



SWARNA PRAGATI HOUSING

ANNUAL REPORT

OF

**SWARNA PRAGATI HOUSING
MICROFINANCE PRIVATE LIMITED**

2019-2020

TABLE OF CONTENTS

1. CORPORATE INFORMATION

2. BOARD'S REPORT

3. INDEPENDENT AUDITORS' REPORT & FINANCIAL
STATEMENT

CORPORATE INFORMATION

Board of Directors

Mr. A. Ramesh Kumar – Chairman & Director
Ms. Shreya Deb - Nominee Director
Mr. Abhijeet Kudva – Nominee Director

Registered office

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

Corporate Office

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

Auditors

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

Company Secretary

Ms. Megha Mohunta

Bankers / Financial Institutions

State Bank of India
Norther Arc Capital Limited (Formerly IFMR Capital
Finance Limited)
Hinduja Leyland Finance Limited
MAS Financial Services Limited
Muthoot Capital Services Limited
Sundaram BNP Paribas Home Finance Limited
Nabkisan Finance Limited (Formerly known as Agri
Development Finance (Tamil Nadu) Limited)
Nabsamruddhi Finance Limited (Formerly Agri Business
Finance Limited)

CIN: U65922MH2009PTC331333

Email: cs@sphm.co.in

Website: www.sphm.co.in



SWARNA PRAGATI HOUSING

BOARD'S REPORT

Your Directors are pleased to present the Twelfth Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended, 31st March, 2020.

1. Financial Results

The summarized financial results for the year ended 31st March, 2020 are as under:

Particular	Amount in Rs.	
	For the financial year ended 31st March, 2020	For the financial year ended 31st March, 2019
Profit / (Loss) before Tax	(27,61,26,863)	(15,13,82,901)
Net Current Tax Expense	-	(19,227)
Deferred Tax	-	1,00,37,664
Transfer to Statutory Reserve	-	-
Profit / (Loss) after Tax	(27,61,26,863)	(16,14,01,338)

2. State of Affairs

Unprecedented Times: The ongoing pandemic crisis has affected the Company adversely. As of now, the start-stop nature of lockdowns does hinder our potential to harness our efficiencies. While, so far we have been blessed with the fact that none of our colleagues have been ill with the virus, but given our presence in varied geographies, the virus has the potential to affect our on-field capabilities. The prevailing conditions has affected and would definitely affect the portfolio quality going forward. Our borrowers who are mainly based out of rural economy and are part of the gig economy have seen significant disruptions in their incomes. The lifting of the earlier rounds of lock-downs has seen incremental cash-flows from the collections but any semblance of normalcy is pretty far away. While, the Company has been extended moratorium from most of its lenders, increasingly the demand is being made from lenders for re-starting payouts - both interest and principal. It is the management of this liquidity situation which needs to be navigated cautiously so that the equity money infused during the FY20 can be used to meet the growth requirements of the Company. The Company has been able to forge partnership with a 100% subsidiary of a leading microfinance company for originating loans; continuous exploration is ongoing for tying up similar partnerships. The Company has also been able to strike-up conversations with some of the earlier estranged Partners and is hoping to gain some traction on collections front. The Company is closely watching the various developments in its relevant eco-space and wishes to re-start lending operations at an opportune moment. The Company is proactively trying to manage the various scenarios to effect a healthier outcome for all - employees, lenders and investors.

3. Material Changes and Commitments

Effect on COVID -19 pandemic on the financial position of the Company has been covered in detail in the preceding para of this report.

4. Review of Business Operations

During the year under review, the Company has earned Rs. 1,980.93 lakhs as revenue from operations and Rs. 172.82 lakhs from other income. The Profit/Loss before tax for the year has been Rs. (2761.27) lakhs as against Rs. (1513.83) lakhs during the previous financial year.

The total indebtedness of the Company as on 31st March 2020 is of Rs. 2,512.69 lakhs (Long Term Borrowing) and Rs. 3,466.08 lakhs (Current Liabilities) as against Rs. 5,975.63 lakhs and Rs. 3,958.63 lakhs during the previous financial year.

5. Share Capital

During the year under review, there is no change in Authorised Share Capital of the company. The Company had issued 19,01,140 (0.001% Cumulative Fully and Compulsorily Convertible Preference Shares) and 32,66,254 (0.001% Cumulative Fully and Compulsorily Convertible Preference Shares) of Rs 10 each at a premium of Rs 24.19 on 19th October, 2019 and 17th March, 2020 respectively .

6. Dividend

Your Directors do not recommend for any dividend for the year ended 31st March, 2020.

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

As per Section 29C (1) of National Housing Bank Act, 1987 the Company is required to transfer at least 20% of its net profit every year to a reserve before a dividend is declared. As Company has incurred loss no transfer has been made to the reserves.

For transfer to reserves in terms of section 134(3)(J) of the Companies Act, 2013, for the financial year ended 31st March, 2020 your Directors propose to transfer ₹ NIL amount to General Reserve of the company and the amount of Rs. (27,61,26,863) will be transferred to Profit & Loss account.

8. Deposit

Your Company is registered as a non-deposit taking Housing Finance Company with National Housing Bank and hence does not accept any deposits. No deposits were accepted from the public in the financial year ended 31st March, 2020.

9. Particular of Loans, Guarantees or Investments by Company

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

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

10. Credit Rating

CARE has reaffirmed the Credit Rating of your Company as BBB- (Triple B Minus; Outlook: Negative) on 30th March, 2020.

11. Board of Directors

During the year under review, Ms. Shreya Deb was appointed as an Additional Director w.e.f 4th February, 2020. Ms. Sushma Kaushik and Ms. Anuradha Ramachandran resigned from directorship w.e.f. 13th May, 2019 and 14th February, 2020 respectively.

Abhishek Kumar

Shreya Deb

The Present Composition of the Board as on 31st March, 2020.

SLNo	Name	Address	Designation	Date of Appointment
1.	Ramesh Kumar	Amuthalakshmi Villa, Plot No. 20, Bhaskar Street, Extension 8, Thiruverkadu, Thiruvallur, Tamilnadu 600077	Chairman & Director	05/01/2009
2.	Abhijeet Kudva	C 203, Trans Residency Building No 1 Subhash Nagar, MIDC No. 23 Near Floral Deck Plaza Andheri East Chakal MIDC Mumbai 400093	Nominee Director	19/12/2017
3	Shreya Deb	E-804, Mahindra Splendour, LBS, Marg Bhandup West, Mumbai 400078	Additional Director	04/02/2020

12. Key Managerial Personnel

Pursuant to the provisions of Section 203 of Companies Act, 2013 read with the rules made thereunder, Ms. Megha Vivek Mohunta, Company Secretary is the whole-time key managerial personnel of the Company:

During the period under review, Mr. Amit Biswal resigned from the office of Chief Executive Officer of the Company w.e.f. 31st May, 2019 and Mr. Mohammad Sameer Siddiqui resigned from the office of Chief Financial Officer of the Company w.e.f. 16th December, 2019.

13. Details of Board meetings

During the year, 5 (Five) Board meetings were held on 23/05/2019, 26/07/2019, 03/09/2019, 16/12/2019 and 14/02/2020.

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.

- Audit Committee
- Risk Management Committee
- ALCO Committee
- Debt-Approval Committee
- Nomination & Remuneration Committee

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

a. Audit Committee - During the year the Audit Committee had met on 26/07/2019, 03/09/2019, 16/12/2019, 14/02/2020

b. Risk Management Committee - During the year the Risk Management Committee had met on 03/09/2019 and 14/02/2020.

Abhijeet Kudva

Shreya Deb

c. **ALCO Committee** -During the year the Asset Liability Committee had met on 04/07/2019, 09/07/2019, 03/09/2019, 16/12/2019 and 14/02/2020

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

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

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

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

18. Auditors' Report

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

"According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these financial statements as at March 31, 2020:

The Company's internal financial controls over user access management were not operating effectively as observed in certain instances of delays in deactivating internal users and non-availability of information for deactivating external users with access to information systems. We believe that such material weakness in the internal financial



controls over information systems could result in material misstatement in the Company's financial statement balances and presentation and disclosure of financial statements.

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

In our opinion, except for the above, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2020."

The Audit Committee of the Board has considered the qualified opinion of the Auditors, sought responses from the Management and deliberated on practical solutions to address the matters raised. Synchronization of the access control with the date of exit of employees is practically difficult to implement due to the geographically dispersed nature of the Company's operations and the time lag between an employee's exit from the Company and the access being deactivated. The Company has a process wherein the access to information system gets blocked on the third day after two consecutive days of inactivity to ensure that the possibility of mishandling of outgoing users, if any is identified quickly and addressed. The external users' access to the information system has been given to the employees of the Business Associates and the Company is setting up a process to monthly reconcile the list of 'Active Users' from the Business Associate. The Board took note that despite this lack of synchronization, no instance of misstatement of financial transactions or statements was reported during the financial year.

19. Risk Management Policy & Internal Control Adequacy

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

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

20. Extract of the Annual Return

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

21. Related party transactions

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

Abhishek

Aranya Deb

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

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

(a) Conservation of energy

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

(b) Technology absorption

The Company has continued developing its in-house software METIS in order to create a comprehensive technology-driven workflow across the organization. All loan processes move through the system and each loan file is traceable in real time with its current stage along with movement timelines. Some of the major implementations completed during the financial year 19-20 are given below.

1. Incorporated and automated the entire field incentive structure for the field staff as well as the Collection Agency in METIS as per the incentive policy defined by the management. This has significantly reduced the manual process of incentive calculation and hence facilitated a monthly incentive calculation directly into the HR's mailbox.
2. Automated the process of calculating the month-end interest for the written-off accounts.
3. An end-to-end One Time Settlement ("OTS") tracking system has been incorporated in METIS which enables the user to make an OTS entry, create an OTS schedule, track the approval progress, and hence process the collections after approval.
4. Managing leave and attendance records for all employees of the Company is now done online on METIS.
5. An online examination portal of recruitment has been created during this year wherein HR can create an online exam for any specific candidate, and an exam link is automatically provided to the candidate along with the test instructions. Once the candidate finishes his/her exam, an automated report card is emailed to HR and the concerned Department Head with the test results. This has helped the Company in creating a smooth and efficient recruitment process.
6. A training video creation and gallery system has been created in both METIS which enables all the employees to be well-informed about any new additions/enhancement in the current working pattern of the company. Employees can view all the training videos anytime they wish.
7. Provision has been made to automatically send legal notices to the errant borrowers directly from the system on a monthly basis.
8. New set of automated MIS report system set up to track the key performance indicators of the Company for management review.

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 19-20 is given below

SWIP booked in FY 19-20 : NIL
Capitalized in FY 19-20 : NIL

(c) Foreign Exchange Inflow and Outflow

Foreign Exchange Inflow: Nil
Foreign Exchange Outflow: Nil

23. 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

Abhishek

Shreya Deb

INR 11,20,046/- (Rupees Eleven Lacs Twenty Thousand Forty Six) 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.

24. Significant/material orders passed by the Regulators:

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

25. Particulars of Employees:

In accordance with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the name and other particulars of employees are to be set out in the annexure forming part of the Annual Report. The details are set out in Annexure -3

26. Employee Stock Option Plan:

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

27. Sexual Harassment Policy

The Company has in place a policy on prevention of sexual harassment at workplace in line with the requirements of the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013 ("Sexual Harassment Act") and rules framed thereunder. 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.

28. Vigil Mechanism, Whistle Blower Policy

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

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

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

30. 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.

31. Acknowledgements

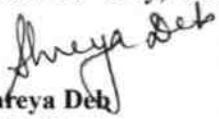
Your Directors place on record their gratitude for the continuing support of Shareholders, Bankers and Business Associates at all levels.



 Shreya Deb

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

Date: 28th July, 2020


Shreya Deb
Director
DIN.: 07915580

Place: Bangalore



Abhijeet Sudhakar Kudva
Director
DIN.: 03042087

Place: Bangalore

Annexure 1

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

as on the financial year ended on 31st March, 2020
of

SWARNA PRAGATI HOUSING MICROFINANCE PRIVATE LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U65922MH2009PTC331333
- ii) Registration Date : 05/01/2009
- iii) Name of the Company : Swarna Pragati Housing Microfinance Private Limited
- iv) Category / Sub-Category of the Company : Company Limited by Shares/
Indian Non-Government Company
- v) Address of the Registered Office and contact details : 142, Golcha House, New colony Sadar, Nagpur,
Maharashtra 440001
- vi) Whether listed company : No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Interest Income	6492	91.96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

Mohit K. Shinde

Shreya Deb

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De mat	Physical	Total	% of Total Share	De mat	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
(a) Individual/HUF		57,91,873	57,91,873	17.11		57,91,873	57,91,873	17.11	0
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp*									
(e) Banks / FI									
(f) Any Other....									
Sub-total (A) (1):-									
(2) Foreign									
(a) NRIs - Individuals		57,91,873	57,91,873	17.11		57,91,873	57,91,873	17.11	0
(b) Other – Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
Sub-total (A) (2):-									
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)		57,91,873	57,91,873	17.11		57,91,873	57,91,873	17.11	0
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds									
(b) Banks / FI									
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian									
(ii) Overseas									

M. K. Chakrabarti

Ameyan Deb

(b) Individuals								
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh								
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh								
(c) Others (specify)								
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)								
C. Shares held by Custodian for GDRs & ADRs								
Others								
Aavishkaar India Goodwell Microfinance Development Company II Limited	1,20,85,737	1,20,85,737	35.70	1,20,85,737	1,20,85,737	35.70	0	
Aavishkaar Management Services Private Limited	15,127	15,127	0.04	15,127	15,127	0.04	0	
Swarna Pragati Welfare Trust*	14,80,500	14,80,500	4.37	14,80,500	14,80,500	4.37	0	
Zephyr Peacock India Fund III Limited	98,93,823	98,93,823	29.23	98,93,823	98,93,823	29.23	0	
ON Mauritius	8,83,804	8,83,804	2.61	8,83,804	8,83,804	2.61	0	
MA Alagappan Holdings Private Limited	6,31,793	6,31,793	1.87	6,31,793	6,31,793	1.87	0	
Prashant Thakker & Reena Thakker	76,049	76,049	0.22	76,049	76,049	0.22	0	
Jetu J T Lalvani, Partner, Telfund Finance Company	1,08,222	1,08,222	0.32	1,08,222	1,08,222	0.32	0	
Primarc- I Venture Advisory LLP	1,98,898	1,98,898	0.59	1,98,898	1,98,898	0.59	0	
Gaurang Vinod Desai	76,049	76,049	0.22	76,049	76,049	0.22	0	
Vandana Singla	39,487	39,487	0.12	39,487	39,487	0.12	0	

Abhishek

Shreya Deb

Advik Holdings Private Limited	64,350	64,350	0.19	64,350	64,350	0.19	0
Polaris Banyan Holding Private Limited	14,62,416	14,62,416	4.32	14,62,416	14,62,416	4.32	0
Anand Naik	19,500	19,500	0.06	19,500	19,500	0.06	0
Vikram Gandhi	5,84,966	5,84,966	1.73	5,84,966	5,84,966	1.73	0
Pramod Bhasin	4,38,725	4,38,725	1.30	4,38,725	4,38,725	1.30	0
Sub-total (C)	2,80,59,446	28059446	82.89	2,80,59,446	2,80,59,446	82.89	0
Grand Total (A+B+C + others)	3,38,51,319	3,38,51,319	100	3,38,51,319	3,38,51,319	100	0

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

** The Company's paid up share capital includes 95,98,513 Preference Shares.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	A. Ramesh Kumar	40,87,482	12.07%	0%	40,87,482	12.07%	0%	0
2.	Raj Kumar Singh	8,17,495	2.41%	0%	8,17,495	2.41%	0%	0
3.	Sasi Bhusan Dash	1,56,661	0.46%	0%	1,56,661	0.46%	0%	0
4.	Mukesh Kumar	2,72,498	0.80%	0%	2,72,498	0.80%	0%	0
5.	Mohammed Sameer Siddiqui	4,57,737	1.35%	0%	4,57,737	1.35%	0%	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	57,91,873	17.11%	57,91,873	17.11%
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL		NIL	
	At the end of the year	57,91,873	17.11%	57,91,873	17.11%

Abhishek

Aranya Deb

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

Sl. No. 1 Aavishkaar Goodwell India Microfinance Development Company II Limited	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1,20,85,737	35.70%	1,20,85,737	35.70%
Changes during the year	NIL			
At the End of the year (or on the date of separation, if Separated during the year)	1,20,85,737	35.70%	1,20,85,737	35.70%

Sl. No. 2 Zephyr Peacock India Fund III Limited	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	98,93,823	29.23%	98,93,823	29.23%
Changes during the year	NIL			
At the End of the year (or on the date of separation, if Separated during the year)	98,93,823	29.23%	98,93,823	29.23%

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

Sl. No. 4 Polaris Banyan Holding Private Limited	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	14,62,416	4.32%	14,62,416	4.32%
Changes during the year	NIL			
At the End of the year (or on the date of separation, if Separated during the year)	14,62,416	4.32%	14,62,416	4.32%

Sl. No. 5 ON Mauritius	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	8,83,804	2.61%	8,83,804	2.61%
Changes during the year	NIL			
At the End of the year (or on the date of separation, if Separated during the year)	8,83,804	2.61%	8,83,804	2.61%

Abhishek Shukla
Shreya Dab

Sl. No. 6 MA Alagappan Holdings Private Limited	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	6,31,793	1.87%	6,31,793	1.87%
Changes during the year	NIL			
At the End of the year (or on the date of separation, if Separated during the year)	6,31,793	1.87%	6,31,793	1.87%

Sl. No. 7 Vikram Gandhi	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	5,84,966	1.73%	5,84,966	1.73%
Changes during the year	NIL			
At the End of the year (or on the date of separation, if Separated during the year)	5,84,966	1.73%	5,84,966	1.73%

Sl. No. 8 Pramod Bhasin	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	4,38,725	1.30%	4,38,725	1.30%
Changes during the year	NIL			
At the End of the year (or on the date of separation, if Separated during the year)	4,38,725	1.30%	4,38,725	1.30%

Sl. No. 9 Jetu J T Lalvani, Partner, Telfund Finance Company	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1,08,222	0.32%	1,08,222	0.32%
Changes during the year	NIL			
At the End of the year (or on the date of separation, if Separated during the year)	1,08,222	0.32%	1,08,222	0.32%

Sl. No. 10 Prashant Thakker & Reena Thakker	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	76,049	0.22%	76,049	0.22%
Changes during the year	NIL			
At the End of the year (or on the date of separation, if Separated during the year)	76,049	0.22%	76,049	0.22%

Abhijeet Khadke

Shreyas Deb

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

Sl. No.	Name	Shareholding at the beginning of the Year		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total shares of the Company
A	Directors					
1.	A. Ramesh Kumar	40,87,482	12.07%	NA	40,87,482	12.07%

V. INDEBTEDNESS

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

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	99,34,25,498	-	-	99,34,25,498
ii) Interest due but not paid				
iii) Interest accrued but not due	44,98,780	-	-	44,98,780
Total (i+ii+iii)	99,79,24,278			99,79,24,278
Change in Indebtedness during the financial year				
• Addition				
• Reduction	39,70,12,805	-	-	39,70,12,805
Net Change	(39,70,12,805)			(39,70,12,805)
Indebtedness at the end of the financial year				
i) Principal Amount	59,78,77,713	-	-	59,78,77,713
ii) Interest due but not paid				
iii) Interest accrued but not due	30,33,761			30,33,761
Total (i+ii+iii)	60,09,11,474			60,09,11,474

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under		

Abhishek

Ananya Deb

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

B. Remuneration to other Directors: NIL

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
	1. Independent Director • Fee for attending board / committee meetings • Commission • Others, please specify Sitting fees		
	Total (1)		
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify Consulting fees paid as per contract		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act	NA	NA

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD -

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (in Rs.)			Total
		CEO Mr. Amit Ranjan Biswal (Resigned w.e.f 31.05.2019)	CFO Mr. Mohammad Sameer Siddiqui (Resigned w.e.f 16.12.2019)	Company Secretary Ms. Megha Vivek Mohunta	
1	Gross salary	8,33,334	18,36,793	7,00,506	33,70,632
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,33,334	18,36,793	7,00,506	33,70,632

Abhishek

Megha Deb

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			-	-
2	Stock Option			-	-
3	Sweat Equity			-	-
4	Commission			-	-
	- as % of profit			-	-
	- others, specify...			-	-
5	Others, please specify			-	-
	Total	8,33,334	18,36,793	7,00,506	33,70,632

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

Date: 28th July, 2020

Shreya Deb

**Shreya Deb
Director
DIN.: 07915580**

Place: *Bangalore*

Abhijeet Sudhakar Kudva

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

Place: *Bangalore*

Annexure 2

FORM NO. AOC-2

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

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

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

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

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

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

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

Sl. No.	Name(s) of the related party	Nature of contract	Duration of Contract	Value

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

(g) Amount paid as advances, if any:

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

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

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

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

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

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

Ashish Kumar

Ananya Deb

Sl. No.	Name(s) of the related party	Nature of contract	Duration of Contract	Value
1	A.Ramesh Kumar	Lease Agreement for the Registered office of the Company	7 months	Rs.126000/-

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

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

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

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

Date: 28th July, 2020



**Shreya Deb
Director
DIN.: 07915580**

Place: *Bangalore*



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

Place: *Bangalore*

Annexure 3

PARTICULARS OF TOP TEN EMPLOYEES REMUNERATION

Sl. No.	Name	Designation	Qualification & Experience	Age	Remuneration received	Date of Commencement of Employment	Last Employment held before joining the Company
1	Govindarajan Kannan	Sr. Vice President - Business	B.Com, PGDBA 24yrs+ experience in Sales and Retail Lending Products like Home Loans & Two-wheeler Loans	51	24,00,503.84	31-10-2018	Axis Bank
2	Sanku Lahiri	Sr. Vice President - IT	M.Sc Computer & Information Science 16+ years of experience in the field of Information Technology, majorly in financial domain.	42	23,50,500.80	22-11-2013	Manager IT at Asia Pragati Capfin Private Limited
3	Sameer Siddiqui	Chief Financial Officer & Chief Operating Officer	B.E., MBA, MA - Economics. He has more than 11 years of experience with MNCs and has spent last 5 years working extensively with NGOs/MFIs and HFC in designing and piloting innovative models in housing microfinance.	36	18,36,793.03	01-01-2011	Project Manager at Asia Pragati Capfin Private Limited
4	Piyush Padmakar Saptarishy	Vice-President - Credit	B.Com MBA (Finance) 19+ years in credit underwriting of housing loans, mortgage loans and other loan products.	43	16,18,913.17	21-05-2019	IIFL Home Finance Limited

Abhishek

Shreya Deb

5	Prashant Kumar	Vice President-Business	B.Sc IT and PGDBM 8+ years in Sales and Business Management.	36	13,56,397.67	30-01-2018	Fullerton India Credit Co. Ltd
6	Meenakshi Dholwani	Financial Controller	Chartered Accountant 7+ years in the field of Accounts and Finance.	27	13,17,170.00	03-10-2018	Tata Consultancy Services
7	Akshay Fadnavis	Vice President - IT	B.E. Mechanical Engineer 5 years in Business Analysis, Database development, E commerce and Insurance Analytics	28	12,03,628.72	06-02-2017	Prudential Plc, Mumbai
8	Krusch P. Antony	Vice President-Legal	B.A, LLB and Masters in Business Law. He has 18+ years of Experience.	49	10,49,385.16	28-05-2018	Sakthi Finance Limited & Group of Companies.
9	Aditya Singh Bais	Vice President-Learning and Development	B.Com MBA in Finance He has 9+ years of Experience in Retail Assets, Affordable Housing Loans and Business Loan Products.	37	10,27,793.54	13-06-2019	Reliance Capital Ltd: Housing Finance Division
10	Sudhanshu Sekhar Nayak	Regional Manager	PGDM He has 10+ years of experience in Housing Finance Industries.	33	8,46,333.80	06-02-2018	MSM Microfinance

For and on behalf of the Board
Swarna Pragati Housing Micro Finance Private Limited
Date: 28th July, 2020

Shreya Deb
Shreya Deb
Director
DIN.: 07915580
Place: *Bangalore*

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Swarna Pragati Housing Microfinance Private Limited

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

We have audited the accompanying financial statements of Swarna Pragati Housing Microfinance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 30 to the financial statements which describes the extent to which the Coronavirus (CoVID-19) Pandemic will impact the Company's operations and financial results including estimates of provisions on loans to customers, which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Other Information

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

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

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



Responsibility of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these 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, 2020;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 22 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Swarna Pragati Housing Microfinance Private Limited
Independent Auditors' Report for the year ended March 31, 2020

Page 4 of 9

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & Co. LLP

ICAI Firm's Registration Number: 301003E/E300005

Chartered Accountants



per **Jitendra H. Ranawat**

Partner

Membership Number: 103380

UDIN: 20103380AAAACA1097



Mumbai

July 28, 2020

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**Re: Swarna Pragati Housing Microfinance Private Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties included in fixed assets of the Company and accordingly the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. As informed, provisions relating to duty of custom, duty of excise, sales-tax and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, provisions relating to duty of custom, duty of excise, sales-tax and value added tax are not applicable to the Company.



- (c) According to the information and explanations given to us, the dues outstanding of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and services tax and cess which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of disputed dues	Amount under dispute (Rs.)	Amount paid (Rs.)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	26,069,428	5,213,886	FY 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,020,228	404,050	FY 2016-17	Commissioner of Income Tax (Appeals)

*paid under protest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institution or bank. The Company did not have any outstanding loans or borrowing dues to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) We have been informed that during the year there were instances of misappropriation of cash by employees of the Company aggregating to Rs. 1,131,046; 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.759,911 has been fully provided in the books of account.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of 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) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Swarna Pragati Housing Microfinance Private Limited
Independent Auditors' Report for the year ended March 31, 2020

Page 7 of 9

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration Number: 301003E/E300005
Chartered Accountants



per **Jitendra H. Ranawat**
Partner
Membership Number: 103380
UDIN: 20103380AAAACA1097



Mumbai
July 28, 2020

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

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

We have audited the internal financial controls over financial reporting of Swarna Pragati Housing Microfinance Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these financial statements as at March 31, 2020:

The Company's internal financial controls over user access management were not operating effectively as observed in certain instances of delays in deactivating internal users and non-availability of information for deactivating external users with access to information systems. We believe that such material weakness in the internal financial controls over information systems could result in material misstatement in the Company's financial statement balances and presentation and disclosure of financial statements.

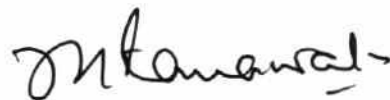
A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely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

In our opinion, except for the above, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2020.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Swarna Pragati Housing Microfinance Private Limited, which comprise the Balance Sheet as at March 31, 2020, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of Swarna Pragati Housing Microfinance Private Limited and this report does not affect our report dated July 28, 2020, which expressed an unqualified opinion on those financial statements.

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration Number: 301003E/E300005
Chartered Accountants



per **Jitendra H. Ranawat**
Partner
Membership Number: 103380
UDIN: 20103380AAAACA1097



Mumbai
July 28, 2020

Swarna Pragati Housing Microfinance Private Limited
Balance Sheet as at March 31, 2020

	Particulars	Note No.	As at	As at
			March 31, 2020	March 31, 2019
			₹	₹
A	EQUITY AND LIABILITIES			
1)	Shareholders' funds			
	(a) Share capital	3	41,96,93,320	36,80,19,380
	(b) Reserves and surplus	4	(33,08,752)	14,85,33,734
			41,63,84,568	51,65,53,114
2)	Non-current liabilities			
	(a) Long-term borrowings	5	25,12,69,006	59,75,62,831
	(b) Other long-term liabilities	6	1,08,54,985	41,09,962
	(c) Long-term provisions	7	12,60,30,782	4,58,55,241
			38,81,54,773	64,75,28,034
3)	Current liabilities			
	(a) Trade payables	8	-	-
	Micro, Small and Medium Enterprises			
	Others		71,16,093	1,05,82,982
	(b) Other current liabilities	6	35,71,86,509	41,19,49,437
	(c) Short-term provisions	7	37,68,455	54,07,446
			36,80,71,057	42,79,39,865
	TOTAL (1 + 2 + 3)		1,17,26,10,398	1,59,20,21,013
B	ASSETS			
1)	Non-current assets			
	(a) Fixed Assets			
	(i) Property, Plant and Equipment	9	72,78,430	1,12,72,610
	(ii) Intangible assets	9	1,05,33,600	1,93,02,670
	(iii) Intangible assets under development		19,15,213	19,15,213
	(b) Long-term loans and advances	10	64,13,45,046	96,17,41,867
	(c) Other non-current assets	11	5,58,47,091	7,29,80,910
			71,69,19,380	1,06,72,13,271
2)	Current assets			
	(a) Current investments	12	2,77,26,241	1,05,05,650
	(b) Cash and bank balances	13	12,88,70,329	2,63,60,350
	(c) Short-term loans and advances	10	23,63,22,695	43,55,31,096
	(d) Other current assets	11	6,27,71,753	5,24,10,645
			45,56,91,018	52,48,07,742
	TOTAL (1 + 2)		1,17,26,10,398	1,59,20,21,013

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 S.R. Batliboi & Co. LLP
 ICAI Firm Registration No. 301003E/E300005
 Chartered Accountants

Jitendra H. Ranawat

per Jitendra H. Ranawat
 Partner
 Membership No. 103380

Place: Mumbai
 Date: July 28, 2020



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

Abhijeet S. Kudva
 Abhijeet S. Kudva
 Director
 DIN No. 03042087
 Place: Bangalore
 Date: July 28, 2020

Shreya Deb
 Shreya Deb
 Director
 DIN No. 07915580
 Place: Bangalore
 Date: July 28, 2020

Meenakshi Dholwani
 Meenakshi Dholwani
 Financial Controller
 Place: Nagpur
 Date: July 28, 2020

Megha Mohunta
 Megha Mohunta
 Company Secretary
 Membership No. F 10009
 Place: Nagpur
 Date: July 28, 2020

Swarna Pragati Housing Microfinance Private Limited
Statement of Profit and Loss for the year ended March 31, 2020

	Particulars	Note No.	For the year ended	For the year ended
			March 31, 2020	March 31, 2019
			₹	₹
I	Income			
(a)	Revenue from operations	14	19,80,92,759	30,16,09,308
(b)	Other income	15	1,72,82,084	1,78,80,944
	Total income (I)		21,53,74,843	31,94,90,252
II	Expenses			
(a)	Employee benefits expense	16	7,78,43,912	11,55,74,310
(b)	Finance costs	17	11,45,74,224	15,65,56,452
(c)	Depreciation and amortisation expense	18	1,23,77,569	1,65,66,412
(d)	Other expenses	19	5,11,93,062	6,14,32,779
(e)	Loan losses and provisions	20	23,55,12,938	12,07,43,199
	Total expenses (II)		49,15,01,705	47,08,73,152
III	Profit / (Loss) before tax (I- II)		(27,61,26,862)	(15,13,82,901)
IV	Tax expense:			
(a)	Current tax expense		-	-
(b)	(Excess) provision for tax relating to prior years		-	(19,227)
(c)	Deferred tax (credit)/charge		-	1,00,37,664
	Total Tax expense (IV)		-	1,00,18,437
V	Profit / (Loss) for the year (III-IV)		(27,61,26,862)	(16,14,01,338)
VI	Earnings per share (EPS) (nominal value of ₹ 10 each):			
	Basic EPS (Rs. per share)	21	-8.16	-4.99
	Diluted DPS (Rs. per share)	21	-8.16	-4.99

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 S.R. Batliboi & Co. LLP
 ICAI Firm Registration No. 301003E/E300005
 Chartered Accountants

Jitendra H. Ranawat

per Jitendra H. Ranawat
 Partner
 Membership No. 103380

Place: Mumbai
 Date: July 28, 2020



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

Abhijeet S. Kudva
Abhijeet S. Kudva
 Director
 DIN No. 03042087
 Place: Bangalore
 Date: July 28, 2020

Shreya Deb
Shreya Deb
 Director
 DIN No. 07915580
 Place: Bangalore
 Date: July 28, 2020

Meenakshi Dholwani
Meenakshi Dholwani
 Financial Controller
 Place: Nagpur
 Date: July 28, 2020

Megha Mohunta
Megha Mohunta
 Company Secretary
 Membership No. F 10009
 Place: Nagpur
 Date: July 28, 2020



Swarna Pragati Housing Microfinance Private Limited
Cash Flow Statement for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Profit / (Loss) before tax		(27,61,26,863)		(15,13,82,901)
<u>Adjustments for:</u>				
Depreciation on property, plant and equipment	36,08,499		45,43,610	
Amortisation of intangible assets	87,69,070		1,20,22,802	
Loss on sale of property, plant and equipment	1,82,845		-	
Employee stock option expense	(7,14,885)		7,12,160	
Contingent provision on standard assets	(12,70,491)		(3,03,330)	
Provision for doubtful advances (related to financing activity)	7,30,47,632		(25,77,610)	
Bad debts written off	16,37,35,797		12,36,24,139	
Amortisation of ancillary borrowing costs	52,00,456		61,56,269	
Provision for other advances	76,20,490		35,62,099	
Interest income on fixed deposits	(42,86,059)		(53,88,822)	
Profit on sale of current investments	(12,89,731)		(71,54,557)	
		25,46,03,623		13,51,96,760
Operating profit before working capital changes		(2,15,23,240)		(1,61,86,141)
<u>Changes in working capital</u>				
Adjusted for (increase) / decrease in assets				
Long term loans and advances	15,75,01,020		1,54,39,614	
Short term loans and advances	19,92,08,401		42,62,065	
Other non-current assets	1,19,33,363		25,25,554	
Other current assets	(59,96,269)		(2,24,20,511)	
Adjusted for increase / (decrease) in liabilities				
Long term liabilities	67,45,023		25,40,099	
Trade payables	(34,66,889)		13,16,188	
Other current liabilities	(55,08,968)		(11,91,215)	
Short term provisions	(8,61,081)		(3,60,063)	
		35,95,54,600		21,11,731
Cash used in operations		33,80,31,361		(1,40,74,410)
Net income tax (paid)		(8,39,995)		(54,85,442)
Net cash flow (used in) / from operating activities (A)		33,71,91,366		(1,95,64,899)
B. Cash flow from investing activities				
Purchase of property, plant and equipment and purchase of		(71,289)		(53,45,249)
Sale of property, plant and equipment		2,74,126		-
Interest income on fixed deposits		(78,780)		1,55,59,691
Investment in fixed deposits not considered as cash and cash equivalents		(20,00,000)		
Purchase of current investments		(19,65,00,000)		(35,50,00,000)
Sale of current investments		18,05,69,140		43,50,00,000
Net cash flow (used in) / from investing activities (B)		(1,78,06,803)		9,02,14,442
C. Cash flow from financing activities				
Proceeds from long term borrowings		-		18,00,00,000
Repayment of long term borrowings		(39,55,47,786)		(41,70,91,103)
		17,66,73,202		-
Proceeds from issue of compulsorily convertible preference shares				
Net cash flow (used in) / from financing activities (C)		(21,88,74,584)		(23,70,91,103)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		10,05,09,979		(16,64,41,560)
Cash and cash equivalents at the beginning of the year		2,33,60,351		18,98,01,911
Cash and bank balances at the end of the year (refer note 16)		12,38,70,330		2,33,60,351

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 S.R. Batliboi & Co. LLP
 ICAI Firm Registration No. 30100352300
 Chartered Accountants

per Jitendra H. Ranawat
 Partner
 Membership No. 103380

Place: Mumbai
 Date: July 28, 2020



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

Abhijeet S. Kudva
 Director
 DIN No. 03042087
 Place: Bangalore
 Date: July 28, 2020

Meenakshi Dholwani
 Financial Controller
 Place: Nagpur
 Date: July 28, 2020

Shreya Deb
 Director
 DIN No. 07915580
 Place: Bangalore
 Date: July 28, 2020

Megha Mohunta
 Company Secretary
 Membership No. F 10009
 Place: Nagpur
 Date: July 28, 2020

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, 1997 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 is a 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 and the loss before tax for the year ended March 31, 2020 is higher by Rs.8,79,99,106.82

(c) Property, plant and equipment

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

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

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

(d) Intangible assets

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

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

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

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

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

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

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

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

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







(f) **Loans to borrowers**

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

(g) **Investments**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments 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

(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.

(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.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain that 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.



Shreya Deb

Abhishek

Manoj



(l) **Earnings per Share**

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

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

(m) **Impairment of assets**

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

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

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

(n) **Foreign currency transactions**

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

(o) **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) **Asset classification of loans under financing activity**

Loans given to customers are classified into various categories in accordance with the NHB Directions. Pursuant to the Reserve Bank of India (RBI) notification dated March 27, 2020 and April 17, 2020 on COVID-19 Regulatory Package, the Company has excluded the period from March 1, 2020 to March 31, 2020 from the arrear period for determining asset classification of loans which were extended moratorium benefit under the COVID-19 Regulatory package.

(s) **(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. Further, the Company has recognised additional provision pursuant to RBI notified dated April 17, 2020 with respect to accounts eligible for asset classification benefit as at March 31, 2020 in accordance with the COVID-19 Regulatory package.

(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).

(t) **Provisions**

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a 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.

(u) **Contingent liabilities**

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

(v) **Cash and Cash Equivalents**

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



Shreyas Desai

Abhishek Kumar

M. Shreyas

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Swarna Pragati Housing Microfinance Private Limited
Notes to the financial statements for the year ended March 31, 2020

3. SHARE CAPITAL

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	₹	₹
(a) Authorised		
*3,90,00,000 Equity shares [March 31, 2019 : 3,90,00,000] of ₹ 10 each	39,00,00,000	39,00,00,000
*1,10,00,000 Preference shares [March 31, 2019 : 1,10,00,000] of ₹ 10 each	11,00,00,000	11,00,00,000
	<u>50,00,00,000</u>	<u>50,00,00,000</u>
(b) Issued, subscribed and fully paid up:		
I. Equity share capital		
3,38,51,319 Equity shares [March 31, 2019: 3,38,51,319 Shares] of ₹ 10 each	33,85,13,190	33,85,13,190
Less: 14,80,500 Equity shares [March 31, 2019: 14,80,500] of ₹10 each held in Trust for employees under ESOP Scheme#	-1,48,05,000	-1,48,05,000
Total (A)	32,37,08,190	32,37,08,190
II. Preference share capital		
95,98,513 Compulsorily Convertible Preference shares [March 31, 2019: 44,31,119] of ₹ 10 each (B)	9,59,85,130	4,43,11,190
Total (A + B)	<u>41,96,93,320</u>	<u>36,80,19,380</u>

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

#Represents loan given to ESOP trust for subscription of shares of the Company in accordance with the ESOP scheme. 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, 2020		March 31, 2019	
	No. of Shares held	₹	No. of Shares held	₹
Equity shares				
Balance at the beginning of the year	3,38,51,319	33,85,13,190	3,38,51,319	33,85,13,190
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	<u>3,38,51,319</u>	<u>33,85,13,190</u>	<u>3,38,51,319</u>	<u>33,85,13,190</u>
0.001% Compulsorily Convertible Preference Shares				
Balance at the beginning of the year	44,31,119	4,43,11,190	44,31,119	4,43,11,190
Add: Shares issued during the year	51,67,394	5,16,73,940	-	-
Less: Conversion into Equity Shares	-	-	-	-
Balance at the end of the year	<u>95,98,513</u>	<u>9,59,85,130</u>	<u>44,31,119</u>	<u>4,43,11,190</u>

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

Equity Shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of Equity shares is entitled to one vote per share. The dividend, if any, is 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

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

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

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

c) upon the occurrence of a Liquidation Event.

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



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

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

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

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

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

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

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

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	%	No. of Shares held	%
Equity shares				
1. Aavishkaar Goodwell India Microfinance Development Company - II Limited	1,20,85,737	35.70%	1,20,85,737	35.70%
2. Zephyr Peacock India Fund III Limited	98,93,823	29.23%	98,93,823	29.23%
3. A. Ramesh Kumar	40,87,482	12.07%	40,87,482	12.07%
0.001% Compulsory Convertible Preference Shares				
1. Omidiyar Network Mauritius	56,54,741	58.91%	38,46,153	86.80%
2. Zephyr Peacock India Fund III Limited	39,43,772	41.09%	5,84,966	13.20%

Particulars	As at March 31, 2020	As at March 31, 2019
(v) Securities convertible into equity shares	95,98,513	44,31,119
(vi) Shares reserved for issue under Employee Stock Option Scheme (Refer note 28)	14,80,500	14,80,500
(vii) Aggregate number of shares issued for a consideration other than cash during the period of five years	Nil	Nil

4. RESERVES AND SURPLUS

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
(a) Securities Premium Account		
Opening balance	28,29,85,132	28,29,85,132
Add: Premium on shares issued during the year	12,49,99,261	-
Closing balance	40,79,84,393	28,29,85,132
(b) Statutory Reserve (Under Section 29C of the National Housing Bank Act, 1987 'NHB Act')		
Opening balance	55,45,397	55,45,397
Addition during the year	-	-
Appropriation during the year	-	-
Closing balance	55,45,397	55,45,397
(c) General Reserve		
Opening balance	11,115	11,115
Add: Transferred from Share options outstanding account	-	-
Closing balance	11,115	11,115
(d) Share options outstanding account		
Opening balance	7,14,885	2,725
Add: Cost amortised during the year	-	7,12,160
Less: Reversed to statement of profit and loss upon forfeiture of options	7,14,885	-
Closing balance	-	7,14,885
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(14,07,22,795)	2,06,78,544
Add: Profit / (Loss) for the year	(27,61,26,862)	(16,14,01,338)
Less: Transferred to Statutory Reserve as per Section 29C of NHB Act	-	-
Closing balance	(41,68,49,657)	(14,07,22,795)
Total	(33,08,752)	14,85,33,734



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5. LONG-TERM BORROWINGS

Particulars	Non Current maturities		Current Maturities*	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	₹	₹	₹	₹
Secured Term loans				
- Banks	6,94,88,020	17,37,79,275	10,52,64,000	10,52,64,000
- Others	18,27,80,378	42,37,83,556	24,13,44,707	29,05,98,668
	25,12,69,006	59,75,62,831	34,66,08,707	39,58,62,668

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

a. Security details for Secured Term loans

1. Term loans of ₹ 59,78,77,713 (Previous year: ₹ 99,34,25,499) is secured by way of Exclusive first charge on portfolio of receivable as accepted to the lender of the Company.

2. Term loans of ₹ 44,64,30,787 (Previous year: ₹ 72,64,48,510) is secured additionally by cash collateral from financial institutions amounting to ₹ 6,68,75,000 (Previous year : ₹ 6,93,75,000).

b. Terms of repayment:

Term loans from Banks and Others-Secured
As at March 31, 2020

Tenure	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
36-48 months				
24-36 months	12.51% to 15%	Monthly and quarterly	11,89,07,094	7,66,13,826
12-24 months	12.15% to 15%	Monthly and quarterly	13,23,61,912	18,37,56,217
Upto 12 Months	14.25% to 15%	Monthly	-	8,62,38,664
Grand Total			25,12,69,006	34,66,08,707

As at March 31, 2019

Tenure	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months				
36-48 months	12.60% to 13.95%	Monthly and quarterly	19,52,19,060	7,01,18,547
24-36 months	12.80% to 14.05%	Monthly and quarterly	31,61,05,127	16,30,99,294
12-24 months	14.25% to 15%	Monthly	8,62,38,645	14,26,44,827
Grand Total			59,75,62,831	39,58,62,668



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Shreyas AB

MLG *SK*



Swarna Pragati Housing Microfinance Private Limited
Notes to the financial statements for the year ended March 31, 2020

6. OTHER LIABILITIES

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	₹	₹	₹	₹
Retention commission payable to business associates	1,08,54,985	41,09,962	-	-
Current maturities of long term borrowings [Refer Note 5 above]	-	-	34,66,08,707	39,58,62,668
Interest accrued but not due on borrowings	-	-	30,33,761	44,98,780
Rent equalisation	-	-	-	29,707
Payable to Employees	-	-	12,37,712	21,53,999
Excess money received from borrowers	-	-	27,42,578	33,87,001
Statutory dues	-	-	34,41,761	58,94,956
Others	-	-	1,21,989	1,22,326
Total	1,08,54,985	41,09,962	35,71,86,508	41,19,49,437

7. PROVISIONS

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	₹	₹	₹	₹
Contingent provision for standard assets	25,32,494	32,54,875	12,42,896	17,91,006
Provision for non-performing assets	11,20,85,899	3,90,38,267	-	-
Provision towards doubtful advances	69,41,674	35,62,099	-	-
Provision towards other assets	44,70,715	-	-	-
Employee benefits	-	-	-	-
Provision for compensated absences	-	-	25,25,559	36,16,440
Total	12,60,30,782	4,58,55,241	37,68,455	54,07,446

8 TRADE PAYABLES

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	₹	₹
Trade payables:		
To Micro, Small and Medium Enterprises (Refer note below)	-	-
Others	71,16,093	1,05,82,962
Total	71,16,093	1,05,82,962

* 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, 2020 (March 31, 2019: Nil)



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Swarna Pragati Housing Microfinance Private Limited
Notes to the financial statements for the year ended March 31, 2020

9. Fixed assets

Particulars	Gross block			Accumulated depreciation			Net Block			
	Balance as at April 01, 2019	Additions	Disposals	Balance as at March 31, 2020	Balance as at April 01, 2019	Depreciation / amortisation expense for the year	Deduction during the year	Balance as at March 31, 2020	Balance as at March 31, 2020	As at March 31, 2019
A. Property, plant and equipment										
(a) Furniture and Fixtures (Previous Year)	1,10,28,818 (82,16,121)	3,900 (28,12,696)	6,95,838 -	1,03,35,790 (1,10,28,819)	50,92,705 (34,34,399)	14,98,647 (16,58,306)	3,38,613 -	62,52,738 (50,92,705)	40,83,042 (59,36,114)	59,36,114 (47,81,722)
(B) Office Equipment (Previous Year)	39,71,475 (32,85,075)	20,782 (8,66,400)	1,27,598 -	38,64,659 (39,71,475)	28,37,867 (22,55,383)	5,14,425 (5,82,274)	91,683 -	32,60,409 (28,37,867)	6,04,250 (11,33,808)	11,33,808 (10,29,882)
(c) Computers (Previous Year)	1,10,18,785 (92,43,289)	46,707 (17,75,497)	3,13,221 -	1,07,52,271 (1,10,18,785)	88,62,787 (70,19,088)	12,21,148 (18,43,720)	2,50,390 -	98,33,545 (88,62,787)	9,18,726 (21,55,968)	21,55,968 (22,24,221)
(d) Plant & Machinery	36,78,124	-	-	36,78,124	16,40,541	3,70,114	-	20,10,955	16,67,469	20,37,593
(e) Vehicles (Previous Year)	34,500 (34,500)	-	-	34,500 (34,500)	25,392 (17,789)	4,165 (7,623)	-	29,557 (25,392)	4,943 (9,109)	9,108 (16,731)
Sub total	2,97,31,703 (2,44,67,109)	71,289 (52,74,594)	11,37,657 -	2,86,65,335 (2,97,31,703)	1,84,69,092 (1,39,15,482)	36,08,489 (46,43,610)	6,80,686 -	2,13,85,905 (1,84,69,092)	72,78,429 (1,12,72,610)	1,12,72,610 (1,05,41,627)
B. Intangible Assets										
(f) Computer Software (Previous Year)	3,55,95,921 (1,97,28,982)	-	-	3,55,95,921 (3,55,95,921)	1,62,93,251 (42,70,449)	87,69,070 (1,20,22,802)	-	2,50,62,321 (1,62,93,251)	1,05,33,600 (1,93,02,670)	1,93,02,670 (1,54,56,543)
Total (A+B)	6,53,27,624 (4,41,94,091)	71,289 (2,11,43,623)	11,37,657 -	6,42,61,256 (6,53,27,624)	3,47,62,343 (1,81,85,931)	1,23,77,669 (1,66,65,412)	6,80,686 -	4,64,49,226 (3,67,62,343)	1,78,12,029 (3,05,76,280)	3,05,76,280 (2,89,96,170)

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Abhishek Bhat

Shruti Bhat



10 LOANS AND ADVANCES

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	₹	₹	₹	₹
I. Loans and advances related to financing activity				
Secured, considered good*				
Housing loans	37,50,80,167	67,56,30,402	19,87,01,807	38,97,29,797
Non-housing loans	8,07,93,568	13,79,81,981	3,63,22,812	4,13,35,301
Secured, considered doubtful**				
Housing loans	14,46,49,156	12,30,88,467	-	-
Non-housing loans	1,49,28,304	58,90,730	-	-
Unsecured, considered good*				
Non-housing loans	57,830	1,06,476	65,533	15,65,759
Unsecured, considered doubtful**				
Non-housing loans	5,45,253	2,15,811	-	-
TOTAL	61,60,54,277	94,29,13,788	23,50,90,152	43,26,30,857
II. Other loans and advances				
Unsecured, considered good				
Capital advances	-	2,201	-	-
Security deposits	20,08,895	6,24,170	-	20,84,100
Advances recoverable in cash or in kind or for value to be received	51,10,682	35,70,663	3,61,407	3,50,000
Advance income tax (net of provisions)	1,22,13,258	1,13,73,262	-	-
Unsecured, considered doubtful				
Other advances	59,57,933	32,57,804	6,71,136	4,66,139
TOTAL	2,52,90,768	1,88,28,100	12,32,543	29,00,239
GRAND TOTAL (I + II)	64,13,45,045	96,17,41,867	23,63,22,695	43,55,31,096

* 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))

There were no debts due outstanding as at March 31, 2020 and March 31, 2019 by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.



Alhijathdas

18/03/20

18/03/20

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Swarna Pragati Housing Microfinance Private Limited
Notes to the financial statements for the year ended March 31, 2020

11 OTHER ASSETS

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	₹	₹	₹	₹
Interest accrued on deposits with banks and financial institutions	54,29,737	72,60,315	54,59,419	10,94,580
Interest accrued on loans and advances under financing activities	-	-	88,32,646	1,51,20,545
Unamortised borrowing costs	35,42,354	57,20,595	21,66,137	44,91,412
Deposits with financial institutions**	1,18,75,000	2,00,00,000	1,50,00,000	93,75,000
Deposits with banks (Refer note 13)**	3,50,00,000	4,00,00,000	-	-
Receivable from business associates (Refer Note 23)	-	-	3,13,13,551	2,23,29,108
Total	5,58,47,091	7,29,80,910	6,27,71,753	5,24,10,645

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

12 CURRENT INVESTMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
- UTI Liquid Cash Plan - Institutional - Direct Plan 3432 389 units (March 31, 2019: 29,296.379 units) (Unquoted)*	2,77,26,241	1,05,05,650

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

13 CASH AND BANK BALANCES

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
I. Cash and cash equivalents		
Cash on hand	5,55,643	23,35,293
Balances in current accounts with banks	12,33,14,688	2,10,25,057
	12,38,70,329	2,33,60,350
II. Other Bank Balances		
Deposit with original maturity for more than three months but less than twelve months #	50,00,000	30,00,000
Total (I + II)	12,88,70,329	2,63,60,350

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

3,50,00,000 4,00,00,000

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



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Swarna Pragati Housing Microfinance Private Limited
Notes to the financial statements for the year ended March 31, 2020

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

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
(i) Contingent liabilities		
(a) Dividend payable on compulsorily convertible preference shares	1,895	1,772
(b) Income tax dispute	2,80,89,656	2,60,69,428
(ii) Commitments		
(a) Other commitments:		
Housing loans sanctioned but not disbursed to the borrowers	-	1,90,98,000
TOTAL	2,80,91,551	4,51,68,200

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 3,03,07,611 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	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹

(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	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
Components of employer expense		
Current service cost	4,71,229	3,93,833
Interest cost	1,06,437	65,392
Expected return on plan assets	(2,15,863)	(2,00,178)
Actuarial losses/(gains)	3,70,827	2,55,588
Total expense recognized in the Statement of Profit and Loss	7,32,630	5,14,635
Net asset / (liability) recognized in the Balance Sheet		
Present value of defined benefit obligation	25,05,848	16,00,549
Fair value of plan assets	30,50,512	28,44,041
Net asset / (liability) recognized in the Balance Sheet	5,44,664	12,43,492
Change in defined benefit obligations (DBO) during the year		
Present value of the DBO at beginning of the year	16,00,549	9,23,619
Current service cost	4,71,229	3,93,833
Interest cost	1,06,437	65,392
Actuarial losses/(gains)	3,27,633	2,17,705
Present value of DBO at the end of the year	25,05,848	16,00,549
Change in fair value of assets during the year		
Plan assets at beginning of the year	28,44,041	26,51,365
Actual company contributions	33,802	30,381
Actuarial gain / (loss)	1,72,669	1,62,295
Benefits paid	-	-
Plan assets at the end of the year	30,50,512	28,44,041
Actual return / (loss) on plan assets	1,72,669	1,62,295
Major categories of plan assets (as percentage of total plan assets)		
Funds Managed by Insurer	100%	100%



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Swarna Pragati Housing Microfinance Private Limited
Notes to the financial statements for the year ended March 31, 2020

14 REVENUE FROM OPERATIONS

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
Financing activity		
Interest Income on housing and non-housing loans	19,74,80,769	29,05,04,460
Processing fees	30,700	92,25,240
Other operating revenue		
Income from asset assignment	5,81,290	18,79,608
Total	19,80,92,759	30,16,09,308

15 OTHER INCOME

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
Interest on fixed deposits with banks and financial institutions	42,86,059	53,88,822
Interest on delayed collection of deposit from business associates	43,76,583	28,40,989
Profit on sale of current investments	12,89,731	71,54,557
Bad debts recovery	70,65,529	-
Interest on Income Tax Refund	-	3,00,830
Miscellaneous income	2,64,182	21,95,745
Total	1,72,82,084	1,78,80,944

16 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
Salaries and wages	7,12,08,009	10,43,65,553
Contributions to provident fund	45,99,022	71,39,606
Gratuity (Refer Note 24)	7,35,903	5,14,835
Staff welfare expenses	20,15,863	28,42,356
Stock option cost (refer note 28)	-7,14,885	7,12,160
Total	7,78,43,912	11,55,74,310

17 FINANCE COSTS

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
Interest expense on borrowings	10,93,73,768	15,04,00,183
Amortisation of ancillary borrowing costs	45,03,509	50,17,574
Other borrowing costs	6,96,947	11,38,695
Total	11,45,74,224	15,65,56,452

18 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
Depreciation on property, plant and equipment (Refer Note 9)	36,08,499	45,43,610
Amortisation of intangible Assets (Refer Note 9)	87,69,070	1,20,22,802
Total	1,23,77,569	1,65,66,412



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Swarna Pragati Housing Microfinance Private Limited
Notes to the financial statements for the year ended March 31, 2020

19 OTHER EXPENSES

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
Rent expenses [Refer Note 26]	72,91,065	79,94,031
Repairs & Maintenance	14,20,621	13,00,821
Rates & Taxes	-	25,15,030
Travelling & Conveyance	86,43,370	1,52,29,193
Printing & stationery	4,90,776	10,81,501
Communication expenses	10,92,232	13,62,688
Business promotion expenses	65,281	5,62,123
Electricity & water charges	10,15,736	10,95,110
Commission to business associates	69,62,745	1,53,92,445
Legal & Professional charges	1,25,23,038	23,71,867
Auditors Remuneration		
- as auditor	9,00,000	13,00,000
- for Certification	2,00,000	2,80,000
- for reimbursement of expenses	-	11,000
Chairman's Office Fee	-	44,19,993
Bank charges	6,68,763	8,75,199
Provision for other advances / assets	76,20,490	35,62,099
Miscellaneous expenses	22,98,945	20,79,679
Total	5,11,93,062	6,14,32,779

Note:

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

20 LOAN LOSSES AND PROVISIONS

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
Contingent provision on standard assets	-12,70,491	-3,03,330
Provision for doubtful advances (financing activity)	7,30,47,632	-25,77,610
Bad debts written off	16,37,35,797	12,36,24,139
Total	23,55,12,938	12,07,43,199

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	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
Basic EPS		
Net profit / (loss) for the year	-27,61,26,862	-16,14,01,338
Weighted average number of equity shares – for Basic EPS	3,38,51,319	3,38,51,319
Par value per share	10	10
Earnings per share – Basic	-8.16	-4.99
Diluted EPS		
Net Profit / (loss) considered for basic EPS calculation	-27,61,26,862	-16,14,01,338
Weighted average number of diluted equity shares	3,38,51,319	3,38,51,319
Nominal value per equity share	10	10
Earning per equity share - Diluted*	-8.16	-4.99

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.



Abhijeet Khanna

M. S. Raju

Shreyas Deb



Actuarial assumptions

Discount rate	6.76%	6.65%
Salary escalation	7.00%	7.00%
Mortality tables	IALM (2012-14)	IALM (2006-08)
Attrition		
Ages:		
Upto 30 years	30.07%	30.07%
From 31 to 44 years	30.07%	30.07%
Above 44 years	30.07%	30.07%

Estimate of amount of contribution in the immediate next year 4,68,111 3,87,501

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	7,51,375	4,49,473	(5,719)	(1,101)
2016-17	14,52,896	15,42,675	77,444	(1,22,795)
2017-18	9,23,619	26,51,365	(8,98,060)	(6,032)
2018-19	16,00,549	28,44,041	2,55,588	(37,883)
2019-20	25,05,848	30,50,512	3,70,827	(43,194)

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	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
Lease payments recognised in the Statement of Profit and Loss [Refer to Note 19]	72,91,065	79,94,031
Future minimum lease payments not later than one year	5,32,512	6,04,228
not later than one year and not later than five years	-	-

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. A. Ramesh Kumar - Director Mr. Amit Ranjan Biswal - Chief Executive Officer (upto May 31, 2019) Mr. Sameer Siddiqui - Chief Financial Officer (upto December 16, 2019) Mr. George Thomas - Advisor to the Company (from May 24, 2019) 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, 2020:

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	₹	₹
I) Transactions during the year		
A) Professional fees - Mr. A Ramesh Kumar	-	40,55,039
B) Rent expense - Mr. A. Ramesh Kumar	1,16,000	1,97,063
C) <u>Remuneration paid*</u>		
Key Managerial Personnel #		
Mr. A. Ramesh Kumar	-	2,50,000
Mr. Amit Ranjan Biswal	8,33,334	57,70,992
Mr. Sameer Siddiqui	18,36,793	32,98,474
Mrs. Megha Vivek Mohunta	7,00,506	1,61,224
D) Consultancy fee to Mr. George Thomas	55,93,342	-
* Does not includes reimbursement expenses		
II) Outstanding balance		
A) Professional fees - Mr. A Ramesh Kumar	-	40,55,039



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28. Disclosures on Employee share based payments

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

Vesting Condition

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

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

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

Other information with respect to the plan is as follows:

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

Reconciliation of options:

Particulars	31-Mar-20	31-Mar-19
Options outstanding at the beginning of the year	1,50,000	1,50,000
Granted during the year	-	-
Forfeited during the year	(1,50,000)	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	-	1,50,000
Exercisable at the end of the year	-	19,500

29. During the current and previous year, the Company has not incurred any foreign currency expenditure or foreign currency income.

30. A national lockdown was declared by Government of India with effect from March 24, 2020 as a result of the recent outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections (the 'Covid-19') which was further extended thrice across the country to contain the spread of the virus. Amongst various measures announced to mitigate the economic impact arising from the pandemic, the Reserve Bank of India ('RBI') has allowed lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and August 31, 2020. In accordance with the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company would be granting a moratorium on payment of instalments and/or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the assets classification shall remain stand still during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under the NHB Directions). Given the dynamic nature of the pandemic situation, the estimates of provision towards loans to customers are subject to uncertainty and maybe affected by severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company.

An inherent part of the Company's business model is to raise borrowing for onward lending to its customers and utilise the collections from its loan receivables to service the obligations towards its own borrowings from banks and financial institutions. The total borrowings of the Company as of March 31, 2020 is Rs. 59.79 crore, and the Company has serviced all obligations as of March 31, 2020. The management has performed a detailed assessment of its monthly cash inflows and outflows for next 12 months and concluded that it will be able to meet its obligations even if its monthly collections remain below normal levels due to continuation of lockdown. The extent to which the COVID-19 pandemic will impact the Company's operations and financial metrics will depend upon future developments, which are highly uncertain, including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company



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

31.1 Capital to Risk Assets Ratio (CRAR)

Particulars	Amounts in Rupees	
	Current Year	Previous Year
i) CRAR (%)	80.13%	63.55%
ii) CRAR - Tier I capital (%)	79.38%	62.90%
iii) CRAR - Tier II Capital (%)	0.75%	0.66%
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

Particulars	Amounts in Rupees	
	Current Year	Previous Year
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	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 Act, 1987	-	-
c) Total	5,545,397	5,545,397
Addition / Appropriation / Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 38(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purposes of provisions u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	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 Act, 1987	-	-
c) Total	5,545,397	5,545,397

31.3 Investments

Particulars	Amounts in Rupees	
	Current Year	Previous Year
3.5.1. Value of Investments		
i) Gross Value of Investments		
(a) In India	27,726,241	10,505,650
(a) Outside India	-	-
ii) Provision for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	27,726,241	83,351,093
(a) Outside India	-	-
3.5.2. Movement of provisions held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off/write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

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 sold any financial assets to Securitisation / Reconstruction Company for Asset Reconstruction 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	718,431,131	1,188,448,667
Housing loans more than Rs. 15 lakhs	-	-
Non Housing Loans	132,044,684	185,207,912
(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 10

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, penalty of Rs. 10,620 (incl. of applicable taxes) has been levied by the NHB on the Company vide their letter dated May 24, 2019 for unsatisfactory submission of certain regulatory filings with the NHB during financial year 2017-18 and 2018-19. Further, the Reserve Bank of India has levied a penalty of Rs. 16,250 (incl. of applicable taxes) vide their communication dated January 2, 2020 towards delay in submission of regulatory filings pertaining to foreign direct investment in the Company during the year.



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31.10.3 **2.3 Related Party Transactions**

Refer note 27 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 BBB-, Outlook: " Negative (Previous year: CARE BBB-, Outlook: " Negative)

During the year, there was no change in credit ratings of the Company.

31.10.5 **Remuneration of Directors (Non-executive) - Current year: Nil (Previous year : Professional fee- Mr. A. Ramesh Kumar Rs. 40,55,059)**

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	-	(19,227)
3. Provision towards non-performing assets	73,047,632	(2,577,610)
4. Contingent provision towards standard assets	(1,270,491)	(303,330)
5. Provisions towards other assets and advances	7,620,490	3,562,099

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
Standard Assets				
a) Total Outstanding Amount	573,781,975	1,065,360,199	117,239,742	180,989,417
b) Provisions made	3,209,069	4,311,426	565,721	734,455
Sub-Standard Assets				
a) Total Outstanding Amount	144,259,948	61,779,520	15,473,557	4,921,034
b) Provisions made	100,981,964	9,266,928	10,831,490	738,155
Doubtful Assets - Category-I				
a) Total Outstanding Amount	192,777	25,117,683	-	1,086,773
b) Provisions made	134,944	6,279,420	-	271,693
Doubtful Assets - Category-II				
a) Total Outstanding Amount	196,430	22,979,678	-	33,536
b) Provisions made	137,501	9,191,871	-	13,414
Doubtful Assets - Category-III				
a) Total Outstanding Amount	-	13,211,587	-	65,198
b) Provisions made	-	13,211,587	-	65,198
Loss Assets				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
Total				
a) Total Outstanding Amount	718,431,131	1,188,448,667	132,713,299	187,095,958
b) Provisions made	104,464,078	42,261,232	11,397,211	1,822,918

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	10,003,825	11,025,207
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	1.18%	0.79%

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	10,003,825	11,025,207
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	1.18%	0.79%

31.13.4 **Concentration of NPAs**

Particulars	Amounts in Rupees	
	Current Year	Previous Year
Total Exposure to top ten NPA accounts	5,115,470	3,211,909

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

Sr No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	20.13%
2	Builders/Project Loans	
3	Corporates	
4	Others (specify)	
B.	Non-Housing Loans:	
1	Individuals	11.66%
2	Builders/Project Loans	
3	Corporates	
4	Others (specify)	

31.13.6 **Movement of NPAs**

Particulars	Amounts in Rupees	
	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	6.50%	6.75%
(ii) Movement of NPAs (Gross)		
a) Opening balance	129,195,008	185,474,270
b) Additions during the year	195,910,578	111,390,139
c) Reductions during the year	(164,982,872)	(167,669,401)
d) Closing balance	160,122,713	129,195,008
(iii) Movement of Net NPAs		
a) Opening balance	90,156,741	143,858,392
b) Additions during the year	87,878,568	89,622,388
c) Reductions during the year	(129,998,495)	(143,324,039)
d) Closing balance	48,036,814	90,156,741
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	39,038,267	41,615,878
b) Provisions made during the year	105,032,009	21,767,751
c) Write-off/write-back of excess provisions	(34,984,377)	(24,345,362)
d) Closing balance	112,085,899	39,038,267



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31.10.8 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
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	Nil
Borrowings from Banks	0.88	0.88	0.86	2.63	5.26	6.85	-	-	-	-	17.36
Market Borrowings	2.16	2.43	2.84	7.25	9.45	18.28	-	-	-	-	42.41
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Assets											
Advances	3.19	1.97	1.92	5.60	10.84	39.81	21.71	0.06	-	-	85.11
Investments	2.77	-	-	-	-	-	-	-	-	-	2.77
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	Nil

Amounts in Rupees crores

Previous Year	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 year to 7 years	Over 7 year to 10 years	Over 10 year	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	Nil
Borrowings from Banks	0.68	0.88	0.68	2.63	5.26	17.36	-	-	-	-	27.90
Market Borrowings	2.03	2.38	2.16	7.42	15.08	39.08	3.30	-	-	-	71.44
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Assets											
Advances	7.56	3.25	3.21	9.63	19.60	57.79	29.61	6.69	-	-	137.55
Investments	1.05	-	-	-	-	-	-	-	-	-	1.05
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	Nil



Attested by
 18/03/20
 868
 [Signature]

31.14 Overseas Assets
Nil. (March 31, 2019: 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	-	2
c) No. of complaints redressed during the year	-	2
d) No. of complaints pending at the end of the year	-	-

32. During the year, there were various instances of cash embezzlement by the employees of the Company amounting to Rs.11,31,046. Further, such instances have been referred to statutory authorities for further investigation wherever necessary. The services of all such employees have been terminated and outstanding balances (net of recoveries, if any) have been fully provided in the financial statements.

33. Additional disclosure in terms of the circular DOR.No.BP.BC.53/21.04.048/2019-20 dated April 17, 2020 (the 'RBI Circular') the following disclosures are stated below:-

Sr.No.	Particulars	Rs.
1	Outstanding balance of loans which were standard but overdue as at February 29, 2020 where the moratorium benefit was extended	148,893,513
2	Asset classification benefit extended to loans indicated in 1 above	19,519,453
3	General provision recognised on loans indicated at 2 above in terms of the RBI circular	975,973
4	Amount of provision adjusted out of 3 above towards actual slippages	Nil
5	Outstanding balance of general provision after adjustments towards actual slippages (3-4)	975,973

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

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

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

Jitendra H. Ranawat

per Jitendra H. Ranawat
Partner
Membership No. 103380

Place: Mumbai
Date: July 28, 2020



Abhishek Sudhakar Kudva

Abhishek Sudhakar Kudva
Director
DIN No. 03042087
Place: Bangalore
Date: July 28, 2020

Meenakshi Dholwani

Meenakshi Dholwani
Financial Controller
Place: Nagpur
Date: July 28, 2020

Shreya Deb

Shreya Deb
Director
DIN No. 07915580
Place: Bangalore
Date: July 28, 2020

Megha Mohunta

Megha Mohunta
Company Secretary
Membership No. F 10009
Place: Nagpur
Date: July 28, 2020

