



SWARNA PRAGATI HOUSING

**ANNUAL REPORT**

**OF**

**SWARNA PRAGATI HOUSING  
MICROFINANCE PRIVATE LIMITED**

**2021-2022**

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## **BOARD'S REPORT**

Your Directors are pleased to present the Fourteenth 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, 2022.

### **1. Financial Results**

The summarized financial results for the year ended 31<sup>st</sup> March, 2022 are as under:

<b>Particular</b>	<b>Amount in Rs.</b>	
	<b>For the financial year ended 31<sup>st</sup> March, 2022</b>	<b>For the financial year ended 31<sup>st</sup> March, 2021</b>
Profit / (Loss) before Tax	9,54,25,866	(15,60,84,665)
Net Current Tax Expense	Nil	Nil
Deferred Tax	Nil	Nil
Transfer to Statutory Reserve	1,90,85,173	Nil
Profit / (Loss) after Tax	9,54,25,866	(15,60,84,665)

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

The Company has been able to navigate out of the trough that it had found itself in on account of the legacy NPAs as well as debilitating effects of the CoVID-19 Pandemic. The same has happened on account of a. continued support of most of our colleagues and their continued commitment to see through the tough days and are still at it through consistent and persistent follow-ups; b. judicious use of legal tools c. restarting and consolidating on collections of hitherto unattended areas & abandoned portfolio. The Company has built upon both the partnership models – a. being a Business Correspondent, and b. being a Junior Co-lending Partner. The geographical areas under such partnership models has also increased. The company had to stop lending on own book, during the liquidity crisis, and has recently started again owing to incremental liquidity surpluses. Presently, disbursements are being undertaken in one form or another (either own-book or through partnerships) in 4 out of the 6 states that the Company operates in. The aim will be keep building on these positives and maintain focus on the following – a. keep collecting the NPAs/write-offs b. keep building on partnerships and look for new ones wherever possible c. keep on disbursing and create a healthy book d. seek to raise debt towards leveraging the company and deploy the borrowing to further create healthy book.

### **3. Review of Business Operations**

During the year under review, the Company has earned Rs.862.63 lakhs as revenue from operations and

Rs. 359.99 lakhs from other income. The Profit/(Loss) before tax for the year has been Rs. 954.26 lakhs as against Rs. (1,560.84) lakhs during the previous financial year.

The total indebtedness of the Company as on 31<sup>st</sup> March 2022 is of Rs. 0 lakhs (Long Term Borrowing) and Rs. 827.02 lakhs (Current Liabilities) as against Rs. 866.18 lakhs and Rs. 2,749.28 lakhs during the previous financial year.

#### **4. Share Capital**

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

#### **5. Dividend**

Your Directors do not recommend for any dividend for the year ended 31<sup>st</sup> March, 2022.

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

As per Section 29C (1) of National Housing Bank Act, 1987 the Company is required to transfer at least 20% of its net profit every year to a reserve before a dividend is declared. During the year Rs. 1,90,85,173 is transferred to the Special Reserve.

For transfer to reserves in terms of section 134(3)(J) of the Companies Act, 2013, for the financial year ended 31<sup>st</sup> March, 2022 your Directors propose to transfer Nil amount to General Reserve of the company and the amount of Rs. 7,63,40,693/- will be transferred to Profit & Loss account.

#### **7. Deposit**

Your Company is registered as a non-deposit taking Housing Finance Company with National Housing Bank and hence does not accept any deposits. No deposits were accepted from the public in the financial year ended 31<sup>st</sup> March, 2022.

#### **8. Particulars of Loans, Guarantees or Investments by Company**

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

The Company has not made any Investment during the financial year 2021-22. Therefore, no need to comply with the provisions of Section 186 of the Company Act, 2013.

#### **9. Credit Rating**

CARE rated your Company as D (Single D) on 31<sup>st</sup> March, 2022.

#### **10. Annual Return**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022

is available on the Company's website at –

[https://sphm.co.in/sphm/assets/upload/Annual\\_Return\\_for\\_the\\_year\\_2021\\_2022.pdf](https://sphm.co.in/sphm/assets/upload/Annual_Return_for_the_year_2021_2022.pdf)

### **11. Board of Directors**

During the year under review, Mr. Vijaya Kumar Chowti Shivananda was appointed as an Additional Director (Non-Executive & Independent) w.e.f. 30<sup>th</sup> December, 2021.

Further, the Members regularized the appointment of Mr. Mukul Gulati and Mr. Vijaya Kumar Chowti Shivananda as Nominee Director and Independent Director of the Company respectively at the Annual General Meeting for the financial year 2020-2021 held on 14<sup>th</sup> March, 2022.

The Present Composition of the Board as on 31<sup>st</sup> March, 2022.

<b>Sr.No.</b>	<b>Name</b>	<b>Address</b>	<b>Designation</b>	<b>Date of Appointment</b>
1.	Ramesh Kumar	Amuthalakshmi Villa, Plot No. 20, Bhaskar Street, Extension 8, Thiruverkadu, Thiruvallur, Tamilnadu 600077	Chairman & Director	5 <sup>th</sup> January, 2009
2	Mukul Gulati	70 East 96th Street, #4A, NY 10128	Nominee Director	17 <sup>th</sup> February, 2021
3	Vijaya Kumar Chowti Shivananda	No. 1295, Srinidhi, 14th Cross, Opp. Sundar Mahal, 2nd Phase, Girinagar, Bengaluru, Karnataka 560085	Independent Director	30 <sup>th</sup> December, 2021

### **12. Key Managerial Personnel**

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

Below are the Key Managerial Personnel as on 31<sup>st</sup> March, 2022 –

<b>Sr.No.</b>	<b>Name</b>	<b>Address</b>	<b>Designation</b>	<b>Date of Appointment</b>
1.	Prashant Banerjee	138-A, C/o LTCOL S K Panda, Eshwarpuri Colony, Sainikpuri, Tirumalagiri, Hyderabad, 500094	Chief Executive Officer	11.11.2020
2.	Megha Mohunta	Shora Kothi, Kamptee Road, Teka Naka, Uppalwadi,	Company Secretary	14.02.2019

		Nagpur, 440026	Maharashtra–		
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Note: Ms. Meenakshi Dholwani has been appointed as Chief Financial Officer of the Company w.e.f. 18<sup>th</sup> June, 2022.

### **13. Details of Board meetings**

During the year, 5 (Five) Board meetings were held on 29<sup>th</sup> June, 2021, 1<sup>st</sup> September, 2021, 21<sup>st</sup> December, 2021, 14<sup>th</sup> February, 2022 and 17<sup>th</sup> February, 2022.

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

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

- a. Audit Committee
- b. Risk Management Committee
- c. ALCO Committee
- d. 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 29<sup>th</sup> June, 2021, 1<sup>st</sup> September, 2021, 21<sup>st</sup> December, 2021, 14<sup>th</sup> February, 2022 and 17<sup>th</sup> February, 2022.

**b. Risk Management Committee** - During the year the Risk Management Committee had met on 1<sup>st</sup> September, 2021 and 17<sup>th</sup> February, 2022.

**c. ALCO Committee** -During the year the Asset Liability Committee had met on 29<sup>th</sup> June, 2021, 1<sup>st</sup> September, 2021, 21<sup>st</sup> December, 2021, and 17<sup>th</sup> February, 2022.

**d. Nomination & Remuneration Committee** – During the year Nomination & Remuneration Committee had met on 29<sup>th</sup> June, 2021, 21<sup>st</sup> December, 2021, and 17<sup>th</sup> February, 2022.

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

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

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

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

### **17. Statutory Auditors**

At the Extra-Ordinary General Meeting of the Company held on 23rd May, 2022, M/s. Kamal C. Mehta & Co., Chartered Accountants, having registration No. (FRN 104614W) were appointed as Statutory Auditors of the Company to fill the casual vacancy and for conducting Audit for the financial year 2021-2022 as per the Guidelines of Reserve Bank of India for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFC s (including HFCs) and they shall hold office till the conclusion of ensuing Annual General Meeting of the Company. Further, M/s. Kamal C. Mehta & Co., Chartered Accountants have expressed their inability to continue as Statutory Auditor of the Company due to pre-occupancy.

Therefore, it is proposed to appoint M/s. Kantilal Patel & Co., Chartered Accountants, having registration No. 104744W as Statutory Auditors of the Company for a term of 5 (five) years. They have confirmed their eligibility to be appointed as Statutory Auditors of the Company 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).

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

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

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

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

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

The Company's internal control systems are commensurate with the nature of its business and the size and



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

## **20. Related party transactions**

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

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

The information pertaining to 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.

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 21-22 is given below

SWIP booked in FY 21-22 : Nil

Capitalized in FY 21-22 : Nil

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

Foreign Exchange Inflow: Nil

Foreign Exchange Outflow: Nil

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

There were no such reporting by the auditor under Section 143 (12) of the Companies Act, 2013 during the year under review and hence the said provision is not applicable. During the year under review frauds amounting to INR 2,21,420/- (Rupees Two Lacs Twenty-One Thousand Four Hundred and Twenty only) were identified by the Management. Necessary reporting for the same has been made to the National Housing Bank.

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

**23. Significant/material orders passed by the Regulators:**

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

**24. Particulars of Employees:**

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

**25. Employee Stock Option Plan:**

The Company has Employee Stock Option Plan for its Employees/ Directors. During the year under review, the Company has granted options under the Stock Option Scheme to Mr. Prashant Banerjee, Chief Executive Officer, under his Employment Agreement and other 8 (Eight) employees who have completed 7 years of service with the Company as on 1<sup>st</sup> January, 2022.

**26. Sexual Harassment Policy**

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

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

**27. Vigil Mechanism, Whistle Blower Policy**

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

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

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

**29. Corporate Social Responsibility**

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

### **30. Acknowledgements**

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

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

**Date:25.08.2022**

**Sd/-  
Vijaya Chowti Shivananda Kumar  
Director  
DIN.: 07430496  
Place: Bangalore**

**Sd/-  
Mukul Gulati  
Director  
DIN.: 00746183  
Place: New York**

**Annexure 1**

**PARTICULARS OF TOP TEN EMPLOYEES' REMUNERATION**

<b>Sl. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Qualification &amp; Experience</b>	<b>Age</b>	<b>Remuneration received</b>	<b>Date of Commencement of Employment</b>	<b>Last Employment held before joining the Company</b>
01	Prashant Banerjee	Chief Executive Officer	MBA-IRMA 15+ years of experience in Banking and Operation Field	45	61,06,946	1-Apr-20	Gilada Finance and Investments
02	Govindarajan K	Chief Business Officer	MBA 26+ years of experience in Sales and Retail Lending	53	43,46,077	31-Oct-18	AXIS Bank
03	Meenakshi Dholwani	Chief Financial Officer	CA, B.com 9+ years of experience in the field of Accounts and Finance.	29	33,98,783	3-Oct-18	Tata Consultancy Services
04	Megha Mohunta	CS & Sr. VP Corporate Legal	CS, LLB 14 years of experience as Company Secretary	37	18,75,868	2-Jan-19	WNS Global Services Pvt Ltd.
05	Aditya Singh Bais	VP Learning & Development	MBA 11 years of experience in Learning and Development	37	14,82,005	13-Jun-19	ITM-Edutech Training Pvt.Ltd
06	Anshul Jain	VP- Accounts and Finance	CA, B.com 7 years of experience in the field of Accounts and Finance	31	14,39,431	25-Feb-19	V.K. Surana
07	Rinky Subhadeep Bera	VP -Human Resource	MBA-HR & Mkt 7 years of experience in Human Resource.	33	12,81,880	17-Sep-18	ACC Limited

08	Nilesh Pande	AVP- Accounts and Finance	B,Com, 13+ years of experience in the field of Accounts and Finance	38	9,51,088	01-Jan-2014	Vico Laboratories
09	M Sudhakar	Regional Manager	BBA, MSW	42	9,46,780	01-Feb-2016	Belstar Investment & Microfinanc e Pvt Ltd
10	Krishna Zade	Regional Manager	BA	40	8,88,329	24-Oct-2016	Spadana Sphoorty Financial Limited

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

**Date: 25.08.2022**

**Sd/-  
Vijaya Chowti Shivananda Kumar  
Director  
DIN.: 07430496  
Place: Bangalore**

**Sd/-  
Mukul Gulati  
Director  
DIN.: 00746183  
Place: New York**

## INDEPENDENT AUDITOR'S REPORT

To the Members

**THE SWARNA PRAGATI HOUSING MICROFINANCE PRIVATE LIMITED**

### Report on the Audit of the Financial Statement of 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, 2022, the Statement of Profit and Loss and the Cash Flow Statement, 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, 2022, its Profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of our report. We are independent of the Company in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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.

### Information Other than the Financial Statements and Auditor’s Report Thereon

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.

### **Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2022;
- (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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR, KAMAL C. MEHTA & CO.**  
**Chartered Accountants**  
**Firm Registration Number: 104614W**

**Sd/-**  
**[CA Malav Mehta]**  
**Partner**  
**Membership No.: 129801**  
**UDIN:**

**Date: 25<sup>th</sup> August, 2022**  
**Place: Ahmedabad**

**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.
- (d) According to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As per Information Provided by management, no proceedings have been initiated or are pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988(45 of 1988) and rules made there under.
- (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 (iii) 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 Maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company
- (vii) In our opinion and according to the information and explanations given to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities but for FY 2015-16 and FY 2016-17 Company have outstanding dues more than six months which is mentioned in Clause (b) as under.

Where statutory dues referred to in sub clause (a) have been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned

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)
Income Tax, 1961	Income Tax	2,020,228	404,050	FY 2016-17	Commissioner of Income Tax (Appeals)

- (viii) In our opinion and according to the information and explanations given to us there were not any transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) According to the information and explanations given by the management, the Company has delayed in repayment of loans or borrowings from financial institutions or banks during the year as below notes are Attached

- (x) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (xi) We have been informed that during the year there were instances of misappropriation of cash by employees of the Company aggregating to Rs. 2,21,420.00; As informed, services of the employees have been terminated and the Company is in the process of taking legal action against the employees. The outstanding balance (net of recovery) aggregating Rs. 2,01,420.00 has been fully provided in the books of account.
- (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 Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) **a)** According to the information and explanations given by the management Company has an internal audit system commensurate with the size and nature of its business  
  
**b)** Management has not provided Internal Audit Report So We are not able to comment on the same.
- (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.
- (xvii) As information provided by management there were not any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) As Information Provided by Managements there has not been any resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements the auditor's knowledge of the Board of Directors and management plans, in Our

opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date

- (xx) In our opinion, Section 135 of the Companies Act, 2013 is not Applicable to the Company.
- (xxi) Consolidated financial statements are not applicable to Company.

**FOR, KAMAL C. MEHTA & CO.**  
**Chartered Accountants**  
**Firm Registration Number: 104614W**

**Sd/-**  
**[CA Malav Mehta]**  
**Partner**  
**Membership No.: 129801**  
**UDIN:**

**Date: 25<sup>th</sup> August, 2022**  
**Place: Ahmedabad**

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

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

We have audited the internal financial controls with reference to financial statements of Swarna Pragati Housing Microfinance Private Limited (“the Company”) as of March 31, 2022 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 with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

### **Meaning of Internal Financial Controls with reference to these Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

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

### **Opinion**

In our opinion, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**FOR, KAMAL C. MEHTA & CO.**  
**Chartered Accountants**  
**Firm Registration Number:104614W**

**Sd/-**  
**[CA Malav Mehta]**  
**Partner**  
**Membership No.:129801**  
**UDIN:**

**Date:25<sup>th</sup> August, 2022**  
**Place: Ahmedabad**



**Swarna Pragati Housing Microfinance Private Limited**  
**Balance Sheet as at March 31, 2022**

	Particulars	Note No.	As at	As at
			March 31, 2022	March 31, 2021
			₹	₹
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1) Shareholders' funds</b>			
	(a) Share capital	3	419,693,320	419,693,320
	(b) Reserves and surplus	4	(63,631,753)	(159,393,416)
			<b>356,061,567</b>	<b>260,299,904</b>
	<b>2) Non-current liabilities</b>			
	(a) Long-term borrowings	5	-	86,617,549
	(b) Other long-term liabilities	6	18,615,237	21,394,631
	(c) Long-term provisions	7	122,809,647	235,261,353
			<b>141,424,884</b>	<b>343,273,532</b>
	<b>3) Current liabilities</b>			
	(a) Trade payables	8	-	-
	Micro, Small and Medium Enterprises			
	Others		6,497,021	7,574,317
	(b) Other current liabilities	6	89,851,488	284,811,004
	(c) Short-term provisions	7	4,635,748	3,775,068
			<b>100,984,258</b>	<b>296,160,389</b>
	<b>TOTAL (1 + 2 + 3)</b>		<b>598,470,713</b>	<b>899,733,824</b>
<b>B</b>	<b>ASSETS</b>			
	<b>1) Non-current assets</b>			
	(a) Fixed Assets			
	(i) Property, Plant and Equipment	9	4,240,881	5,231,010
	(ii) Intangible assets	9	3,706,954	6,830,241
	(iii) Intangible assets under development		415,213	415,213
	(b) Long-term loans and advances	10	438,522,742	533,291,568
	(c) Other non-current assets	11	28,117,270	28,898,481
			<b>475,003,060</b>	<b>574,666,513</b>
	<b>2) Current assets</b>			
	(a) Current investments	12	-	4,026,038
	(b) Cash and bank balances	13	14,349,079	94,199,465
	(c) Short-term loans and advances	10	94,559,083	151,761,832
	(d) Other current assets	11	14,559,491	75,079,978
			<b>123,467,653</b>	<b>325,067,313</b>
	<b>TOTAL (1 + 2)</b>		<b>598,470,713</b>	<b>899,733,824</b>

Summary of significant accounting policies

2.1

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The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**FOR KAMAL C. MEHTA & CO.**  
 ICAI Firm Registration No. 104614W  
 Chartered Accountants

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

**Sd/-**  
**CA Malav Mehta**  
 Partner  
 Membership No. 129801  
 Place: Ahmedabad  
 Date: August 25, 2022

**Sd/-**  
**Mukul Gulati**  
 Director  
 DIN No. 00746183  
 Place: New York  
 Date: August 25, 2022

**Sd/-**  
**Vijaya Chowti Shivananda Kumar**  
 Director  
 DIN No. 07430496  
 Place: Bangalore  
 Date: August 25, 2022

**Sd/-**  
**Meenakshi Dholwani**  
 Chief Financial Officer  
 Place: Nagpur  
 Date: August 25, 2022

**Sd/-**  
**Megha Mohunta**  
 Company Secretary  
 Membership No. F 10009  
 Place: Nagpur  
 Date: August 25, 2022

**Sd/-**  
**Prashant Banerjee**  
 Chief Executive Officer  
 Place: Nagpur  
 Date: August 25, 2022

**Swarna Pragati Housing Microfinance Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2022**

	Particulars	Note No.	Year ended	Year ended
			March 31, 2022	March 31, 2021
			₹	₹
<b>I</b>	<b>Income</b>			
(a)	Revenue from operations	14	86,263,283	92,844,710
(b)	Other income	15	35,998,964	35,168,018
	<b>Total income (I)</b>		<b>122,262,247</b>	<b>128,012,728</b>
<b>II</b>	<b>Expenses</b>			
(a)	Employee benefits expense	16	77,548,511	66,491,739.00
(b)	Finance costs	17	33,259,384	75,456,628.00
(c)	Depreciation and amortisation expense	18	4,677,571	7,236,103.85
(d)	Other expenses	19	22,995,322	44,821,506.79
(e)	Loan losses and provisions	20	-111,644,407	90,091,415.26
	<b>Total expenses (II)</b>		<b>26,836,381</b>	<b>284,097,393</b>
<b>III</b>	<b>Profit / (Loss) before tax (I- II)</b>		95,425,866	(156,084,665)
<b>IV</b>	<b>Tax expense:</b>			
(a)	Current tax expense		-	-
(b)	(Excess) provision for tax relating to prior years		-	-
(c)	Deferred tax (credit)/charge		-	-
	<b>Total Tax expense (IV)</b>		-	-
<b>V</b>	<b>Profit / (Loss) for the year (III-IV)</b>		<b>95,425,866</b>	<b>(156,084,665)</b>
<b>VI</b>	<b>Earnings per share (EPS) (nominal value of ₹ 10 each):</b>			
	Basic EPS ( Rs. per share)	21	2.82	(4.61)
	Diluted DPS (Rs. per share)	21	2.20	(4.61)

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

**FOR KAMAL C. MEHTA & CO.**  
ICAI Firm Registration No. 104614W  
Chartered Accountants

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

**Sd/-**  
**CA Malav Mehta**  
Partner  
Membership No.129801  
Place: Ahmedabad  
Date: August 25, 2022

**Sd/-**  
**Mukul Gulati**  
Director  
DIN No. 00746183  
Place: New York  
Date: August 25, 2022

**Sd/-**  
**Vijaya Chowti Shivananda Kumar**  
Director  
DIN No. 07430496  
Place: Bangalore  
Date: August 25, 2022

**Sd/-**  
**Meenakshi Dholwani**  
Chief Financial Officer  
Place: Nagpur  
Date: August 25, 2022

**Sd/-**  
**Megha Mohunta**  
Company Secretary  
Membership No. F 10009  
Place: Nagpur  
Date: August 25, 2022

**Sd/-**  
**Prashant Banerjee**  
Chief Executive Officer  
Place: Nagpur  
Date: August 25, 2022

Swarna Pragati Housing Microfinance Private Limited  
Cash Flow Statement for the year ended March 31, 2022

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	₹	₹	₹
<b>A. Cash flow from operating activities</b>				
Profit / (Loss) before tax		95,425,866		(156,084,665)
<u>Adjustments for:</u>				
Depreciation on property, plant and equipment	1,554,284		2,032,746	
Amortisation of intangible assets	3,123,287		5,203,358	
Loss on sale of property, plant and equipment	(590)		4,773	
Employee stock option expense	335,797		0	
Contingent provision on standard assets	(763,207)		(2,289,267)	
Provision for doubtful advances (related to financing activity)	(112,123,446)		91,729,866	
Bad debts written off	1,242,245		650,817	
Amortisation of ancillary borrowing costs	2,512,751		3,489,611	
Provision for other advances	193,720		19,162,137	
Interest income on fixed deposits	(3,691,711)		(6,192,584)	
Profit on sale of current investments	(268,849)		(1,638,686)	
		(107,885,718)		112,152,770
Operating profit before working capital changes		(12,459,852)		(43,931,895)
<u>Changes in working capital</u>				
Adjusted for (increase) / decrease in assets				
Long term loans and advances	94,032,050		108,032,443	
Short term loans and advances	57,202,749		84,560,864	
Other non-current assets	(1,731,540)		23,458,999	
Other current assets	51,073,082		(7,007,723)	
Adjusted for increase / (decrease) in liabilities				
Long term liabilities	(2,779,394)		10,539,646	
Trade payables	(1,077,296)		458,224	
Other current liabilities	(2,734,051)		(694,300)	
Short term provisions	1,094,207		634,448	
		195,079,807		219,982,601
Cash used in operations		182,619,955		176,050,706
Net income tax (paid)		(505,470)		(629,782)
<b>Net cash flow (used in) / from operating activities (A)</b>		<b>182,114,485</b>		<b>175,420,924</b>
<b>B. Cash flow from investing activities</b>				
Purchase of property, plant and equipment and purchase of Intangible assets		(607,867)		(57,990)
Sale of property, plant and equipment		44,302		67,891
Interest income on fixed deposits		13,146,820		892,082
Investment in fixed deposits not considered as cash and cash equivalents		0		5,000,000
Purchase of current investments		(88,000,000)		(165,500,000)
Sale of current investments		92,294,887		190,838,889
<b>Net cash flow (used in) / from investing activities (B)</b>		<b>16,878,142</b>		<b>31,240,872</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from long term borrowings		-		0
Repayment of long term borrowings		(278,843,013)		(236,332,659)
Proceeds from issue of compulsorily convertible preference shares		0		
<b>Net cash flow (used in) / from financing activities (C)</b>		<b>(278,843,013)</b>		<b>(236,332,659)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(79,850,386)</b>		<b>(29,670,863)</b>
Cash and cash equivalents at the beginning of the year		94,199,465		123,870,329
<b>Cash and bank balances at the end of the year (refer note 16)</b>		<b>14,349,079</b>		<b>94,199,465</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.

**Summary of significant accounting policies**

2.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

FOR KAMAL C. MEHTA & CO.  
ICAI Firm Registration No. 104614W  
Chartered Accountants

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

Sd/-  
**CA Malav Mehta**  
Partner  
Membership No. 129801  
Place: Ahmedabad  
Date: August 25, 2022

Sd/-  
**Mukul Gulati**  
Director  
DIN No. 00746183  
Place: New York  
Date: August 25, 2022

Sd/-  
**Vijaya Chowti Shivananda Kumar**  
Director  
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Place: Bangalore  
Date: August 25, 2022

Sd/-  
**Meenakshi Dholwani**  
Chief Financial Officer  
Place: Nagpur  
Date: August 25, 2022

Sd/-  
**Megha Mohunta**  
Company Secretary  
Membership No. F 10009  
Place: Nagpur  
Date: August 25, 2022

Sd/-  
**Prashant Banerjee**  
Chief Executive Officer  
Place: Nagpur  
Date: August 25, 2022

**Swarna Pragati Housing Microfinance Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

**1 Corporate Information**

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

**2 Basis of preparation of financial statements**

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

**2.1 Summary of significant accounting policies**

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

As required by Schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Since normal operating cycle is not readily determinable considering the Company's business i.e housing finance, the operating cycle has been considered as 12 months.

**(b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**Change in estimate of provisioning towards loan portfolio:**

During the year, the Company has performed a qualitative assessment of its loan portfolio and revised its estimate of provisioning towards non-performing assets ('NPA') subject to minimum requirement stipulated by NHB. As a result of such change, the overall provisioning for loan portfolio has reduced and the profit before tax for the year ended March 31, 2022 is higher by Rs.11,21,23,446

**(c) Property, plant and equipment**

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

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

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

**(d) Intangible assets**

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

Intangible assets are amortized on a written down value basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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

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

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

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

Particulars	Useful life estimate ( As specified in Schedule II of Companies Act, 2013)
Computers: Servers	6 years
Computers: other than servers	3 years
Office Equipment	5 years
Furnitures & Fixtures	10 years
Plant & Machinery	15 years
Vehicles	5 years
Computer Software	5 years

**(f) Loans to borrowers**

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

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

(h) **Revenue recognition**  
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**(a) Interest income**

Interest income on loans is recognised by applying interest rate implicit in the contract. In case of non-performing assets, interest income is recognised on receipt basis in accordance with the NHB directions.

**(b) Income from assignment**

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

**(c) Processing fee income**

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

**(d) Profit/ Loss on sale of investments**

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

(i) **Retirement and other employee benefits**

Defined contribution plans

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

Leave benefits

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

Defined benefit plans

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

(j) **Leases**

**Operating Lease**

**Where the Company is lessee**

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

(k) **Taxes on income**

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

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

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

(l) **Earnings per Share**

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

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

**(m) Impairment of assets**

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

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

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

**(n) Foreign currency transactions**

**(i) Initial Recognition**

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

**(ii) Conversion**

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

**(iii) Exchange Differences**

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

**(o) Expenses on issue of securities**

Expenses incurred with respect to issuance of securities are debited to securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013.

**(p) Borrowing costs**

Borrowing costs consists of interest and other ancillary cost that an entity incurs in connection with borrowing of funds. Ancillary costs incurred in connection such borrowings are amortised on a straight line basis over the tenure of such borrowings.

**(q) Employee share based payments**

In case of stock option plan, measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock option using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

**(r) (i) Provisioning norms for loans under financing activity**

Contingent provision for standard assets and provision for non-performing assets is determined based on management estimates subject to minimum requirements stipulated in the NHB Directions.

**(ii) Write off (Loans under financing activity)**

Loans are written off by the Company based upon management's assessment of ultimate recovery (net of recoveries, if any made during the year).

**(s) Provisions**

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(t) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(u) Cash and Cash Equivalents**

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

3. SHARE CAPITAL

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
(a) <b>Authorised</b>		
*3,90,00,000 Equity shares [March 31, 2021 : 3,90,00,000] of ₹ 10 each	390,000,000	390,000,000
*1,10,00,000 Preference shares [March 31, 2021 : 1,10,00,000] of ₹ 10 each	110,000,000	110,000,000
	<u>500,000,000</u>	<u>500,000,000</u>
(b) <b>Issued, subscribed and fully paid up:</b>		
I. Equity share capital		
3,38,51,319 Equity shares [March 31, 2021: 3,38,51,319 Shares] of ₹ 10 each	338,513,190	338,513,190
Less: 14,80,500 Equity shares [March 31, 2021: 14,80,500] of ₹ 10 each held in Trust for employees under ESOP Scheme#	(14,805,000)	(14,805,000)
Total (A)	<u>323,708,190</u>	<u>323,708,190</u>
II. Preference share capital		
95,98,513 Compulsorily Convertible Preference shares [March 31, 2021: 95,98,513] of ₹ 10 each (B)	95,985,130	95,985,130
<b>Total (A + B)</b>	<u><b>419,693,320</b></u>	<u><b>419,693,320</b></u>

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

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

Particulars	As at		As at	
	March 31, 2022	₹	March 31, 2021	₹
<u>Equity shares</u>				
Balance at the beginning of the year	33,851,319	338,513,190	33,851,319	338,513,190
Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<u><b>33,851,319</b></u>	<u><b>338,513,190</b></u>	<u><b>33,851,319</b></u>	<u><b>338,513,190</b></u>
<u>0.001% Compulsorily Convertible Preference Shares</u>				
Balance at the beginning of the year	9,598,513	95,985,130	9,598,513	95,985,130
Add: Shares issued during the year	-	-	-	-
Less: Conversion into Equity Shares	-	-	-	-
<b>Balance at the end of the year</b>	<u><b>9,598,513</b></u>	<u><b>95,985,130</b></u>	<u><b>9,598,513</b></u>	<u><b>95,985,130</b></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 proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion of their shareholding.

**Compulsorily Convertible Preference Shares ("CCPS")**

**Voting Rights:**

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

**Terms of Conversion:**

CCPS, convertible into 1 (one) equity share

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

- the expiry of 19 (Nineteen) years from 10th December, 2015,
- if required by the applicable law, on the occurrence of a Qualified IPO, as defined in the Share Holders Agreement, effective on the latest date prior to the Qualified IPO as is permissible under applicable law, or
- upon the occurrence of a Liquidation Event.

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

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

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

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

- Expiry of 19 (Nineteen) years from March 18, 2019;
- Immediately prior to filing of a red herring prospectus (or equivalent document, by whatever name called) by the Company in connection with an IPO in accordance with the Articles (as amended from time to time).

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

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

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

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	%	No. of Shares held	%
<u>Equity shares</u>				
1. Aavishkaar Goodwell India Microfinance Development Company - II Limited	12,085,737	35.70%	12,085,737	35.70%
2. Zephyr Peacock India Fund III Limited	9,893,823	29.23%	9,893,823	29.23%
3. A. Ramesh Kumar	4,087,482	12.07%	4,087,482	12.07%
<u>0.001% Compulsory Convertible Preference Shares</u>				
1. Omidiyar Network Mauritius	5,654,741	58.91%	5,654,741	58.91%
2. Zephyr Peacock India Fund III Limited	3,943,772	41.09%	3,943,772	41.09%

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(v) Securities convertible into equity shares	9,598,513	9,598,513
(vi) Shares reserved for issue under Employee Stock Option Scheme (Refer note 28)	1,480,500	1,480,500
(vii) Aggregate number of shares issued for a consideration other than cash during the period of five years immediately	Nil	Nil
<b>4. RESERVES AND SURPLUS</b>		
Particulars	As at	As at
	March 31, 2022 ₹	March 31, 2021 ₹
(a) <b>Securities Premium Account</b>		
Opening balance	407,984,393	282,985,132
Add: Premium on shares issued during the year		124,999,261
<b>Closing balance</b>	<b>407,984,393</b>	<b>407,984,393</b>
(b) <b>Statutory Reserve (Under Section 29C of the National Housing Bank Act, 1987 '(NHB Act'))</b>		
Opening balance	5,545,397	5,545,397
Addition during the year	19,085,173	0
Appropriation during the year	0	0
<b>Closing balance</b>	<b>24,630,570</b>	<b>5,545,397</b>
(c) <b>General Reserve</b>		
Opening balance	11,115	11,115
Add: Transferred from Share options outstanding account	0	0
<b>Closing balance</b>	<b>11,115</b>	<b>11,115</b>
(d) <b>Share options outstanding account</b>		
Opening balance	0	714,885
Add: Cost amortised during the year	335,797	0
Less: Reversed to statement of profit and loss upon forfeiture of options	0	714,885
<b>Closing balance</b>	<b>335,797</b>	<b>0</b>
(e) <b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(572,934,322)	(416,849,657)
Add: Profit / (Loss) for the year	95,425,866	(156,084,665)
Less: Transferred to Statutory Reserve as per Section 29C of NHB Act	19,085,173	0
<b>Closing balance</b>	<b>(496,593,629)</b>	<b>(572,934,322)</b>
<b>Total</b>	<b>(63,631,753)</b>	<b>(159,393,416)</b>



Swarna Pragati Housing Microfinance Private Limited  
Notes to the financial statements for the year ended March 31, 2022

5. LONG-TERM BORROWINGS

Particulars	Non Current maturities		Current Maturities*	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹	₹	₹	₹
Secured				
Term loans				
- Banks	-	7,285,248	-	111,172,152
- Others	-	79,332,301	82,702,038	163,755,350
	<b>0</b>	<b>86,617,549</b>	<b>82,702,038</b>	<b>274,927,502</b>

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

Swarna Pragati Housing Microfinance Private Limited  
Notes to the financial statements for the year ended March 31, 2022

6. OTHER LIABILITIES

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹	₹	₹	₹
Retention commission payable to business associates	18,615,237	21,394,631	-	-
Current maturities of long term borrowings [Refer Note 5 above]	-	-	82,702,038	274,927,502
Interest accrued but not due on borrowings	-	-	212,833	1,778,899
Payable to Employees	-	-	1,024,319	1,545,076
Excess money received from borrowers	-	-	1,541,287	2,823,589
Statutory dues	-	-	4,249,022	3,613,949
Others	-	-	121,989	121,989
<b>Total</b>	<b>18,615,237</b>	<b>21,394,631</b>	<b>89,851,488</b>	<b>284,811,004</b>

7. PROVISIONS

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹	₹	₹	₹
Contingent provision for standard assets	341,381	871,062	381,534	615,061
Provision for non-performing assets	91,692,320	203,815,765	-	-
Provision towards doubtful advances	8,427,684	8,226,264	-	-
Provision towards other assets	22,348,262	22,348,262	-	-
Employee benefits	-	-	-	-
Provision for compensated absences	-	-	4,254,214	3,160,007
<b>Total</b>	<b>122,809,647</b>	<b>235,261,353</b>	<b>4,635,748</b>	<b>3,775,068</b>

8 TRADE PAYABLES

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
<b>Trade payables:</b>		
To Micro, Small and Medium Enterprises (Refer note below)	-	-
Others	6,497,021	7,574,317
<b>Total</b>	<b>6,497,021</b>	<b>7,574,317</b>

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

Based on current information / confirmations available with the Company, there are no dues to suppliers who are registered under the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED Act') as at March 31, 2022 (March 31, 2021: Nil)

9. Fixed assets

Particulars	Gross block				Accumulated depreciation				Net Block	
	Balance as at April 01, 2021	Additions	Disposals	As at March 31, 2022	Balance as at April 01, 2021	Depreciation / amortisation expense for the period	Deduction during the period	As at March 31, 2022	As at March 31, 2022	Balance as at March 31, 2021
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>A. Property, plant and equipment</b>										
(a) Furniture and Fixtures (Previous Year)	10,181,254 (10,335,780)	29,840 -	149,562 (154,527)	10,061,532 (10,181,253.93)	7,222,354 (6,252,739)	770,100 (1,066,573)	111,591 (96,958)	7,880,863 (7,222,354)	2,180,669.17 (2,958,900)	2,958,900.17 (4,083,041)
(b) Office Equipment (Previous Year)	3,787,900 (3,864,659)	23,102 -	- (76,759)	3,811,002 (3,787,900)	3,451,117 (3,260,409)	127,024 (254,815)	(64,107)	3,578,141 (3,451,117)	232,861.37 (336,783)	336,783.37 (604,250)
(c) Computers (Previous Year)	10,757,011 (10,752,271)	554,925 (57,990)	162,850 (53,250)	11,149,086 (10,757,011)	10,188,521 (9,833,545)	407,470 (405,782)	157,109 (50,806)	10,438,882 (10,188,521)	710,204.00 (588,490)	568,490.00 (918,726)
(d) Plant & Machinery (Previous Year)	3,678,124 (3,678,124)	- -	- -	3,678,124 (3,678,124)	2,313,955 (2,010,655)	248,444 (303,300)	- -	2,562,399 (2,313,955)	1,115,724.97 (1,364,169)	1,364,168.97 (1,667,469)
(e) Vehicles (Previous Year)	34,500 (34,500)	- -	- -	34,500 (34,500)	31,833 (29,557)	1,246 (2,276)	- -	33,079 (31,833)	1,421.00 (2,667)	2,667.00 (4,943)
<b>Sub total (Previous Year)</b>	<b>28,438,789</b> <b>(28,665,335)</b>	<b>607,867</b> <b>(57,990)</b>	<b>312,412</b> <b>(284,536)</b>	<b>28,734,244</b> <b>(28,438,789)</b>	<b>23,207,780</b> <b>(21,386,905)</b>	<b>1,554,284</b> <b>(2,032,746)</b>	<b>268,700</b> <b>(211,871)</b>	<b>24,493,364</b> <b>(23,207,780)</b>	<b>4,240,881</b> <b>(5,231,010)</b>	<b>5,231,010</b> <b>(7,278,430)</b>
<b>B. Intangible Assets</b>										
(f) Computer Software (Previous Year)	37,095,921 (35,595,921)	- (1,500,000)	- -	37,095,921 (37,095,921)	30,265,680 (25,062,322)	3,123,287 (5,203,358)	- -	33,388,967 (30,265,680)	3,706,954 (6,830,241)	6,830,241 (10,533,599)
<b>Total (A+B) Previous year</b>	<b>65,534,710</b> <b>(64,261,266)</b>	<b>607,867</b> <b>(1,557,990)</b>	<b>312,412</b> <b>(284,536)</b>	<b>65,830,165</b> <b>(65,534,710)</b>	<b>53,473,459</b> <b>(46,449,227)</b>	<b>4,677,571</b> <b>(7,236,104)</b>	<b>268,700</b> <b>(211,871)</b>	<b>57,882,330</b> <b>(53,473,459)</b>	<b>7,947,835</b> <b>(12,061,251)</b>	<b>12,061,251</b> <b>(17,812,029)</b>

12. Fixed assets

Particulars	Gross block			Accumulated depreciation and impairment				Net Block		
	Balance as at April 01, 2016	Additions	Disposals	Balance as at March 31, 2019	Balance as at April 01, 2016	Depreciation / amortisation expense for the year	Deduction during the year	Balance as at March 31, 2019	WDV as on March 31, 2019	WDV as on March 31, 2017
<b>Tangible Assets</b>										
(a) Furniture and Fixtures (Previous Year)	6,638,562 (3,831,807)	1,661,808 (2,806,755)	84,250 -	8,216,121 (6,638,562)	2,062,770 (965,696)	<b>1,393,856</b> (1,097,074)	22,226 -	3,434,399 (2,062,770)	4,781,721 (4,575,792)	4,575,792 (2,866,111)
(b) Office Equipment (Previous Year)	2,886,901 (2,009,258)	416,172 (877,643)	17,998 -	3,285,075 (2,886,901)	1,422,653 (476,522)	<b>842,095</b> (946,131)	9,354 -	2,255,394 (1,422,653)	1,029,681 (1,464,248)	1,464,248 (1,532,736)
(c) Computers (Previous Year)	8,262,283 (3,823,908)	981,006 (4,438,375)	- -	9,243,289 (8,262,283)	4,420,725 (1,900,832)	<b>2,598,343</b> (2,519,893)	- -	7,019,068 (4,420,725)	2,224,221 (3,841,558)	3,841,558 (1,923,076)
(d) Plant & Machinery (Previous Year)	3,678,124 (443,935)	(3,234,189)	- -	3,678,124 (3,678,124)	637,685 (66,056)	<b>551,168</b> (571,629)	- -	1,188,853 (637,685)	2,489,271 (3,040,439)	3,040,439 (377,879)
Building (Previous Year)	- -	- -	- -	- -	#REF! -	- -	- -	#REF! #REF!	#REF! -	- -
(e) Vehicle (Previous Year)	34,500 -	(34,500)	- -	34,500 (34,500)	3,834 (3,834)	<b>13,935</b> (3,834)	- -	17,769 (3,834)	16,731 (30,666)	30,666 -
<b>Sub total (Previous Year)</b>	<b>21,500,370</b> <b>(10,108,908)</b>	<b>3,058,986</b> <b>(11,391,462)</b>	<b>102,248</b> <b>-</b>	<b>24,457,109</b> <b>(21,500,370)</b>	<b>8,547,667</b> <b>(3,409,108)</b>	<b>5,399,396</b> <b>(5,138,561)</b>	<b>31,580</b> <b>-</b>	<b>13,915,483</b> <b>(8,547,667)</b>	<b>10,541,626</b> <b>(12,952,703)</b>	<b>12,952,703</b> <b>(6,699,802)</b>
<b>Intangible Assets</b>										
(f) Computer Software (Previous Year)	6,213,263 (585,713)	13,513,729 (5,627,550)	- -	19,726,992 (6,213,263)	2,084,460 (408,802)	<b>2,185,989</b> (1,675,658)	- -	4,270,449 (2,084,460)	15,456,543 (4,128,803)	4,128,803 (176,911)
<b>Total Previous year</b>	<b>27,713,633</b> <b>(10,694,621)</b>	<b>16,572,715</b> <b>(17,019,012)</b>	<b>102,248</b> <b>-</b>	<b>44,184,101</b> <b>(27,713,633)</b>	<b>#REF!</b> <b>(3,817,908)</b>	<b>7,585,385</b> <b>(6,814,219)</b>	<b>31,580</b> <b>-</b>	<b>#REF!</b> <b>(10,632,127)</b>	<b>#REF!</b> <b>(17,081,506)</b>	<b>17,081,506</b> <b>(6,876,713)</b>

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2017
	Depreciation and amortisation for the year on tangible assets as per Note 12 A	
Depreciation and amortisation for the year on intangible assets as per Note 12 A		
<b>Total</b>	<b>0</b>	<b>0</b>

## 10 LOANS AND ADVANCES

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹	₹	₹	₹
<b>I. Loans and advances related to financing activity</b>				
Secured, considered good*				
Housing loans	69,813,328	176,088,901	71,911,907	117,832,344
Non-housing loans	15,531,860	41,676,475	19,373,800	31,073,275
Secured, considered doubtful**				
Housing loans	291,194,143	261,096,225	-	-
Non-housing loans	36,170,087	27,916,554	-	-
Unsecured, considered doubtful**				
Non-housing loans	520,817	595,575	-	-
<b>TOTAL</b>	<b>413,230,234</b>	<b>507,373,730</b>	<b>91,285,707</b>	<b>148,905,620</b>
<b>II. Other loans and advances</b>				
Unsecured, considered good				
Security deposits	1,804,488	1,850,780	-	-
Advances recoverable in cash or in kind or for value to be received	5,188,596	5,758,969	3,273,376	2,856,212
Advance income tax (net of provisions)	13,348,510	12,843,040	-	-
Unsecured, considered doubtful				
Other advances	4,950,913	5,465,049	-	-
<b>TOTAL</b>	<b>25,292,507</b>	<b>25,917,838</b>	<b>3,273,376</b>	<b>2,856,212</b>
<b>GRAND TOTAL (I + II)</b>	<b>438,522,742</b>	<b>533,291,568</b>	<b>94,559,083</b>	<b>151,761,832</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) )

11 OTHER ASSETS	Particulars	Non-current		Current	
		As at	As at	As at	As at
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹	₹	₹	₹	
	Interest accrued on deposits with banks and financial institutions	-	7,497	1,312,516	10,759,921
	Interest accrued on loans and advances under financing activities	-	-	4,097,861	4,859,553
	Unamortised borrowing costs	-	2,011,267	421,963	702,498
	Deposits with financial institutions**	-	-	1,785,383	18,750,000
	Deposits with banks (Refer note 13)**	1,144,795	380,541	2,500,000	35,000,000
	Receivable from business associates (Refer Note 23)	26,972,475	22,350,131	-	-
	Other assets	-	4,149,046	2,352,899	2,132,112
	Insurance Claim Receivable	-	-	2,088,870	2,875,895
	<b>Total</b>	<b>28,117,270</b>	<b>28,898,481</b>	<b>14,559,491</b>	<b>75,079,978</b>

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

12 CURRENT INVESTMENTS		
Particulars	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
Investment in Mutual Funds	-	4,026,038

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

13 CASH AND BANK BALANCES		
Particulars	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
<b>I. Cash and cash equivalents</b>		
Cash on hand	1,480,055	1,522,269
Balances in current accounts with banks	3,369,024	92,677,196
	<b>4,849,079</b>	<b>94,199,465</b>
<b>II. Other Bank Balances</b>		
Deposit with original maturity for more than three months but less than twelve months #	9,500,000	-
<b>Total (I + II)</b>	<b>14,349,079</b>	<b>94,199,465</b>
Amount disclosed under non-current assets (Refer note no. 11) #	1,144,795	380,541

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

**Swarna Pragati Housing Microfinance Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

**14 REVENUE FROM OPERATIONS**

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
<b>Financing activity</b>		
Interest Income on housing and non-housing loans	83,751,599	91,064,320
Processing fees*	562,598	1,268,394
Legal and Technical Fee	281,794	27,023
Loan File Login Fee	89,492	27,204
<b>Other operating revenue</b>		
Income from Business Correspondance activity	1,577,800	457,769
<b>Total</b>	<b>86,263,283</b>	<b>92,844,710</b>

\* Includes Rs. 12,06,000/- received from NHB under various subsidy schemes on behalf of borrowers.

**15 OTHER INCOME**

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
Interest on fixed deposits with banks and financial institutions	3,691,711	6,192,584
Interest on delayed collection of deposit from business associates	6,361,892	5,183,725
Profit on sale of current investments	268,849	1,638,686
Bad debts recovery	25,308,742	21,982,194
Miscellaneous income	367,770	170,829
<b>Total</b>	<b>35,998,964</b>	<b>35,168,018</b>

**16 EMPLOYEE BENEFITS EXPENSE**

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
Salaries and wages	70,258,388	61,262,394
Contributions to provident fund	3,946,215	3,399,470
Gratuity (Refer Note 24)	974,159	736,547
Staff welfare expenses	2,033,952	1,093,328
Stock option cost (refer note 28)	335,797	0
<b>Total</b>	<b>77,548,511</b>	<b>66,491,739</b>

**17 FINANCE COSTS**

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
Interest expense on borrowings	30,746,633	71,967,018
Amortisation of ancillary borrowing costs	2,512,751	3,489,611
- Loan Processing Fee	2,008,113	2,592,627
- Arranger Fee for Term Loan	283,688	402,100
- Loan Documentation Charges / Franking Charges / Service Charges	220,950	494,884
<b>Total</b>	<b>33,259,384</b>	<b>75,456,628</b>

**18 DEPRECIATION AND AMORTISATION EXPENSE**

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
Depreciation on property, plant and equipment (Refer Note 9)	1,554,284	2,032,746
Amortisation of intangible Assets (Refer Note 9)	3,123,287	5,203,358
<b>Total</b>	<b>4,677,571</b>	<b>7,236,104</b>

**Swarna Pragati Housing Microfinance Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

**19 OTHER EXPENSES**

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
Rent expenses [Refer Note 26]	5,889,721	6,063,844
Repairs & Maintenance	923,487	1,080,127
Rates & Taxes	2,833	0
Travelling & Conveyance	6,416,191	4,581,429
Printing & stationery	138,725	103,131
Communication expenses	900,698	762,001
Business promotion expenses	160,360	43,533
Electricity & water charges	478,031	503,501
Commission to business associates	2,317,906	5,228,163
Legal & Professional charges	3,692,354	5,053,178
Auditors Remuneration		
- as auditor	459,492	900,000
- for Certification	0	200,000
Director Sitting Fee	218,000	-
Bank charges	57,135	472,810
Provision for other advances	193,720	18,757,213
Miscellaneous expenses	1,146,669	1,072,577
<b>Total</b>	<b>22,995,322</b>	<b>44,821,507</b>

Note:

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

**20 LOAN LOSSES AND PROVISIONS**

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
Contingent provision on standard assets	(763,207)	(2,289,267)
Provision for doubtful advances (financing activity)	(112,123,446)	91,729,866
Bad debts written off	1,242,245	650,817
<b>Total</b>	<b>-111,644,407</b>	<b>90,091,415</b>

**21 Earnings per share (EPS)**

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

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
<b>Basic EPS</b>		
Net profit / (loss) for the year	95,425,866	(156,084,665)
Weighted average number of equity shares – for Basic EPS	33,851,319	33,851,319
Par value per share	10	10
Earnings per share – Basic	2.82	(4.61)
<b>Diluted EPS</b>		
Net Profit / (loss) considered for basic EPS calculation	95,425,866	(156,084,665)
Weighted average number of equity shares – for Basic EPS	33,851,319	33,851,319
Add: Weighted number of equity shares under options	8,350	0
Add: Weighted number of equity shares under Compulsorily Convertible Preference Shares	9,598,513	9,598,513
Weighted average number of diluted equity shares	43,458,182	43,449,832
Nominal value per equity share	10	10
<b>Earning per equity share - Diluted*</b>	<b>2.20</b>	<b>(4.61)</b>

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.

**Swarna Pragati Housing Microfinance Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

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

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
(i) Contingent liabilities		
(a) Dividend payable on compulsorily convertible preference shares	3,845	2,855
(b) Income tax dispute	28,089,656	28,089,656
(ii) Commitments		
(a) Other commitments:		
Housing loans sanctioned but not disbursed to the borrowers	1,030,000	1,156,114
<b>TOTAL</b>	<b>29,123,501</b>	<b>29,248,625</b>

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

23. Other assets include an amount of Rs 2,69,72,475 crore representing receivable from business associates ('BAs') towards loan collections made from borrowers on behalf of the Company. The Company expects to recover the outstanding balances from the BA's in due course. Based on availability of documentation confirming collections by the BA's from the Company's borrowers, no change in the asset classification of the loans given to the borrowers is considered necessary.

**24. Employee benefit plans**

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹

(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	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
<b>Components of employer expense</b>		
Current service cost	639,262	544,953
Interest cost	152,755	169,395
Expected return on plan assets	(160,229)	(221,772)
Actuarial losses/(gains)	342,371	243,971
<b>Total expense recognized in the Statement of Profit and Loss</b>	<b>974,159</b>	<b>736,547</b>
<b>Net asset / (liability) recognized in the Balance Sheet</b>		
Present value of defined benefit obligation	3,099,672	2,213,847
Fair value of plan assets	2,327,721	2,342,530
<b>Net asset / (liability) recognized in the Balance Sheet</b>	<b>(771,951)</b>	<b>128,683</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of the DBO at beginning of the year	2,213,847	2,505,848
Current service cost	639,262	544,953
Interest cost	152,755	169,395
Actuarial losses/(gains)	273,842	77,304
Benefit Paid	(180,034)	(1,083,653)
Present value of DBO at the end of the year	3,099,672	2,213,847
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	2,342,530	3,050,512
Actual company contributions	73,525	320,566
Actuarial gain / (loss)	92,722	55,105
Benefits paid	(180,034)	(1,083,653)
Premium Adjustment	(1,022)	-
<b>Plan assets at the end of the year</b>	<b>2,327,721</b>	<b>2,342,530</b>
Experience adjustment on plan asset Gain/(loss)	(68,529)	(166,667)
<b>Major categories of plan assets (as percentage of total plan assets)</b>		
Funds Managed by Insurer	100%	100%
<b>Actuarial assumptions</b>		
Discount rate	7.26%	6.90%
Salary escalation	7.00%	7.00%
Mortality tables	IALM (2012-14)	IALM (2012-14)
Attrition		
Ages:		
Upto 30 years	30.07%	30.07%
From 31 to 44 years	30.07%	30.07%
Above 44 years	30.07%	30.07%



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

Experience adjustments	Present value of DBO	Fair value of plan assets	Experience gain/ (loss) adjustments on plan liabilities	Experience gain/ (loss) adjustments on plan assets
	₹	₹	₹	₹
2015-16	751,375	449,473	(5,719)	(1,101)
2016-17	1,452,896	1,542,675	77,444	(122,795)
2017-18	923,619	2,651,365	(898,060)	(6,032)
2018-19	1,600,549	2,844,041	255,588	(37,883)
2019-20	2,505,848	3,050,512	370,827	(43,194)
2020-21	2,213,847	2,342,530	243,971	(166,667)
2021-22	3,099,672	2,327,721	342,371	(68,529)

## 25. Segment Reporting

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

## 26. Operating Leases

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Lease payments recognised in the Statement of Profit and Loss [Refer to Note 24]	5,889,721	6,063,844
not later than one year		1,188,780
not later than one year and not later than five years		396,260

## 27. Related party transactions

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

### (a) Details of related parties:

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

### (b) Details of related party transactions during the year ended March 31, 2020 and outstanding balance as at March 31, 2022:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹

## I) Transactions during the year

### a) Remuneration paid\*

Key Managerial Personnel #		
Mr. Prashant Banerjee	6,106,946	3,500,000
Mrs. Megha Vivek Mohunta Director and Chairman #	1,875,868	1,253,730
Mr. A. Ramesh Kumar	-	200,000

## 28. Disclosures on Employee share based payments

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

### Vesting Condition

- There shall be minimum period of 1 year between Grant of Options and its first vesting date;
- Vesting of options is subject to the loyalty and performance of the Employee in the following manner:

- 40% of the Grant of options due for vesting will be based upon loyalty and
- 60% of the Grant of options due for vesting will be discretionary and based upon performance criteria, as may be determined by the Chairman & MD and recommended to the Compensation Committee;

- Under the Scheme, the options granted will vest with the Employees over a period of 3 years from the date of Grant;

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

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

Other information with respect to the plan is as follows:

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

**Reconciliation of options:**

Particulars	31-Mar-22	31-Mar-21
Options outstanding at the beginning of the year	-	-
Granted during the year	24,527	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	24,527	-
Exercisable at the end of the year	-	-

29. During the current and previous year, the Company has not incurred any foreign currency expenditure or foreign currency income.
30. The code on Social Security, 2020 ('Code') relating to the employee benefits during the employment and post-employment benefits received Presidential assent in September 2020, The code has been published in Gazette of India. However, the date on which code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The company will assess the impact of the code when it comes into effect and will record any related impact in the period the code becomes effective.

Swarna Pragati Housing Microfinance Private Limited  
Notes to the financial statements for the year ended March 31, 2022

31. Additional disclosures as required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2019, as amended  
As at March 31, 2022 As at March 31, 2021

31.1 Capital to Risk Assets Ratio (CRAR)

Particulars	Amounts in Rupees	
	Current Year	Previous Year
i) CRAR (%)	89.40%	68.72%
ii) CRAR - Tier I capital (%)	89.22%	68.31%
iii) CRAR - Tier II Capital (%)	0.18%	0.41%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

31.2 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
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	5,545,397	5,545,397
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB	-	-
<b>c) Total</b>	<b>5,545,397</b>	<b>5,545,397</b>
<b>Addition / Appropriation / Withdrawal during the year</b>		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	19,085,173	-
b) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB	-	-
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purposes of provisions u/s	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	24,630,570	5,545,397
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB	-	-
<b>c) Total</b>	<b>24,630,570</b>	<b>5,545,397</b>

31.3 Investments

Particulars	Amounts in Rupees	
	Current Year	Previous Year
<b>3.5.1. Value of Investments</b>		
i) Gross Value of Investments		
(a) In India	-	4,026,038
(a) Outside India	-	-
ii) Provision for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	-	4,026,038
(a) Outside India	-	-
<b>3.5.2. Movement of provisions held towards depreciation on investments</b>		
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	-	-

31.4 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.

31.5 Securitisation

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

31.6 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.

31.7 Details of Assignment transactions

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

31.8 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.

31.9 Exposure

31.9.1 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	432,919,377	555,017,470
Housing loans more than Rs. 15 lakhs	-	-
Non Housing Loans	71,596,564	101,261,879
(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).	-	-

31.9.2 Exposure to Capital Market

The Company does not have any exposure to capital markets.

31.9.3 Details of financing of parent company products

There are no such instances.

31.9.4 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.

31.9.5 Unsecured Advances

Refer Note 13 and Note 17.

31.10 Miscellaneous

31.10.1 Registration obtained from other financial sector regulators

Company Identification no. (CIN) : U65922MH2009PTC331333

31.10.2 Disclosure of Penalties imposed by NHB and other regulators

During the year ended March 31st, 2022, no penalty has been levied by NHB on the Company. No adverse findings have been communicated by NHB during the year.

31.10.3 2.3 Related Party Transactions

Refer note 32 for transactions with related party transactions

31.10.4 Ratings assigned by credit rating agencies and migration of ratings during the year

Long term Bank facilities Current year: CARE D ( Previous year: CARE BBB- , Outlook- " Negative ")

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

31.10.6 Drawdown from reserves

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

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

31.11 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 towards income tax	-	-
3. Provision towards non-performing assets	(112,123,446)	91,728,866
4. Contingent provision towards standard assets	(763,207)	(2,289,267)
5. Provisions towards other assets and advances	193,720	18,757,213

31.12 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	141,725,235	293,921,245	34,905,660	72,749,750
b) Provisions made	580,257	1,190,671	142,658	295,451
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	101,340,563	146,770,306	15,308,035	15,622,447
b) Provisions made	15,201,084	102,739,214	2,296,205	10,935,713
<b>Doubtful Assets – Category-I</b>				
a) Total Outstanding Amount	75,753,860	108,876,469	9,346,927	12,828,685
b) Provisions made	18,938,465	76,213,528	2,336,732	8,980,080
<b>Doubtful Assets – Category-II</b>				
a) Total Outstanding Amount	110,034,770	1,877,391	11,991,611	-
b) Provisions made	44,013,908	1,314,174	4,796,644	-
<b>Doubtful Assets – Category-III</b>				
a) Total Outstanding Amount	4,064,950	3,572,060	44,331	60,997
b) Provisions made	4,064,950	3,572,060	44,331	60,997
<b>Loss Assets</b>				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
<b>Total</b>				
a) Total Outstanding Amount	432,919,377	555,017,470	71,596,564	101,261,879
b) Provisions made	82,798,664	185,029,646	9,616,570	20,272,241

31.13 Concentration of Public Deposits, Advances, Exposures and NPAs

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

The Company has not accepted any public deposits during the current or previous year.

31.13.2 Concentration of Loans & Advances

Particulars	Amounts in Rupees	
	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	10,365,134	9,627,309
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	2.05%	1.47%

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

Particulars	Amounts in Rupees	
	Current Year	Previous Year
Total Exposure to twenty largest borrowers /Customers	10,365,134	9,627,309
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	2.05%	1.47%

31.13.4 Concentration of NPAs

Particulars	Amounts in Rupees	
	Current Year	Previous Year
Total Exposure to top ten NPA accounts	4,967,350	4,961,788

31.13.5 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
A.	Housing Loans:	
1	Individuals	67.26%
2	Builders/Project Loans	
3	Corporates	
4	Others (specify)	
B.	Non-Housing Loans:	
1	Individuals	51.25%
2	Builders/Project Loans	
3	Corporates	
4	Others (specify)	

31.13.6 Movement of NPAs

Particulars	Amounts in Rupees	
	Current Year	Previous Year
<b>(I) Net NPAs to Net Advances (%)</b>	57.21%	18.96%
<b>(II) Movement of NPAs (Gross)</b>		
a) Opening balance	289,608,354	160,122,713
b) Additions during the year	74,081,285	142,261,906
c) Reductions during the year	(35,804,593)	(12,776,264)
d) Closing balance	327,885,047	289,608,354
<b>(III) Movement of Net NPAs</b>		
a) Opening balance	85,792,590	48,036,814
b) Additions during the year	62,475,518	41,617,985
c) Reductions during the year	87,924,621	(3,862,209)
d) Closing balance	236,192,728	85,792,590
<b>(IV) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
a) Opening balance	203,815,766	112,085,899
b) Provisions made during the year	11,605,767	100,643,921
c) Write-off/write-back of excess provisions	(123,729,214)	(8,914,055)
d) Closing balance	91,692,319	203,815,766

31.14 Overseas Assets

Nil. (March 31, 2022: Nil)

31.15 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
None	None

31.16 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	-	-	-	-
c) No. of complaints redressed during the year	-	-	-	-
d) No. of complaints pending at the end of the year	-	-	-	-

32. During the year, there were 9 instances amounting to Rs. 2,21,420 involving cash embezzlement by the employees of the Company. Further, such instances have been referred to statutory authorities for further investigation. The Company has fully provided for the outstanding exposure as at March 31, 2022.
33. Figures for previous year have been regrouped and/or reclassified wherever considered necessary, to conform to current year classifications.

**FOR KAMAL C. MEHTA & CO.**  
ICAI Firm Registration No. 104614W  
Chartered Accountants

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

**Sd/-**  
**CA Malav Mehta**  
Partner  
Membership No. 129801  
Place: Ahmedabad  
Date: August 25, 2022

**Sd/-**  
**Mukul Gulati**  
Director  
DIN No. 00746183  
Place: New York  
Date: August 25, 2022

**Sd/-**  
**Vijaya Chowti Shivananda Kumar**  
Director  
DIN No. 07430496  
Place: Bangalore  
Date: August 25, 2022

**Sd/-**  
**Meenakshi Dholwani**  
Chief Financial Officer  
Place: Nagpur  
Date: August 25, 2022

**Sd/-**  
**Megha Mohunta**  
Company Secretary  
Membership No. F 10009  
Place: Nagpur  
Date: August 25, 2022

**Sd/-**  
**Prashant Banerjee**  
Chief Executive Officer  
Place: Nagpur  
Date: August 25, 2022

As at  
March 31, 2022

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	-	-	-	-	-	-	-	-	-	-	Nil
Borrowings from Banks	-	-	-	-	-	-	-	-	-	-	Nil
Market Borrowings	1.29	0.99	1.33	2.41	2.25	-	-	-	-	-	8.27
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Assets</b>											
Advances	1.75	0.72	0.70	2.04	3.92	27.77	13.55	-	-	-	50.45
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	Nil

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	-	-	-	-	-	-	-	-	-	-	Nil
Borrowings from Banks	0.93	0.93	0.93	2.79	5.56	0.73	-	-	-	-	11.85
Market Borrowings	1.79	1.60	1.41	3.97	7.60	7.93	-	-	-	-	24.31
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Assets</b>											
Advances	2.50	1.27	1.25	3.71	6.77	44.85	5.28	-	-	-	65.83
Investments	9.42	-	-	-	-	-	-	-	-	-	9.42
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	Nil

(1)