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INDEPENDENT AUDITORS' REPORT

To,
The Members of
Svatantra Micro Housing Finance Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Svatantra Micro Housing Finance Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended (Ind AS) and other the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, its profit and other comprehensive income, the changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	**Impairment of Loans**	
	Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using Expected Credit Loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant management judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECL are: ➢ Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars. ➢ The segmentation of financial assets when their ECL is assessed on a collective basis. ➢ Inherent judgmental models are used to estimate ECL which involves determining probabilities of default ("PD"), Loss given Default ("LGD"), and Exposures at Default ("EAD")) based on the default history of loans, subsequent recoveries made, security valuation and	• Understanding management's processes, systems and controls implemented in relation to impairment allowance process. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Testing of review controls over measurement of impairment allowances and disclosures in Ind AS financial statements. • Evaluation of the appropriateness of the impairment principles used by management based on the requirements of Ind AS 109, our business understanding and industry practice. • Test of details over of calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • Model calculation testing through reperformance where possible. • The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of

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	other relevant factors. The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result these are considered as the most significant judgmental aspect of the Company's modelling approach. ➢ Economic scenarios, Ind AS 109 requires - the Company to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them and ➢ Assessment of qualitative factors having an impact on the credit risk The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers has a high degree of estimation. The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the significant judgements and material inputs to the Ind AS 109 ECL results. Refer Note 2 (k), Note 5, 38(c) and 48.2 to the financial statements.	historical loss rates used, existence of recovery process plan in the event of default and the valuation of recovery assets. • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the financial statements are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures
2	**IT Systems and Controls**	
	The information system is a critical component of Company's operations, enabling efficient processing of transactions, safeguarding of information, and supporting decision-making. The financial accounting and reporting systems of the Company are also fundamentally reliant on IT	Principal Audit Procedures • Obtained an understanding of the Company's IT related control environment, IT applications and databases relevant for the purpose of our audit of the financial statements.

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	systems and controls; hence we identified IT systems and Controls over financial reporting as a key audit matter for the Company considering the pervasive nature of IT environment and the scale and complexity of the IT architecture.	• Also, obtained an understanding of the changes that were made to the IT applications during the audit period. • Our audit procedures included assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system, applications, databases, that are important to financial reporting and various interfaces, configuration and other identified general, application and operational controls based on reports and other financial and non-financial information generated from the system on a test check basis. In this regard also relied on work of the Internal/IFC auditor. • The implications of actual status of functioning of IT system and related controls were assessed considering the materiality levels and the significance of their impact over financial reporting.

Information Other than the financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report and Shareholder's Information 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 identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated.

When we read such other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including total Comprehensive Income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the 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 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.

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

Auditors' Responsibility 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 the financial statement.

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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.

- Conclude on the appropriateness of Board of Director'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 statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "***Annexure A***" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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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 including other comprehensive income, statement of changes in equity and statement of cash flows dealt with by this Report are in agreement with the books of account,

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards). Rules, 2015 as amended;

e) On the basis of the written representations received from the directors as on 31 March 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 and the operating effectiveness of such controls, refer to our separate report in *"**Annexure B**"* to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting;

g) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197(16) of the Act.

3. 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:

   a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 42 to the financial statements);

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

   d. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the

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Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and,

(iii) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

e. During the year, the Company has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.

f. Based on our examination which included test checks, the company has used an integration of an independent and accounting software for maintaining its books of account. The independent software used for recording of transactions in the accounting software has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For S Bhandari & Co LLP
Chartered Accountants
(FRN: 000560C/C400334)

S BHANDARI & CO LLP
CA
Chartered Accountants

(Jai Shanker Prasad Bansal)
Partner
Membership No. 070980
UDIN: 25070980BMOMTW1985

Date: 12th May 2025
Place: Jaipur

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ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT ON EVEN DATE OF SVATANTRA MICTO HOUSING FINANCE CORPORATION LIMITED, FOR THE YEAR ENDED 31ST MARCH 2025

i. According to the information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that-

(a) In respect of the Company's Property, Plant and Equipment:

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B. The company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has conducted physical verification of all of its fixed assets as on 31st March 2025 which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no discrepancy was noticed on such verification.

(c) The title deed of immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee) disclosed in the statement are held in the erstwhile name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) According to the information and explanations given to us, and the books of account and records examined by us in the normal course of audit, the company does not have any inventory. Accordingly, reporting under paragraph 3(ii)(a) of the Order is not applicable to the Company.

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(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. According to the information and explanation given to us, the Company filed monthly returns or statements as required by the bank and are in agreement with the books of accounts of the Company.

iii. According to the information and explanations given to us and based on our examination of the records of the Company:

a. The Company is a housing finance company primarily engaged in the business of lending. Accordingly reporting under paragraph 3(iii) (a) of the order is not applicable.

b. The investments made, security given and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The Company, being a Non-Banking Housing Finance Company, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In case where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer Note No. 38(C) to the financial statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanations made available to us, reasonable steps are/being taken by the Company for recovery thereof.

d. In respect of loans and advances in nature of loans granted by the Company, the total amount overdue for more than ninety days as at March 31, 2025 and the details of the number of such cases, are disclosed in Note No. 38(C) to the financial statements. The total exposure in stage III loans amounts to Rs. 6,556.83 Lakhs with respect to 1,234 loan accounts. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

e. As the company is a Non-Banking Finance Company, having principal business to give loan, thus paragraph 3(iii)(e) is not applicable.

f. The company has not granted any loans and advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

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iv. According to the information and explanations given to us, and the books of account and records examined by us in the normal course of audit, in respect of the loans granted, the company has compiled with the provisions of Sec 185 and 186 of Companies Act, 2013, as applicable. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

vi. According to the information and explanations given to us, the requirement of maintenance of cost records specified by the Central Government under section 148 (1) of the Act is not applicable to the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and the books of account and records examined by us in the normal course of audit:

a. The Company has been generally regular in depositing undisputed statutory dues including, Income Tax, Service tax, Goods & Service tax, cess and other applicable statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March 2025 for a period more than six months from the date, they became payable.

b. According to the information and explanations given to us, there are no dues of income tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (Rs. in Lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Demand of Income tax	AY 2017-18	99.71	Commissioner of Income Tax (Appeals)

viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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ix. According to the information and explanations provided to us, lender's balance confirmations/statement of accounts received, and the books of account and records examined by us in the normal course of audit, we state that:

a. There is no default on the part of the company in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. The company has not been as a declared wilful defaulter by any bank or financial institution or other lender.

c. The term loans obtained during the year were applied for the purpose for which they were raised, other than temporary deployment of borrowings in Bank Fixed Deposit pending utilization of funds as per respective sanction terms.

d. On an overall examination of the Financial Statements of the Company, no funds raised on short-term basis have been prima facie used for long-term purposes during the year by the Company.

e. The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the provisions of the clause 3 (ix)(e) of the Order are not applicable to the Company.

f. The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the provisions of the clause 3 (ix)(f) of the Order are not applicable to the Company.

x. According to the information and explanation given to us: -

a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable.

b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under paragraph 3(x)(b) of the Order is not applicable.

xi. According to the information and explanations given to us, the books of accounts & records examined and audit procedure performed, by us, in the normal course of audit we state that:

(a) No fraud on or by the Company has been noticed or reported during the year, nor we have been informed of any such case by the Management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

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(c) No whistle blower complaints have been received by the company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements (Refer Note No. 35 of financial statement) as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, we state that:

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit as provided to us, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence the said paragraph of the Order is not applicable to the company.

xvi. According to the information and explanation given to us:

a) The company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934).

b) The company is a registered Non-Banking Finance Company under section 29A (2) of the National Housing Bank Act, 1987 for conducting housing finance business and having a valid registration certificate from National Housing Bank.

c) According to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) According to the information and explanations given to us, the company does not have more than one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under paragraph 3(xvi)(d) of the Order is not applicable.

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xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. According to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations provided to us and the books of account and records examined by us in the normal course of audit:

a. There are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said act.

b. The company has transferred the remaining unspent amount under subsection (5) of section 135 of the Companies Act ('the Act'), pursuant to ongoing projects, to a Special account/fund specified in schedule VII of the Act, in compliance with provision of sub section (6) of section 135 of the said Act.

For S Bhandari & Co LLP
Chartered Accountants
(FRN: 000560C/C400334)

S BHANDARI & CO LLP * CA * Chartered Accountants

(Jai Shanker Prasad Bansal)
Partner
Membership No. 070980
UDIN: 25070980BMOMTW1985

Date: 12th May 2025
Place: Jaipur

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ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(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 Svatantra Micro Housing Finance Corporation Limited as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' 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 and the Standards on Auditing, prescribed under section 143(10) of the Companies Ad, 2013, to the extent applicable to an audit of internal financial controls. 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

S BHANDARI & CO LLP * Chartered Accountants *

and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 further periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, 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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S Bhandari & Co LLP
Chartered Accountants
(FRN: 000560C/C400334)

S BHANDARI & CO LLP
CA
Chartered Accountants

(Jai Shanker Prasad Bansal)
Partner
Membership No. 070980
UDIN: 25070980BMOMTW1985

Date: 12th May 2025
Place: Jaipur

S. Bhandari & Co. LLP
Chartered Accountants

Phone : +91-141-4002306, 2385412, 2385003 2385329
Fax +91-141-2385241 | Cell : +91-98290-66300, 98290-61700
Website : www.sbhandari.in
Email : auditors@sbhandari.in, auditors@sbhandari.co.in
bhandariss@hotmail.com, pppareek@hotmail.com

P-7, Tilak Marg,
C-Scheme,
Jaipur – 302 005
India

To,
The Board of Directors
Svatantra Micro Housing Finance Corporation Limited
Office No. 1,2,3,4, Ground Floor
Pushpak Co-operative Housing Society Ltd.
Malviya Road, Vile Parle (East)
Mumbai - 400057

Independent Auditors' Additional Report for the year ended 31 March 2025, pursuant to the requirements of the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India

1. This report has been issued in accordance with our terms of engagement with Svatantra Micro Housing Finance Corporation Limited ("the Company") and in accordance with the requirements of the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (the 'Directions') issued by the Reserve Bank of India (the 'RBI').

2. We have audited the accompanying financial statements of the Company which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including the summary of significant accounting policies and other explanatory information and have issued an unqualified opinion vide our audit report dated 12th May, 2025.

   In addition to the said report made under Section 143 of the Companies Act, 2013 ('the Act') on the financial statements of the Company for the year ended 31 March 2025 and as required by Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India (the 'RBI'), we report on the matters specified in paragraph 70 and 71 of the said Directions, to the extent applicable, as follows:

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Management's and Those Charged with Governance's Responsibility for the financial statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income) changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding 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 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.

4. The Management of the Company is also responsible for Compliance with the National Housing Bank Act, 1987 ('the NHB Act') issued by the National Housing Bank (the "NHB") and the Directions issued by the RBI and for providing all the required information to the RBI/NHB.

Auditors Responsibility

5. Pursuant to the requirements of the Directions, it is our responsibility to provide reasonable assurance on the matters specified in paras 70 and 71 of the Directions, to the extent applicable to the Company, on the basis of our audit of the financials statements of the Company for the year ended 31 March 2025 and examination of books of account and other records maintained by the Company for the year then ended.

6. We conducted our examination in respect of this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("the Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related and Related Services Engagements, issued by ICAI.

Opinion

8. Based on our audit of the financial statements for the year ended 31 March 2025 and examination as above, evidences obtained and the information and explanations, along with the representations provided by the Management, we report that:

   1. Para 70.1

      a. The Company has obtained Certificate of Registration No. 02.0071.09 dated 9th February 2009 issued by the New Delhi Regional office of the NHB. Further, the Company has been allotted the certificate of registration No DOR -00071 dated 12 February 2020 from Reserve Bank of India in lieu of aforesaid registration issued by NHB. The Company has fulfilled the Principal Business Criteria as specified in Paragraph 4.1.17 of RBI Master Directions.

      b. The Company is meeting the required Net Owned Fund Requirements during the year ended 31 March 2025 as prescribed under section 29A of the NHB Act;

      c. The Company has complied with the provisions of section 29C of the NHB Act with respect to the statutory reserves during the year ended 31 March 2025.

      d. The total borrowings of the Company are within the limits prescribed under paragraph 27.2 of the Directions as at 31 March 2025.

      e. The financial statements of the Company for the year ended 31 March 2025 have been prepared in accordance with Ind AS notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. In preparation of the financial statements, the prudential norms relating to the income recognition, accounting standards, assets classification, disclosure on balance sheet, provisioning norms which are specified in the Directions; have been complied in accordance with the applicable Ind AS. Further, the Company has generally complied with prudential norms on loan-to-value ratio, investment in real estate, exposure to capital markets and engagement of brokers and concentration of credit/investments as specified in the Directions as may be applicable for the year ended 31 March 2025.

S BHANDARI & CO LLP * Chartered Accountants *

f. The Capital Adequacy Ratio as disclosed in the half yearly statutory returns for the period ended 30th September 2024, submitted to NHB, as per directions issued by the NHB has been correctly determined and such ratio is in compliance with the prescribed minimum capital to risk weighted asset ratio (CRAR);

g. As specified in the directions issued by NHB, the company has submitted its half-yearly statutory returns to the NHB within the stipulated period.

h. Quarterly Schedule III returns on Statutory Liquid Assets is not applicable to Company pursuant to the NHB Circular issued in this regard.

i. In case of opening of new branches/offices or in the case of closure of existing branches/offices, the Company has complied with the requirements of the Directions for the year ended 31 March 2025.

j. The Company has not granted any loan against security of shares or security of single product – gold jewellery in terms of paragraph 3.1.3 and 3.1.4 of the Master Directions during the year ended March 31, 2025. Further, during the year ended March 31, 2025 the company has not granted any loan against its own shares in terms of paragraph 18 of Master Directions.

k. The Company has not accepted any public deposits during the year ended 31 March 2025.

l. The Board of Directors of the Company in their meeting held on 29 May 2017 has passed a resolution for non-acceptance of any public deposits.

2. Para 70.2:
Since the Company has Certificate of Registration as Housing Finance Company and not accepting /holding public deposits, the matters referred to in Para 70.2 of the Directions are not applicable to the Company.

Restrictions on Distribution or Use

9. Our work was performed solely to assist you for compliance with the Directions. Our obligations in respect of this report are entirely separate from, and our responsibilities and liabilities are in no way changed by any other role we may have as statutory auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are subject of this report, will extent any duty of care we may have in our capacity as statutory auditors of the Company.

S BHANDARI & CO LLP Chartered Accountants

10. This report is addressed to and provided to the Board of Directors of the Company pursuant to our obligations under the Directions requiring us to submit on the additional matters as stated in the aforesaid directions, and should not be used, referred to or distributed for any other purpose or to any other person without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S Bhandari & CO LLP
Chartered Accountants
(FRN: 000560C/ C400334)

S BHANDARI & CO LLP * Chartered Accountants * CA

(Jai Shanker Prasad Bansal)
Partner
Membership No. 070980
UDIN: 25070980BMOMTW1985

Date: 12th May 2025
Place: Jaipur

Svatantra Micro Housing Finance Corporation Limited
Balance sheet as at 31 March 2025

(Amount in Rs. 'Lacs')

	Note no.	As at 31 March 2025	As at 31 March 2024
Assets			
Financial assets			
Cash and cash equivalents	3	5,938.17	7,093.34
Bank balances other than cash and cash equivalents	4	2,625.34	2,478.92
Loans	5	224,282.46	201,239.11
Other financial assets	6	383.44	206.82
Total financial assets		**233,229.41**	**211,018.19**
Non-financial assets			
Current tax assets (net)	7	147.90	93.56
Deferred tax assets (net)	8	1,000.46	758.21
Investment property	9	2.51	2.51
Property, plant and equipment	10	411.59	304.81
Intangible assets under development	10	2.58	-
Capital work in progress	10	1.77	-
Other Intangible assets	10	13.34	10.14
Right of use asset	11	413.47	428.68
Other non-financial assets	12	344.34	129.03
Total non-financial assets		**2,337.96**	**1,726.94**
Total assets		**235,567.37**	**212,745.13**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	13	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	13	41.13	14.75
Other payables			
- Total outstanding dues of micro enterprises and small enterprises	14	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	14	343.79	253.79
Debt securities	15	-	5,801.55
Borrowings (other than debt securities)	16	192,419.53	166,139.45
Subordinated Liabilities	17	3,000.00	3,000.00
Other financial liabilities	18	634.52	841.97
Total financial liabilities		**196,438.97**	**176,051.51**
Non-financial liabilities			
Provisions	19	246.65	184.95
Other non-financial liabilities	20	276.41	234.72
Total non-financial liabilities		**523.06**	**419.67**
Total liabilities		**196,962.03**	**176,471.18**
Equity			
Equity share capital	21	7,472.70	7,472.70
Other equity	22	31,132.64	28,801.25
Total equity		**38,605.34**	**36,273.95**
Total liabilities and equity		**235,567.37**	**212,745.13**
Summary of Material accounting policies	2		

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration No.: 000560C/C400334

Jai Shanker Prasad Bansal
Partner
Membership No: 70980
Place: Jaipur
Date: 12/05/2025

For and on behalf of the Board of Directors of
Svatantra Micro Housing Finance Corporation Ltd.

Jayesh Shah
Director
DIN: 02562108

Anil Chirania
Director
DIN: 01082719

Deepabh Jain
Chief Executive Officer

Nitesh Amarnani
Chief Financial Officer

Tasneem Rangwala
Company Secretary
Membership No: A34613
Place: Mumbai
Date: 12/05/2025

S BHANDARI & CO LLP * Chartered Accountants *

SVATANTRA MICRO HOUSING FINANCE CORPORATION LIMITED * MUMBAI

Svatantra Micro Housing Finance Corporation Limited
Statement of Profit and Loss for the year ended 31 March 2025

(Amount in Rs. 'Lacs')

	Note no.	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from operations			
Interest income	23	27,961.58	23,819.83
Fees and commission income	24	104.82	93.39
Net gain on fair value changes	25	249.43	170.00
Total revenue from operations		**28,315.83**	**24,083.22**
Other income	26	183.72	280.03
Total income		**28,499.55**	**24,363.25**
Expenses			
Finance costs	27	16,321.20	14,390.09
Impairment on financial instruments	28	1,354.91	795.64
Employee benefits expense	29	5,855.53	4,674.34
Depreciation and amortisation	30	391.59	302.06
Other expenses	31	1,669.28	1,377.04
Total expenses		**25,592.51**	**21,539.17**
Profit before tax		**2,907.04**	**2,824.08**
Tax expense:			
- Current tax	32	824.23	739.89
- Deferred tax expense	33	(243.84)	(161.28)
- Earlier year tax adjustments	32	-	(34.67)
		580.39	**543.94**
Profit after tax		**2,326.65**	**2,280.14**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans (cost)		6.33	(10.05)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.59)	2.53
Other comprehensive income, net of income tax		**4.74**	**(7.52)**
Total comprehensive income		**2,331.39**	**2,272.62**
Earnings per share (Nominal Value - Rs. 10)	34		
Basic earnings per share (Rs.)		3.11	3.42
Diluted earnings per share (Rs.)		3.11	3.42
Summary of Material accounting policies	2		

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration No.: 000560C/C400334

Jai Shanker Prasad Bansal
Partner
Membership No: 70980
Place: Jaipur
Date: 12/05/2025

For and on behalf of the Board of Directors of
Svatantra Micro Housing Finance Corporation Ltd.

Jayesh Shah
Director
DIN: 02562108

Anil Chirania
Director
DIN: 01082719

Deepabh Jain
Chief Executive Officer

Nitesh Amarnani
Chief Financial Officer

Tasneem Rangwala
Company Secretary
Membership No: A34613
Place: Mumbai
Date: 12/05/2025

S BHANDARI & CO LLP Chartered Accountants

SVATANTRA MICRO HOUSING FINANCE MUMBAI

Svatantra Micro Housing Finance Corporation Limited
Statement of Changes in Equity for the year ended 31 March 2025

Equity share capital

(Amount in Rs. 'Lacs')

	No of shares	Amount
Balance as at 1 April 2023	**63,798,081**	**6,379.81**
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting year	-	-
Issued during the year	10,928,962	1,092.90
Conversion during the year	-	-
Balance at 31 March 2024	**74,727,043**	**7,472.71**
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting year	-	-
Issued during the year	-	-
Conversion during the year	-	-
Balance at 31 March 2025	**74,727,043**	**7,472.71**

Other equity

(Amount in Rs. 'Lacs')

	Reserves and Surplus				Total
	Securities premium	Statutory reserves	Impairment reserve	Retained earnings	
Balance as at 1 April 2023	**15,085.58**	**2,162.11**	**690.28**	**4,701.32**	**22,639.30**
Profit for the year	-	-	-	2,280.14	2,280.14
Addition during the year	3,907.10	-	-	-	3,907.10
Share issue expenses	(23.75)	-	-	-	(23.75)
Income tax pertaining to Share issue expense	5.98				5.98
Other comprehensive income for the year (remeasurement of the defined benefit plans)	-	-	-	(7.52)	(7.52)
Transfer from / to retained earnings	-	626.37	-	(626.37)	(0.00)
Balance as at 31 March 2024	**18,974.91**	**2,788.48**	**690.28**	**6,347.57**	**28,801.25**
Profit for the year	-	-	-	2,326.65	2,326.65
Addition during the year	-	-	-	-	-
Share issue expenses	-				-
Income tax pertaining to Share issue expense	-				-
Other comprehensive income for the year (remeasurement of the defined benefit plans)	-	-	-	4.74	4.74
Transfer from / to retained earnings	-	715.12	-	(715.12)	-
Balance as at 31 March 2025	**18,974.91**	**3,503.60**	**690.28**	**7,963.84**	**31,132.64**

Summary of Material accounting policies - refer note 2

The accompanying notes are an integral part of financial statements
As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration No.: 000560C/C400334

S BHANDARI & CO LLP Chartered Accountants

Jai Shanker Prasad Bansal
Partner
Membership No: 70980

Place: Jaipur
Date: 12/05/2025

SVATANTRA MICRO HOUSING FINANCE CORPORATION LIMITED MUMBAI

For and on behalf of the Board of Directors of
Svatantra Micro Housing Finance Corporation Ltd.

Jayesh Shah
Director
DIN: 02562108

Anil Chirania
Director
DIN: 01082719

Deepabh Jain
Chief Executive Officer

Nitesh Amarnani
Chief Financial Officer

Tasneem Rangwala
Company Secretary
Membership No: A34613
Place: Mumbai
Date: 12/05/2025

Svatantra Micro Housing Finance Corporation Limited
Statement of Cash Flows for the year ended 31 March 2025

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
Profit before tax	2,907.04	2,824.08
Cash flow from operating activities		
Adjusted for:		
Finance costs on lease liabilities	39.52	39.81
Transaction costs on borrowings	18.50	(19.54)
Gain on sale of mutual fund units held as current investments	(249.43)	(170.00)
Depreciation and amortisation	391.59	294.79
Gain on termination/modification of lease	-	(2.25)
Interest on fixed deposits and Inter corporate deposits	(267.94)	(624.45)
Transaction costs on Loans	106.02	218.17
Impairment/writeoff of financial instruments	1,000.92	502.68
Unwinding interest income	(4.96)	(3.77)
Operating profit before working capital changes	**3,941.26**	**3,059.52**
Changes in working capital		
- (Increase) / decrease in loans	(24,150.29)	(50,495.85)
- (Increase) / decrease in other financial assets	(228.22)	10.88
- (Increase) / decrease in other non financial assets	(215.31)	4.63
- Increase / (decrease) in trade payables	116.38	91.73
- Increase / (decrease) in other financial liabilities	(152.23)	38.62
- Increase / (decrease) in other non financial liabilities	41.69	44.88
- Increase / (decrease) in provisions	68.03	(75.49)
Cash generated from operating activities	**(20,578.69)**	**(47,321.08)**
Income tax paid (net)	(878.58)	(798.78)
Net cash used in operating activities	**(21,457.27)**	**(48,119.86)**
Cash flows from investing activities:		
Purchase of property, plant and equipment, capital work in progress including intangibles assets	(336.19)	(357.65)
Proceeds from sale of property, plant and equipment and intangibles assets	-	1.77
Purchase of mutual funds	(170,400.00)	(182,740.00)
Proceeds of sale of mutual funds	170,649.43	182,910.00
Interest received on bank deposits and Inter corporate loans	267.94	799.67
Maturity /(investments) of /in fixed deposits	(146.42)	2,597.19
Net cash generated from / (used in) investing activities	**34.76**	**3,210.98**
Cash flows from financing activities:		
Proceeds from issuance of equity shares	-	5,000.00
Share issue expenses	-	(23.75)
Proceeds from long term borrowings	77,850.00	77,800.00
Repayment of long term borrowings	(57,389.97)	(48,022.77)
Repayment of lease liabilities	(153.17)	(110.56)
Interest paid on lease liabilities	(39.52)	(39.81)
Net cash generated from financing activities	**20,267.34**	**34,603.11**
Net increase in cash and cash equivalents	(1,155.17)	(10,305.77)
Cash and cash equivalents as at the beginning of the year	7,093.34	17,399.12
Closing balance of cash and cash equivalents	**5,938.17**	**7,093.35**
Components of cash and cash equivalents		
Cash on hand	9.90	12.53
Balances with banks		
- With banks in current accounts	3,422.60	3,078.45
Deposits with maturity of less than 3 months	2,505.67	4,002.36
Cash and cash equivalents	**5,938.17**	**7,093.34**

S BHANDARI & CO LLP ★ Chartered Accountants ★

SVATANTRA MICRO HOUSING FINANCE CORPORATION LIMITED ★ MUMBAI

Svatantra Micro Housing Finance Corporation Limited
Statement of Cash Flows for the year ended 31 March 2025
Cash Flow Statement (Contd..)

Changes in liabilities arising from financing activities

	As at 31 March 2025	As at 31 March 2024
Opening balance (Borrowings + debt securities)	175,386.41	145,448.31
Proceeds from long-term borrowings (including debentures)	77,850.00	77,800.00
Repayment /(addition) in lease liabilities (net)	(15.70)	220.22
Finance costs on lease liabilities	(39.52)	(39.81)
Repayments of long-term borrowings	(57,389.97)	(48,022.77)
Transaction costs on borrowings	18.50	(19.54)
Closing balance (Borrowings+ debt securities)	**195,809.72**	**175,386.41**

Summary of Material accounting policies 2

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration No.: 000560C/C400334

Jai Shanker Prasad Bansal
Partner
Membership No: 70980
Place: Jaipur
Date: 12/05/2025

For and on behalf of the Board of Directors of
Svatantra Micro Housing Finance Corporation Ltd.

Jayesh Shah
Director
DIN: 02562108

Anil Chirania
Director
DIN: 01082719

Deepabh Jain
Chief Executive Officer

Nitesh Amarnani
Chief Financial Officer

Tasneem Rangwala
Company Secretary
Membership No: A34613

Place: Mumbai
Date: 12/05/2025

Corporate Information

Svatantra Micro Housing Finance Corporation Limited ("SMHFC" or "the Company") was incorporated on 16 May 2008 with the objective to provide housing finance for financially excluded families, particularly lower income informal sector households. The Company was registered with National Housing Bank ("NHB") as housing finance company. However, vide certifcate of regstration dated 12 Februry 2020, the Company also registered with the Reserve Bank of India ("RBI") as a housing finance company. The Company is domiciled in India and its registered office is situated at Office no. 1,2,3,4, Ground Floor, Pushpak Co-operative Housing Society Ltd., Malaviya Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India. The Company is wholly owned subsidiary of Svatantra Holdings Private Limited

1 Basis of preparation of financial statements

These financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time) and other relevant provisions of the Act. Any application guidance/clarifications/ directions issued by Reserve bank of India and National Housing Bank or other regulators are implemented as and when they are issued/ applicable. The Company has uniformly applied the accounting policies for all the periods presented in this financial statements.

The financial statements have been prepared on a historical cost convention and accrual basis, except for the following assets and liabilities and on the basis of accounting principles of a going concern in accordance with generally accepted accounting principle (GAAP):
i) Certain financial assets and liabilities that are measured at fair value
ii) Defined benefit plans, and related -plan assets measured at fair value using actuarial valuation

The financial statements have been presented in accordance with Schedule III-Division III General Instructions for Preparation of financial statements of a Non-Banking Financial Company (NBFC) that is required to comply with Ind AS.

The financial statements for the year ended March 31, 2025 were authorised and approved for issue by the Board of Directors on May 12, 2025

2 Material accounting policies

a. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lacs, unless otherwise indicated.

b. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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c. Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest Income
Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of Profit and Loss.

Penal Charges and Penal Interest
Penal Charges and Penal Interest are accured and due on receipt basis.

Net gain on Fair value changes:
Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTL and debt instruments measured at Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain\loss on fair value changes.
However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Statement of Profit and Loss.

Fees and commission
Service fees and facilitation charges are recognised on satisfactorly completion of service delivery.

d. Financial instruments
Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets
Subsequent measurement

i. Financial assets carried at amortised cost
Financial asset is measured at the amortised cost if both the following conditions are met:
The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. Investments in equity instruments
Investments in equity instruments which are held for trading are classified at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to Statment of Profit and Loss. However, the Company transfers the cumulative gain or loss within equity.
Dividends on such investments are recognised in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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iii. Investments in mutual funds
Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets
Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de-recognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities
Subsequent measurement
Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

e. Foreign currency
Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gain or loss arising on settlement and restatement are recognised in the Statement of Profit and Loss.

f. Property, plant and equipment (PPE)
Recognition and initial measurement
Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in Statement of Profit and Loss.

Depreciation and amortisation
Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down method over the useful life of the assets. as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset Class	Useful life
Office equipment	5 years
Computer equipment	3 years
Furniture and fixture	10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year. PPE costing up to Rs. 5,000 individually are depreciated fully in the year in which they are purchased.

De-recognition
An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss, when the asset is de-recognised.

Capital work-in-progress
Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

Intangible assets
Recognition and initial measurement
Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Computer software - 3 years

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Amortisation
Intangible assets are amortised over a their estimated useful lives. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any. The estimated useful lives of intangible assets are as follows:
Computer Software - 3 years

g. Income taxes
Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current taxes
Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Advance taxes and provision for current income tax are presented in the balance sheet after offsetting the advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred taxes
Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity).

h. Employee Benefits
Short-term employee benefits:
Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution to provident fund and other funds :
In accordance with Indian Law, eligible employees receive benefits from Provident Fund , Employee State Insurance Contribution (ESIC) and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

Gratuity:
Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefits / obligations are calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income

Compensated Absences:
The employees of the Company are entitled to leave as per the leave policy of the Company. The liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

i. Borrowing costs:
Borrowing cost of financial liabilities is recognised using the Effective Intrest Rate (EIR) method

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j. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

k. Impairment of financial assets

Loan assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is calculated to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVTOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

i) Stage 1: 12-months ECL - For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 29 days are classified as stage 1. The Company has identified zero bucket and bucket with DPD less than or equal to 29 days as two separate buckets.

ii) Stage 2: Lifetime ECL – not credit impaired - For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company has identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets.

iii) Stage 3: Lifetime ECL – credit impaired - Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. Refer note 38(C) for detailed note.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to the Statement of Profit and Loss.

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l. Cash and cash equivalents
Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company has netted off the balance of bank overdraft with cash and cash equivalents for Statement of Cash Flows.

m. Provisions, Contingent liabilities and Contingent assets:
Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n. Reimbursement of processing fee and other charges
As per the guidelines of new government schemes under Pradhan Mantri Awas Yojana (PMAY), no processing fee is allowed to be charged to the eligible customers. However, the Company is entitled to get a reimbursement from the customers for the expenses incurred in connection with origination of the loans. Such reimbursement receivable forms part of "Non-housing loans", included under Loans and advances in the Balance Sheet.

The expenses presented in the Statement of Profit and Loss such as Salaries and wages, Insurance, Franking charges, etc. are stated net of such recoveries from customers.

o. Earnings per share
The basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

p. Leases

As a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right of use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer note 2 (j) of accounting policy for impairment of non-financial assets.

ii. Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other financial liabilities

iii. Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term

As a lessor
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

q. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

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Notes to the financial statements for the year ended 31 March 2025

3 Cash and cash equivalents

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Cash on hand	9.90	12.53
Balances with banks in current accounts*	3,422.60	3,078.45
Deposits with maturity of less than 3 months**	2,505.67	4,002.36
	5,938.17	**7,093.34**
* Includes amounts received towards NHB subsidy pending transfer to customers	2.46	2.46

4 Bank balances other than cash and cash equivalents

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Deposits with maturity of 12 months and more*	2,625.34	2,478.92
	2,625.34	**2,478.92**
***Bank deposit held as securities**		
against borrowings	-	189.73
against bank guarantee	2,416.87	2,289.19
	2,416.87	**2,478.92**

5 Loans

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
At amortised cost		
(i) Term loans		
(a) Housing loans	187,248.01	171,698.36
(b) Non Housing loans	39,565.35	31,085.77
(c) Loan to employees	68.95	53.91
Total (i) - Gross loans	**226,882.31**	**202,838.04**
Less: Impairment loss allowance	(2,599.85)	(1,598.93)
Total (i) - Net	**224,282.46**	**201,239.11**
(ii) Secured/unsecured		
(a) Secured by tangible assets	226,813.36	202,784.13
(b) Unsecured	68.95	53.91
Total (ii) - Gross	**226,882.31**	**202,838.04**
Less: Impairment loss allowance	(2,599.85)	(1,598.93)
Total (ii) - Net	**224,282.46**	**201,239.11**
(iii) Loans in India		
(a) Public sector	-	-
(b) Others	226,882.31	202,838.04
Total (iii) - Gross	**226,882.31**	202,838.04
Less: Impairment loss allowance	(2,599.85)	(1,598.93)
Total (iii) - Net	**224,282.46**	**201,239.11**
(iv) Loans outside India		
(a) Loan outside India	-	-
Total (iv)	-	-

Loans or advances in the nature of loans are granted to the promoters, directors,KMP's, and the related parties, either severally or jointly with any other persons.

Particulars	As at 31 March 2025	% to the total loans and advances in the nature of loans	As at 31 March 2024	% to the total loans and advances in the nature of loans
Promotors	NIL	NIL	NIL	NIL
Directors	NIL	NIL	NIL	NIL
KMP's	NIL	NIL	NIL	NIL
Related parties	NIL	NIL	NIL	NIL

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6 Other financial assets

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
At amortised cost		
Security deposits	245.54	87.07
Staff advances(net)	33.97	13.60
Receivable from government authority*	41.08	42.40
Others receivables	62.85	63.75
	383.44	**206.82**

* Represents receivable from municipal authority on account of loans defaulted by the customers under BSUP scheme.

7 Current tax assets (net)

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Advance tax*	147.90	93.56
	147.90	**93.56**

*net of provision for tax as at 31 March 2025: Rs.820.97 Lacs (As at 31 March 2024, Rs.739.89 Lacs)

8 Deferred Tax Assets/ Liabilities (net)

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Deferred Tax assets		
Provision for impairment of assets	608.24	362.47
Provision for employee benefits	60.80	45.01
Temporary difference on PPE depreciation/amortisation	61.94	39.00
Unearned processing fee	1.49	7.42
Share issue expenses	4.72	7.39
Transaction cost on loans	378.06	406.29
Lease liabilities	(5.86)	4.21
Total deferred Tax assets	**1,109.39**	**871.79**
Deferred Tax liabilities		
Amortisation of borrowing costs	(104.77)	(109.42)
Modification (restructuring) gain on financial assets	(4.16)	(4.16)
Total deferred Tax liabilities	**(108.93)**	**(113.58)**
Net deferred Tax assets/(liabilities)	**1,000.46**	**758.21**

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9 Investment property

(Amount in Rs. 'Lacs')

Particulars	Freehold land	Total
Gross block		
As at 1 April 2023	**2.51**	**2.51**
Additions	-	-
Deletions	-	-
As at 31 March 2024	**2.51**	**2.51**
Additions	-	-
Deletions	-	-
As at 31 March 2025	**2.51**	**2.51**
Accumulated depreciation		
As at 1 April 2023	-	-
Charge for the year	-	-
Deletions	-	-
As at 31 March 2024	-	-
Charge for the year	-	-
Deletions	-	-
As at 31 March 2025	-	-
Net block		
As at 31 March 2025	2.51	2.51
As at 31 March 2024	2.51	2.51

Notes:

The Company's investment property is a piece of land in India, currently for undetermined use. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements. The Company confirms that the title deeds of immovable properties are held in the name of the Company.

(a) Fair value of investment property

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025	As at 31 March 2024
Freehold land	1.89	1.49

The fair value of investment property has been determined by an independent valuer, who has adequate professional experience as well as adequate expertise in the location and category of the investment property. The value is determined based on the rate prescribed by government authorities for the property. Management believes that the net recoverable value of the property would be higher than carrying amount and therefore, no impairment has been made. The resultant fair value estimates for investment property is included in level 2.

There are no amounts recognised in the Statement of Profit and Loss account in relation to the above investment property.

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10 Property, plant and equipment

(Amount in Rs. 'Lacs')

Particulars	Office equipment	Furniture and fixtures	Computer and data processing equipment	Leasehold improvements	Total
Gross block (Cost)					
As at 1 April 2023	**82.02**	**29.36**	**125.41**	**52.52**	**289.31**
Additions	86.12	39.81	73.18	148.55	**347.66**
Deletion	(0.95)	(0.27)	(0.50)	-	**(1.72)**
As at 31 March 2024	**167.19**	**68.90**	**198.09**	**201.07**	**635.25**
Additions	109.21	46.90	97.53	65.53	**319.17**
Deletion				-	**-**
As at 31 March 2025	**276.40**	**115.80**	**295.62**	**266.60**	**954.42**
Accumulated depreciation					
As at 1 April 2023	**42.51**	**17.08**	**74.54**	**43.52**	**177.65**
Charge for the year	51.42	10.73	57.01	33.62	**152.79**
Deletions	-	-	-	-	**-**
As at 31 March 2024	**93.93**	**27.81**	**131.55**	**77.14**	**330.44**
Charge for the year	69.20	19.07	63.77	60.36	212.40
Deletions	-	-	-	-	-
As at 31 March 2025	**163.13**	**46.88**	**195.32**	**137.50**	**542.84**
Net block					
As at 31 March 2024	**73.26**	**41.09**	**66.54**	**123.93**	**304.81**
As at 31 March 2025	**113.27**	**68.92**	**100.30**	**129.10**	**411.59**

10 Other Intangible assets

(Amount in Rs. 'Lacs')

Particulars	Computer software
Gross block	
Cost at 1 April 2023	**5.53**
Additions	20.17
Deletions	(0.05)
As at 31 March 2024	**25.65**
Additions	12.67
Deletions	-
As at 31 March 2025	**38.32**
Accumulated amortisation	
Cost at 1 April 2023	**3.92**
Charge for the year	11.59
Deletions	-
As at 31 March 2024	**15.51**
Charge for the year	9.47
Deletions	-
As at 31 March 2025	**24.98**
Net block	
As at 31 March 2024	**10.14**
As at 31 March 2025	**13.34**

* The Company has not revalued its' Property, Plant & Equipment and Intangible Assets during the year.

10 Intangible assets under development

(Amount in Rs. 'Lacs')

Particulars	Software
Cost at 1 April 2023	**10.18**
Additions	2.54
Deletions	(12.73)
As at 31 March 2024	-
Additions	2.58
Deletions	-
As at 31 March 2025	**2.58**
Net block	
As at 31 March 2024	-
As at 31 March 2025	**2.58**

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i **Intangible assets under development ageing schedule for the year ended 31 March 2025 is as follows:**

(Amount in Rs. 'Lacs')

	Amount in Intangible asset under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	2.58	-	-	-	2.58
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule for the year ended 31 March 2024 is as follows:

(Amount in Rs. 'Lacs')

	Amount in Intangible asset under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

10 Capital work in progress

(Amount in Rs. 'Lacs')

Particulars	**Leasehold improvement**
As at 31 March 2024	-
Additions	-
Deletions	-
As at 31 March 2025	-
Additions	1.77
Deletions	-
As at 31 March 2025	**1.77**
Net block	
As at 31 March 2024	-
As at 31 March 2025	**1.77**

Capital work in progress ageing schedule for the year ended 31 March 2025 is as follows:

(Amount in Rs. 'Lacs')

	Amount in Intangible asset under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3**	**Total**
Projects in progress	1.77	-	-	-	1.77
Projects temporarily suspended	-	-	-	-	-

Capital work in progress ageing schedule for the year ended 31 March 2024 is as follows:

(Amount in Rs. 'Lacs')

	Amount in Intangible asset under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3**	**Total**
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

11 Right of use Asset

(Amount in Rs. 'Lacs')

Particulars	**Office building**
Gross amount as at 1 April 2023	**548.55**
Additions	312.33
Deletions	(19.11)
As at 31 March 2024	**841.77**
Additions	154.51
Deletions	-
As at 31 March 2025	**996.28**
Accumulated amortisation	
As at 1 April 2023	**282.68**
Charge for the year	137.68
Deletions	(7.27)
As at 31 March 2024	**413.09**
Charge for the year	169.72
Deletions	-
As at 31 March 2025	**582.81**
Net block	
As at 31 March 2024	**428.68**
As at 31 March 2025	**413.47**

* ROU is on tangible asset

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Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2025

12 Other non-financial assets

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Prepaid expenses	318.76	80.31
Other assets	25.58	48.72
	344.34	**129.03**

13 Trade payables

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises (Refer note 44)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	41.13	14.75
	41.13	14.75

Ageing of Trade Payables as per below schedule for balances outstanding as at 31 March 2025

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						
(ii) Others	-	41.13	-	-	-	41.13
(iii) Disputed dues – MSME						
(iv)Disputed dues - Others						
(v)Unbilled						

Ageing of Trade Payables as per below schedule for balances outstanding as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						
(ii) Others		14.75	-	-	-	14.75
(iii) Disputed dues – MSME						
(iv)Disputed dues - Others						
(v)Unbilled						

14 Other payables

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises (Refer note 44)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	343.79	253.79
	343.79	253.79

15 Debt securities

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Secured		
At amortised cost		
Redeemable non-convertible debentures	-	5,301.54
Unsecured		
At amortised cost		
Redeemable non-convertible debentures	-	500.01
	-	**5,801.55**
Debt securities in India	-	5,801.55
Debt securities outside India	-	-
	-	**5,801.55**

(Amount in Rs. 'Lacs')

Terms of debentures	As at 31-Mar-25	As at 31-Mar-24
9.45% secured ,rated, unlisted, 265,000 redeemable non convertible debentures of Rs. 1,000 at par on 18 November 2024*	-	2,650.00
10.60% secured ,rated, unlisted, 266,000 redeemable non convertible debentures of Rs. 1,000 at par on 18 November 2024*	-	2,660.00
8.51%, unsecured, rated, unlisted, fully paid up, taxable, 300 redeemable non-convertible debentures of Rs.1,000,000 at par on 22 September 2024	-	500.01
Total Debt securities	**-**	**5,810.01**
Adjustments of unamortised processing fee based on EIR	-	(8.46)
Total adjusted Debt securities	**-**	**5,801.55**

*The above non-convertible debentures ("NCD") were issued on private placement basis and secured by way of a first ranking exclusive and continuing charge over the standard book debts / loan receivables of the Company. The payment of interest half yearly and Principal payable at maturity.

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(Amount in Rs.

Rate of interest	Maturity	As at 31 March 2025	As at 31 March 2024
Secured			
8.51% - 10.60%	Within 1 year	-	5,310.00
8.51% - 10.60%	Within 1-5 years	-	-
Unsecured			
8.51% - 10.60%	Within 1 year	-	500.01
8.51% - 10.60%	Within 1-5 years	-	-
Total Debt securities		-	**5,810.01**
Adjustments of unamortised processing fee based on EIR		-	(8.46)
Total adjusted Debt securities		-	**5,801.55**

16 Borrowings (other than debt securities)

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
At amortised cost		
Secured		
Term loans		
- from banks	153,314.37	132,994.73
- from National Housing Bank (NHB)	27,405.02	23,682.32
- from Financial Institution (FI)	11,700.14	9,462.40
Total	**192,419.53**	**166,139.45**
Borrowings in India	**192,419.53**	166,139.45
Borrowings outside India	-	-
	192,419.53	**166,139.45**

Notes:

(i) Term loans are secured by first exclusive charge through hypothecation of book debts/ receivables of the Company.

(ii) The Company has not defaulted in the repayment of debt securities and borrowings (other than debt securities) and interest thereon for the year ended 31 March 2025 and 31 March 2024.

(iii) The repayment of the borrowing is done in monthly, quarterly, half - yearly and annual installment as per the sanctioned terms.

(Amount in Rs. 'Lacs')

Rate of interest	Category	Maturity	As at 31 March 2025	As at 31 March 2024
7%-9%	Banks	Within 1 year	468.73	322.84
9%-10%	Banks		1,971.39	3,244.21
10%-11%	Banks		976.31	745.74
12%-13%	Banks		-	-
9%-10%	FI		63.74	-
2%-10%	NHB		18.00	274.95
7%-9%	Banks	Within 1-5 years	64,668.22	40,436.77
9%-10%	Banks		42,244.06	41,182.16
10%-11%	Banks		11,346.34	9,258.91
11%-12%	Banks		634.06	4,029.62
12%-13%	Banks		-	-
7%-11%	FI		8,150.89	4,912.85
2%-10%	NHB		6,190.10	3,281.59
8%-9%	Banks	More than 5 years	16,372.58	7,500.00
9%-10%	Banks		15,001.34	26,641.66
7%-11%	FI		3,517.86	4,589.29
2%-10%	NHB		21,212.17	-
Total borrowings (excluding loans repayable on demand)			**192,835.80**	**166,565.76**
Adjustments of unamortised processing fee based on EIR			(416.27)	(426.31)
Total adjusted borrowings (excluding loans repayable on demand)			**192,419.53**	**166,139.45**

17 Subordinated Liabilities

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Unsecured		
At amortised cost		
Redeemable non-convertible debentures	3,000.00	3,000.00
	3,000.00	**3,000.00**
Debt securities in India	3,000.00	3,000.00
Debt securities outside India	-	-
	3,000.00	**3,000.00**

Rate of interest	Maturity	As at 31 March 2025	As at 31 March 2024
9.50% subordinated, unsecured, rated, unlisted, fully paid up, taxable, 200 redeemable non-convertible debentures of Rs.1,000,000 at par on 05 January 2028	Within 1-5 years	2,000.00	2,000.00
9.50% subordinated, unsecured, rated, unlisted, fully paid up, taxable,1000 redeemable non-convertible debentures of Rs.1,000,00 at par on 15 June 2028.	Within 1-5 years	1,000.00	1,000.00

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18 Other financial liabilities

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Interest accrued but not due on borrowings	223.05	181.41
Interest accrued but not due on debt securities	-	195.04
Interest accrued but not due on subordinate liabilities	17.01	16.36
Subsidy received from NHB pending transfer to customer *	2.46	2.46
Lease liabilities	390.19	445.41
Employee benefits payable	1.81	1.29
	634.52	**841.97**

* Pertain to credit linked subsidy and interest subvention scheme subsidy received from NHB, pending credit in respective applicant account.

19 Provisions

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Unfunded		
Provision for employee benefits		
-Provision for gratuity (also refer note 39)	95.38	94.30
-Provision for leave encashment.	146.21	84.53
-Provision on Loan commitment	5.06	6.12
	246.65	**184.95**

20 Other non-financial liabilities

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
Statutory dues	65.86	74.46
Unspent CSR (also refer note 45)	15.26	14.92
Advances from customers	195.29	145.34
	276.41	**234.72**

21 Share capital

Details of authorised, issued, subscribed and paid up share capital

(Amount in Rs. 'Lacs')

	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Equity shares of Rs 10 each	94,000,000	9,400.00	94,000,000	9,400.00
Non-Cumulative Compulsorily Convertible Preference shares of Rs. 100 each	3,100,000	3,100.00	3,100,000	3,100.00
		12,500.00		**12,500.00**
Issued,Subscribed and paid up				
Equity shares of Rs 10 each, fully paid up	74,727,043	7,472.70	74,727,043	7,472.70
5% Non-Cumulative Compulsorily Convertible Preference shares of Rs. 100 each, fully paid up	-	-	-	-
	74,727,043	**7,472.70**	**74,727,043**	**7,472.70**

Equity Shares

(Amount in Rs. 'Lacs')

	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	74,727,043	7,472.70	63,798,081	6,379.81
Issued during the year	-	-	10,928,962	1,092.90
Converted during the year	-	-	-	-
Shares outstanding at the end of the year	**74,727,043**	**7,472.70**	**74,727,043**	**7,472.71**

i. Shareholders holding more than 5% of the shares in the Company

	As at 31 March 2025		As at 31 March 2024	
Equity shares	No. of shares	% of holding	No. of shares	% of holding
Svatantra Holdings Private Limited	74,727,037	100%	74,727,037	100%

ii. Right, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. All shares rank pari passu on repayment of capital in the event of liquidation. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed, if any, by the board of directors is subject to the approval of shareholders in the ensuing general meeting.

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iii. Shares issued for consideration other than cash

The Company has not issued / allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2025.

vi. Shareholding of Promoters for each class

Disclosure of shareholding of promoters as at 31 March 2025 is as follows

Promotor Name	As at 31 March 2025		As at 31 March 2024		% Change during the year*
	No. of Shares	%of total shares	No. of Shares	%of total shares	
1) Promotors Company-Svatantra Holdings Private Limited	74,727,037	100%	74,727,037	100%	0.00%

Disclosure of shareholding of promoters as at 31 March 2024 is as follows

Promotor Name	As at 31 March 2024		As at 31 March 2023		% Change during the year*
	No. of Shares	%of total shares	No. of Shares	%of total shares	
1) Promotors Company-Svatantra Holdings Private Limited	74,727,037	100%	63,798,081	100%	17.13%

* Represent change in percentage based on number of shares

22 Other equity

(Amount in Rs. 'Lacs')

	Notes	As at 31 March 2025	As at 31 March 2024
Securities premium	22.2	18,974.91	18,974.91
Statutory reserve under section 29C of the NHB Act, 1987	22.3	3,503.61	2,788.49
Impairment reserves	22.4	690.28	690.28
Retained earnings	22.5	7,963.84	6,347.57
		31,132.64	**28,801.25**

(Amount in Rs. 'Lacs')

22.1 Particulars	As at 31 March 2025	As at 31 March 2024
Securities premium		
Opening balance	18,974.91	15,085.58
Add: Premium received on issue or conversion of shares	-	3,907.10
Less: Share issue expenses (net of taxes)	-	(17.77)
Closing balance	**18,974.91**	**18,974.91**
Statutory reserves under section 29C of the NHB Act, 1987		
Opening balance	2,788.49	2,162.11
Add: Current year transfer	715.12	626.38
Closing balance	**3,503.61**	**2,788.49**
Impairment reserves		
Opening balance	690.28	690.28
Add: Current year transfer	-	-
Closing balance	**690.28**	**690.28**
Retained earnings		
Opening balance	6,347.57	4,701.34
Add: Transferred from Statement of profit and loss	2,326.65	2,280.13
Less: Transfer to statutory reserves	(715.12)	(626.38)
Items of other comprehensive income recognised directly in retained earnings		
Add: Other comprehensive (loss)/income for the year (net of tax)	4.74	(7.52)
Closing balance	**7,963.84**	**6,347.57**
	-	

22.2 Securities premium

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

22.3 Statutory reserves under section 29C of the NHB Act, 1987

As per Section 29C of National Housing Bank Act (NHB), 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserves created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer.Thus, during the year ended 31 March 2024 and year ended 31 March 2025, the Company has transferred to Statutory Reserves, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

22.4 Impairment Reserves as per RBI notification

As per DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserves'. The balance in the 'Impairment Reserves' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserves without prior permission from the Department of Supervision, RBI.

22.5 Retained earnings

Retained earnings pertain to the accumulated earnings / losses made by the Company over the years.

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23 Interest income

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
On financial assets measured at amortised cost		
Interest on loans	27,476.59	22,600.31
Interest income on deposits with banks	267.94	624.45
Interest income on corporate deposit	-	420.12
Other interest income	217.05	174.95
	27,961.58	**23,819.83**

24 Fees and commission income

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
Service and facilitation fees	104.82	93.39
	104.82	**93.39**

25 Net gain on fair value changes

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
Net gain on financial instruments at fair value through profit or loss		
- Investments in mutual funds	249.43	170.00
	249.43	**170.00**
Total net gain on fair value changes		
Fair Value changes:		
-Realised	249.43	170.00
Total net gain on fair value changes	**249.43**	**170.00**

26 Other income

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
Income from advertisment	165.00	264.32
Unwinding interest income	4.96	3.77
Gain/(Loss) on termination of lease	-	2.25
Miscellaneous income	13.76	9.69
	183.72	**280.03**

27 Finance costs

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
On financial liabilities measured at amortised costs		
Interest on borrowings (other than debt securities)	15,572.66	13,329.26
Interest on debt securities	353.25	665.70
Interest on subordinate liabilities	285.00	285.40
Interest on lease liabilities	39.52	39.81
Bank charges and others	70.77	69.92
	16,321.20	**14,390.09**

28 Impairment on financial instruments

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
On financial instrument measured at amortised cost		
Loans		
Impairment loss allowance	1,045.16	628.21
Bad debt written off	309.75	167.43
	1,354.91	**795.64**

29 Employee benefits expense

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries and wages	5,218.85	4,176.56
Gratuity and leave expenses (refer note 39)	198.06	143.68
Contribution to provident and other funds	314.34	250.94
Staff welfare expenses	124.28	103.16
	5,855.53	**4,674.34**

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Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2025

30 Depreciation and amortisation

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation of plant, property and equipment	212.40	152.79
Depreciation of Right of use assets	169.72	137.68
Amortisation of Intangible asset	9.47	11.59
	391.59	**302.06**

31 Other expenses

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
Electricity expenses	21.84	13.78
Rent	37.08	23.86
Repairs and maintenance		
- Others	24.74	14.28
Insurance	19.85	19.70
Rates and taxes	0.16	0.44
Payments to auditors (Refer Note below)	24.23	18.29
Computer and software expenses	174.41	137.10
Communication expenses	75.66	62.38
Professional, legal and consultancy fees	230.12	252.45
Printing and stationery	104.86	100.37
Travelling, conveyance and boarding expenses	583.82	478.99
Advertising and marketing expenses	19.22	12.75
Corporate social responsibility (Refer Note 45)	50.20	34.45
Brokerage and commission	9.17	9.00
Miscellaneous expenses	293.92	199.20
	1,669.28	**1,377.04**

Note: Payments to auditors		
Audit fees	19.93	13.39
Certification work	4.30	4.90
	24.23	**18.29**

32 Tax expense

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
Current tax expense		
Current tax for the year	824.23	739.89
	824.23	**739.89**
Deferred taxes		
Relating to origination and reversal of temporary differences	(243.84)	(161.27)
Change in deferred tax liabilities		
Net deferred tax expense	**(243.84)**	**(161.27)**
Earlier year tax adjustment	-	(34.67)
Earlier year tax adjustments	-	**(34.67)**
Total income tax expense	**580.39**	**543.95**

32.1 Tax reconciliation

(Amount in Rs. 'Lacs')

	Year ended 31 March 2025	Year ended 31 March 2024
Profit before income tax expense	**2,907.04**	**2,824.08**
Statutory income tax rate	25.17%	25.17%
Tax at statutory income tax rate	731.64	710.76
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax impact on expenses which is non deductible	12.63	8.67
Tax impact on deduction under Section 36(1)(viii) of the Income Tax Act, 1961	(179.98)	(157.65)
Earlier year tax adjustments	-	(34.67)
Others	16.10	16.84
Income tax expense	**580.39**	**543.95**

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33 Deferred tax movement related to the following:

1 April 2024 to 31 March 2025

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2024	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognized in equity	As at 31 March 2025
Deferred tax asset on account of:					
Provision for impairment of assets	362.47	245.77	-	-	608.24
Provision for employee benefits	45.01	17.38	(1.59)	-	60.80
Share issue expenses	7.39	(2.67)	-	-	4.72
Temporary difference on depreciation on property plant and equipment	38.99	22.94	-	-	61.93
Unearned processing fee	7.42	(5.93)	-	-	1.49
Transaction costs on Loans	406.29	(28.23)	-	-	378.07
Lease liabilities	4.21	(10.07)	-	-	(5.86)
Total	**871.78**	**239.19**	**(1.59)**	**-**	**1,109.39**
Deferred tax liability on account of:					
Transaction costs on borrowings	109.42	(4.66)	-	-	104.76
Modification (restructuring) gain on financial assets	4.16	0.00	-	-	4.16
Remeasurement of gains/ (losses) on defined benefit plans	-	-	-		-
Total	**113.58**	**(4.66)**	**-**	**-**	**108.92**
Deferred tax assets (net)	**758.20**	**243.85**	**(1.59)**	**-**	**1,000.46**

1 April 2023 to 31 March 2024

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2023	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognized in equity	As at 31 March 2024
Deferred tax asset on account of:					
Provision for impairment of assets	258.23	104.24	-	-	362.47
Provision for employee benefits	61.58	(19.10)	2.53	-	45.01
Share issue expenses	4.66	(3.25)	-	5.98	7.39
Temporary difference on depreciation on property plant and equipment	21.77	17.22	-	-	38.99
Unearned processing fee	-	7.42	-	-	7.42
Transaction costs on Loans	351.38	54.91	-	-	406.29
Lease liabilities	-	4.21	-	-	4.21
Total	**697.62**	**165.66**	**2.53**	**5.98**	**871.78**
Deferred tax liability on account of:					
Transaction costs on borrowings	104.51	4.91	-	-	109.42
Modification (restructuring) gain on financial assets	4.16	-	-	-	4.16
Unearned processing fee	0.31	(0.31)	-	-	(0.00)
Lease liabilities	0.22	(0.22)	-	-	(0.00)
Remeasurement of gains/ (losses) on defined benefit plans	-	-	-	-	-
Total	**109.20**	**4.38**	**-**	**-**	**113.58**
Deferred tax assets (net)	**588.42**	**161.28**	**2.53**	**5.98**	**758.20**

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34 Earnings per share

(Amount in Rs. 'Lacs')

Particular	Year ended 31 March 2025	Year ended 31 March 2024
Net profit attributable to equity holders	2,326.65	2,280.14
Weighted average number of equity shares outstanding for basic earnings per share	74,727,043	66,612,663
Earning per share (Basic and Diluted) in Rs.	3.11	3.42
Nominal value per share (₹)	10	10

35 Related party disclosures

Related party disclosures as required under Indian Accounting standard (Ind AS) - 24, " Related Party Disclosure" are given below.

35.1 List of related parties

Nature of relationship	Name of related party
Holding Company	Svatantra Holdings Private Limited
Key Managerial Personnel (KMP)	Ms. Ananyashree Birla, Chairperson Mr. Vineet Chattree, Director (upto 27 September 2024) Mr. Anil Chirania, Director Mr. Jayesh Shah,Chief Executive Officer (w.e.f from 30 June 2023 and upto 31 October 2024) and Whole time Director (w.e.f 12 February 2024) Mr. Deepabh Jain, Chief Executive Officer (w.e.f 4 November 2024) Mr. Nitesh Amarnani, Chief Financial Officer (w.e.f 9 August 2024) Mr. Sahil Mehta, Chief Financial Officer (upto 14 February 2024) Ms. Tasneem Rangwala Company Secretary

35.2 Transactions during the period with related parties :

(Amount in Rs. 'Lacs')

Transactions with	Nature of transactions	Year ended 31 March 2025	Year ended 31 March 2024
Svatantra Holdings Private Limited	Equity shares issued	-	5,000.00
Svatantra Holdings Private Limited	Corporate Guarantee given by holding company to bank for term loan taken by the Company	-	13,000.00
Mr. Jayesh Shah	Remuneration	62.26	62.13
Mr. Deepabh Jain	Remuneration	67.18	-
Mr. Sahil Mehta	Remuneration	-	70.40
Mr. Nitesh Amarnani	Remuneration	15.10	-
Ms. Tasneem Rangwala	Remuneration	20.57	15.39

Note:
1. There is no outstanding balance with related parties except corporate gurantee as at 31 March 2025 of Rs 30,600 (previous year Rs Rs 30,600)
2. Employee benefits in relation to gratuity are calculated at the Company level and hence not considered in above disclosure.

36 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital to cover risk inherent in business and is meeting the capital adequacy requirements of National Housing Bank (NHB). The same is done through a mix of either equity and / or combination of short term / long term debt as may be appropriate. The Company determines the amount of capital required on the basis of operations and capital expenditure. The adequacy of the Company's capital is monitored using, among other measures, that includes the regulations issued by NHB.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The Tier-I capital, at any point of time, shall not be less than 10 per cent. The total of Tier-II capital, at any point of time, shall not exceed 100 per cent of Tier-I capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 per cent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio. The Company's policy is in line with Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 which currently permits HFCs to borrow up to 12 times of their net owned funds ("NOF").

There is no allocation of capital required as Company is primarily operating in single segment i.e. financing, . The Company's policies in respect of capital management is regularly reviewed by Board of Directors.

Regulatory capital (Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025	As at 31 March 2024
Equity share capital	7,472.70	7,472.70
Securities premium	18,974.91	18,974.91
Retained earnings	7,963.84	6,347.57
Statutory reserves	3,503.60	2,788.49
Less:		
- Deferred Revenue Expenditure (represent	(318.76)	(80.31)
- Intangible Asset (including under	(15.92)	(10.14)
-Deferred tax Asset	(1,000.46)	(758.21)
Tier I Capital	**36,579.91**	**34,735.01**
- Loss Allowances for loans - Stage -I	398.13	344.74
-Subordinated Liabilities	1,400.00	2,000.00
Tier II Capital	**1,798.13**	**2,344.74**
Tier I + Tier II Capital	**38,378.04**	**37,079.75**

The Company has complied in full with all its externally imposed capital requirements over the reported period.

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Loan covenants

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breach in meeting these financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period. Loan covenants mainly include minimum CRAR of 25% (Previous year 25%), ratio of total outstanding liability to total net worth to be less than or equal to 6 times (previous year 6 times) etc.

37 Fair value measurement

37.1 Financial instruments by category

(Amount in Rs. 'Lacs')

Particulars	Category	As at 31 March 2025	As at 31 March 2024
Financial assets:			
Cash and cash equivalents	Amortised Cost	5,938.17	7,093.34
Bank balance other than cash and cash equivalents	Amortised Cost	2,625.34	2,478.92
Loans	Amortised Cost	224,282.46	201,239.11
Other financial assets	Amortised Cost	383.44	206.82
Total financial assets		**233,229.41**	**211,018.19**
Financial liabilities:			
Trade payables	Amortised Cost	41.13	14.75
Other payables	Amortised Cost	343.79	253.79
Debt securities	Amortised Cost	-	5,801.55
Borrowings (other than debt securities)	Amortised Cost	192,419.53	166,139.45
Subordinated Liabilities	Amortised Cost	3,000.00	3,000.00
Lease Liabilities	Amortised Cost	390.19	445.41
Other financial liabilities (excluding lease liabilities)	Amortised Cost	244.33	396.56
Total financial liabilities		**196,438.97**	**176,051.51**

37.2 Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. These three levels are defined based on the observability of significant inputs to the measurement, as follows.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

37.3 Financial assets and liabilities measured at amortised cost at each reporting date

The carrying value of cash and cash equivalents, other bank balances, other financial assets, trade payables and other payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets measured at amortised cost				
Cash and cash equivalent	5,938.17	5,938.17	7,093.34	7,093.34
Bank balance other than cash and cash equivalents	2,625.34	2,625.34	2,478.92	2,478.92
Loans	224,282.46	225,784.62	201,239.11	202,853.43
Other financial assets	383.44	383.44	206.82	206.82
Total financial assets	**233,229.41**	**234,731.57**	**211,018.19**	**212,632.51**
Financial liabilities:				
Trade payables	41.13	41.13	14.75	14.75
Other payables	343.79	343.79	253.79	253.79
Debt securities	-	-	5,801.55	6,048.49
Borrowings (other than debt securities)	192,419.53	192,835.80	166,139.45	166,565.76
Subordinated Liabilities	3,000.00	3,058.46	3,000.00	3,108.15
Lease Liabilities	390.19	390.19	445.41	445.41
Other financial liabilities (excluding lease liabilities)	244.33	244.33	396.56	396.56
Total financial liabilities	**196,438.97**	**196,913.69**	**176,051.51**	**176,832.91**

i) Loans - All the loans given are at variable rate of interest and hence, the fair value of floating rate loans are deemed to be equivalent to the carrying value.

ii) Borrowings - In case of floating rate borrowings its fair value are deemed to be equivalent to the carrying value adjusted with un-amortize transaction cost.
In case of fixed rate borrowings the fair value are considered equivalent to the carrying value as there is no material difference in interest rates.

iii) Debt securities are fixed liabilities - The fair value of debt securities are determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans (Level 3 inputs).

iii) Subordinated Liabilities - The fair value of subordinated Liabilities are determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans (Level 3 inputs).

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38 Financial risk management

Risk Management

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest risk, foreign currency risk and price risk. The Company's primary focus is to achieve better predictability of financial markets and minimize potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The Principal objective in Company's risk management processes is to measure and monitor the various risks associated with the Company's and to follow policies and procedures to address such risks. The Company 's risk management framework is driven by its Board and its sub-committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, valuation of collateral, technical and legal verifications, conservative loan to value, and required term cover for insurance.

A Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities –debt securities, borrowing, trade payables and other financial liabilities. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The tables below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities:

As at 31 March 2025 (Amount in Rs. 'Lacs')

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	41.13	-	-	-	**41.13**
Other payables	343.79	-	-	-	**343.79**
Debt securities*	-	-	-	-	-
Borrowings (other than debt securities)*	67,364.20	152,692.60	11,887.21	-	**231,944.01**
Subordinated Liabilities*	285.00	3,563.23	-	-	**3,848.23**
Lease liabilities*	179.11	261.47	-	-	**440.58**
Other financial liabilities	240.06	-	-	-	**240.06**
Total	**68,453.29**	**156,517.30**	**11,887.21**	-	**236,857.80**

*Includes interest payment

As at 31 March 2024 (Amount in Rs. 'Lacs')

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	14.75	-	-	-	**14.75**
Other payables	253.79	-	-	-	**253.79**
Debt securities*	6,355.57	-	-	-	**6,355.57**
Borrowings (other than debt securities)*	57,747.99	131,372.44	11,068.92	-	**200,189.35**
Subordinated Liabilities*	284.61	3,848.23	-	-	**4,132.84**
Lease liabilities	211.41	363.76	46.17	-	**621.35**
Other financial liabilities	392.81	-	-	-	**392.81**
Total	**65,260.93**	**135,584.43**	**11,115.09**	-	**211,960.46**

*Includes interest payment

B Market risk

(i) Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company is not exposed to foreign currency exposure.

(ii) Interest rate risk
The Company is subject to interest rate risk, since the rates of loans and borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. Loans given to customers are at floating rate of interest.

Details of loans and borrowings

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025	As at 31 March 2024
Loans (variable)	224,282.46	201,239.11
Total loans (variable)	**224,282.46**	**201,239.11**
Borrowings,debt securities and subordinate Liabilities		
Borrowings (variable)	175,089.45	143,795.73
Borrowings (Fixed)	17,330.08	22,343.72
Debt securities and subordinate Liabilities (fixed rate)	3,000.00	8,801.55
Total borrowings	**195,419.53**	**174,941.00**

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's Statement of profit and loss:

(Amount in Rs. 'Lacs')

Interest rate sensitivity*	Impact on profit before tax	
	Year ended 31 March 2025	Year ended 31 March 2024
Loans		
Increase by 50 basis points	1,121.41	1,006.20
Decrease by 50 basis points	(1,121.41)	(1,006.20)
Borrowings		
Increase by 50 basis points	(875.45)	(718.98)
Decrease by 50 basis points	875.45	718.98

** Holding all other variables as constant*

(iii) **Price risk**

Exposure
The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. The Company do not have any investment as on balancesheet date either at fair value through other comprehensive income or at fair value through profit and loss.

C **Credit risk**

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit quality of assets

Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk. A centralised risk management function oversees the risk management framework, which periodically presents an overview of credit risk of portfolio to the Risk Management Committee.

Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time.

Expected Credit loss (ECL):
Credit Quality of Loans assets:
The following table sets out information about credit quality of loans measured at amortised cost based on days past due information. The amount represents gross carrying amount.

(Amount in Rs. 'Lacs')

	As at 31-03-2025	As at 31-03-2024
Gross carrying value		
Stage 1	212,696.16	193,773.91
Stage 2	7,629.32	4,806.68
Stage 3	6,556.83	4,257.46
Total Gross carrying value as at reporting date	**226,882.31**	**202,838.05**

Management of credit risk for financial assets

Cash and cash equivalents and bank deposits
Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country.

Other financial assets measured at amortized cost
Other financial assets measured at amortised cost includes loans and advances to employees security deposits insurance claim receivables and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans
The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower thereby limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due. The Company has restructured or rescheduled in the terms of the certain loan accounts in the current year on account of COVID-19 related restructuring measures prescribed by the Reserve Bank of India. This has resulted in increased management estimation over determination of losses for such restructured loans.

Collective assessment of ECL

Since the Company is into retail lending business to rural and semi-urban areas which are are greater in number but lesser in value, there is no significant credit risk of any individual customer that may impact Company adversely, and hence the Company has calculated its ECL allowances on a collective basis. ECL assessment has been done on an individual basis on the Company's insignificant exposure on corporate and builder loans.

Inputs considered in the ECL model
Definition of default
The Company considers a financial instrument as defaulted and considers it as Stage 3 (credit-impaired) for expected credit loss (ECL) calculations, when the assets become more than 90 days past due on its contractual payments and these assets continue to be classified as Stage 3 till the entire overdues are received, in accordance with the RBI guidelines and the ECL Policy.

Exposure at default (EAD)
The EAD represents expected outstanding exposure subject to credit risk at the period/date, when default is considered. The Company does cash flow mapping based on contractual maturity for loans in Stage II, using the exposure at default in future years and the probability of default estimation based on macro variables. For stage I and stage III, as an approximation balance sheet outstanding is used.

Loss given default (LGD)
It is defined as the percentage risk of exposure that is not expected to be recovered in the event of default. Based on an analysis of historical data, the Company has estimated the loss given default, using historical recovery experience, potential sale proceed and recovery cost. This is referred to as the workout method. Such recoveries are discounted using interest rate of the loans. While calculating LGD percentage, 100% recoveries are estimated for the cases where the recoveries are absolutely certain to happen within a short period of time.

Probability of Default (PD)
"Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 asset's a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. Historical DPD data is utilized to calculate through the cycle PD. PD analysis tracks the migration behaviour of a static pool of loans active at the end of each year across different buckets- Current, 1-29 DPD, 30-59 DPD, 60-89 DPD, 90+ DPD for the 12 month and lifetime period.

Forward looking information
Forward looking information is incorporated in the measurement of probability of default and consequently in measurement of ECL. The Vasicek model is used for converting the TTC (Through-the-Cycle) PD into FC (Forecast) PD. The model calculates an AC (Asset Correlation) factor and converts the probability using the macro-economic variable selected which is GDP growth rate. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of GDP growth rate as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.
Further, in the global pandemic Covid 19, management overlays are applied in determining forward looking scenarios. It is considered by evaluating all relevant internal and reasonably available external data namely Industrial research by various credit rating agencies.

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Significant increase in credit risk

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the loan exposure. However, unless identified at an earlier stage, the Company have determined all assets are deemed to have suffered a significant increase in credit risk when 30 days past due.

The Company have also conducted a quantitative assessment of significant increase in credit risk (SICR) of the loan portfolio with respect to the covid 19 pandemic scenario, based on analysis of percentage increase in probability of default.

Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of Profit or Loss.

Collateral

The Company holds collateral to mitigate credit risk associated with financial assets. The main types of collateral include residential properties. The collateral presented relates to instruments (loans) that are measured at amortised cost.

(Amount in Rs. 'Lacs')

Particular	Category of Collateral	As at 31 March 2025	As at 31 March 2024
Financial Assets-Loans*	Properties (amount of collateral)	478,532.86	399,252.22

*Collateral held against Stage 3 Assets of Rs 17,780.74 Lacs (as at 31 March 2024 10414.89 Lacs)

Credit Risk exposure

i) Expected credit losses for financial assets other than loans (Amount in Rs. 'Lacs')

As at 31 March 2025	Estimated gross carrying amt at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	5,938.17	-	5,938.17
Bank balances other than cash and cash equivalents	2,625.34	-	2,625.34
Security deposits	245.54	-	245.54
Other financial assets	96.82	-	96.82

As at 31 March 2024	Estimated gross carrying amt at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalent	7,093.34	-	7,093.34
Bank balances other than cash and cash equivalents	2,478.92	-	2,478.92
Security deposits	87.07	-	87.07
Other financial assets	77.35	-	77.35

ii) Expected credit loss for loans

Changes in the gross carrying amount and the corresponding ECL allowances in relation to loans from beginning to end of reporting period:

(Amount in Rs. 'Lacs')

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1 2023	145,965.05	3,449.41	3,145.79
Assets originated	100,520.65	713.06	114.41
Net transfer between stages			
Transfer to stage 1	1,285.52	(1,044.27)	(241.25)
Transfer to stage 2	(3,662.88)	3,696.16	(33.28)
Transfer to stage 3	(1,269.17)	(1,109.10)	2,378.27
Assets derecognised or collected (including write offs)	(49,065.26)	(898.58)	(1,106.48)
Gross carrying amount as at March 31 2024	**193,773.91**	**4,806.68**	**4,257.46**
Assets originated	56,585.41	223.27	37.61
Net transfer between stages			
Transfer to stage 1	1,130.61	(974.80)	(155.81)
Transfer to stage 2	(5,524.22)	5,557.37	(33.15)
Transfer to stage 3	(2,248.46)	(1,111.80)	3,360.26
Assets derecognised or collected (including write offs)	(31,021.09)	(871.40)	(909.54)
Gross carrying amount as at March 31 2025	**212,696.16**	**7,629.32**	**6,556.83**

Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3*
Loss allowance as on April 1 2023	232.32	152.57	711.36
Assets originated	161.10	185.04	504.71
Net transfer between stages			
Transfer to stage 1	108.25	(51.00)	(57.25)
Transfer to stage 2	(10.09)	18.00	(7.91)
Transfer to stage 3	(4.64)	(42.56)	47.20
Assets derecognised or collected (including write offs)	(142.20)	(35.31)	(170.66)
Loss allowance as on March 31 2024	**344.74**	**226.74**	**1,027.45**
Assets originated	140.36	319.38	975.95
Net transfer between stages			
Transfer to stage 1	87.65	(46.22)	(41.43)
Transfer to stage 2	(23.85)	32.70	(8.85)
Transfer to stage 3	(7.13)	(56.39)	63.52
Assets derecognised or collected (including write offs)	(143.64)	(46.48)	(244.65)
Loss allowance as on March 31 2025	**398.13**	**429.73**	**1,771.99**

*1234 loan accounts in stage 3 as on 31 March 2025 (887 as on 31 March 2024).

Concentration of loans

The Company monitors concentration of credit risk on the basis of housing/Non housing in which the borrower operates;

Concentration by type of loan	As at 31 March 2025	As at 31 March 2024
Housing	187,248.01	171,698.36
Non housing	39,565.35	31,085.77
Gross carrying Amount	**226,813.36**	**202,784.13**

39 Retirement benefit plans

(A) Defined benefit obligation

The Company has the following defined benefits plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2023-24 the Company created "Svatantra Micro Housing Finance Corporation Limited Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through trustees. Contributions to the Trust are invested in a scheme with a insurance Company as permitted by law in India.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan. Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

1. A. Actuarial Risk:
It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:
Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

2. Investment Risk:
For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

3. Liquidity Risk:
Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

4. Market Risk:
Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

5. Legislative Risk:
Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

As per Ind AS-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

39.1

Particulars	As at 31 March 2025	As at 31 March 2024
Actuarial assumptions		
Mortality rate	Indian Assured Lives(2012-14) Ultimate Mortality Rates	Indian Assured Lives(2012-14) Ultimate Mortality Rates
Discount rate (per annum)	6.93%	7.21%
Rate of salary increase	7.50%	7.50%
Withdrawal (Rate of employee turnover)	1% at all ages	1% at all ages

(Amount in Rs. 'Lacs')

	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
39.2	**Changes in the present value of defined benefit obligation**		
	Present value of obligation at the beginning of the year	303.73	196.94
	Interest expense	21.90	14.77
	Current service cost	112.59	80.29
	(Benefit Paid From the Fund)	(11.97)	(7.74)
	(Benefit paid directly by the employer)	-	-
	Actuarial (gains) / losses on obligations - due to change in demographic assumptions	-	-
	Actuarial (gains) / losses on obligations - due to change in financial assumptions	20.38	15.33
	Actuarial (gains) / losses on obligations - due to experience	(23.78)	4.14
	Present value of obligation at the end of the year	**422.85**	**303.73**

39.3 Change in fair value of plan assets:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Plan assets at the beginning of the year	209.42	-
Interest Income	15.10	-
Expected return on plan assets	-	-
Actual company contributions	100.00	200.00
Benefits paid	-	-
Actuarial Gain/(Loss) on Plan Assets	-	-
Return on Plan Assets, Excluding Interest Income	2.93	9.42
Plan assets at the end of the year	**327.45**	**209.42**

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(Amount in Rs. 'Lacs')

39.4

Particulars	As at 31 March 2025	As at 31 March 2024
Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	422.85	303.73
Fair value of plan assets	(327.45)	(209.42)
Net (liability) / asset recognised in the balance sheet	**95.40**	**94.31**

*Gratuity Provision is in excess of Fair Value of Assets as on March 31, 2025 as disclosed under "Note 24 - Provisions" is after netting off amount paid to trust

39.5 Expenses recognised in the Statement of Profit and Loss

(Amount in Rs. 'Lacs')

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current service cost	112.59	80.29
Past service cost	-	-
Net interest (income)/ expense	6.80	14.77
Net gratuity cost recognised in the current year	**119.39**	**95.06**

39.6 Expenses recognised in the statement of Other comprehensive income (OCI)

(Amount in Rs. 'Lacs')

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Actuarial loss/(gain) due to change in financial assumptions	20.38	15.33
Actuarial loss/ (gain) due to experience adjustments	(23.78)	4.14
Return on Plan Assets, Excluding Interest Income	(2.93)	(9.42)
Total remeasurement cost for the year recognised in OCI	**(6.33)**	**10.05**

39.7 Reconciliation of net asset / (liability) recognised:

(Amount in Rs. 'Lacs')

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening Net Liability	94.31	196.94
Expenses recognised at the end of period	119.39	95.06
Amount recognised in other comprehensive income	(6.33)	10.05
Net Liability / (Asset) Transfer In	-	-
Net (Liability) / Asset Transfer Out	-	-
Benefit paid	(11.97)	(7.74)
Employer's Contribution	(100.00)	(200.00)
Net Liability/(Asset) Recognized in the Balance Sheet	**95.40**	**94.31**

39.8 The Company intends to contribute to the trust the amount as per the actuarial valuation in the next year The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Investment with insurer	**100%**	**100%**

39.9 Sensitivity Analysis:

(Amount in Rs. 'Lacs')

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Delta effect of +1% change in rate of discounting	(355.56)	(254.84)
Delta effect of -1% change in rate of discounting	507.17	365.21
Delta effect of +1% change in rate of salary increase	505.81	364.39
Delta effect of -1% change in rate of salary increase	(355.32)	(254.55)

39.10 Maturity analysis of projected benefit obligation

(Amount in Rs. 'Lacs')

Year	For the year ended 31 March 2025	For the year ended 31 March 2024
1 year	25.17	21.03
Sum of years 2 to 5	18.80	13.65
Sum of years 6 to 10	65.32	43.63
Sum of years 11 and above	1,625.40	1,325.11

(B) Defined contribution plan

The Company contributes towards provident fund for employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits. The Company has recognised Rs. 314.34 Lacs and Rs.250.94 Lacs towards provident fund contributions in the Statement of Profit and Loss for the year ended 31 March 2025 and 31 March 2024, respectively.

40 Leases

Company as lessee

The Company's leased assets primarily consist of leases for office premises & guest houses. Leases of office premises and guest houses generally have lease term between 1 to 5 years. The Company has applied short term exemption for leases for premises accordingly are excluded from Ind AS 116.

(i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(Amount in Rs. 'Lacs')

Particulars	Total
As at 1 April 2023	**265.87**
Additions	312.33
Deletion during the year	(19.11)
Depreciation expenses for the year	(130.41)
As at March 31, 2024	**428.68**
Additions	154.51
Deletion during the year	-
Depreciation expenses for the year	(169.72)
As at March 31, 2025	**413.47**

(ii) Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(Amount in Rs. 'Lacs')

Particulars	Total
As at 1 April 2023	**265.00**
Additions	213.09
Accretion of interest	39.81
Deduction	79.41
Payment	(151.90)
As at March 31, 2024	**445.41**
Additions	97.95
Accretion of interest	39.52
Deduction	-
Payment	(192.69)
As at March 31, 2025	**390.19**

The maturity analysis of lease liabilities are disclosed in Note 38.
The effective interest rate for lease liabilities is 11%, with maturity between 2021-2026

(iii) The following are the amounts recognised in profit or loss:

(Amount in Rs. 'Lacs')

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation expense of right-of-use assets	169.72	137.68
Finance cost on lease liabilities	39.52	39.81
*Expense relating to short-term leases (included in other expenses)	37.08	23.86
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (if any, included in other expenses)	-	-

* These leases are excluded from lease accounting under IndAS 116
The Company had total cash outflows for leases of Rs.229.77 Lacs in FY 2024-25 (Rs.150.37 Lacs in FY 2023-24).

41 Segment information

41.1 Business segment
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment of "Financing". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

41.2 Entity wide disclosures
No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in year ended 31 March 2025 and 31 March 2024.

The Company operates in single geography i.e. India and therefore, geographical information is not required to be disclosed separately.

42 Contingent liabilities and commitments

I. Contingent Liabilities: Rs. 99.71 Lacs* (as at March 31, 2024 Rs. 114.86 Lacs)
II. Undrawn Commitment given to Borrowers: Rs.11,847.44 Lacs (as at March 31, 2024 Rs.13,961.35 Lacs)
III. Bank guarantee issued by Banks favoring the NHB for refinance facilities: Rs. 2,175 Lacs (as at March 31, 2024 Rs. 2,175 Lacs)
* Includes disputed income tax demand against which the Company has preferred an appeal before Commissioner of Income Tax (Appeals) of Rs 99.71 Lacs (as at March 31, 2024 Rs. 113.80 Lacs)

43 Principal Business Criteria
Principal business criteria RBI vide its circular Number RBI/2020-21/60/DOR/NBFC (HFC) CC No 118/03.10.136/2020-21 dated October 22, 2020 has defined Principal Business Criteria for HFCs. Details of principal business criteria as on March 31, 2025 is as follows.

Particulars	As at 31 March 2025	As at 31 March 2024
% of total asset towards housing finance	78.95%	80.36%
% of total asset towards housing finance for individuals	78.50%	79.17%
Total		

44 Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Company :

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

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Notes to the financial statements for the year ended 31 March 2025

45 Corporate social responsibility (CSR) expenditure

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, promoting gender equality, empowering women and ensuring environmental sustainability.

45.1 Amount spent during the year on:

(Amount in Rs. 'Lacs')

Particulars	As at 31-03-2025			As at 31-03-2024		
	Amount spent	Amount unpaid/ provision	Total	Amount spent	Amount unpaid/ provision	Total
Construction /acquisition of any asset	-	-	-	-	-	-
On purpose other than above	35.12	15.08	50.20	24.00	10.45	34.45

45.2 In case of Section 135(5) unspent amount:

(Amount in Rs. 'Lacs')

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
19.91	Not Applicable	50.20	50.07	20.04

45.3 In case of Section 135(5) excess amount spent

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Not Applicable			

45.4 In case of Section 135(6) details of ongoing projects

(Amount in Rs. 'Lacs')

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR unspent Account		From Company's Bank Account	In Separate CSR unspent Account	With Company	In Separate CSR unspent Account
10.42	9.49	50.20	35.12	14.95	15.08	5.00

Note: Rs 15.10 lacs available with the Company as of 31 March 2025 has been transferred to the unspend CSR account on 29 April 2025.

45.5

(Amount in Rs. 'Lacs')

Nature of Expense on Corporate social responsibility	Year ended 31 March 2025	Year ended 31 March 2024
Employment enhancing vocational skill and livelihood enhancement	8.17	9.50
Disaster management,includng relief, rehabilitation and reconstruction activities	5.75	-
Promoting preventive health care and sanitation	7.50	22.50
Promoting education	7.50	-
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water"	0.20	-
Enhancing vocational skill among diffrently abled children	6.00	-
Total	**35.12**	**32.00**

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46 Maturity analysis of assets and liabilities

Assets	As at 31 March 2025			As at 31 March 2024		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Financial assets						
Cash and cash equivalents	5,938.17	-	5,938.17	7,093.34	-	7,093.34
Bank balances other than cash and cash equivalents	-	2,625.34	2,625.34	-	2,478.92	2,478.92
Loans	14,214.26	210,068.20	224,282.46	13,943.14	187,295.97	201,239.11
Other financial assets	241.30	142.14	383.44	167.63	39.19	206.82
Non financial assets						
Current tax assets (net)	147.90	-	147.90	93.56	-	93.56
Deferred tax assets (net)	-	1,000.46	1,000.46	-	758.21	758.21
Investment property	-	2.51	2.51	-	2.51	2.51
Property, plant and equipment	-	411.59	411.59	-	304.81	304.81
Intangible assets under development		2.58	2.58		-	-
Right of use asset	-	413.47	413.47	-	428.68	428.68
Other intangible assets	-	13.34	13.34	-	10.14	10.14
Other non financial assets	344.34	-	344.34	129.03	-	129.03
Total assets	**20,885.97**	**214,679.63**	**235,565.60**	**21,426.70**	**191,318.43**	**212,745.13**
Liabilities						
Financial liabilities						
Trade payables						
- Total outstanding dues of micro enterprises and small enterprises						
- Total outstanding dues of creditors other than micro enterprises and small enterprises	41.13	-	41.13	14.75	-	14.75
Other payables	343.79	-	343.79	253.79	-	253.79
Debt securities	-	-	-	5,801.55	-	5,801.55
Borrowings	52,800.27	139,619.26	192,419.53	45,130.71	121,008.74	166,139.45
Subordinated Liabilities	-	3,000.00	3,000.00	-	3,000.00	3,000.00
Other financial liabilities	346.51	288.01	634.52	553.96	288.01	841.97
Non financial liabilities						
Provisions	106.66	139.99	246.65	104.26	80.68	184.94
Other non financial liabilities	276.41	-	276.41	234.72	-	234.72
Total liabilities	**53,914.77**	**143,047.26**	**196,962.03**	**52,093.74**	**124,377.43**	**176,471.17**
Net Equity	**(33,028.80)**	**71,632.37**	**38,603.57**	**(30,667.04)**	**66,941.00**	**36,273.96**

Note: The Company has undrawn facilities amounting to Rs 34,250 Lacs as at 31st March 2025 (Rs 28,729 Lacs as at 31st March 2024).

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47 Comparision beetween IRACP and impairment allowamnce made under IND AS 109 as at 31 March 2025

(Amount is in Rs. 'Lacs')

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
	Stage 1	212,696.16	398.13	212,298.03	798.84	(400.71)
	Stage 2	7,629.32	429.73	7,199.59	82.61	347.12
Subtotal		**220,325.48**	**827.86**	**219,497.62**	**881.45**	**(53.59)**
Non performing assets						
Substandard	Stage 3	3,516.84	947.46	2,569.38	530.47	416.99
Doubtful - upto 1 year	Stage 3	1,705.55	476.04	1,229.51	428.91	47.13
1 to 3 years	Stage 3	903.63	235.84	667.79	369.55	(133.71)
More than 3 years	Stage 3	430.81	112.65	318.16	454.23	(341.58)
Subtotal of doubtful		**3,039.99**	**824.53**	**2,215.46**	**1,252.69**	**(11.17)**
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		**6,556.83**	**1,771.99**	**4,784.84**	**1,783.16**	**(11.17)**
Total	Stage 1	212,696.16	398.13	212,298.03	798.84	(400.71)
	Stage 2	7,629.32	429.73	7,199.59	82.61	347.12
	Stage 3	6,556.83	1,771.99	4,784.84	1,783.16	(11.17)
	Total	**226,882.31**	**2,599.85**	**224,282.46**	**2,664.61**	**(64.76)**

* Including addition provision as per RBI guidelines

Comparision between IRACP and impairment allowance made under IND AS 109 as on 31 March 2024

(Amount is in Rs. 'Lacs')

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
	Stage 1	193,773.91	344.74	193,429.17	801.87	(457.13)
	Stage 2	4,806.68	226.74	4,579.94	73.34	153.40
Subtotal		**198,580.59**	**571.48**	**198,009.11**	**875.21**	**(303.73)**
Non performing assets						
Substandard	Stage 3	2,411.78	534.97	1,876.81	364.21	170.76
Doubtful - upto 1 year	Stage 3	942.72	251.33	691.39	238.64	12.69
1 to 3 years	Stage 3	664.20	177.36	486.84	277.85	(100.50)
More than 3 years	Stage 3	238.76	63.79	174.97	249.70	(185.90)
Subtotal of doubtful		**1,845.67**	**492.48**	**1,353.20**	**766.19**	**(102.95)**
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		**4,257.46**	**1,027.45**	**3,230.01**	**1,130.40**	**(102.95)**
Total	Stage 1	193,773.91	344.74	193,429.17	801.87	(457.13)
	Stage 2	4,806.68	226.74	4,579.94	73.34	153.40
	Stage 3	4,257.46	1,027.45	3,230.01	1,130.40	(102.95)
	Total	**202,838.05**	**1,598.93**	**201,239.12**	**2,005.61**	**(406.68)**

* Including addition provision as per RBI guidelines

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48.1 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

48.2 Business model assessment

The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Based on this assessment of current conditions and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (the 'SPPI criterion'). This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Expected credit loss ('ECL')

The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

Determining criteria for significant increase in credit risk;

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and

Establishing groups of similar financial assets for the purposes of measuring ECL.

Development of ECL model, including the various formulae and the choice of inputs

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary

Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

48.3 Significant estimates

Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

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48.4 Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. The assumptions used are disclosed in Note 40.

48.5 Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. For further details about determination of fair value please see Note 37.

48.6 Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

When it is reasonably certain to exercise extension option and not to exercise termination option, the Company includes such extended term and ignore termination option in determination of lease term.

48.7 Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company has taken indicative rates from its bankers/weighted average rate of recent borrowings and used them for Ind AS 116 calculation purposes.

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Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2025

49 Disclosure pursuant to Reserve Bank of India Circular DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated December, 2021 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies- Housing Finance Companies as on 31 March 2025

i) **Funding Concentration based on significant counterparty (both deposits and borrowings)**

Sr No.	Number of Significant Counterparties	Amount (Rs. Lacs)	% of Total deposits	% of Total Liabilities
1	23	187,176.33	-	95.03%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

ii) **Top 20 large deposits (amount in Rs. crore and % of total deposits)**

Sr No	Number Of Counter Party	Amount In Lacs	% of total deposits
	Nil		

iii) **Top 10 borrowings (amount in Rs. crore and % of total borrowings)**

Sr No	Number Of Counter Party	Amount In Lacs	% of total Borrowing
1	10	127,567.69	65.28%

iv) **Funding Concentration based on significant instrument/product**

Sr No.	Name of the instrument/product	Amount (Rs. Lacs)	% of Total Liabilities
1	Non Convertible Debenture	3,000.00	1.52%
2	Bank Loans	184,176.33	93.51%

(v) **Stock Ratios:**

Particulars	%
(a) Commercial papers as a % of total public funds	0.00%
(b) Commercial papers as a % of total liabilities	0.00%
(c) Commercial papers as a % of total assets	0.00%
(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds	0.00%
(c) Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%
(d) Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%
(c) Other short-term liabilities, if any as a % of total public funds	0.00%
(c) Other short-term liabilities, if any as a % of total liabilities	26.81%
(c) Other short-term liabilities, if any as a % of total assets	22.41%

(vi) **Institutional set-up for liquidity risk management**

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2025

50 Disclosure of details as required by Notification No. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022

50.1 Sectoral exposure

Particulars	2024-25			2023-24		
	Total Exposure (includes on balance sheet and off balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and offbalance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services						
i. Commercial Real Estate	1,440.38	1,263.38	87.71%	2,712.14	649.48	**23.95%**
Total of Services	**1,440.38**			**2,712.14**		
4. Personal loans						
i. Individual Housing (Including Priority Sector Housing)	185,807.63	4,699.78	2.53%	182,224.47	3,211.17	1.76%
ii. Loan Against Property	39,634.30	593.68	1.50%	31,808.87	396.81	1.25%
iii. Loan to Employees	68.95	-	0.00%	53.91	-	0.00%

50.2 Related Party

i) For the period April 2024 to March 2025

Particulars	Holding Company	Subsidiary	Associate / Joint Ventures	Key Managerial Personnel (KMP)	Relative of KMP	Others	Total	Maximum outstanding during the year
Borrowings	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Purchase of fixed / other assets	-	-	-	-	-	-	-	-
Sale of fixed / other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Others								
Inter Corporate Deposit Given	-	-	-	-	-	-	-	-
Inter Corporate Deposit received	-	-	-	-	-	-	-	-

ii) For the period April 2023 to March 2024

Particulars	Holding Company	Subsidiary	Associate / Joint Ventures	Key Managerial Personnel (KMP)	Relative of KMP	Others	Total	Maximum outstanding during the year
Borrowings	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Purchase of fixed / other assets	-	-	-	-	-	-	-	-
Sale of fixed / other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Others								
Inter Corporate Deposit Given*	-	-	-	-	-	-	-	-
Inter Corporate Deposit received*	-	-	-	-	-	-	-	-

50.3 Disclosure of complaints

1. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2025	As at 31 March 2024
Complaints received by the NBFC from its customers		
1) Number of complaints pending at beginning of the year	0	0
2) Number of complaints received during the year	17	10
3) Number of complaints disposed during the year	17	10
Of which, number of complaints rejected by the NBFC	0	0
4) Number of complaints pending at the end of the year	0	0
Maintainable complaints received by the NBFC from Office of Ombudsman		
5) Number of maintainable complaints received by the NBFC from Office of Ombudsman	NA	NA
Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NA	NA
Of 5, number of complaints resolved through reconciliation/mediation/advisories issued by Office of Ombudsman	NA	NA
Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NA	NA
Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

2. Top five grounds of complaints received by the NBFCs from customers as at 31 March 2025

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loan amount		2	0%	-	-
Documents related (Loan statement, Orignal Documents)		1	-67%	-	-
Others	-	11	450%	-	-
CLSS Subsidy not received	-	3	0%	-	-

Top five grounds of complaints received by the NBFCs from customers as at 31 March 2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loan amount		2	0%	-	-
Documents related (Loan statement, Orignal Documents)		3	0%		
Others	-	2	0%	-	-
CLSS Subsidy not received	-	3	-40%		

51 Disclosure of details as required by Notification No. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Disclosures in Financial Statements- Notes to Accounts of NBFCs dated September 24,2021

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)

(Amount is in Rs. 'Lacs')

Particulars	To ARCs	To permitted transferees	To other transferees (NBFC)
No: of accounts			1
Aggregate principal outstanding of loans transferred			230
Weighted average residual tenor of the loans transferred			0
Net book value of loans transferred (at the time of transfer)			207
Aggregate consideration			230
Additional consideration realized in respect of accounts transferred in earlier years			-

There are no Loans acquired during the year from Lenders and ARC

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Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2021.

52 Capital to risk assets ratio ('CRAR')

The following table sets forth, for the periods indicated, the details of capital to risk assets ratio under NHB Guidelines:

Particulars	As at 31 March 2025	As at 31 March 2024
i) CRAR (%)	31.93%	34.76%
ii) CRAR – Tier I Capital (%)	30.43%	32.56%
iii) CRAR – Tier II Capital (%)	1.50%	2.20%
iv) Amount of subordinated debt raised as Tier - II capital	1,400.00	2,000.00
v) Amount raised by issue of Perpetual Debt Instruments	-	-

53 Reserve fund under section 29C of NHB Act, 1987

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year		
a) Statutory reserve u/s 29C of NHB Act, 1987	46.89	46.89
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	2,741.60	2,115.22
	2,788.49	**2,162.11**
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of NHB Act, 1987	-	-
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	715.12	626.38
Less:		
a) Amount appropriated from Statutory reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1) (viii) of Income Tax Act, 1961 which has been taken into account for the purposes of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	46.89	46.89
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	3,456.72	2,741.60
c) Total	**3,503.61**	**2,788.49**

54 Investments

Particulars	As at 31 March 2025	As at 31 March 2024
Value of investments		
i) Gross value of investments		
(a) In India	-	-
(b) Outside India	-	-
ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net value of investments		
(a) In India	-	-
(b) Outside India		
Movement of provision held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: write off / written back of excess provision during the year	-	-
iv) Closing balance	-	-

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55 Derivatives

55.1 Forward rate agreement (FRA) / Interest rate swap (IRS)

The Company has not entered into any transaction in forward rate agreements and interest rate swaps during the year ended on 31 March 2025 and 31 March 2024.

55.2 Exchange traded interest rate (IR) derivative

The Company has not entered into any transaction in exchange traded interest rate derivatives during year ended on 31 Mar 2025 and 31 Mar 2024.

55.3 Securitisation

The Company has not entered into any Securitisation during year ended on 31 March 2025 and 31 March 2024.

56 Unsecured advances

There are no unsecured advances against intangible securities such as rights, licenses, authority as collateral security during the year ended on 31 March 2025 and 31 March 2024.

57 Disclosures on Risk Exposure in Derivatives

The Company has not entered into any derivative transaction during the year 31 March 2025 and 31 March 2024

58 Disclosure of penalties imposed by NHB/RBI and other regulators

During the year ended on 31 March 2025 and 31 March 2024, the Company has not paid any penalty for non-compliance of any provision of the Housing Finance Companies (NHB) Directions, 2010.

59 Rating assigned by credit rating agency and migration of rating

As at 31 March 2025

(i) Date of Rating	31-May-24	04-Oct-24
(ii) Name of Rating Agency	CRISIL Ratings Limited	CARE Ratings Limited
(iii) Rating of Products		
(a) Long term Bank facilities	CRISIL A+/Stable	CARE AA-/Stable
(b) Debentures	CRISIL A+/Stable	CARE AA-/Stable
(c) Short term debt	-	CARE A1+

As at 31 March 2024

(i) Date of Rating	07-Jun-23	07-Aug-23	08-Jan-24
(ii) Name of Rating Agency	CRISIL Ratings Limited	CARE Ratings Limited	CARE Ratings Limited
(iii) Rating of Products			
(a) Long term Bank facilities	CRISIL A+/Stable	CARE AA-/Stable	CARE AA-/Stable
(b) Debentures	CRISIL A+/Stable	CARE AA-/Stable	CARE AA-/Stable
(c) Short term debt	-	CARE A1+	CARE A1+

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Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2021.

60 Provisions and contingencies

60.1 Break up of 'Provisions and Contingencies' shown in the Statement of Profit and Loss

(Amount in Rs. 'Lacs')

Break up of 'Provisions and Contingencies' shown in the Statement of Profit and Loss	As at 31 March 2025	As at 31 March 2024
Impairment on financial Asset		
Provision for Standard Asset - Stage I	53.39	112.42
Provision for Standard Asset - Stage II	202.99	74.17
Provision for non-performing asset (Stage-III)	789.78	441.22
Provision on Loan commitment	(1.06)	0.40
Tax expense:		
- Current tax	824.23	739.89
- Deferred tax	(243.84)	(161.28)
-Earlier year tax adjustement	-	(34.67)
Employee benefit		
Gratuity expense	119.39	95.21
Leave encashment	78.67	48.47

60.2 Break up of loan and advances and provisions thereon

(Amount in Rs. 'Lacs')

Particulars	Housing Loan		Non Housing Loan	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Standard assets				
a) Total outstanding amount	181,284.85	167,837.72	39,040.61	30,688.96
b) Provisions made	712.46	500.76	115.40	70.72
Sub - Standard assets		-		-
a) Total outstanding amount	3,145.13	2,163.38	371.71	248.40
b) Provisions made	851.01	469.34	96.45	65.63
Doubtful assets – Category-I		-		-
a) Total outstanding amount	1,575.31	832.75	130.24	109.97
b) Provisions made	442.22	222.23	33.82	29.10
Doubtful assets – Category-II		-		-
a) Total outstanding amount	826.53	633.61	77.10	30.59
b) Provisions made	215.80	169.22	20.04	8.14
Doubtful assets – Category-III		-		-
a) Total outstanding amount	416.19	230.91	14.62	7.85
b) Provisions made	108.82	61.70	3.82	2.09
Loss assets				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total outstanding amount	**187,248.01**	**171,698.37**	**39,634.30**	**31,085.77**
b) Provisions made	**2,330.31**	**1,423.25**	**269.54**	**175.68**

60.3 Contingent liabilities

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025	As at 31 March 2024
Contingent Liabilities*	99.71	114.86
Capital Commitments	-	-
Undrawn Commitment given to Borrowers	11,847.44	13,961.35
Bank guarantee issued by Bank Limited favoring the NHB for refinance facilities	2,175.00	2,175.00
Total	**14,122.15**	**16,251.21**

* Disputed income tax demand against which the Company has preferred an appeal before Commissioner of Income Tax (Appeals)

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61 Draw down reserves

The Company has not made any draw down from reserves during year ended 31 March 2025 and 31 March 2024.

62 Concentration of public deposits, advances, exposures and NPA's

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

The Company does not accept any public deposits and hence the same is not applicable.

62.2 Concentration of loans and advances

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025	As at 31 March 2024
Total loans and advances to twenty largest borrowers	1,922.86	2,972.35
Percentage of Loans and Advances to twenty largest borrowers to total advances of the HFC	0.85%	1.47%

62.3 Concentration of all exposures (including off - balance sheet exposure)

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025	As at 31 March 2024
Total exposure to twenty largest borrowers / customers	1,997.86	3,072.35
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	0.84%	1.52%

62.4 Concentration of Non performing assets (NPA)

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025	As at 31 March 2024
Total exposure to top ten NPA accounts*	1,408.01	842.54

* The exposure is disclosed at customer level.

62.5 Sectorwise Non performing assets(NPAs)

(Amount in Rs. 'Lacs')

Sectorwise percentage of NPAs to total advances in that sector	As at 31 March 2025	As at 31 March 2024
A Housing loans :	**3.18%**	**2.25%**
1 Individuals	2.53%	1.90%
2 Builders/Project loans	87.71%	24.86%
3 Corporates	Nil	Nil
4 Others	Nil	Nil
B Non housing loans :	**1.50%**	**1.28%**
1 Individuals	1.50%	1.28%
2 Builders/Project loans	Nil	Nil
3 Corporates	Nil	Nil
4 Others	Nil	Nil

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62.6 Movement of Non performing assets(NPAs)

(Amount in Rs. 'Lacs')

	As at 31 March 2025	As at 31 March 2024
(I) Net NPAs to net advances (%)	2.13%	1.61%
(II) Movement of NPAs (Gross)		
a) Opening balance	4,257.46	3,145.79
b) Additions during the year (net)	3,397.87	2,492.68
c) Reductions during the year	(1,098.50)	(1,381.01)
d) Closing balance	6,556.83	4,257.46
(III) Movement of Net NPAs		
a) Opening balance	3,230.01	2,434.43
b) Additions during the year (net)	2,358.40	1,940.77
c) Reductions during the year	(803.57)	(1,145.19)
d) Closing balance	4,784.85	3,230.01
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	1,027.45	711.36
b) Provision made during the year (net)	1,039.47	551.91
c) Reductions during the year	(294.93)	(235.82)
d) Closing balance	1,771.99	1,027.45

63 Overseas Assets & Off-balance Sheet special purpose vehicle (SPVs) sponsored

The Company does not own any overseas assets as at year ended 31 March 2025 and 31 March 2024.

There are no off-balance sheet SPVs sponsored as at year ended 31 March 2025 and 31 March 2024.

64 Disclosure of complaints

	As at 31 March 2025	As at 31 March 2024
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	17	10
c) No. of complaints redressed during the year	17	10
d) No. of complaints pending at the end of	-	-

65 Asset liability management (Maturity pattern of certain items of assets and liabilities)

(Amount in Rs. 'Lacs')

	As at 31 March 2025		
	Borrowings from banks, financial institutions and non-convertible debentures	Loans and Advances	Investments
1 day to 7 days	331.11	1,419.39	-
8 day to 14 days	127.33	-	-
15 days to 30/31 days	-	17.45	-
Over 1 month and upto 2 months	6,472.43	1,211.88	-
Over 2 months and upto 3 months	4,612.51	1,182.08	-
Over 3 months and upto 6 months	13,464.35	3,431.98	-
Over 6 months and upto 1 year	27,792.54	6,951.49	-
Over 1 year and upto 3 years	86,567.09	31,194.12	-
Over 3 years and upto 5 years	45,465.04	32,061.30	-
Over 5 years	10,587.12	146,812.78	-
Total	**195,419.52**	**224,282.47**	**-**

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(Amount in Rs. 'Lacs')

	As at 31 March 2024		
	Borrowings from banks, financial institutions and non-convertible debentures	**Loans and Advances**	**Investments**
1 day to 7 days	259.29	1,741.94	-
8 day to 14 days	179.25	-	-
15 days to 30/31 days	-	77.06	-
Over 1 month and upto 2 months	5,226.03	1,220.16	-
Over 2 months and upto 3 months	4,162.12	1,152.07	-
Over 3 months and upto 6 months	12,077.30	3,274.05	-
Over 6 months and upto 1 year	29,028.28	6,477.85	-
Over 1 year and upto 3 years	72,545.32	27,377.47	-
Over 3 years and upto 5 years	41,128.44	29,550.75	-
Over 5 years	10,334.98	130,367.76	-
Total	**174,941.01**	**201,239.11**	**-**

Above disclosure is given as per NHB Master Circular

Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to NHB.

66 Exposure

66.1 Exposure to Real Estate Sector

(Amount in Rs. 'Lacs')

	Category	As at 31 March 2025	As at 31 March 2024
a	**Direct Exposure**		
i	**Residential Mortgages** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower that is rented;	185,807.63	169,086.22
ii	**Commercial Real Estate *** Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	1,440.38	2,612.14
iii	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
	a) Residential	-	-
	b) Commercial Real Estate	-	-
b	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

*Builder loans given for residential project

66.2 Exposure to Capital Market

The Company does not have any Exposure to Capital Market as on 31 March 2025 and 31 March 2024

66.3 Exposure to group companies engaged in real estate business

Nil

S BHANDARI & CO LLP * Chartered Accountants *

SVATANTRA MICRO HOUSING FINANCE CORPORATION LIMITED * MUMBAI

Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2021.

67 Disclosure pursuant to Reserve Bank of India notification RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 read with Notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year 31 March 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the half end of this year^
Personal Loans*	3,496.05	112.91	-	234.05	3,308.27
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others*	-	-	-	-	-
Total	3,496.05	112.91	-	234.05	3,308.27

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
*Personal loans includes housing loans & non housing loans

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year 30 September 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year
Personal Loans*	3,308.27	36.93	-	164.14	3,107.48
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	3,308.27	36.93	-	164.14	3,107.48

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

*Personal loans includes housing loans & non housing loans

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SVATANTRA MICRO HOUSING FINANCE CORPORATION LIMITED MUMBAI

Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2021.

68 Disclosure in terms of in accordance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by the Reserve Bank of India read with RBI Circular No. RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 on Monitoring of frauds in NBFCs

There were Nil case (Previous Year 1 case) of frauds reported during the year where amount involved was Nil (Previous Year 24.61 Lacs) as on the date of identification of fraud. The recovery pertaining to fraud reported during the year is 'Nil' (Previous Year 'Nil'). The nature of fraud involved is cheating and forgery.

69 Details of loans transferred / acquired during the quarter ended March 31, 2025 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) The Company has not transferred any non-performing assets (NPAs).
(ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.
(iii) The Company has not acquired loans not in default through assignment
(iv) The Company has not acquired any stressed loan.

70 Details of financing of parent company products

Not applicable

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

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2025 and 31 March 2024

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SVATANTRA MICRO HOUSING FINANCE CORPORATION LIMITED ★ MUMBAI

Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2025

Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2021.

72 **Registration obtained from other financial sector regulators**

The Company is registered with the Ministry of Corporate Affairs other financial sector regulators.

73 **Revenue Recognition**

There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

74 **Net Profit or Loss for the period, prior period items and changes in accounting policies**

There are no prior period items and change in accounting policies except as reported in the Financial Statements.

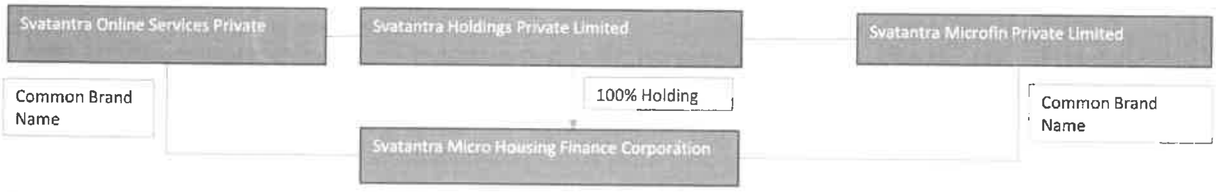
75 **Related party Transactions**

(i) All material transactions with related parties are disclosed in "Note 35" of the Financial Statements.

(ii) The Company has the policy on dealing with Related Party Transactions on its website and it is disclosed on its website

76 **Group Structure**

The Company is wholly owned subsidiary of Svatantra Holdings Private Limited



77 **Remuneration of Directors**

During the year, the Company has paid remuneration to it's directors (refer note 35)

78 **IND AS 110 -Consolidated Financial Statements (CFS)**

The Company does not have any subsidiary company and hence, the CFS is not applicable.

79 The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact, if any, in the financial statements following the Code becoming effective and the related rules being framed and notified.

80 There are no gold loan outstanding as on 31 March 2025

81 **Undisclosed income**

There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

82 **Title deeds of immovable properties not held in name of the Company**

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company during the financial year ended March 31, 2025 and March 31, 2024.

83 There is no scheme of arrangement of Company which is approved by the Competant Authority in terms of section 230 to 237 of the Companies Act, 2013.

84 **Details of crypto currency or virtual currency**

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31,2025 and March 31, 2024.

85 **Details of benami property held**

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2025 and March 31, 2024.

S BHANDARI & CO LLP Chartered Accountants

SVATANTRA MICRO HOUSING FINANCE CORPORATION LIMITED MUMBAI

Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2021.

86 Utilisation of borrowed funds and share premium

During the financial year ended March 31, 2025, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i). No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii). No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

87 Analytical Ratios

	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	% Variance	Reason for Variance (If above 25%)
i) CRAR (%)	38,378.04	120,203.26	31.93%	34.76%	-8.15%	NA
ii) CRAR – Tier I Capital (%)	36,579.91	120,203.26	30.43%	32.56%	-6.54%	NA
iii) CRAR – Tier II Capital (%)	1,798.13	120,203.26	1.50%	2.20%	-32.00%	Discounting of subordinate debts
v) Liquidity Coverage Ratio*	5,938.17	5,457.00	108.82%	171.01%	-36.37%	NA

* The Company is not required to comply with the guidelines on Liquidity coverage ratio (LCR) in line with Master Direction - Non Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 as at 31 March 2025 and 31 March 2024.

88 Wilful defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2025 and March 31, 2024.

89 Relationship with struck off companies

The Company has not been undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2025 and March 31, 2024.

90 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2025 and March 31, 2024. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

91 Compliance with number of layers of companies

The Company does not have any investments and accordingly provision of section 186 (1) is not applicable.

92 Capital work in progress (CWIP)

The Company has CWIP during the financial years ended March 31, 2025 (Refer note 10).

93 Additional disclosures pursuant to the RBI/2021-22/112DOR.CRE.REC.No. 60/03.10.001/2021-22 dated October 22, 2021 on Scale Based Regulation (SBR) : A Revised Regulatory Framework for NBFCs

93.1 Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc.

The Company is a non-listed NBFC and the Corporate Governance Disclosure is covered under the corporate governance/ Director reports in the Annual Report.

93.2 Breach of covenants

The Company has complied with the covenants under the terms of major borrowing facilities throughout the year ended 31 March 2025 and 31 March 2024.

S BHANDARI & CO LLP ★ Chartered Accountants ★

SVATANTRA MICRO HOUSING FINANCE CORPORATION LIMITED ★ MUMBAI

Disclosure of details as required by Notification No. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2021.

93.3 Loans to Directors, Senior Officers and relatives of Directors

	As at 31 March 2025	As at 31 March 2024
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives	-	-

93.4 There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended 31 March 2025 and 31 March 2024.

93.5 Disclosure of modified opinion, if any express by Auditors, its Impact on various financial Items and views of management on audit qualifications:

The statutory auditors have issued unmodified opinion for FY 2024-25 and FY 2023-24. Hence not applicable

94 Additional information where borrowings are from banks or financial institutions:

(i) The quarterly returns filed by the company with banks or financial institutions are in agreement with the books of accounts.
(ii) The Company has used the borrowings from the banks or financial institutions for the purpose for which it was raised as at balance sheet date.

95 Previous year's figures have been re-grouped wherever considered necessary to conform to the current year's presentation.

96 Events after reporting date:

All events subsequent to the date of the financial statements which require adjustment or disclosure as per the applicable accounting standards have been adjusted or disclosed.

Signature 1 to 96

As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration No.: 000560C/C400334

Jai Shanker Prasad Bansal
Partner
Membership No: 70980
Place: Jaipur
Date: 12/05/2025

S BHANDARI & CO LLP ★ Chartered Accountants ★

For and on behalf of the Board of Directors of Svatantra Micro Housing Finance Corporation Ltd.

Jayesh Shah
Director
DIN: 02562108

Anil Chirania
Director
DIN: 01082719

Deepabh Jain
Chief Executive Officer

Nitesh Amarnani
Chief Financial Officer

Tasneem Rangwala
Company Secretary
Membership No: A34613

Place: Mumbai
Date: 12/05/2025

SVATANTRA MICRO HOUSING FINANCE CORPORATION LIMITED ★ MUMBAI