5 Securitisation

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

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

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

38.7 Details of Assignment transactions

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

38.8 Details of non-performing financial assets purchased / sold

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

38.9 Exposure

38.9.1 Exposures to real estate sector

Particulars	Amounts in Rupees	
	Current Year	Previous Year
a) Direct exposure		
(i) Residential Mortgages -		
Housing loans up to Rs. 15 lakhs	1,18,84,48,667	1,34,64,38,100
Housing loans more than Rs. 15 lakhs	-	-
Non-Housing Loans	18,52,07,912	16,13,72,985
(ii) Commercial Real Estate -	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

38.9.2 Exposure to Capital Market

The Company does not have any exposure to capital markets

38.9.3 Details of financing of parent company products

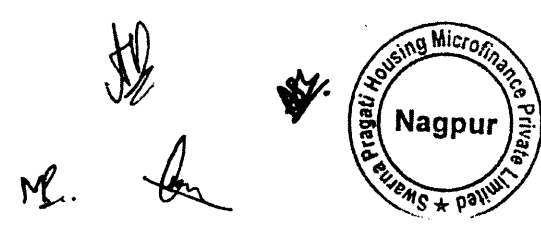
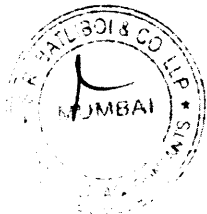
There are no such instances

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

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

38.9.5 Unsecured Advances

Refer Note 13 and Note 17



38.10 Miscellaneous

38.10.1 Registration obtained from other financial sector regulators  
Company Identification no. (CIN) U68627TN2008PTC101083

38.10.2 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.  
No adverse findings have been communicated by NHB during the year.

38.10.3 2.3 Related Party Transactions  
Refer note 32 for transactions with related party transactions

38.10.4 Ratings assigned by credit rating agencies and migration of ratings during the year  
Long term Bank facilities Current year-CARE BBB -, Outlook-"Negative" ( Previous year:CARE: BBB -, Outlook-"Stable")

38.10.5 Remuneration of Directors (Non-executive) - Refer Note 24

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

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

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

Particulars	Amounts in Rupees	
	Current Year	Previous Year
1. Provision for depreciation on investments	-	-
2. Provision made towards Income tax	-	-
3. Provision towards NPA & doubtful advances	-19,227	81,48,000
4. Provision for Standard Assets (with details like loaner loan, CRF, CRF-JM, etc.)	-25,77,810	2,29,78,750
5. Other Provision and Contingencies (with details) towards doubtful advances other than those related to financing activities	-5,83,330	-7,87,464
	36,62,098	-

38.12 Break up of Loan & Advances and Provisions thereon

Particulars	Amounts in Rupees			
	Housing Loans		Non-Housing Loans	
	Current Year	Previous Year	Current Year	Previous Year
<b>Standard Assets</b>				
a) Total Outstanding Amount	1,08,55,00,199	1,18,38,27,821	18,08,89,417	16,87,08,195
b) Provisions made	43,11,434	47,08,191	7,34,486	6,43,089
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	6,17,78,829	10,08,83,285	48,21,034	26,91,471
b) Provisions made	54,88,888	1,51,29,000	7,38,188	3,88,721
<b>Doubtful Assets - Category-I</b>				
a) Total Outstanding Amount	2,81,17,883	4,48,77,882	18,88,773	20,000
b) Provisions made	62,78,489	1,12,18,381	2,71,885	5,000
<b>Doubtful Assets - Category-II</b>				
a) Total Outstanding Amount	2,28,78,879	3,70,42,870	33,638	52,318
b) Provisions made	91,81,871	1,48,17,148	13,414	20,828
<b>Doubtful Assets - Category-III</b>				
a) Total Outstanding Amount	1,32,11,887	38,887	86,188	-
b) Provisions made	1,32,11,887	38,887	86,188	-
<b>Loan Assets</b>				
a) Total Outstanding Amount	Nil	Nil	Nil	Nil
b) Provisions made	Nil	Nil	Nil	Nil
<b>Total</b>				
a) Total Outstanding Amount	1,18,84,48,887	1,34,84,38,100	18,70,85,888	16,13,72,888
b) Provisions made	4,22,81,232	4,88,87,388	18,22,818	10,87,728

38.13 Concentration of Public Deposits, Advances, Exposures and NPAs

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

38.13.2 Concentration of Loans & Advances

Particulars	Amounts in Rupees	
	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	1,18,28,887	1,18,38,272
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	6.79%	0.77%



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

Particulars	Amounts in Rupees	
	Current Year	Previous Year
Total Exposure to twenty largest borrowers /Customers	1,10,25,207	1,16,35,272
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	0.78%	0.77%

38.13.4 Concentration of NPAs

Particulars	Amounts in Rupees	
	Current Year	Previous Year
Total Exposure to top ten NPA accounts	32,11,908	44,17,351

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

Sr No.	Sector	Amounts in Rupees
		Percentage of NPAs to Total Advances in that sector
<b>A. Housing Loans:</b>		
1	Individuals	10.36%
2	Builders/Project Loans	
3	Corporates	
4	Others (specify)	
<b>B. Non-Housing Loans:</b>		
1	Individuals	3.26%
2	Builders/Project Loans	
3	Corporates	
4	Others (specify)	

38.13.6 Movement of NPAs

Particulars	Amounts in Rupees	
	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	8.75%	9.34%
<b>(ii) Movement of NPAs (Gross)</b>		
a) Opening balance	18,54,74,270	7,12,27,275
b) Additions during the year	11,13,80,139	13,03,75,854
c) Reductions during the year	(16,78,69,401)	(1,81,28,859)
d) Closing balance	12,91,85,008	18,54,74,270
<b>(iii) Movement of Net NPAs</b>		
a) Opening balance	14,38,58,392	5,24,87,747
b) Additions during the year	8,96,22,368	10,27,59,408
c) Reductions during the year	(14,33,24,039)	(1,13,88,763)
d) Closing balance	9,01,56,741	14,38,58,392
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
a) Opening balance	4,18,15,878	1,87,39,528
b) Provisions made during the year	2,17,87,751	2,76,18,448
c) Write-off/write-back of excess provisions	(2,43,48,362)	(47,40,096)
d) Closing balance	3,92,55,267	4,18,15,878

38.14 Overseas Assets

Nil. (March 31, 2018: Nil)

38.15 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
None	None

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

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

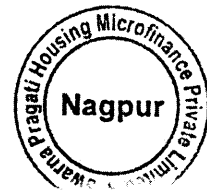
39. A fraud of Rs. 2,23,830 involving cash embezzlement has been committed by an employee of the Company which has been referred to statutory authorities for further investigation. The Company has fully provided for the outstanding exposure as at March 31, 2019.



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

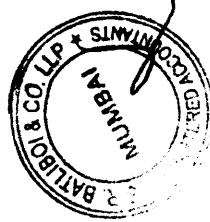
38.10.8 Asset Liability Management

Amounts in Rupees Crores

Current Year	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 year to 7 years	Over 7 year to 10 years	Over 10 year	Total
<b>Liabilities</b>											
Deposits	-	-	-	-	-	17.38	-	-	-	-	NI
Borrowings from Banks	0.88	0.88	0.88	2.83	5.26	39.08	-	-	-	-	27.90
Market Borrowings	2.03	2.38	2.16	7.42	15.08	39.08	3.30	-	-	-	71.44
Foreign Currency liabilities	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
<b>Assets</b>											
Advances	7.56	3.28	3.21	9.63	19.60	57.79	29.61	6.89	-	-	137.55
Investments	1.05	-	-	-	-	-	-	-	-	-	1.05
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	NI
	-	-	-	-	-	-	-	-	-	-	NI

Amounts in Rupees Crores

Previous Year	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 year to 7 years	Over 7 year to 10 years	Over 10 year	Total
<b>Liabilities</b>											
Deposits	-	-	-	-	-	21.45	5.36	-	-	-	NI
Borrowings from Banks	1.80	0.90	0.90	2.95	5.91	46.34	10.38	-	-	-	39.52
Market Borrowings	2.71	2.59	1.96	7.87	12.89	46.34	10.38	-	-	-	83.53
Foreign Currency liabilities	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
<b>Assets</b>											
Advances	6.48	3.49	3.41	10.35	20.92	83.11	36.65	4.48	-	-	159.72
Investments	8.34	-	-	-	-	-	-	-	-	-	8.34
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	NI
	-	-	-	-	-	-	-	-	-	-	NI

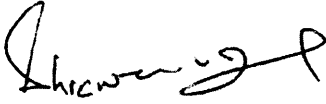


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40. Figures for previous year have been regrouped and/or reclassified wherever considered necessary, to conform to current year classifications.

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



per Shrawan Jalan  
Partner  
Membership No. 102102

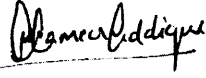
Place: Mumbai  
Date: September 03, 2019



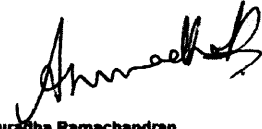
For and on behalf of the Board of Directors of  
Swarna Pragati Housing Microfinance Private Limited



Abhijeet Sudhakar Kudva  
Director  
DIN No. 03042087  
Place: Bangalore  
Date: September 03, 2019



Mohammad Sameer Siddiqui  
Chief Financial Officer  
Place: Nagpur  
Date: September 03, 2019



Anuradha Ramachandran  
Director  
DIN No. 01983108  
Place: Bangalore  
Date: September 03, 2019



Megha Mohunta  
Company Secretary  
Membership No. F 10009  
Place: Nagpur  
Date: September 03, 2019

