



ANNUAL REPORT

Financial Year 2024 - 2025

www.microgreenhf.com

Micro Green Housing Finance Private Limited

INDEX

Particular	Page No
Corporate Information	1-2
Director's Report	3-24
Management Discussion & Analysis	25-31
Report on Corporate Governance	32-40
Auditor Report and Financial Statements	41 onwards

CORPORATE INFORMATION

About us

MGHF is a Housing Finance Company incorporated in March 2022 and received its Certificate of Registration from the Reserve Bank of India (RBI) to operate as a housing finance company (NBFC-HFC) in March 2023.

The Company was formed with the objective of providing housing finance, secured business loans and loan against property primarily to under-served section of the society and un-reached markets where the demand is largely unmet and the shortfall of housing is increasing with the increase in population, nuclearization of families and urban migration.

The Company has commenced its business operations from the state of Maharashtra and will be expanding its presence and operations in other states following capital allocation, data analytics and personal visits to newer markets.

Our business model is built on a strong foundation of people, governance, risk management and technology to deliver world-class affordable products to our customers. Our in-house built-in technology will provide effective and efficient customer service.

Our Mission

Empower under-served individuals by providing affordable and customized home finance solutions.

Innovate continuously to ensure eco-friendly home ownership is accessible to all.

Obsess about improving customer experience over the lifecycle, helping them become financially secure over the long term.

Our Vision

Empowering the under-served create long term and eco-friendly assets.

Our Values

- **Integrity** is binary, period.
- **Customer** is king, queen, everything.
- Strive to be Eco-friendly in everything we do.
- **Innovate** to improve, every day.
- Bring **smile** to work, **get things done**.
- **Ignite** enthusiasm.
- “Nothing to hide”, stay **transparent**.

Corporate Identity Number

U65999MH2022PTC378239

Registration Number (RBI)

DOR-00186

Goods and Service Tax (GSTIN)

27AAPCM5395J1ZO

Legal Entity Identifier (LEI)

984500DDF44V06061E39

Board of Directors

Mr. Rajeev Raghavan Panikath
(Non-Executive Independent Director)

Mr. Chandramohan Bhagavatula
(Non-Executive Independent Director)

Mr. Deepak Kumar
(Non-Executive Independent Director)

Mr. Sominder Singh,
(Managing Director and Chief Executive Officer) (KMP)

Mr. Bhavin Rajen Damania
(Executive Director) (KMP)

Mr. Sarabjit Singh
(Whole-Time Director) (KMP)

Promoters of the Company

Mr. Sominder Singh

Mr. Bhavin Rajen Damania

Mr. Sarabjit Singh

Chief Compliance Officer

Mr. Govind Bhandari

Registrar and Share Transfer Agent

Maashitla Securities Private Limited
(U67100DL2010PTC208725)

Statutory Auditors

M/s. M G B & CO, LLP

Lenders

AU Small Finance Bank Limited

Vivriti Capital Limited

Mas Financial Services Limited

Suryoday Small Finance Bank Limited

Registered Office

T-361, 6th Floor, Tower 8, Belapur Station Complex, CBD Belapur,
Mumbai, Thane, Maharashtra – 400614

Website

<https://microgreenhf.com>

Contact details

1800-890-5969 / 9833317200

customercare@microgreenhf.com

DIRECTOR'S REPORT

Micro Green Housing Finance Private Limited

DIRECTORS' REPORT

Dear Members,

The Board of Directors ("Board") of Micro Green Housing Finance Private Limited ("Your Company" / "MGHF" / "the Company") is pleased to present the Third Annual Report together with Audited Financial Statements and annexures of the Company for the financial year ended March 31, 2025.

1. FINANCIAL HIGHLIGHTS

(₹ in Lakh)		
Particulars	Financial Year 2024-25	Financial Year 2023-24
Total Income / Revenue from operations/Interest Income & other income	406.94	227.68
Less: Employee benefits expense	409.94	198.22
Less: Other expenses	186.91	95.82
Less: Finance Costs	48.91	0.01
Less: Depreciation & Amortization Expense	9.85	1.96
Total Expenses	655.61	296.01
Profit/ (Loss) before tax	(248.67)	(68.33)
Less: Provision for tax	-	-
Current tax	-	-
Deferred tax	1.50	0.22
Profit/ (Loss) after tax	(250.17)	(68.55)
Basic and Diluted Earnings per Share (EPS)	(0.96)	(0.28)

The above figures are extracted from the financial statements prepared in accordance with the Generally Accepted Principles in India (Indian "GAAP") to comply with the Accounting Standards as specified under Section 133 and the relevant provisions of the Companies Act, 2013 (the "Act"), as amended, from time to time, and other relevant provisions of the Act, guidelines issued by the National Housing Bank (NHB) and the Reserve Bank of India (RBI) as applicable to HFCs and other accounting principles generally accepted in India.

The Financial Statements have been prepared for the period starting from April 1, 2024, to March 31, 2025.

The requisite disclosures are made under notes to the financial statements as at and for the period ended March 31, 2025. There were no revisions in the Financial Statements of the Company for the financial year ended March 31, 2025.

2. REVIEW OF BUSINESS & OPERATIONS AND STATE OF AFFAIRS

The Company was incorporated on March 10, 2022 and it had received the Certificate of Registration from the Reserve Bank of India (RBI) to operate as Non deposit taking Housing Finance Company (NBFC-HFC) on March 8, 2023.

The Company has been formed, with the objective of providing housing finance, secured business loans and loan against property primarily to under-served section of the society and un-reached markets where the demand is largely unmet and the

shortfall of housing is increasing with increase in population, nuclearization of families and urban migration.

As parts of its business planning, the Company has initially started its operations in the state of Maharashtra, India and will expand its operations in other states following capital allocation, data analytics and personal visits to newer markets.

The Brief highlights of the business performance during financial year under review is as below:

- **Sanctions:** During the financial year, your Company has sanctioned loans amounting to ₹ 19.1 Crore.
- **Disbursements:** During the financial year, your Company has disbursed loans amounting to ₹ 15.2 Crore.
- **Customers:** During the financial year, your Company has disbursed loans to 188 borrower's account.
- **Number of branches:** During the financial year, the Company operated 9 branches, and as of the current date, this has expanded to 16 branches across the state of Maharashtra.
- **Ticket Size:** The average ticket size on portfolio as on March 31, 2025, for home loan stood at ₹ 9.57 Lakh and for Loan against Property stood at ₹ 8.53 Lakh.
- During the year under review, the Company witnessed 2 (Two) loan account classified as Non-Performing Account (NPA) as per the RBI Guidelines having an overdue amounting of Rs. 13.88 lakhs.

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis report for the year under review as required under Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 forms part of this Annual Report as *Annexure A*. Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statements, since various economic, legal, policy and regulatory factors may affect or influence the performance of the Company.

4. REGULATORY GUIDELINES

Your Company is a Regulated Entity (RE), registered Housing Finance Company with the RBI as a NHBC-HFC. Pursuant to 'Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs' ("Scale Based Regulation") issued by the RBI, the Company, as an HFC, is categorized as "Middle Layer" NBFC.

Your Company is regulated by the Reserve Bank of India ("RBI") and supervised by the National Housing Bank ("NHB"). Pursuant to Master Direction –Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time, your Company is categorized as Middle Layer Non-Banking Financial Company ("NBFC-ML").

The Company comply with the guidelines issued by the RBI and NHB regarding accounting guidelines, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, KYC guidelines and AML standards and Fair Practices Code.

Customer Education Literature for awareness over the Prudential Norms related to SMA/NPA has been placed over the website of the Company and can be viewed at <https://microgreenhf.com/customer-awareness/>

5. REGISTERED OFFICE

The registered office of Company is situated at "T-361, 6th Floor, Tower 8, Belapur Station Complex, CBD Belapur, Thane, Mumbai, Maharashtra, India - 400614".

6. CAPITAL STRUCTURE

The company was formed with an authorised Share Capital ₹ 15,00,000 divided into 1,50,000 Equity Shares of ₹ 10/- each. Subsequently, it had increased its Authorised Share Capital from ₹ 15,00,000 to ₹ 40,00,00,000 divided into 4,00,00,000 Equity Shares of ₹ 10/- each, vide approval of shareholders at Extra Ordinary General Meeting ("EGM") held on June 8, 2022.

Further the Shareholders at their EGM held on July 18, 2022, have approved re-classification of its existing Authorised Share Capital in four classes of the equity shares i.e. 1,90,00,000 Class A Equity Shares of ₹ 10 each, 70,00,000 Class B Equity Shares of ₹ 10 each, 70,00,000 Class C Equity Shares of ₹ 10 each and 70,00,000 Class D Equity Shares of ₹ 10 each.

Thereafter, the Authorised Share Capital of the Company increased from ₹ 40,00,00,000 to ₹ 43,00,00,000 by increasing the authorised Share Capital for the Class A Equity Shares from 1,90,00,000 Equity Shares to 2,20,00,000 Equity Shares vide resolution of the shareholders at EGM held on June 5, 2023.

As on the date of this report, the Issued, Subscribed and Paid-up Share Capital of the Company are as follows:

1. 2,15,95,500 Class A Equity Shares of Paid-up value ₹ 10/- each, aggregating to ₹ 21,59,55,000.
2. 70,00,000 Class B Equity Shares of Paid-up value ₹ 1.43/- each, aggregating to ₹ 1,00,10,000.
3. 70,00,000 Class C Equity Shares of Paid-up value ₹ 6.46/- each, aggregating to ₹ 4,52,20,000 and.
4. 70,00,000 Class D Equity Shares of Paid-up value ₹ 1.43/- each, aggregating to ₹ 1,00,10,000.

7. DISCLOSURE UNDER SECTION 43(A)(II) AND SECTION 54(1)(D) OF THE COMPANIES ACT, 2013

The Company has not issued equity shares with differential rights as to dividend, voting or otherwise, hence, the respective disclosure under Rule 4(4) and Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable.

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

8. EMPLOYEE STOCK OPTION SCHEME

As on March 31, 2025, the Company has not adopted any Employee Stock Option Scheme. The Board of Directors has approved and proposed the approval of the MGHF ESOP Scheme 2025 at the ensuing Annual General meeting to be held for the Financial Year 2024-2025.

9. Holding, Subsidiaries, Associates & Joint Venture Companies

Your Company does not have/ had any subsidiary, joint venture or associate company. Accordingly, disclosures under Rule 8(1) and Rule 8(5)(iv) of Companies (Accounts) Rules, 2014 relating to subsidiaries, joint ventures and associate companies are not applicable to the Company.

10. Dividend

Your Company has not declared or paid any dividend for the financial year 2024-25.

11. Change In Control

During the year under review, there was no change in control of the Company.

12. Resource Mobilization

• Refinance from National Housing Bank

The Company had not availed itself of any refinancing facility from the National Housing Bank (NHB).

• Issuance of Non-Convertible Debentures

Your Company has not issued any Non-Convertible Debentures (NCDs). Hence, disclosures under Chapter XI - Guidelines on private placement of Non-Convertible Debentures of Master Directions are not applicable. Further, the Company was not required to appoint the Debenture Trustee.

Further, As of March 31, 2025, there was no NCDs amount or interest thereon, which remained unclaimed and unpaid.

• Disclosure on Borrowings

Your Company has taken borrowings from banks or financial institutions on the basis of security of current assets. As on March 31, 2025, the term loan outstanding was ₹ 1247.22 lakhs compared to the previous financial year ended March 31, 2024 was NIL.

The outstanding borrowings are within the approved limits as approved by the Shareholders of the Company. The Company has not defaulted on any of its loan / interest commitments to lenders during the year.

13. Expansion & Presence of Branches

The Company began its operations in May 2023 and has rapidly expanded its presence across the state of Maharashtra. As on date of this report, the Company has 16 (Sixteen) fully operational branches in the territory of Aurangabad (*Chhatrapati Sambhaji Nagar*), Barshi, Bhandara, Dhule, Jalgaon, Kannad, Kolhapur, Latur, Nagpur, Nashik, Pandharpur, Pune, Solapur, Sangamner, Shirampur and Udgir in the State of

Maharashtra. The Company plans to increase its footprints in the remaining parts of the state of Maharashtra and setting up of presence in others states of India in the coming years.

During the year the company has closed the Sangli Branch and merged the same with existing branch at Kolhapur.

14. Credit Ratings

During the year under review, no credit ratings were obtained by the Company.

15. Capital Adequacy Ratio

Your Company's Capital Adequacy Ratio as of March 31, 2025, was 130.88% (*Tier 1 Capital constituted 130.46 %*) which is above the minimum required level of 15% as per the provisions of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

16. Special Reserve (Under Section 29C of the NHB Act, 1987)

During the year under review, the Company reported a net loss of ₹250.17 Lakh. The Company had not transferred any amount of the special reserve as required under the provisions of Section 29C of the NHB Act, 1987 read with Section 36 (1) (viii) of Income Tax Act, 1961, as amended from time to time.

17. Transfer to General and Statutory Reserves

The Company has not transferred any amount to the General and Statutory Reserves.

18. Disclosures of Various Ratios

As on March 31, 2025, the following are the various ratios:

Capital Adequacy Ratio / Capital to Risk Weighted Assets Ratio	:	130.9%
Current Ratio	:	372.5%
Tier I Capital Ratio	:	127.1%
Debt to Equity Ratio	:	55%
Return on Assets Ratio	:	(2.67)%

The detailed disclosure on various ratios is made under clause 47 of notes to accounts of the Financial Statements.

19. Disclosure on Principal Business Criteria (PBC)

The required disclosures on details on Principal Business Criteria is made under clause 37.31 of notes to accounts of the Financial Statements. Your Company had received an extension from RBI to achieve the Principal Business Criteria (PBC) till September 30, 2025. However, the Company is pleased to report that it has achieved compliance with the PBC requirements in the month of June 2025. Accordingly, as on the date of this Report, your Company is compliant with the PBC norms.

20. Disclosures related to Securitization and Non-Performing Assets

During the year under review, the Company did not engage in any securitization activities or enter into any transactions involving the sale of non-performing assets (NPA).

21. Disclosures related to Asset Classification and Provisioning Norms

The Reserve Bank of India (RBI) issued a notification on November 12, 2021, providing clarifications on Income Recognition, Asset Classification, and Provisioning norms to ensure uniformity across all lending institutions, including Housing Finance Companies (HFCs). Pursuant to the said notification, NBFCs are required to clearly specify the exact loan repayment due dates and the methodology for Special Mention Account/Non-Performing Assets (SMA/NPA) classifications in their loan agreements. Further, accounts classified as NPA can only be upgraded to standard status once the borrower has paid all outstanding arrears of both interest and principal.

22. Details of Board of Directors:

The Board functions as the apex decision-making body, providing strategic direction, policy guidance, and oversight to the Company's management. It discharges its fiduciary responsibilities with a view to enhancing long-term stakeholder value and promoting high standards of corporate governance.

During the year under review, and as on the date of this Annual Report, the Board comprised the following Six (6) Directors:

- Mr. Rajeev Raghavan Panikath
- Mr. Chandramohan Bhagavatula
- Mr. Deepak Kumar
- Mr. Sominder Singh
- Mr. Bhavin Rajen Damania
- Mr. Sarabjit Singh

The Board of Directors of the Company is duly constituted in accordance with the provisions of the Companies Act, 2013.

Changes in the Composition of the Board during FY 2024-25:

During the Year, under review, Mr. Chandramohan Bhagavatula (DIN: 09612261) and Mr. Deepak Kumar (DIN: 10500093) were appointed as Additional Directors (Non-Executive Independent Directors) with effect from March 20, 2025.

Changes after the end of Financial Year (Subsequent to closure of Financial Year 2024-2025):

Mr. Sarabjit Singh (DIN: 10913954), Co-founder and Promoter of the Company was appointed as Whole-Time Director (Additional Director) of the Company with effect from May 15, 2025. In compliance with the provisions of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the requisite prior approval from the Reserve Bank of India was obtained. The detailed profile of the Board Members is hosted on the website of the Company at <https://microgreenhf.com/board-of-directors/>

23. Declaration by Independent Director

The Independent Directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under Section 149(6) of the Act. They

have also confirmed compliance with the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of Independent Directors. The names of all the Independent Directors of the Company have been included in the Independent Directors databank maintained by Indian Institute of Corporate Affairs (IICA). They have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Act and are not debarred from holding the office of Director by virtue of any Companies Act or any other authority.

In the opinion of the Board, the Independent Directors meet the criteria of Independence as stipulated under the applicable statutes.

With regard to integrity, expertise and experience (including the proficiency) of the Independent Directors, the Board of Directors has taken on record the declarations and confirmations submitted by the Independent Directors and is of the opinion that they are persons of integrity and possess relevant expertise and experience and their continued association as Director will be of immense benefit and in the best interest of the Company.

24. Directors and Key Managerial Personnel ("KMP")

The Board of Directors of the Company as at March 31, 2025, comprises of Five (5) Directors consisting of three Non-Executive Independent Directors, the Managing Director & CEO and Executive Director.

The Directors of the Company are:

Sr. No.	Name of the Director	Designation	DIN
1	Rajeev Raghavan Panikath	Non-Executive Independent Director	10048334
2	Deepak Kumar	Non-Executive Independent Director	10500093
3	Chandramohan Bhagavatula	Non-Executive Independent Director	09612261
4	Sominder Singh	Managing Director & CEO	09532436
5	Bhavin Rajen Damania	Executive Director	09532435
6	Sarabjit Singh*	Whole-Time Director	10913954

**Duly appointed and effective from May 15, 2025.*

Changes in the Directorship during the financial year and as on date of this report:

Sr. No.	Name of the Director	Designation	Date of Appointment/ Changes	Nature of Change	DIN
1	Chandramohan Bhagavatula	Non-Executive Independent Director	20/03/2025	Appointment	09612261
2	Deepak Kumar	Non-Executive Independent Director	20/03/2025	Appointment	10500093
3	Sarabjit Singh	Whole Time Director	15/05/2025	Appointment	10913954
4	Bhavin Rajen Damania	Whole-Time Director*	20/03/2025	Executive Director	09532435

*The Board of Directors of the Company, at its meeting held on March 20, 2025, approved appointment of Mr. Sarabjit Singh as the Whole-Time Director of the Company effective from date of approval of the RBI. Consequent upon his induction, the Board approved to redesignate Mr. Bhavin Rajen Damania, who was earlier serving as the Whole-Time Director, as the Executive Director of the Company with immediate effect.

During the year under review, except as stated above, there were changes in the Key Managerial Personnel of the Company under the Act:

- * In compliance with general advisory issued by National Housing Bank to all Housing Finance Companies vide letter MRO/DOS/DAK/2024/03875 dated December 13, 2024, regarding separation of the role of Company Secretary and Chief Compliance Officer. Mr. Govind Bhandari, Chief Compliance Officer and Company Secretary of the Company had resigned and stepped down from the position of Company Secretary effective from closure of business hours of March 20, 2025 and continues to hold the office as Chief Compliance Officer (CCO).
- Mr. Pradeep Prajapati (ACS 56629), an Associate Company Secretary, was appointed as the Company Secretary with the effective from March 20, 2025. However, he had resigned from the said position on April 4, 2025.
- Mr. Sarabjit Singh was appointed as the Whole Time Director of the Company with effect from May 15, 2025.

As of the date of this report, the Key Managerial Personnel (KMPs) designated under provisions of Section 203 of the Act, are as follows:

- Mr. Sominder Singh, Managing Director and CEO
- Mr. Bhavin Rajen Damania, Executive Director
- Mr. Sarabjit Singh, Whole Time Director

Detailed disclosures pertaining to the dates of appointment and changes in designation of directors and key managerial personnel are also disclosed under Clause 35A-II of the Notes to Accounts in the Financial Statements forming an integral part of the Annual Report.

25. Retirement of Directors by Rotation

Being a Private Limited Company, the provisions of Section 152 (6) of the Companies Act, 2013 shall not be applicable to the Company.

26. Fit and Proper Criteria & Code of Conduct

In terms of provisions of the Act, the NHB / RBI Directions, the Board of Directors had adopted a 'Policy on Selection Criteria / "Fit and Proper" Person Criteria' which lays down a framework relating to appointment of Director(s) and senior management personnel including key managerial personnel of the Company. All the Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act and are not debarred from holding the office of Director.

27. Policy on Director's Appointment Remuneration and other Details

In pursuit of building a capable and visionary leadership team, the Company has laid down Board Approved Nomination and Remuneration Policy for the selection, compensation and, governance of its Executive Directors, Non-Executive Directors, Non-Executive Independent Directors, Senior Management / Key Managerial Personnel and other employees of the Company. This Policy emphasizes ethical conduct, professional merit, and organizational fit, ensuring that individuals appointed to critical roles bring value through their competence and insight. The policy also promotes transparency in the nomination process, reinforcing the Company's commitment to responsible leadership. The Policy has been formulated in accordance with the Section 178 of the Act and Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs issued by RBI vide circular dated RBI/2022-23/36 DOR.GOV.REC. No.29/18.10.002/2022-23 on April 29, 2022 ("RBI Guidelines"), as amended from time to time. The Policy is available on the website of the Company and can be accessed at <https://microgreenhf.com/nomination-and-remuneration-policy> and all the details of remuneration paid to the Directors is mentioned in Annual Return in the Form MGT-7, available on Company's website and can be accessed at <https://microgreenhf.com/investors-information>

28. Disclosure on Establishment of Nomination and Remuneration Committee

The Company has duly constituted the Nomination and Remuneration Committee in compliance with the provisions of Section 178(1) and (3) of the Companies Act, 2013, read with Para 50.2 of the Master Direction – *Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021*. The Committee was duly constituted on March 20, 2025. The composition of the Committee is appropriately disclosed in the Corporate Governance Report, which forms an integral part of this Annual Report.

29. Remuneration – Board and Promoters

During the year under review, the remuneration paid to the Board members and promoters are as follows:

Name of Director	Remuneration
Mr. Sominder Singh	₹ 21.00 Lakh
Mr. Bhavin Rajen Damania	₹ 17.60 Lakh
Mr. Sarabjit Singh	₹ 17.60 Lakh

The Company paid sitting fees to its independent directors for attending Board and Committee meetings as per the provisions of the Companies Act, 2013 and the Company's policy. The following sitting fees was paid during the year to Mr. Rajeev Panikath an amount of ₹ 30,000/-

Further, as of the date of this report, there are/ were no pecuniary relationships or transactions between the newly appointed non-executive independent directors vis-à-vis the Company.

30. Disclosure on Non-Acceptance of Deposits

Your Company is registered with the RBI as a Non-Deposit taking Non-Banking Financial Company - Housing Finance Company ("NBFC-HFC"). During the year under review, your Company has not accepted any deposits from the public and a resolution in this regard was passed by the Board of Directors of the Company. The Company being non-deposit accepting housing finance company, the disclosure requirements under Chapter V of the Act read with Rule 8(5)(v) and 8(5)(vi) of the Companies (Accounts) Rules, 2014, as amended and provisions of para 44 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, are not applicable to your Company. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act and in terms of RBI Master Directions- Non-Banking Financial Company (Housing Finance Company) Directions, 2021 is not required.

31. Enrollment in PMAY – U- 2.0 As Primary Lending Institution

The Company has entered into a Memorandum of Understanding (MoU) with National Housing Bank on November 08, 2024, to participate in the Interest Subsidy Scheme under Pradhan Mantri Awas Yojana - Urban 2.0 (PMAY-U 2.0) for claiming subsidy on home loans taken by eligible urban poor for acquisition, construction of

houses, thereby enabling beneficiaries to access affordable housing with financial relief and improved home ownership opportunities.

32. **Corporate Social Responsibility**

During the year under review the provisions of Section 135 of the Company Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, were not applicable to the Company.

33. **Board and Committee Meetings**

The Board of Directors of the Company held regular Board meetings throughout the year at regular intervals in compliance with Companies Act, 2013. The intervening gap between the Meetings was within the prescribed period under the Companies Act, 2013.

All the Directors fulfilled the attendance criterion laid down under the Companies Act (every director has attended the meeting at least once during the financial year). Notice of the Board meeting are given well in advance to all the Directors and the agenda is circulated in advance before the date of the meeting. Explanatory notes and detailed statements giving clarification on the agenda items are included in the meeting agenda.

34. **Corporate Governance Report**

The Corporate Governance Report for the financial year 2024-25 as stipulated in Section II of Annex VII of Master Direction – Reserve Bank of India (Non-Banking Finance Company - Scale Based Regulation) Directions 2023, as updated from time to time, forms an integral part of this Annual Report.

The detailed Corporate Governance Report are given in *Annexure-B* of this report.

35. **Investor Complaints and Compliance**

The Company has Customer Grievance Redressal Mechanism (GRM) for convenience of customers to register their complaints and for it to monitor and redress them.

The following table sets forth, for the periods indicated, details of customer complaints

Particular	At March 31, 2025	At March 31, 2024
Complaints received by the Company from its customers		
1. Number of complaints pending at beginning of the year	-	-
2. Number of complaints received during the year	14	1
3. Number of complaints disposed during the year	14	1
i) Of which, number of complaints rejected by the Company	-	-
4. Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the Company from Office of Ombudsman		
5. Number of maintainable complaints received by the Company from Office of Ombudsman	-	-
a) Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	-	-
b) Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	-	-

c) Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	--	-

The following table sets forth, for the periods indicated, the details of top five grounds of complaints received by the Company.

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
Year Ended 31 st March, 2025					
Deliverable / Documents related	-	-	100%	-	-
Refund/charges related	-	1	100%	-	-
Sanction/disbursement/loan related	-	3	100%	-	-
EMI/re-schedulement related	-	2	100%	-	-
Collection related	-	-	-	-	-
Others	-	8	100%	-	-
Total	-	14	100%	-	-

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
Year Ended 31 st March, 2024					
Deliverable / Documents related	-	1	100%	-	-
Refund/charges related	-	-	-	-	-
Sanction/disbursement/loan related	-	-	-	-	-
EMI/reschedulement related	-	-	-	-	-
Collection related	-	-	-	-	-
Others	-	-	-	-	-
Total	-	1	100%	-	-

36. Penalties

No penalties were levied by RBI, NHB or any other regulator during the year ended March 31, 2025. (March 31, 2024: Nil).

37. Consolidated Financial Statements

The Company does not have any subsidiary - domestic as well as overseas, and accordingly, is not required to prepare consolidated financial statements as per Accounting Standards applicable to the Company.

38. Net profit or loss for the period, prior period items and changes in accounting policies

There were no prior period items during the financial year ended March 31, 2025 and March 31, 2024. Further, there were no changes in accounting policies except disclosed otherwise.

39. Asset-Liability Management

The Company had formed an Asset and Liability Management Committee (ALCO) which is being headed by the Executive Director of the Company. The Asset-Liability Management Committee (ALCO), which includes the Managing Director and Senior Management members, regularly reviews the ALM position and provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. The required disclosures on details on Asset-Liability Management are made under clause 37.40(vi) of notes to accounts of the Financial Statements.

40. Risk Management Framework

Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks associated with the business of the Company. Major risks identified by the business and functions, if any, are systematically addressed through mitigating actions on a continuing basis. The Board of Directors has adopted a Risk Management Policy covering principles of risk management, risk governance, risk identification and categorization, reporting, assurance amongst other. The required disclosures on details on Risk Management Framework are made under clause 37.40 of notes to accounts of the Financial Statements.

41. Internal Capital Adequacy Assessment Process (ICAAP)

As per the RBI notification, Housing Finance Companies (HFCs) are categorized as Middle Layer and accordingly HFCs are required to have internal assessment of the need for capital, commensurate with the risks in their business. Accordingly, we have designed ICAAP Policy document and assessed applicable risk under ICAAP, as per internal methodology, which was proportionate to the scale and complexity of our operations.

42. Contracts / Arrangements with Related Parties and Related Party Transaction Policy

During the year under review, the transactions entered into by the Company with its related parties were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

Further, the transaction were pertaining to payments of remuneration, reimbursement of expenses made in relation to the affairs of the Company and forms part of the notes to the financial statements.

During the year under review, the Company had not entered into any contract/arrangement/transaction with Promoters, Directors, Key Managerial Personnel or other designated persons which could be considered material in accordance with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014. The particulars of contracts/arrangements/transactions entered into by the Company with related parties are mentioned separately in the notes to the Financial Statement. Further, suitable disclosures as required by the Accounting Standards have been made under clause 35 of the Financial Statements.

During the year under review, no material related party transactions were entered.

The Policy is made available on the website of the Company and can be accessed at <https://microgreenhf.com/related-party-transaction-policy>

43. Director's Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Directors hereby confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) they have prepared the annual accounts on a going concern basis; and
- e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

44. Statutory Auditors and Report

The RBI on April 27, 2021 issued guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) for Banks and NBFCs (including HFCs) (RBI Guidelines). As per the requirement of the said guidelines, the Company can appoint Statutory Auditors for a continuous period of maximum three years, subject to the firms satisfying the eligibility norms on a continuous basis. The Shareholders of the Company had re-appointed M/s. M G B & CO LLP, Chartered Accountants (Registration Number 101169W/W-100035) as statutory auditors of the Company for

a period of 2 (Two) consecutive years in the 2nd Annual General Meeting held on September 30th, 2024 effective from the conclusion of 2nd AGM until the conclusion of 4th AGM, to be held for calendar year 2026. The Statutory Auditors had given confirmation to the effect that they are eligible to be appointed and that they have not been disqualified in any manner from continuing as Statutory Auditors.

The Statutory Auditor's Report does not contain any qualification, reservation or adverse remark or disclaimers on the Company's financials for the financial year ended March 31, 2025.

During the year under review, the Statutory Auditors have not reported any instances of fraud committed in the Company by its Officers or Employees under Section 143(12) of the Act, the details of which would need to be mentioned in the Board's report.

Further, the Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The said Auditors' Reports for the financial year ended March 31, 2025, on the Financial Statements of the Company forms part of this Annual Report.

Total Statutory Auditors fees for the Financial Year 2024-2025 paid by the Company to the Statutory Auditors were ₹ 7.50 Lakh exclusive of applicable taxes.

Mr. Diwaker Sudesh Bansal, Partner, M G B & CO LLP has signed the Audited Financial Statements for the financial year ended March 31, 2025.

45. Details of Adequacy of Internal Financial Controls

Your Company has laid down a set of standards, processes and structure, which enables it to implement internal financial control across the Company and ensure that the same are adequate and operating effectively.

46. Secretarial Auditors and Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the appointment of Secretarial Auditor was not applicable to the Company.

47. Maintenance of Cost Records and Cost Audit

The Company being a Housing Finance Company is not required to maintain cost records pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

48. Internal Auditor

The Internal Audit for the financial year 2024-2025 was conducted by the In-house Internal Auditor of the Company.

49. Information System Audit

In line with the requirements of RBI's Master Direction on Information Technology Framework for the NBFC Sector, the Company is required to appoint Information Systems (IS) Auditors to examine and confirm the effectiveness of controls that are in place to ensure confidentiality, integrity and availability of the Company's IT

infrastructure. The Information System Audit of the Company will be carried out in the Financial Year 2025-2026.

50. Particulars of Loans, Guarantees or Investments

In terms of Section 186(11) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, the Company being an HFC registered with NHB, is exempt from complying with provisions of Section 186 of the Companies Act, 2013 in respect of loans made, guarantees given, securities provided, or investments made by the Company.

51. Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

There are no loans and advances in the nature of loans to firms/companies in which directors are interested. The details of the particulars of loans, guarantees or investments that are required to be provided as per Section 134(3)(g) of the Companies Act, 2013 are given in Note No. 39 of the Financial Statements.

52. Vigil Mechanism/Whistle Blower Policy

To safeguard our values of ethics and transparency, the Company has put in place a whistle-blower mechanism. This platform empowers directors and employees to raise concerns about unethical behaviour or violations of our Code of Conduct, while ensuring complete confidentiality and protection against retaliation.

In terms of Section 177(9) of the Companies Act, 2013 the Company has adopted a Vigil Mechanism / Whistle Blower Policy. The policy is hosted on the website of the Company at <https://microgreenhf.com/vigil-mechanism-whistle-blower-policy/>

There was no complaint received under this category during the Financial Year ended March 31, 2025. (Previous Financial Year: Nil).

53. Transfer of Amounts and Shares to Investor Education and Protection Fund

During the year under review, there were no funds or shares were held with the Company which required to be transferred to Investor Education and Protection Fund.

54. Change in the nature of business, if any

During the year under review, there was no change in the nature of business of the Company.

55. Particulars of Employees and Related Disclosures

Disclosures related to Particulars required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company, being a private limited company.

56. Human Resource Development

The Company recognizes its workforce as key to the Company's success. The HR department plays a vital role in managing talent and supporting growth. The Company is Committed to attracting, nurturing, and retaining talent. The Company fosters a secure and collaborative work environment, emphasizing both personal and professional development with a focus on career advancement

a. Imparting Continuous Trainings and Employees Connect:

Your Company offers a range of training programs designed to develop employees for leadership roles. These programs focus on specialized areas such as lending operations, Know-Your Customer (KYC) and Anti-Money Laundering (AML) compliance, underwriting, POSH (Prevention of Sexual Harassment), and information technology. The induction program and ongoing awareness program covers the broad area which includes the customer awareness and operational compliances for all employees including the front-line employees, from time to time.

b. Ensuring the Employee Health and Safety:

Your Company places a high priority on employee well-being, especially during challenging times. To offer additional support, MGHF has provided all employees with Group Personal Accident and Group Medclaim insurance.

As of March 31, 2025, there were 94 (*Ninety-Four*) employees on the payroll of the Company.

c. Employees Details at the end of Financial Year:

As on March 31, 2025, the Company had a total of 94 (*Ninety-Four*) employees, comprising 92 male employees and 2 female employees.

57. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has implemented a comprehensive policy for the prevention, prohibition, and redressal of sexual harassment, along with a formal process for addressing complaints of harassment or discrimination against women.

During the financial year under review, the Company fully complied with the provisions for constituting an Internal Complaints Committee as mandated by the Act. In compliance with Section 22 of the Act, we report that no cases were reported under the Act during FY 2024-2025:

- (a) Number of complaints at the beginning of the year: Nil
- (b) Number of complaints received during the year: Nil
- (c) Number of complaints disposed of during the year: Nil
- (d) Number of complaints pending at the end of the year: Nil

The Company's policy on the prevention of sexual harassment is accessible on our website at <https://microgreenhf.com/prevention-of-sexual-harrasement/>

The Company regularly cover the awareness during the induction and meetings to sensitize employees on preventing sexual harassment at workplace. We maintain a strict zero-tolerance policy towards any behavior that could be construed as sexual harassment in the workplace and remain fully committed to upholding the dignity of every woman working in the Company.

58. Maternity Benefits provided by the Company under Maternity Benefit Act, 1961

The Company places strong emphasis on fostering a supportive, inclusive, and equitable workplace for its women employees. In line with this commitment, the Company has complied with all applicable provisions of the Maternity Benefit Act, 1961 as amended by the Maternity Benefit Amendment Act 2017 during the financial year under review.

Accordingly, the Company has in place a well-defined Leave Policy, which explicitly outlines the provisions related to maternity leave and associated benefits. All eligible women employees, as defined under the act, will be provided the statutory benefits, including paid maternity leaves, continuity of salary and service during the leave period, and post maternity support. Recognizing the importance of employee welfare, the Company remains dedicated to ensuring a safe and empowering work environment for its women employees in accordance with the applicable laws.

59. Disclosure of Frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 (updated in year 2024)

The Company has complied with reporting of compliances under the prescribed timelines of NHB) as per the Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, as amended from time to time and other applicable circular(s) guidelines, as may be issued, with respect to frauds involving value of ₹1 lakh and above. The disclosure in financial statement is made under clause 37.39 of notes to accounts of the Financial Statements. (Previous Financial Year: Nil)

60. Disclosures related to rule 8 of the Companies (Accounts) Rules, 2014

During the year under review, no petition has been filed by the Company or was pending before the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 for recovery of outstanding loans against its customers, being corporate debtors. (Previous Financial Year: Nil)

During the year under review, there has been no instance of one-time settlement (OTS) with any Bank(s) or Financial Institution(s). (Previous Financial Year: Nil).

61. Disclosure Pursuant to National Housing Bank Act, 1987 read with the Housing Finance Companies (NHB) Directions, 2010 and Master Direction Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021

- a) Your Company is in compliance with all applicable provisions of NHB Act, 1987 and Directions, Guidelines and Circulars issued by NHB and Reserve Bank of India from time to time.

- b) Your Company has not made private placement of NCD accordingly the company is not required to make disclosures in this regard.
- c) The Board of Directors periodically reviews compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management.
- d) Details of all material transactions with related parties, if any, are disclosed in this report or Financial Statement attached to this Report and Policy on dealing with Related Party Transactions have already been uploaded on Company's website.
- e) Management Discussion and Analysis Report forming part of this Annual Report.

62. National Housing Bank (NHB)/ The Reserve Bank of India (RBI) compliances

Your Company is in compliance with the applicable provisions of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other directions/ guidelines issued by RBI/NHB as applicable from time to time.

63. Material Changes and Commitments, if Any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No material changes and commitments, affecting the financial position of the Company have occurred between the financial year ended March 31, 2025, and date of this Director's Report.

64. Disclosure on Significant and material orders passed by the regulators or courts or tribunals

During the year under review, no orders have been passed against your Company by any regulator(s) or court(s) or tribunal(s) which would impact the going concern status and / or the future operations of your Company. (Previous Financial Year: Nil)

65. Information on conservation of Energy, Technology absorption and foreign exchange earnings and outgo

Even though operations of the Company are not energy intensive, the management has been highly conscious of the importance of conservation of energy and technology absorption at all operational levels and efforts are made in this direction on a continuous basis. In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company and hence not been provided.

A.	CONSERVATION OF ENERGY	Details
	I. the steps taken or impact on conservation of energy; II. the steps taken by the Company for utilising alternate sources of energy; III. the capital investment on energy conservation equipment;	The Company is taking adequate steps to conserve the energy at all the levels and has also implemented various measures for reduction in consumption of energy such as: • Energy efficient lighting in its offices on best efforts basis. • Conducting Virtual meetings. • Poster indicating the awareness on usage of electricity in appropriate manner. Green Housing – The Company is promoting the green housing initiative through financing the home loans for self construction of house. Though the operations of the Company are not energy intensive, the Company will endeavor to explore alternative source of energy, as and when it is technically and commercially viable. The Company has invested in the development of the Loan Originating System (LOS) which will help the Company over the period in terms of energy conservation.
B.	TECHNOLOGY ABSORPTION	
	I. the efforts made towards technology absorption; II. the benefits derived like product improvement, cost reduction, product development or import substitution III. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : a. the details of technology imported; b. the year of import; c. whether the technology been fully absorbed; d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and IV. the expenditure incurred on Research and Development	Not Applicable.
C.	Foreign Exchange Earnings And Outgo	
	The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.	Not applicable

66. Weblink of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the copy of the draft Annual Return as at financial year ended March 31, 2025 in web e-form MGT-7 is available on the website of the Company at <https://microgreenhf.com/investors-information/>

Compliance with Secretarial Standards

In terms of provisions of Section 118 of the Companies Act, 2013. Your Company is in compliance with Secretarial Standards on Meetings of the Board of Directors and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.

67. Undisclosed Income

For the year ended March 31, 2025, there are no instances of transactions not recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (Under Section 43 of the Income-tax Act, 1961) (Previous Financial Year: Nil). The disclosures on details of Undisclosed Income are made under clause 48.14 of notes to accounts of the Financial Statements.

68. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the period ended March 31, 2025. (Previous Financial Year: Nil). The disclosures on details of Crypto Currency or Virtual Currency are made under clause 48.15 of notes to accounts of the Financial Statements.

69. Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender during the year or in the any preceding financial year.

70. Relationship with Struck Off Companies

The Company has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year or in the preceding financial year.

71. Registration of Charges or Satisfaction with Registrar of Companies (ROC)

There is no charge form filed beyond the statutory period during the year or in the preceding financial year.

72. Compliance With Number of Layers of Companies

Since the Company does not have any subsidiary. The provisions relating to compliance with the restriction on the number of layers of companies are not applicable.

73. Events after reporting date

The Annual Report captures the corporate events made after the reporting date in the respective disclosure.

74. Acknowledgements

Your Board of Directors place on record their appreciation for the advice, guidance and support given by various authorities including the Reserve Bank of India, National Housing Bank, Bankers, Registrar and Transfer Agent and other stakeholders for their support and guidance.

The Board would also like to express its sincere appreciation to all the Company's valued Shareholders, for their continued support and patronage.

For and on Behalf of **Micro Green Housing Finance Private Limited**

Sd/-	Sd/-
Sominder Singh	Bhavin Rajen Damania
Managing Director & CEO	Executive Director
DIN: 09532436	DIN: 09532435
Date:	September 5th 2025
Place:	Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OUTLOOK

Global Economy Outlook:

The global economy remained resilient in the Calendar Year 2024, expanding at 3.2% (as per IMF World Economic Outlook, Apr'25). The rapid rise in trade tensions and heightened policy uncertainty are likely to exert a substantial drag on global economic activity. It is estimated to grow by 2.8% in C.Y. 2025 and 3% in C.Y. 2026, much below the historical average of 3.7% (2000–2019) due to global challenges on various fronts. While strong real income growth and lower interest rates boosted activity, weaker government spending, sluggish consumer confidence, and external demand fluctuations restrained growth in some regions.

In advanced economies, the U.S. growth forecast for C.Y. 2025 is expected to slow down to 1.8%, on account of greater policy uncertainty, trade tensions and softer demand momentum, whereas the euro area is expected to grow at 0.8%, before rising to 1.4% in 2026 as financial conditions improve. In emerging markets and developing economies, growth is expected to slow down to 3.7% in 2025 due to various trade measures in recent times. On the back of the recently implemented tariffs and prolonged trade policy uncertainty, China's growth was revised downward to 4% in 2025. India's growth is expected to remain stable at 6.2% in 2025 and 6.3% in 2026.

Whereas, Global trade expanded by nearly US\$1.2 trillion in 2024, reaching US\$33 trillion which is a result of 9% growth in services trade and 2% growth in goods trade. In 2024, trade growth in developing countries outpaced that of developed countries. Developing nations, particularly China and India, saw better than average trade expansion, while many developed nations experienced trade contractions. However, the global economy is entering a new phase of heightened trade tensions as the Trump 2.0 administration rolls out fresh tariffs, potentially triggering reciprocal measures from key trading partners. India's trade position remains resilient, supported by a strong services sector, proactive domestic policies, and strategic shifts toward higher-value exports such as electronics and pharmaceuticals. Global trade growth rate is expected to soften to 3.3% in C.Y. 2025 on account of the imposition of new bilateral tariff rates, the associated increase in policy and geopolitical uncertainties.

For India, these global trends offer a mix of opportunities and challenges. The country's economic outlook remains positive, supported by steady and strong domestic demand, continued government reforms, and a stable financial sector.

Indian Economy Outlook

India's export performance has experienced remarkable growth over the past decade. India's total exports touched ₹69 trillion (US\$ 821 billion) in FY25, a significant increase of 5.5% from ₹40.5 trillion (US\$ 466 billion) in FY14, representing a CAGR of 5%, over the 10-year period.

India's forex reserves experienced significant fluctuations in FY2024-25, reaching a record high of \$704 billion in September 2024 before declining by 6.5% to \$659 billion by March

2025. The decline was likely driven by RBI's intervention to prevent sharp depreciation of the Indian Rupee.

The Indian economy has been digitalising at a remarkable pace over the last decade. By 2030, India's digital economy is projected to contribute nearly one-fifth of the country's overall economy, outpacing the growth of traditional sectors. According to the State of India's Digital Economy Report 2024, India is the 3rd largest digitalised country in the world in terms of economy-wide digitalization, and 12th among the G20 countries in the level of digitalisation of individual users.

The Union Budget 2025-26 strikes a balance between sustaining economic growth and maintaining fiscal discipline. By streamlining regulations, supporting MSMEs, and boosting investments and exports, the budget outlines a clear roadmap toward Viksit Bharat 2047. The budget's emphasis on sectors including tourism, healthcare, and manufacturing will catalyse job creation. The commitment to fiscal consolidation, with a targeted fiscal deficit of 4.4% for FY26, strengthens India's path to debt sustainability. These measures are expected to stabilize the macroeconomic environment, encouraging private sector participation and investment. Overall, the budget lays a strong foundation for long-term economic resilience and growth.

India is expected to remain relatively insulated against the global shocks in the near future and continue to grow strongly. The structural long-term growth story for India remains intact driven by favourable demographics and stable governance. According to the IMF's World Economic Outlook Report, India is expected to maintain its position as the fastest-growing major economy. Growth will be driven by continued expansion in the services sector and a boost in manufacturing, supported by government efforts to enhance infrastructure and streamline tax policies.¹

As a Housing finance company, our company is well-positioned to benefit from these positive economic trends. The projected growth in key sectors, coupled with the government's infrastructure push, presents ample opportunities for expansion and increased demand for housing finance. We remain committed to leveraging these opportunities to deliver value to our stakeholders while contributing to India's economic growth.

GREEN HOUSING

The incorporation of green and sustainable construction practices can play a pivotal role in promoting the development of affordable housing in India. Green buildings, known for their energy efficiency, can significantly reduce operational costs for residents, a critical factor in making housing more affordable. These buildings also utilize low-emission materials and feature superior ventilation systems, which enhance indoor air quality, particularly important in the context of affordable housing, where residents may lack access to medical services, leading to improved health outcomes.

Furthermore, green buildings often integrate renewable energy sources like solar electricity, reducing homeowners' electricity expenses and decreasing reliance on non-renewable energy sources. By lowering operational costs, improving indoor air quality, and

¹ Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>

embracing renewable energy, the adoption of green and sustainable construction principles can stimulate the development of affordable housing in India.

Your Company is focused on providing knowledge about green housing to reduce carbon emission and make home ownership accessible to all.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The housing finance industry in India has continued to evolve, supported by a favorable regulatory environment, increasing urbanization, and a growing middle-class population. The industry is characterized by a mix of public and private sector entities, including banks, housing finance companies (HFCs), and non-banking financial companies (NBFCs), each playing a crucial role in promoting home ownership across diverse income segments.

In FY 2024-2025, the industry witnessed significant developments, such as including the continued push for affordable housing under government schemes like Pradhan Mantri Awas Yojana (PMAY) and enhanced regulatory oversight aimed at strengthening financial stability and safeguarding consumer protection. The adoption of digital lending platforms and technological advancements further accelerated transformation within the sector enabling faster loan processing, improved customer experience, and better risk management.

The industry also saw a shift towards more prudent lending practices, with companies increasingly focusing on asset quality and credit risk management. This was in response to the evolving macroeconomic environment, characterized by fluctuating interest rates and inflationary pressures. Additionally, the rising demand for affordable housing in tier II and tier III cities has led to a greater emphasis on expanding outreach and tailoring financial products to meet the needs of these emerging markets.

As a result, the housing finance industry is poised for sustained growth, driven by ongoing infrastructure development, increasing affordability, and a supportive policy framework. Your Company remains committed to adapting to these industry developments, leveraging technology and innovation to enhance our service offerings and meet the evolving needs of our customers.

OPPORTUNITIES AND THREATS ANALYSIS

In 2025, Housing Finance Companies (HFCs) in India are well-positioned to leverage emerging opportunities, driven by evolving market dynamics and government initiatives designed to enhance the housing sector. The SCOT analysis of the Company is presented as follows:

Strengths

- **Presence in Rural Markets:** *A strong foothold in rural areas allows access to underserved segments, tapping into growing demand for affordable housing and expanding market reach.*
- **Experienced Management:** *A seasoned management team brings deep industry knowledge and strategic insight, enhancing decision-making and operational effectiveness.*

Challenges

- **Concentration by geography risk:** *The Company may encounter challenges due to a limited geographical presence, which could impact business diversification and market reach. .*

- **Technology Integration:** *The ongoing digital transformation journey may reveal gaps in the technology infrastructure, leading to operational inefficiencies and increased implementation costs.*
- **Talent Acquisition and Retention:** *The company may face difficulties in attracting and retaining skilled talent, especially in niche areas like risk management and technology, which are critical to sustainable growth.*

Opportunities:

- **Rising Demand for Affordable Housing:** *Increasing demand for affordable housing, particularly in urban and semi-urban areas, presents significant growth potential.*
- **Government Initiatives and Subsidies:** *Programs like Pradhan Mantri Awas Yojana (PMAY) and other subsidies continue to drive housing demand, offering opportunities for growth.*
- **Expansion of Mortgage Market:** *The growing mortgage market, driven by a broader customer base and increasing home ownership aspirations, creates new business opportunities.*
- **Urbanization and Migration:** *Ongoing urbanization and rural-to-urban migration are leading to higher demand for housing in cities, expanding the potential customer base.*
- **Digital Transformation:** *The adoption of digital platforms and technologies enhances customer experience, streamlines processes, and offers new avenues for service delivery.*
- **Focus on ESG and Sustainability:** *Increasing emphasis on Environmental, Social, and Governance (ESG) criteria offers opportunities to attract socially responsible investors and align with global sustainability trends.*

Threats

- **Interest Rate Volatility:** *Fluctuations in interest rates could affect borrowing costs impacting customer affordability and repayment capacity, thereby affecting loan demand and asset quality*
- **Cybersecurity and Data Privacy:** *Increasing incidents of cyber threats and data breaches could compromise customer information and company operations which may disrupt business operations, potentially undermining customer trust.*
- **Competition:** *Growing competition from major financial institutions and fintech firms could pressure margins and challenges market positioning.*
- **Inflationary Pressures:** *Rising inflation could reduce purchasing power and affect the housing affordability and demand of housing loans.*
- **Policy Changes, Economic Slowdowns, and Natural Disasters:** *Unfavourable policy shifts, macroeconomic downturns, or unforeseen events such as natural disasters could impair business continuity and financial performance.*

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The company provides a range of secured loan products, primarily categorized into two segments: 'Home Loans' and 'Mortgage Loans.'

Under 'Home Loans,' the company offers financing options for home purchase, construction, improvement, extension, and the purchase of a plot with subsequent construction. Our home loan vertical's outstanding book as of financial year ended March 31, 2025, was ₹ 1226.1 Lakh

Under 'Mortgage Loans,' the company extends loans for business purposes against property, loans for personal consumption secured by property, and loans for the purchase or construction of commercial properties. Additionally, the company provides services such as balance transfers and top-up loans to its customers. Our Loan Against Property's outstanding book as of financial year ended March 31, 2025, was ₹ 561.94 Lakh

RISKS AND CONCERNS

Our company has a Board-approved Risk Management framework and Policy in place. This framework enables us to identify and assess the various risks that our company encounters.

Our ongoing commitment lies in enhancing operational resilience and effectively mitigating these risks.

Outlined below are some key business risks that we address through our risk management processes:

Risk	Mitigation
Credit Risk: <i>Credit risk refers to the possibility of a company's assets losing value because of uncertainty about whether borrowers will be able to repay loans</i>	We have implemented a comprehensive credit risk framework to mitigate this risk.
Operational risk: <i>Operational risk is the potential loss that can arise from inadequate or failed internal processes, people, systems, or external events. Financial institutions are particularly susceptible to this risk, as it can negatively impact their reputation, financial performance, and customer relationships</i>	We endeavour to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.
Market risk: <i>Market risk stems from fluctuations in the market environment, which have the potential to either escalate the worth of liabilities or devalue the assets.</i>	In line with regulatory requirements, we have a Board approved Risk Management and Asset Liability Management policy. This policy provides the framework for assessing market risk.
Liquidity risk: <i>Liquidity risk is the potential risk of a shortfall in cash assets or their equivalents to fulfil urgent cash requirements.</i>	We have an Asset Liability Management Policy in place, to manage liquidity risk, which provides for several risk management measures.
Reputation risk: <i>Reputation risk emerges from unforeseen and indirect losses due to unfavourable experiences or public perception.</i>	We have implemented corporate governance and compliance framework to mitigate reputation risk. This framework is integrated into all aspects of our business operations.
Information Technology risk: <i>Information Technology risk is the possibility of loss arising from a system breakdown.</i>	Our governance framework includes information technology practices to manage technology risks.
Regulatory risk: <i>Regulatory risk is the possibility of economic or reputational loss from non-compliance with legal requirements.</i>	We diligently adhere to rules and regulations, ensuring no violations occur.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations.

REGULATORY LANDSCAPE

In terms of regulatory initiatives, RBI has issued Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions 2023, dated November 10, 2023, wherein Regulatory structure for Non-Banking Financial Companies (NBFCs) shall comprise of four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer shall be known as NBFCs-Base Layer (NBFCs-BL). NBFCs in the middle layer and upper layer shall be known as NBFCs-Middle Layer (NBFCs-ML) and NBFCs Upper Layer (NBFCs-UL), respectively.

The Top Layer is ideally expected to be empty and will be known as NBFCs-Top Layer (NBFCs-TL). According to Master Direction on Scale Based Regulation, HFC shall fall under Middle layer category.

RBI has issued Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, dated February 17, 2021, as amended from time to time. This directive provides consolidated regulatory framework applicable to HFCs and supersedes the previously issued directions by NHB. Some of the key regulations include:

- *Master Directions on Fraud Risk Management.*
- *Master Direction on Treatment of Wilful Defaulters and Large Defaulters 2024.*
- *Regulatory framework for HFCs and harmonisation of regulations applicable to HFCs and NBFCs.*
- *Amended Master Direction - Know Your Customer (KYC) Direction, 2016.*
- *Circular for Government Debt Relief Schemes (DRS).*
- *Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025.*
- *Circular on Private Placement of Non-Convertible Debentures (NCDs) with maturity period of more than one year by HFCs.*
- *Revised norms for Government Guaranteed Security Receipts (SRs) with reference to MD on Transfer of Loan Exposure.*

DISCUSSION ON PERFORMANCE WITH RESPECT TO OPERATIONS

The Company has recorded an increase in total income, including interest income and other income amounting to ₹ 406.94 lakh during the financial year 2024-2025, compared to ₹ 227.68 lakh in the previous year. This growth is primarily attributed to interest income earned from housing loans and mortgage loans and interest on short-term fixed deposits maintained with banks. Additionally, the Company's liquidity position remains strong, as reflected by its cash and cash equivalents as of March 31, 2025.

During the year the Company reported Non-Performing Assets (NPA) amounting to ₹13.88 lakh. Capital to risk assets ratio (CRAR) of the Company stands at 130.88% as at 31 March 2025. The Company has incurred loss of ₹ 250.2 lakhs primarily due to setting up of operational infrastructure such as branches, manpower etc. In FY 25-26, the Company plans to strengthen its presence by establishing new branches in emerging regions of Maharashtra, while also exploring opportunities for expansion into other states.

By focusing on sustainable growth and capitalizing on emerging market opportunities, MGHF is well-positioned to strengthen its market presence and continue its journey as an emerging customer's choice and prominent player in the housing finance industry.

PRADHAN MANTRI AWAS YOJANA – URBAN 2.0 (PMAY-U 2.0)

Announced in the Union Budget 2024-25, the PMAY-U 2.0 scheme aims to provide financial assistance to 1 crore urban poor and middle-income families through States, Union Territories, and Primary Lending Institutions (PLIs) over the next five years. The assistance will support home construction, purchase, or rental at affordable costs in urban areas.

Customers can avail subsidy benefits under **PMAY-U 2.0** through **Micro Green Housing Finance Home Loans**, making home ownership more accessible and affordable.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

We are committed to identifying, nurturing, and empowering talented employees, acknowledging that everyone possesses unique strengths and a distinct purpose. As of March 31, 2025, the company had 94 employees.

During the Financial Year 2024-2025 the Company has reviewed and align the sales force of the Company. As of the date of this Annual Report, the company has 109 permanent employees.

CAUTIONARY STATEMENT:

Basis on the management's current outlook and views concerning future developments and their potential impact upon the Company, the report contains "forward-looking statements" describing the Company's objectives, estimations, projections, and expectations. Various dynamics may have a potentially significant impact on the operations of the Company. The Company does not have any control over many such incidences such as macroeconomic factors impacting demand and supply, Government regulations and taxation, natural calamities, etc. Due to changes in internal or external factors, in case the actual results differ materially, the Company assumes no responsibility.

CORPORATE GOVERNANCE REPORT

Annexure -B

The Company believes in and adheres to good and effective corporate governance practices which constitutes the strong foundation, on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance superintends business strategies and ensures accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India.

In compliance with Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Master Direction"), the Company has framed Internal Guidelines on Corporate Governance. The Company is a Middle Layer Non-Banking Financial Company, pursuant to which we are presenting the report on Corporate Governance as prescribed under updated Master Direction - Reserve Bank of India (Non- Banking Financial Company - Scale Based Regulation) Directions, 2023 (RBI Scale Based Regulation) issued by the Reserve Bank of India, as presented in this section.

Composition of Board (As on date of this report):

Sr. no.	Name of Director	Director since	Capacity (i.e. Executive/Non-Executive/Chairman/Promoter nominee/Independent)	DIN	Number of Board meetings		No. of directorship	Remuneration			No. of shares held in and convertible instruments held in the HFC
					Held	Attended		Salary	Sitting fee	commission	
1	Sominder Singh	Since Incorporation	Managing Director & CEO	09532436	06	06	NIL	17.60	-	-	70,00,000 Equity Shares of Class C and 16,700 Equity Shares of Class A
2	Bhavin Rajen Damania	Since Incorporation	Executive - Director	09532435	06	06	NIL	21.00	-	-	70,00,000 Equity Shares of Class B and 16,700 Equity Shares of Class A
3	Rajeev Raghavan Panikath	July 5, 2024	Non-Executive Independent Director	10048334	03	03	NIL	-	30,000	-	NIL
4	*Deepak Kumar	March 20, 2025	Non-Executive Independent Director	10500093	-	-	01	-	-	-	NIL
5	*Chandramohan Bhagavatula	March 20, 2025	Non-Executive Independent Director	09612261	-	-	01	-	-	-	NIL
6	*Sarbjit Singh	May 15, 2025	Whole-Time Director (Chief Business Officer)	10913954	-	-	NIL	17.60	-	-	70,00,000 Equity Shares of Class D and 16,600 Equity Shares of Class A

*Mr. Deepak Kumar was inducted on Board effective March 20, 2025.

Mr. Chandramohan Bhagavatula was inducted on Board effective March 20, 2025.

Mr. Sarbjit Singh was inducted on Board effective the date of approval from the RBI i.e. May 15, 2025.

Details of change in composition of the Board during the current and previous financial year

During the year under review, changes were made to the composition of the Board during the current financial year.

- i. Mr. Bhavin Damania was identified as Executive Director, KMP and Chief Operating Officer (COO) of the Company effective March 20, 2025.

During the previous financial year there were following changes in the designations of the Directors as follows: Not Applicable

The Directors are not related to each other. Further, there are no inter-se relationships among the Directors.

Where an independent director resigns before expiry of his/ her term, the reasons for resignation as given by him/ her shall be disclosed:

During the year under review, no such instance occurred, and hence the said disclosure is not applicable.

Committees of the Board and their composition

Pursuant to the provisions of the Companies Act, 2013 and rules made there under, and with a view to strengthening corporate governance practices and enhancing transparency with stakeholders, the Company, though being a private limited company, has constituted an Audit Committee and a Nomination and Remuneration Committee. Further, in accordance with paragraph 50 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the constitution of these committees requires the inclusion of Independent Directors and Non-Executive Directors.

The Board of the Company has accordingly constituted various committees. The names of the Key Committees, together with their respective members and summarized of their terms of reference are provided below:

A. Audit Committee:

The Audit Committee has been constituted as required under Para 50.1 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Para 94.1 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The Audit Committee of the Board comprised of 5 (Five) members, of whom 3 (Three) are Independent Directors, 1 (One) is Managing Director & CEO and 1 (One) is Executive Director of the Company.

Sr. No.	Name of Director / Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee*		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Chandramohan Bhagavatula	March 20 th , 2025	Independent Director, Chairperson	-	-	NIL
2	Mr. Deepak Kumar	March 20 th , 2025	Independent Director, Member	-	-	NIL
3	Mr. Rajeev Panikath	March 20 th , 2025	Independent Director, Member	-	-	NIL
4	Mr. Sominder Singh	March 20 th , 2025	Managing Director & CEO, Member	-	-	70,00,000

						Equity Shares of Class C and 16,700 Equity Shares of Class A
5	Mr. Bhavin Damania	March 20 th , 2025	Executive Director, Member	-	-	70,00,000 Equity Shares of Class B and 16,700 Equity Shares of Class A

**The Committee was constituted on March 20th, 2025. Since committee is being set up at the end of the Financial Year ended 2024-25, no meeting was held during the reporting period. Further as of this Board Report one meeting was held on June 26, 2025.*

The summary of key terms of reference of Committee, inter alia, includes the following:

- i. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.*
- ii. Review and monitor the auditor's independence and performance and effectiveness of audit process.*
- iii. Examination of the financial statement and the auditors' report thereon;*
- iv. Approval or any subsequent modification of transactions of the company with related parties;*
- v. Scrutiny of inter-corporate loans and investments;*
- vi. Valuation of undertakings or assets of the company, wherever it is necessary;*
- vii. Evaluation of internal financial controls and risk management systems;*
- viii. Monitoring the end use of funds raised through public offers and related matters;*
- ix. Management of the Vigil Mechanism in the Company;*
- x. Reports on Internal Controls Systems, Internal Audit Reviews and Statutory Audit reviews etc;*
- xi. Non-compliance of any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividend, delay in share transfer etc;*
- xii. Internal Audit Plan/ Calendar etc;*
- xiii. While conducting internal audit/ inspection of their offices/ branches and periodical reviews on cases of wilful defaults should be submitted to the Audit Committee; and*
- xiv. Review & take note of the minutes, key items & recommendations of the other sub-committee(s) as mandated by the Board/ Committee, as and when required.*

B. Nomination and Remuneration Committee:

The Nomination & Remuneration Committee has been constituted as required under Para 50.2 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Para 94.2 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The Nomination and Remuneration of the Board comprised of 3 (Three) members which are Independent Directors of the Company.

Sr. No.	Name of Director / Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee*		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Deepak Kumar	March 20, 2025	Independent Director, Chairperson	-	-	NIL
2	Mr. Chandramohan Bhagavatula	March 20, 2025	Independent Director, Member	-	-	NIL
3	Mr. Rajeev Panikath	March 20, 2025	Independent Director, Member	-	-	NIL

**The Committee was constituted on March 20th, 2025. Since committee is being set up at the end of the Financial Year ended 2024-25, no meeting was held during the reporting period. Further as of this Board Report one meeting was held on June 26, 2025.*

The summary of key terms of reference of Committee, inter alia, includes the following:

- I. *To determine remuneration of Directors, KMP, other senior management personnel and other employees, keeping in view all relevant factors including industry trends and practices.*
- II. *At the Board meeting, only the Non-Executive and Independent Directors shall participate in approving the remuneration paid to the Executive Directors.*
- III. *The remuneration structure for the Executive Directors would include basic salary, commission, perquisites & allowances, contribution to Provident Fund and other funds. If*
- IV. *the Company has no profits or its profits are inadequate, they shall be entitled to minimum remuneration as prescribed under the Act.*
- V. *The remuneration to the Non-Executive Directors would be as per recommendations of the Nomination and Remuneration committee and approval of the Board of Directors. It would be pursuant to the provisions of Section 197 and 198 of the Act.*
- VI. *The compensation for Key Managerial Personnel, senior management and other employees is based on the external competitiveness and internal parity through periodic benchmarking surveys. It includes basic salary, allowances, perquisites, loans and/or advances as per relevant HR policies, retirement benefits, performance linked pay out, benefits under welfare schemes, etc.*
- VII. *To ensure administration and management of the compliances monitoring of the ESOP scheme and governance.*
- VIII. *Any other terms of reference and deliverables may be delegated by the Board, the Regulator through applicable Master Direction, notification or statutes.*

C. Information Technology (IT) Strategy Committee:

The IT Strategy Committee has been constituted as required under Para 6 of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices. The Information Technology (IT) Strategy Committee of the Board comprised of 5 (Five) members, of whom 3 (Three) are Independent Directors and 2 (Two) are Directors of the Company out of which 1 (One) is Managing Director and CEO of the Company. The meetings were held on October 25, 2024, and March 20th 2025.

Sr. No.	Name of Director / Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee*		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Rajeev Raghavan Panikath	July 5th, 2024	Chairman Independent Director	2	2	NIL
2	Mr. Sominder Singh	July 5th, 2024	Managing Director & CEO, Member	2	2	70,00,000 Equity Shares of Class C and 16,700 Equity Shares of Class A
3	Mr. Bhavin Rajen Damania	July 5th, 2024	Executive Director, Member	2	2	70,00,000 Equity Shares of Class B and 16,700 Equity Shares of Class A
4*	Mr. Chandramohan Bhagavatula	March 20 th , 2025	Independent Director, member	0	0	NIL
5*	Mr. Deepak Kumar	March 20 th , 2025	Independent Director, member	0	0	NIL

*The Committee was formed on July 5th, 2024. * Inducted at the Board meeting held on March 20th 2025.*

The summary of key terms of reference of Committee, inter alia, includes the following:

- (i) *Ensure that the Company has put an effective IT strategic planning process in place.*
- (ii) *Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives.*
- (iii) *Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation.*
- (iv) *Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks.*
- (v) *Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the RE's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and*
- (vi) *Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.*
- (vii) *To oversee the IT Steering Committee's decisions and recommendations.*

D. Asset-Liability Management Committee:

The Asset Liability Management Committee has been constituted as required under Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 and Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

The Asset-Liability Management Committee of the Board comprised of four members, including the Managing Director & CEO, Executive Director and the Whole-Time Director of the Company. The meetings were held on monthly basis. April 25, 2024, May 10, 2024, June 24, 2024, July 22, 2024, August 28, 2024, September 10, 2024, October 10, 2024, November 10, 2024, December 10, 2024, January 10, 2025, February 10, 2025, and March 10, 2025.

Sr. No.	Name of Director / Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee*		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Bhavin Damania	April 12 th 2023	Chairperson, Executive Director	12	12	70,00,000 Equity Shares of Class B and 16,700 Equity Shares of Class A
2	Mr. Sominder Singh	April 12 th 2023	Managing Director & CEO, Member	12	12	70,00,000 Equity Shares of Class C and 16,700 Equity Shares of Class A
3	Mr. Sarabjit Singh	April 12 th 2023	Whole-Time Director, Member	12	12	70,00,000 Equity Shares of Class D and 16,600 Equity Shares of Class A
4	*Mr. Viren Karani	March 20 th 2025	Member	0	0	NIL

**Inducted at the Committee as member on March 20th 2025*

The summary of key terms of reference of Committee, inter alia, includes the following:

- (i) Have overall supervision and control of activities undertaken by the Treasury division under the Policy
- (ii) Take decisions on the permissible investments to be made by Company
- (iii) Review the investment portfolio at least once every month
- (iv) Review of asset liability mismatch (ALM) every month
- (v) Any matter incidental to the above scope or necessary to support objectives of the Investment Policy.

E. Risk Management Committee:

The Risk Management Committee (RMC) of the Board comprised of 3 (Three) members, out of which 1 (One) is Executive Director, 1(One) is Managing Director & CEO. The meetings were held on April 16, 2024, September 02, 2024 and March 18, 2025.

The terms of reference of the Risk Management Committee shall be in accordance with the NHB/RBI Directions which inter-alia includes identifying, monitoring and managing risks that affect / may affect the Company including but not limited to credit risk, market risk and operational risk, setting up and reviewing risk management policies of the Company after taking into account various factor including appropriateness of the size and nature of transactions undertaken by the Company, from time to time, overseeing execution/implementation of risk management practices.

Sr. No.	Name of Director / Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the HFC
				Held	Attended	
1	Mr. Sominder Singh	January 15, 2024	Chairman, Managing Director & CEO	3	3	70,00,000 Equity Shares of Class C and 16,700 Equity Shares of Class A
2	Mr. Bhavin Rajen Damania	January 15, 2024	Executive Director	3	3	70,00,000 Equity Shares of Class B and 16,700 Equity Shares of Class A
3	Mr. Sarabjit Singh	January 15, 2024	Whole Time Director	3	3	70,00,000 Equity Shares of Class D and 16,600 Equity Shares of Class A

The Committee was formed on January 15th, 2024. Accordingly, three meeting were held during FY 2024-25

The summary of key terms of reference of Committee, inter alia, includes the following:

- (i) identifying, monitoring and managing risks that affect / may affect the Company including but not limited to credit risk, market risk and operational risk,
- (ii) setting up and reviewing risk management policies of the Company after taking into account various factor including appropriateness of the size and nature of transactions undertaken by the Company, from time to time,
- (iii) overseeing execution/implementation of risk management practices.

F. IT Steering Committee:

The IT Steering Committee has been constituted as required under Para 7 of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices.

The IT Steering Committee of the Board comprised of 3 (Three) members, of whom 1 (One) is Managing Director & CEO, 1 (One) an Executive Directors of the Company and 1 (One) is Whole-Time Director of the Company. The Committee was formed on April 16th, 2024.

The summary of key terms of reference of Committee, inter alia, includes the following:

- (i) Assist the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs.
- (ii) Oversee the processes put in place for business continuity and disaster recovery;
- (iii) Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
- (iv) Update ITSC and CEO periodically on the activities of IT Steering Committee.

G. Executive Committee of Fraud Monitoring

The Executive Committee of Fraud Monitoring comprised of 4 (Four) members, of whom 1 (One) is Executive Director, 1 (One) is Managing Director & CEO, 1 (One) is Whole-Time Director and Chief Compliance Officer. The meetings were held on March 18, 2025.

Sr. No.	Name of Director / Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee*		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Bhavin Rajen Damania	September 5 th , 2024	Chairman, Executive Director	1	1	70,00,000 Equity Shares of Class B and 16,700 Equity Shares of Class A
2	Mr. Sarabjit Singh	September 5 th , 2024	Whole-Time Director, Member	1	1	70,00,000 Equity Shares of Class D and 16,600 Equity Shares of Class A
3	Mr. Sominder Singh	September 5 th , 2024	Managing Director & CEO, Member	1	1	70,00,000 Equity Shares of Class C and 16,700 Equity Shares of Class A
4	Mr. Govind Bhandari	September 5 th , 2024	Member	1	1	NIL

**The Committee was formed on September 5th, 2024. Accordingly, one meeting was held during FY 2024-25*

The summary of key terms of reference of Committee, inter alia, includes the following:

- (i) Oversee the effectiveness of the fraud risk management in the Company.
- (ii) Review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.

H. Identification Committee for wilful defaulters

The identification committee for wilful defaulters comprised of three members each from Credit, Risk and Finance Department. During the year under review, no incident of wilful default occurred, accordingly no committee meeting was conducted.

The summary of key terms of reference of Committee, inter alia, includes the following:

- (i) Review recommendations of the Identification Committee for classification as wilful defaulters.
- (ii) Ensure due process was followed, including the borrower's opportunity for representation.
- (iii) Assess the evidence presented and verify compliance with RBI guidelines.
- (iv) Take a final decision on the classification of wilful defaulters.
- (v) Approve reporting of confirmed wilful defaulters to regulatory authorities and credit bureaus.
- (vi) Maintain records of decisions and ensure transparency in the classification process.

I. Review Committee for wilful defaulters

The review committee for wilful defaulters comprised of three members each from Compliance, Legal and Finance Department. During the year under review, no incident of wilful default occurred, accordingly no committee meeting was conducted.

The summary of key terms of reference of Committee, inter alia, includes the following:

- (i) Assess borrower accounts to determine if the default is deliberate and meets the criteria of wilful default.
- (ii) Verify if funds were misused, siphoned, or diverted for purposes other than sanctioned.
- (iii) Identify cases where secured assets were transferred or disposed of without lender consent.
- (iv) Provide the borrower a fair chance to present their case before classification.
- (v) Upon establishing wilful default, forward recommendations to the Review Committee for final confirmation.
- (vi) Ensure proper documentation and compliance with RBI guidelines.

J. Information Security Committee (ISC)

The Information Security Committee comprised of 3 (Three) members, of whom 1 (One) is Independent Director, 1 (One) is Managing Director & CEO, and 1 (One) is Executive Director.

Sl. No.	Name of Director/ Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee*		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Rajeev Panikath	March 20, 2025	Chairman Independent Director	-	-	NIL
2.	Mr. Sominder Singh	March 20, 2025	Managing Director & CEO, Member	-	-	70,00,000 Equity Shares of Class C and 16,700 Equity Shares of Class A
3.	Mr. Bhavin Rajen Damania	March 20, 2025	Executive Director, Member	-	-	70,00,000 Equity Shares of Class B and 16,700 Equity Shares of Class A

**The Committee was formed on March 20th, 2025.*

The summary of key terms of reference of Committee, inter alia, includes the following:

- (i) Development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the RE's risk appetite;
- (ii) Approving and monitoring information security projects and security awareness initiatives;
- (iii) Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities; and

(iv) Updating ITSC and CEO periodically on the activities of ISC.

General Meetings

During the year under review, One General meeting i.e. Annual General Meeting was held on September 30, 2024. The details of the Annual General Meetings ("AGM") and Extra-Ordinary General Meetings ("EGM") held during the last 3 (Three) financial years, and special resolutions passed thereat are as under:

AGM/ EGM	Date and time	Venue	Special resolutions passed
1 st AGM	December 15, 2023, at 11 a.m.	Registered office	• Alteration of object clause of Memorandum of Association of the Company. • To increase borrowing limits under section 180(1)(c) of the Companies Act, 2013; and • Creation of charges, mortgages, hypothecation on the properties of the company under section 180(1)(a) of the Companies Act, 2013.
2 nd AGM	September 30, 2024, at 11 a.m.	Registered office	To Regularize the Appointment of Mr. Rajeev Raghavan Panikat as an Independent Director of the Company.
1 st EGM	June 8, 2022, at 11 a.m.	Registered office	To increase in Authorized Share Capital of the Company.
2 nd EGM	July 18, 2022, at 11 a.m.	Registered office	• To consider and amend Articles of Association of the Company; and • To Issue and offer of securities of the company through preferential offer and on a private placement basis.
3 rd EGM	January 16, 2023, at 11 a.m.	Registered office	To consider an issue and offer of securities of the Company through preferential offer and on private placement basis.

During the year under review, no resolution was passed through Postal Ballot.

Details of non-compliance with requirements of Companies Act, 2013:

There are no default/non-compliance with requirement of Companies Act, 2013 during the financial year under review.

Details of penalties and strictures:

During the financial year under review, there were no penalties or restriction were imposed by the Reserve Bank of India or any other statutory authority on the Company.

Breach of covenant:

During the financial year under review, the Company had not availed any loans and issued debt securities. Accordingly, there is no breach of covenant in respect of loan availed or debt securities issued.

STATUTORY AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of **Micro Green Housing Finance Private Limited**
Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying Finance Statements of Micro Green Housing Finance Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2025, the statement of profit and loss, and the statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies information 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 gives the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2025, and its loss and its cash flows for the year ended on that date.

2. 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

3. Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board of Director's Report but does not include the Financial Statements and our auditor's report thereon.

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

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



4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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, the management and the Board of Directors are 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 the Board of Directors 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.

5. Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Standard on Auditing, 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, but not for the purpose of expressing an opinion on the adequacy and operating effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatement in the Financial Statements that, individually or in aggregate, makes 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 misstatement 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.

6. 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, and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanation give to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss, and the 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 accounting standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as amended;



- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The Company is a private limited company and it falls under the exemption specified vide notification No. G.S.R 583(E) dated June 13, 2017 issued by the Ministry of Corporate Affairs. Hence, we have not reported on the adequacy and operating effectiveness of internal financial controls with reference to Financial Statements as per the requirements of section 143(3)(i) of the Act;
- (g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion, and according to the information and explanation given to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company as it is a private limited company, and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 48.13(a) to the Financial Statements, no funds 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (this option to be used when the Company has not funded in the capacity of a Funding Party).
 - (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 48.13(b) to the Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, 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. (this option to be used when the Company has not received funds in the capacity of intermediary).
 - (c) Based on audit procedures that have been 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) contain any material misstatement.

- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Also, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For MGB & Co. LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035



Diwaker Sudesh Bansal
Partner
Membership Number: 409797
UDIN: 25409797BMKWWWE2610
Date: June 26, 2025
Place Mumbai



Annexure - A to the Independent Auditor's Report

Annexure referred to in para 6(1) of "Report on Other Legal and Regulatory Requirements" to our report of even date to the members of the Company on the financial statements for the year ended March 31, 2025.

- i. (a) A) The Company has maintained proper records showing required particulars, including quantitative details and situation of Property, Plant and Equipment.
 B) The Company has Intangible Assets and has maintained proper records showing required particulars of such Intangible assets.
- (b) The Property, Plant and Equipment have been physically verified by the management at the reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company and on the basis of explanations received no material discrepancies were noticed during the verification.
- (c) The Company does not hold any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) therefore reporting under the clause 3(i)(c) of the Order is not applicable.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right to Use assets) and intangible assets during the year. Therefore, reporting under the clause 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us by the management, there are no proceedings 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. Therefore, reporting under clause 3(i)(e) of the Order is not applicable.
- ii. (a) The Company is primarily engaged in the business of providing loans and it does not hold any physical inventories. Therefore, reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) According to information and explanations given to us by the management, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. Therefore, reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company, being a Housing Finance Company, during the ordinary course of its business, has made investments in and granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership loans or other parties during the year. According to the information and explanations given to us by the management, the Company has not provided guarantee or security to companies, firms, limited liability partnership loans or other parties during the year.
- (a) The Company is primarily engaged in the business of giving loans, hence reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us the management, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the company's interest;



- (c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing housing finance, secured business loans and loans against property, the schedule of repayment of principal and payment of interest has been stipulated by the Company, as verified on sample basis.

Having regard to the voluminous nature of loan transactions, it is not practicable to furnish party-wise details of amount, due date for repayment or receipt and the extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for some instances noted during the year, the parties have been generally regular in repayment of the principal amounts, as stipulated, and are also generally regular in payment of interest, as applicable.

- (d) In respect of loans and advances in the nature of loans, 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.13 to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

Number of Cases	Principal Amount Overdue	Interest Amount Overdue	(Rs. In Lakhs)
			Total Amount Dues
2	0.59	1.70	2.29

- (e) The Company is primarily engaged in the business of giving loans, hence reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) As per the information and explanations given to us by the management, the Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment. Therefore, reporting under clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us by the management, the Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under section 185 and 186 of the Companies Act, 2013. Therefore, the reporting under clause 3(iv) of the said Order is not applicable to the Company.
- v. The Company is registered as a Non - Deposit taking NBFC and accordingly has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. Further, we are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal on the Company in respect of the aforesaid deposits.
- vi. According to the information & explanation given to us by the management, the Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. In respect of Statutory Dues, according to the records made available to us by the management:



- (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and others as applicable have been deposited regularly with the appropriate authorities. According to the information and explanations given to us by the management, there are no undisputed amounts payable in respect of aforesaid dues outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us by the management and on the basis of examination of the records, there are no dues of provident fund, employees' state insurance, income tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and as represented to us by the management, there were no such transactions which have not been recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to the information and explanations given to us by the management, the Company has not defaulted in repayment of loans or borrowings or in the repayment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us by the management, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and to the best of our knowledge and belief, in our opinion term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.
- (d) According to the information and explanations given to us by the management, the Company has not raised short term funds during the year. Hence, the reporting requirements under clause 3(ix)(d) of the Order are not applicable.
- (e) According to the information and explanations given to us by the management, the Company does not have any subsidiaries, associates or joint ventures. Hence, the reporting requirements under clause 3(ix)(e) of the Order are not applicable.
- (f) According to the information and explanations given to us by the management, the Company does not have any subsidiaries, associates or joint ventures. Hence, the reporting requirements under clause 3(ix)(f) of the Order are not applicable.
- x. (a) According to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Hence, the reporting requirements under clause 3(x)(a) of the Order are not applicable.
- (b) According to the information and explanations given to us by the management, the Company has not raised any money by way of any preferential allotment or private placement of share or convertible debentures during the year.
- xi. (a) Considering the principles of materiality outlined in the Standards on Auditing, during the course of our audit and according to the information and explanations given to us by the management, other than what have disclosed under Note no.37.39 to the financial statement, we have neither come across any instances of fraud by the Company or on the Company, noticed or reported during the year, nor have been informed of any such case by the Management.



- (b) No report under sub-section (12) of section 143 of the 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.
- (c) According to the information and explanations to us by the management, the Company has established a vigil mechanism on a voluntary basis and no whistle blower complaints have been received by the company during the year.
- xii. According to the information and explanations given to us by the management, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Hence, reporting requirements under clause 3(xii)(a), (b) & (c) of the Order are not applicable.
- xiii. According to the information and explanations given to us by the management and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable, and details of such transactions have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- xv. According to the information and explanations given to us by the management, the Company has not entered into non-cash transactions with the directors or persons connected with him during the year.
- xvi. (a) According to the information and explanation given to us by the management, the Company, being a Housing Finance Company is registered with the National Housing Bank ('NHB') and hence is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company is a registered Housing Finance Company with NHB under section 29A(2) of the National Housing Bank Act, 1987 and holds a valid Certificate of Registration (CoR). According to the information and explanation given to us by the management, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid certificate of registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting requirements under clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us by the management, there no Core Investment Company (CIC) within the group (as defined in the core investment companies (RBI) Directions, 2016). Hence, reporting requirements under clause 3(xvi)(d) of the order are not applicable.
- xvii. According to the information and explanations given to us by the management and based on our examination of records of the Company, the Company has incurred cash losses amounting to Rs. 256.46 lakhs in the current financial year and has incurred cash losses of Rs. 89.01 lakhs in the immediately preceding financial year (computed as per para 82 of the Guidance Note on CARO, 2020).
- xviii. There has been no resignation of statutory auditor during the year, hence reporting under clause 3(xviii) of the Order is not applicable.



- xix. According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, and subject to disclosures relating to Going Concern, made under Note no.2.1 to the financial statement, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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 information and explanations given to us by the management, provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company. Hence, reporting requirements under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.
- xxi. According to the information and explanations given to us by the management, reporting under clause 3(xxi) of the order is not applicable as the same is required to be reported only in case of consolidated financial statements.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number: 101169WW-100035


Diwaker Sudesh Bansal
Partner
Membership Number: 409797
UDIN: 25409797BMKWWWE2610
Date: June 26, 2025
Place: Mumbai



FINANCIAL STATEMENTS

Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

Balance sheet as at March 31, 2025

(Currency: Indian Rupees in lakh)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
EQUITY AND LIABILITIES			
I Shareholders' funds			
a) Share capital	3	2,611.75	2,611.75
b) Reserves and surplus	4	(332.82)	(82.65)
		<u>2,278.93</u>	<u>2,529.10</u>
II Non-current liabilities			
a) Long-term borrowings	5	813.89	-
b) Deferred tax liabilities (Net)	27	1.72	0.21
c) Long-term provisions	6	12.04	2.91
		<u>827.65</u>	<u>3.12</u>
III Current liabilities			
a) Short-term borrowings	7	433.33	-
b) Trade payables	8	-	-
i) Total outstanding dues of micro enterprises and small enterprises and		-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		17.61	18.63
c) Other current liabilities	9	36.14	14.04
d) Short-term provisions	10	0.48	0.06
		<u>487.56</u>	<u>32.73</u>
Total Equity and Liabilities		<u>3,594.14</u>	<u>2,564.95</u>
ASSETS			
I Non-Current assets			
a) Property, Plant and Equipments and Intangible assets			
i) Property, Plant and Equipments	11.A	14.79	6.21
ii) Intangible assets	11.B	19.61	-
iii) Intangible assets under development	11.D	5.00	26.00
b) Non-current investments	12	1.00	-
c) Long-term loans and advances	13	1,722.36	294.98
d) Other non-current assets	14	15.26	22.23
		<u>1,778.02</u>	<u>349.42</u>
II Current Assets			
a) Current investments	15	500.00	287.84
b) Cash and cash equivalents	16	1,211.64	1,876.03
c) Short-term loans and advances	17	66.10	8.14
d) Other current assets	18	38.38	43.52
		<u>1,816.12</u>	<u>2,215.53</u>
Total Assets		<u>3,594.14</u>	<u>2,564.95</u>

Summary of Material accounting policies

2

The accompanying notes (3- 46) form integral part of the financial statements

As per our report of even date attached

For M G B & CO LLP

Chartered Accountants

FRN No. 101169W/W100035

Diwaker Sudesh Bansal

Membership No. 409797

Place: Mumbai

Date: June 26, 2025

For and on behalf of the Board of Directors of
Micro Green Housing Finance Private Limited

Sominder Singh

Managing Director and CEO

DIN : 09532436

Place: Mumbai

Date: June 26, 2025

Sarabjit Singh

Whole Time Director

DIN : 10913954

Place: Mumbai

Date: June 26, 2025

Bhavin Damania

Executive Director

DIN : 09532435

Place: Mumbai

Date: June 26, 2025



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

Statement of Profit and Loss for the year ended March 31, 2025

(Currency: Indian Rupees in lakh)

Particulars	Note No.	Year ended March 31, 2025	Year ended March 31, 2024
I Revenue from Operations			
a) Interest income	19	241.06	168.24
b) Other operating Income	20	112.98	34.42
Total revenue from operations		<u>354.04</u>	<u>202.66</u>
II Other Income	21	52.90	25.02
III Total Income (I + II)		<u>406.94</u>	<u>227.68</u>
IV EXPENSES			
a) Employee benefits expense	22	409.94	198.22
b) Finance cost	23	48.91	0.01
c) Depreciation and amortisation expense	11.C	9.85	1.96
d) Other expenses	24	186.91	95.82
Total Expenses		<u>655.61</u>	<u>296.01</u>
IV (Loss) before tax (III - IV)		<u>(248.67)</u>	<u>(68.33)</u>
V Tax expense			
a) Current tax		-	-
b) Deferred tax		1.50	0.22
		<u>1.50</u>	<u>0.22</u>
VI (Loss) for after tax (IV - V)		<u>(250.17)</u>	<u>(68.55)</u>
Earnings per equity share in Rupees (Face value Rs. 10 each)	25		
i) Basic		(0.96)	(0.28)
ii) Diluted		(0.96)	(0.28)

Summary of Material accounting policies

2

The accompanying notes (3- 46) form integral part of the financial statements

As per our report of even date attached

For M G B & CO LLP

Chartered Accountants

FRN No. 101169W/W100035

Diwaker Sudesh Bansal

Membership No. 409797

Place: Mumbai

Date: June 26, 2025

For and on behalf of the Board of Directors of
Micro Green Housing Finance Private Limited

Sominder Singh

Managing Director and CEO

DIN : 09532436

Place: Mumbai

Date: June 26, 2025

Sarabjit Singh

Whole Time Director

DIN : 10913954

Place: Mumbai

Date: June 26, 2025

Bhavin Damania

Executive Director

DIN : 09532435

Place: Mumbai

Date: June 26, 2025



Micro Green Housing Finance Private Limited
CIN : U65999MH2022PTC378239
Statement of Cash flows for the year ended March 31, 2025
(Currency: Indian Rupees in lakh)

	Year ended March 31, 2025	Year ended March 31, 2024
A Cash flow from operating activities		
Loss before tax	(248.67)	(68.33)
<i>Adjustments for</i>		
Depreciation and amortisation	9.85	1.96
(Profit) / Loss on sale of investments	(49.97)	(24.56)
Finance costs	48.91	0.01
Provision on loan assets	6.42	0.92
Provision for gratuity	3.13	2.05
Operating cash flow before working capital changes	(230.33)	(87.95)
<i>Add / (Less): Adjustments for working capital changes</i>		
Movement in other non-current assets and loans and advances	(1,428.42)	(301.05)
Movement in other current assets and loans and advances	(52.82)	(27.50)
Movement in Trade payables	(1.02)	9.73
Movement in other liabilities	22.10	10.66
Cash from / (used in) operations	(1,690.50)	(396.11)
Income taxes paid	8.03	(7.08)
Net cash (used in) operating activities - A	(1,682.47)	(403.19)
B Cash flow from investing activities		
Purchase of fixed assets	(17.04)	(34.16)
(Purchase of) / Proceeds from sale of current investments (net)	(163.19)	7.76
Net cash (used in) investing activities - B	(180.23)	(26.40)
C Cash flow from financing activities		
Proceeds from borrowings	1,300.00	
Repayment of borrowings	(52.78)	
Interest on borrowings	(48.91)	(0.01)
Net cash (used in) / generated from financing activities - C	1,198.31	(0.01)



Micro Green Housing Finance Private Limited
CIN : U65999MH2022PTC378239
Statement of Cash flows for the year ended March 31, 2025
 (Currency: Indian Rupees in lakh)

	Year ended March 31, 2025	Year ended March 31, 2024
Net (Decrease)/increase in cash and cash equivalents (A+B+C)	(664.39)	(429.60)
Cash and cash equivalent as at the beginning of the period	1,876.03	2,305.63
Cash and cash equivalent as at the end of the year	1,211.64	1,876.03

Note:

- 1 The Cash Flow statement has been prepared under the indirect method as set out in Accounting Standard- 3 on 'Cash Flow Statement'.
- 2 Components of cash and cash equivalents include cash and bank balances in current accounts (Refer Note 16).

The accompanying notes (3- 46) form integral part of the financial statements

As per our report of even date attached
For M G B & CO LLP
 Chartered Accountants
 FRN No. 101169W/W100035


Diwaker Sudesh Bansal
 Membership No. 409797
 Place: Mumbai
 Date: June 26, 2025



**For and on behalf of the Board of Directors of
 Micro Green Housing Finance Private Limited**


Sominder Singh
 Managing Director and CEO
 DIN : 09532436
 Membership No. 409797
 Place: Mumbai


Sarabjit Singh
 Whole Time Director
 DIN : 10913954
 Membership No. 409797
 Place: Mumbai


Bhavin Damania
 Executive Director
 DIN : 09532435
 Membership No. 409797
 Place: Mumbai



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

1. Corporate Information

Micro Green Housing Finance Private Limited (the Company) was incorporated on March 10, 2022. The Company is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company received certificate of registration (CoR) from Reserve Bank of India (RBI) on March 8, 2023 to operate as non deposit taking housing finance company. Being a Housing Finance Company (HFC), the Company is categorised as Middle Layer Non-Banking Financial Companies (NBFCs) "NBFCs-Middle Layer (NBFCs-ML)" under the provisions of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The Company is engaged in providing housing finance, secured business loans and loan against property to low income and economically weaker section segment of the society.

The Financial statements for the year ended March 2025 were authorised and approval for issue by the Board of Directors on June 26, 2025.

2. Material Accounting Policies

2.1 Basis of Preparation of the Financial Statements

Statement of Compliance:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (as amended), of the guidelines directions and circulars issued from time to time by the National Housing Bank ("NHB") and Reserve Bank of India ("RBI") as applicable to HFCs and other accounting principles generally accepted in India.

The Company follows the historical cost convention and accrual method of accounting in the preparation of the financial statements, except as otherwise stated. the accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

The company complies with the prudential norms in all material respects relating to income recognition, asset classification, and provisioning for bad and doubtful debts and other matters specified in the directions and guidelines issued by National Housing Bank to the extent applicable.

As of March 31, 2025, the Company had negative reserves and surplus of Rs 332.82 lakhs (March 24: Rs. 82.65 lakhs), negative operating cash flows of Rs. 1,682.47 lakhs (March 24: Rs. 403.19 lakhs), borrowings (Term loans) in India Rs. 1,247.22 lakhs (March 24: Nil) are guaranteed promotor of the Company and net loss YoY increase from Rs. 68.55 lakhs in March 24 to Rs. 250.17 as of March 25. However, the financial statements have been prepared on a 'Going Concern' basis since the Company has positive net equity of Rs. 2278.93 Lakhs (March 24: 2529.10 Lakhs) and has also total current assets which are in excess of current liabilities. The current assets includes Rs. 500 Lakhs of liquid investments and Rs. 1211.64 lakhs of Cash and Cash Equivalent which is in excess to current liability balance of Rs. 487.56 lakhs as of March 31, 2025. The Company is projected to be profitable in FY 2025-26 as per the business plan. The promoters are committed to to provide required financial support as and when needed and will be infusing Rs. 2 Crore of additional capital during the Q2 of FY 26 as call money for the partly paid-up shares. The Call money is taken as an agenda item in Board meeting held on 26 June 2025. Basis these factors, Management has prepared the financial statements on a 'Going Concern' assumption.

2.2 Functional and presentation currency :

The financial statements are presented in Indian Rupees (₹), which is the functional and the presentation currency of the Company. Except as otherwise indicated, financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal.

2.3 Presentation and disclosure of financial statements

The Company prepares its Financial Statements as per the format prescribed in the Division I of Schedule III of the Act applicable for preparation and presentation of the financial statements. The Statement of Cash Flows has been prepared and presented as per the requirements of AS 3 'Cash Flows Statements'. Notes forming part of financial statements are prepared as per Indian GAAP and as required by Annexure III and IV of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the notes.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

2.4 Use of Estimates and Judgement:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates, judgements and necessary assumptions that affect the reported amounts of assets and liabilities including disclosure of contingent liabilities as at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

2.5 Statement of Cash Flows

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Property, plant and equipment (PPE) and Intangible Assets

Property, plant and equipment (PPE) are stated at their historical cost of acquisition or construction less accumulated depreciation/amortisation and impairment losses if any. Expenditure incurred in bringing the PPE to their present location and condition are capitalised as part of the cost of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work-in-progress includes assets not ready for the intended use on the date of Balance Sheet and is carried at cost including directly attributable expenses less accumulated impairment loss, if any.

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development' and is carried at cost including directly attributable expenses less accumulated impairment loss, if any.

An intangible asset is de-recognised on disposal, or when no future economic benefit is expected from use of the asset. The gain/loss on disposal of an item of intangible assets is determined by comparing the proceeds from disposal with carrying amount of the item of the intangible assets and is recognised in the Statement of Profit and Loss.

2.7 Depreciation and amortisation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

- (i) Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying written down value method. The estimated useful lives and residual values are reviewed at the end of each reporting period.
- (ii) Intangible assets are stated at cost of acquisition, including any cost attributable to bringing the same to its working condition, less amortization over estimated useful life. Intangible assets are carried at cost less amortization and accumulated impairment losses, if any. The amortization period and method are reviewed at least at each financial year end. If the expected useful life of assets is significantly different from previous estimates, the amortization period is changed accordingly.
- (iii) Leasehold improvements are written off over the period of the lease.

The following table sets forth, useful life of Property, Plant, and Equipment (PPE).

Particulars	-	Useful Lives
Furniture & Fixtures	-	10 Years
Electrical Installations	-	10 Years
Office Equipments	-	5 Years
Computers & Peripherals	-	3 Years

Advances paid towards acquisition of PPE are disclosed as capital advances.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

2.8 Impairment of fixed assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications if there that an impairment loss. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, no significant uncertainties exist and the revenue can be reliably measured.

Interest income / fees on loans is recognised in the profit and loss account on an accrual basis in accordance with AS – 9 'Revenue Recognition' as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines, except interest income on non-performing assets, charges for delayed payments, foreclosure charges and cheque return charges, if any, which are accounted for an receipt basis.

Log-in fees, CERSAI fees, verification, legal & technical fees and other loan related charges are recognised when it is reasonable to expect ultimate collection which is generally at the time of Log in / disbursement of the loan.

Interest income on deposits with banks is recognized on a time proportion basis.

Profit or loss on sale of mutual fund units is recognised on trade date and is determined on FIFO basis.

Interest on income tax refund is recognised in the year of receipt of Assessment Orders.

2.10 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and net realisable value, category-wise.

Long term investments are carried at cost. However, provision for diminution in value of long-term investments is made to recognize decline, other than temporary, on an individual investment basis.

Unquoted investments in the units of mutual funds in the nature of current investments are carried at lower of cost and the net asset value declared by mutual funds in respect of each particular scheme.

2.11 Provisions on Loans

Loans are classified as per the Reserve bank of India (RBI)/National Housing Bank (NHB) guidelines, into performing and non-performing assets. Further non-performing assets are classified into sub-standard, doubtful and loss assets and provision made based on criteria stipulated by RBI/NHB guidelines. Additional provisions are made against specific nonperforming assets over and above stated in RBI/NHB guidelines, if in the opinion of the management, increased provisions are necessary.

For standard assets and sub-standard, additional general provisions are made according to RBI/NHB guidelines.

2.12 Employee Benefits

- (i) Contribution to provident fund by the Company is considered as defined contribution plan and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

- (ii) Defined benefit and other long-term benefit plans

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences are determined using the Projected Unit Credit Method. The liability is determined as a differential amount on the basis of actuarial valuation being carried out at each balance sheet date and fund balance.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (wherever applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit employee costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised in profit or loss when such settlement occurs.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

Past service cost is recognised as an expense on a straight line basis over the average period until the benefits become vested. To the extent the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, past service cost is recognised immediately.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) **Short-term employee benefits**

Short-term employee benefits expected to be paid in lieu of the employment are recognised undiscounted during the period the employee renders the service. These benefits include performance incentives.

(iv) **Other long-term employment benefits**

Compensated absences which are not expected to be settled within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligations at the balance sheet date based on actuarial valuation by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligation under the defined benefit plan are based on the market yields on government bonds as at the balance sheet date.

2.13 Borrowing Costs :

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. borrowing costs are recognised as an expense in the year in which they are incurred.

2.14 Commitments :

Commitments are future liabilities, classified and disclosed as follows:

- a) Undrawn loan commitments;
- b) Other commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.15 Cash and Cash Equivalents :

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.16 Goods and Services Input Tax Credit :

Goods and Services tax input credit is recognised for in the books in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

2.17 Leases

Operating Lease :

Assets taken on lease under which, all the risks and rewards of the ownership are effectively retained by the lessor are classified as operating lease. The office premises are generally rented on cancellable terms or renewable at the option of both the parties. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term in accordance with the respective lease agreements.

2.18 Earnings Per Share

The Company reports basic and diluted Earning per Share("EPS") in accordance with Accounting Standard 20 on Earning per share.

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

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax as adjusted for interest and other charges to expense or income (net of any attributable taxes) and convertible securities relating to the dilutive potential equity shares divided by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

2.19 Foreign currency transactions

The functional currency and presentation currency of the company is Indian Rupee. Foreign currency transactions are recorded at the exchange rates prevailing at the date of transaction. Foreign currency denominated assets and liabilities (monetary items) are translated into reporting currency (rupees) at the exchange rate prevailing at the date of balance sheet. Exchange differences if arising on settlement of foreign currency transactions or restatement of foreign currency monetary items are recognised in the Statement of Profit and Loss. Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of transaction.

2.20 Taxation

Tax expenses comprises of current tax and deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years / period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation and carried forward losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

2.21 Provisions, Contingent Liabilities & Contingent Assets :

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that the cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

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

2.22 Segment Reporting

The Company has identified lending activity's business segment as its primary segment as permitted by AS 17 "Segments". The business segments have been identified considering :

- a) the nature of services
- b) the differing risks and returns
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems

2.23 Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.24 Statutory / Special Reserve

The Company creates Statutory / Special Reserve every year out of its profits in terms of Sec 36(1)(viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987. No transfer have been made during the year as the Company have reported losses.

2.25 Report on Other Legal and Regulatory Requirements

Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024		
	No. of shares	Amount	No. of shares	Amount	
3. Share capital					
a) Share capital authorised, issued, subscribed and paid up					
Authorised capital:					
Equity Shares of Rs. 10/each	4,30,00,000	4,300.00	4,30,00,000	4,300.00	
Issued, Subscribed and paid up capital:					
Equity Shares Class-A of Rs. 10/- each fully paid	2,15,95,500	2,159.55	2,15,95,500	2,159.55	
Equity Shares Class-B of Rs. 10/- each Rs. 1.43 paid	70,00,000	100.10	70,00,000	100.10	
Equity Shares Class-C of Rs. 10/- each Rs. 3.60 paid	70,00,000	252.00	70,00,000	252.00	
Equity Shares Class-D of Rs. 10/- each Rs. 1.43 paid	70,00,000	100.10	70,00,000	100.10	
Total	4,25,95,500	2,611.75	4,25,95,500	2,611.75	
b) Reconciliations of the number of equity shares and share capital					
Issued, Subscribed and paid up:	No. of Shares	Amount	No. of Shares	Amount	
Equity Shares - Class - A					
Balance at beginning of the year	2,15,95,500	2,159.55	1,78,95,500	1,789.55	
Add: Shares issued during the year	-	-	37,00,000	370.00	
Balance at the end of the year (A)	2,15,95,500	2,159.55	2,15,95,500	2,159.55	
Equity Shares - Class - B					
Balance at beginning of the year	70,00,000	100.10	70,00,000	100.10	
Add: Shares issued during the year	-	-	-	-	
Balance at the end of the year (B)	70,00,000	100.10	70,00,000	100.10	
Equity Shares - Class - C					
Balance at beginning of the year	70,00,000	252.00	70,00,000	252.00	
Add: Shares issued during the year	-	-	-	-	
Balance at the end of the year (C)	70,00,000	252.00	70,00,000	252.00	
Equity Shares - Class - D					
Balance at beginning of the year	70,00,000	100.10	70,00,000	100.10	
Add: Shares issued during the year	-	-	-	-	
Balance at the end of the year (D)	70,00,000	100.10	70,00,000	100.10	
Total (A + B + C + D)	4,25,95,500	2,611.75	4,25,95,500	2,611.75	
c) Terms/rights attached to equity shares:					
The Company has four classes of equity shares (i.e. Class A, Class B, Class C and Class D) having a par value of Rs 10/-. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, in proportion to the number of equity shares held by the shareholders.					
d) Details of shareholders holding more than 5% of paid up equity share capital as at the end of the year:					
Sr. No	Name of the shareholders	As at March 31, 2025		As at March 31, 2024	
		Paid up Amt.	% Holding	Paid up Amt.	% Holding
i)	Kasturilal Wasan	600.00	22.97%	600.00	22.97%
ii)	Sharad Aggarwal	590.00	22.59%	590.00	22.59%
iii)	Sominder Singh	253.67	9.71%	253.67	9.71%
iv)	JCBL India Private Limited	200.00	7.66%	200.00	7.66%
v)	Anuj Dhir	150.00	5.74%	150.00	5.74%
Total		1,793.67	68.68%	1,793.67	68.68%



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

e) Shareholding of promoters:

Sr. No	Name of the promoters	No. of Shares	As at March 31, 2025		
			Paid up Amt.	% Holding	% Change
i) Sominder Singh		70,16,700	253.67	9.71%	0.00%
ii) Bhavin Damania		70,16,700	101.77	3.90%	0.00%
iii) Sarabjit Singh		70,16,600	101.76	3.90%	0.00%
Total		2,10,50,000	457.20	17.51%	0.00%

Sr. No	Name of the promoters	No. of Shares	As at March 31, 2024		
			Paid up Amt.	% Holding	% Change
i) Sominder Singh		70,16,700	253.67	9.71%	-1.60%
ii) Bhavin Damania		70,16,700	101.77	3.90%	-0.64%
iii) Sarabjit Singh		70,16,600	101.76	3.90%	-0.64%
Total		2,10,50,000	457.20	17.51%	-2.89%

4. Reserves and surplus

	As at March 31, 2025	As at March 31, 2024
a) Statutory reserve - created and maintained in terms of Section 29 C of National Housing Bank Act, 1987		
Opening balance	-	-
Add : Transfer from retained earnings	-	-
Closing Balance	(c) -	(a) -
b) (Deficit) in Statement of Profit and Loss		
Opening balance	(82.65)	(14.10)
Add: (Loss) for the year	(250.17)	(68.55)
	(332.82)	(82.65)
Less: Appropriations	-	-
	(e) (332.82)	(b) (82.65)
	(a+b+c+d+e) (332.82)	(a+b) (82.65)
c) Nature of reserves		

Special reserve

Section 29C (i) of The National Housing Bank Act, 1987 requires that every housing finance company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. During the year ended March 31, 2025 and March 31, 2024, the Company has not earned profit hence it has not transferred any amount to special reserve u/s 29C of NHB Act 1987.

d) General Reserve

As per Companies Act, 2013, the requirement to transfer profits to General Reserve is not mandatory. General reserve is a free reserve available to the Company for distribution.

e) Dividend Payment

During the year ended March 31, 2025, the Company has neither declared nor paid any dividend (year ended March 31, 2024 : Nil).



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
5. Long-term borrowings		
a) Secured borrowings		
i) Term Loan from Banks*	175.00	-
ii) Term Loan from Others**	638.89	-
Total	813.89	-
There are no defaults as on balance sheet date in repayment of borrowings		
* All secured term loans (including current maturities of long-term debt) from Banks are secured by way of hypothecation of the loans given by the Company as per sanction terms which carries rate of interest in the range of 11.75% to 12% p.a. (previous year NA), having tenure of 3 years (previous year NA) from the date of disbursement and are repayable in monthly instalments.		
** All secured term loans (including current maturities of long-term debt) from Financial institutions are secured by way of hypothecation of the loans given by the Company as per sanction terms and carries rate of interest in the range of 12% to 12.25% p.a. (previous year NA), having tenure of 3 years (previous year NA) from the date of disbursement and are repayable in monthly instalments.		
6. Long-term provisions		
a) Provision for employee benefit		
i) Provision for gratuity (Refer note 33)	5.14	2.03
ii) Provision for Loan assets	6.90	0.88
Total	12.04	2.91
7. Short-term borrowings		
a) Secured borrowings (Current Maturity of long term debt)		
i) Term Loan from Banks (Refer note 5)	100.00	-
ii) Term Loan from Others (Refer note 5)	333.33	-
	433.33	-
8. Trade payables		
a) Micro and small enterprises (Refer note below)	-	-
b) Due to Others	17.61	18.63
	17.61	18.63
For disclosure pertaining to Micro and Small Enterprises refer note No. 28		
For disclosure pertaining to Ageing refer note No. 44		
9. Other current liabilities		
a) Interest accrued but not due on borrowings	9.56	-
b) Others		
i) Advance from customers	0.05	0.05
i) Statutory Dues	12.50	7.01
ii) Others	14.03	6.98
	36.14	14.04
10. Short-term provisions		
a) Provision for employee benefit		
i) Provision for gratuity (Refer note 33)	0.04	0.02
ii) Provision for Standard assets	0.44	0.04
Total	0.48	0.06



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

11

11.A. Property, Plant and Equipments

Description	Gross Block			Depreciation / Amortisation			Net Block	
	As at April 1, 2024	Additions	Deductions	As at March 31, 2025	As at April 1, 2024	For the year	Deductions	As at March 31, 2025
1. Leasehold improvements	-	-	-	-	-	-	-	-
2. Buildings/ Residential flats	-	-	-	-	-	-	-	-
3. Office equipment	0.30	0.07	-	0.37	0.01	0.14	-	0.22
4. Furniture and fixtures	0.64	3.10	-	3.74	0.06	0.66	-	3.02
5. Computer	7.22	12.53	-	19.75	1.88	6.31	-	11.56
Grand Total	8.16	15.70	-	23.86	1.95	7.11	-	14.79
<i>Previous Year</i>	-	8.16	-	8.16	-	1.96	-	6.21

11.B. Intangible assets

Description	Gross Block			Depreciation / Amortisation			Net Block	
	As at April 1, 2024	Additions	Deductions	As at March 31, 2025	As at April 1, 2024	For the year	Deductions	As at March 31, 2025
1. Software	-	22.35	-	22.35	-	2.74	-	19.61
Grand Total	-	22.35	-	22.35	-	2.74	-	19.61
<i>Previous Year</i>	-	-	-	-	-	-	-	-

Note 1: Previous years figures are mentioned in Italics

Note 2: The Company does not hold any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

11

11.C Depreciation and amortisation

Description	As at 2025	As at 2024
i) Property, Plant and Equipment	7.11	1.96
ii) Intangible assets	2.74	-
Total	9.85	1.96

11.D Intangible assets under development - Ageing schedule

As at March 31, 2025

Particulars	Less than 1 year	1-2 Years	2-3 Years	Total
i) Project in Progress	5.00	-	-	5.00
ii) Projects temporarily suspended	-	-	-	-
Total	5.00	-	-	5.00

As at March 31, 2024

Particulars	Less than 1 year	1-2 Years	2-3 Years	Total
i) Project in Progress	26.00	-	-	26.00
ii) Projects temporarily suspended	-	-	-	-
Total	26.00	-	-	26.00



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
12. Non-current investments		
a) Trade investments		
iii) Equity Subscription of AFCI Association	1.00	-
Total	1.00	-
13. Long term loans and advances		
<u>Secured Loan*</u>		
a) Housing loan	1,189.31	189.42
b) Non housing loan**	532.69	105.56
<u>Staff Loan</u>		
Staff Loan	0.36	-
Total	1,722.36	294.98
* There are two loan accounts classified as non performing asset (NPA) as per the RBI Guidelines having overdue amount of Rs. 0.59 lakhs as at March 31, 2025.		
** The non-housing loan includes an amount of Rs. 39.34 Lakhs (Previous year Rs. 6.46 Lakhs) being mortgage credit insurance premium payable by the obligor over tenure of loan on housing loan.		
14. Other non-current assets		
a) Capital Advances	-	1.19
b) Security Deposits	7.78	5.54
c) Others		
i) TDS Receivables	7.48	15.50
Total	15.26	22.23
15. Current investments		
15.A a) Investment in Mutual Fund	500.00	287.84
	500.00	287.84
15.B Script wise details of current investments		
a) Mutual Fund units	As at March 31, 2025	
	No. of Units	NAV (Cost) Amount
i) Invesco India Liquid Fund - Direct Plan Growth	14,067.574	3,554.27 500.00
		500.00
Market value of investments		500.79



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

Particulars	As at		As at
	March 31, 2025		March 31, 2024
	As at March 31, 2024		
a) Mutual Fund units	No. of Units	NAV (Cost)	Amount
i) Invesco India Liquid Fund - Direct Plan Growth	6,398.075	3,280.83	209.91
ii) Mirae Assets Liquid Fund - Direct Plan Growth	3,097.659	2,515.13	77.91
iii) Nippon India Overnight Fund - Direct Plan Growth	14.423	138.67	0.02
			<u>287.84</u>
Market value of investments			291.10
16. Cash and cash equivalents			
a) Balances with banks			
i) In current accounts		111.34	95.98
b) Cash on hand		0.30	0.05
c) Other bank balances			
i) In fixed deposit accounts (original maturity less than 12 months)		1,100.00	1,780.00
(As per the Division I of Schedule III the maturities of deposit are less than 12 month are shown under other bank balances)			
		<u>1,211.64</u>	<u>1,876.03</u>
17. Short-term loans and advances			
Current maturities of long term loans and advances (refer note no.13)			
a) Housing loan		36.85	3.06
b) Non housing loan		29.25	5.08
		<u>66.10</u>	<u>8.14</u>
18. Other current assets			
a) Interest receivable on deposit with banks		8.41	25.12
b) Interest accrued but not due on loans		20.92	3.50
c) Prepaid Expenses		2.13	3.01
d) Advances to suppliers		-	0.35
e) Balance with Statutory Authorities (Net)		2.95	5.96
f) Security deposits		3.97	2.50
g) Others		-	3.08
		<u>38.38</u>	<u>43.52</u>



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
19. Interest income		
Interest on		
a) Loans to customers	166.24	13.25
b) Deposits with Banks	74.82	154.99
Total	241.06	168.24
20. Other operating Income		
a) Processing Fees income	56.93	14.57
b) Other fee income	56.05	19.85
	112.98	34.42
21. Other Income		
a) Net gain on sale of investments	49.97	24.56
b) Interest on Income Tax refund	0.62	0.34
c) Miscellaneous income	2.31	0.12
	52.90	25.02
22. Employee benefits expense		
a) Salaries, allowances and bonus	384.65	187.38
b) Contributions to Provident fund and other fund	23.51	10.74
c) Staff welfare expenses	1.78	0.10
	409.94	198.22
23. Finance cost		
a) Interest on loan from borrowings	48.91	0.01
	48.91	0.01



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
24. Other expenses		
a) Advertisement and brand promotion	0.30	0.14
b) Auditors Remuneration	7.82	5.00
c) Communication costs	1.46	0.41
d) DMA / DSA Commission expenses	0.94	-
e) Electricity and Utility charges	1.92	0.20
f) Insurance	10.44	5.08
g) IT and software expenses	35.39	2.05
h) Legal and professional fees	48.49	43.43
i) Membership and Subscription fees	0.25	0.37
j) Office expenses	8.22	7.26
k) Postage, stationery and supplies	6.36	1.39
l) Provision on standard assets	4.34	0.92
m) Provision on non performing assets (NPA)	2.08	-
n) Rates and Taxes	12.57	10.79
o) Rent	22.91	7.51
p) Repairs and maintenance	0.30	0.07
q) Travelling expenses	14.68	5.32
r) Lodging and Boarding expense	7.91	5.55
s) Miscellaneous expenses	0.53	0.33
	<u>186.91</u>	<u>95.82</u>
24.1 Statutory Auditors' remuneration		
Auditors' remuneration includes		
a) Audit fees	7.50	4.95
c) Certification matters	-	0.05
e) Out-of-pocket expenses	0.32	-
	<u>7.82</u>	<u>5.00</u>

24.2 Corporate Social Responsibility (CSR)

The Provisions of Section 135 and Rules Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

25. Earning per Share

Particulars	For the year ended March 31	
	2025	2024
A. Basic Earning per Share		
a) Loss after tax attributable to equity shareholders	(250.17)	(68.55)
b) Weighted average number of equity shares outstanding during the year	2,61,17,500	2,48,13,402
c) Nominal value of equity shares (Rs.)	10	10
d) Basic earnings per share (EPS) (Rs.)	(0.96)	(0.28)
B. Diluted Earning per Share		
a) Profit after tax attributable to equity shareholders	(250.17)	(68.54)
b) Weighted average number of equity shares post dilution	2,61,17,500	2,48,13,402
c) Nominal value of equity shares (Rs.)	10	10
d) Diluted earnings per share (EPS) (Rs.)	(0.96)	(0.28)

26. Contingent Liabilities and commitments

Particulars	As at March 31,	
	2025	2024
A. Contingent liabilities in respect of demands disputed by the Company:	-	-
B. Commitments		
a) Loan commitments	532.98	145.05
The Company has outstanding unconditionally cancellable undrawn commitments to provide loans to customers.		

	As at March 31,	
	2025	2024
27. Deferred tax liabilities (Net)		
Deferred Tax Liabilities		
Provision on Loan assets	1.85	0.23
Less: Deferred Tax Assets		
Depreciation and Amortisation	0.13	0.02
Deferred tax liabilities (Net)	<u>1.72</u>	<u>0.21</u>



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

28. Dues to Micro, Small Enterprises

The details of amounts outstanding to Micro and Small enterprises based on information available with the Company is as under:

	As at March 31, 2025	2024
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*	-	-
ii) 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 amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) 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.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v) The amount further of interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23	-	-

* Amount paid within statutory timelines

29. The Company did not have any long term contracts including derivative contracts for which any provision is required for the foreseeable losses.

30. Unhedged foreign currency exposures

There are no unhedged foreign currency exposures as at March 31, 2025 and as at March 31, 2024.

31. Income in foreign currency

There is no income earned in foreign currency for the period ended March 31, 2025 and March 31, 2024.

32. Expenditure in foreign currency

There are no expenditure incurred in foreign currency for the period ended March 31, 2025 and March 31, 2024.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

33. Employee benefits - Disclosure pursuant to AS 15 'Employee Benefits'**A. Defined contribution plans**

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund.

B. Defined Benefit Plan**Gratuity**

The Company has a defined benefit unfunded gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognised on the basis of actuarial valuation.

a) Balance Sheet Reconciliation

	As at March 31,	
	2025	2024
Defined benefit obligation, beginning of the year	2.05	
i) Expense recognized in the Statement of Profit and Loss	3.13	2.05
ii) Benefits paid by employer	-	
Defined benefit obligation, end of the year	<u>5.18</u>	<u>2.05</u>

b) The following table sets out the funded and unfunded status and the amounts recognized in the financial statements for the Gratuity

	For the year ended March 31	
	2025	2024
Change in defined benefit obligations:		
Defined benefit obligation, beginning of the year	2.05	
Current service cost	2.51	1.37
Past service cost	0.14	0.68
Interest cost	-	
Actuarial (gains) / losses	0.48	
arising from changes in demographic assumptions	-	
Transfer in/(out) of liability	-	
Benefits paid from plan assets	-	
Net transfer in / (out) (Including the effect of any business combinations/ divestitures)	-	
Defined benefit obligation, end of the year	<u>5.18</u>	<u>2.05</u>

c) Amount recognized in the balance sheet consists of:

	As at March 31,	
	2025	2024
i) Present value of defined benefit obligation	5.18	2.05
ii) Fair value of plan assets	-	-
Net Liability	5.18	2.05
Less: Unrecognised Past Service Cost	-	
Liability recognised in the Balance Sheet	<u>5.18</u>	<u>2.05</u>

Amounts in the balance sheet:

Long-term Provision	5.14	2.03
Short-term Provision	0.04	0.02
Net liability	<u>5.18</u>	<u>(2.01)</u>

d) The amounts recognised in the Statement of Profit and Loss are as follows:

	For the year ended March 31	
	2025	2024
i) Current service cost	2.51	1.37
ii) Past service cost	0.14	0.68
iii) Interest Cost	-	-
iv) Income on plan assets	-	-
v) Actuarial loss / (gain) on obligations	0.48	-
Defined benefit cost included in Statement of Profit and Loss	<u>3.13</u>	<u>2.05</u>



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

c) Assumptions

- i) Salary Growth Rate
- ii) Discount Rate
- iii) Withdrawal Rate
- iv) Mortality Rate
- v) Weighted average duration of the obligation

As at March 31,	
2025	2024
10.00 % p.a.	10.00 % p.a.
6.4 % p.a.	6.9 % p.a.
30.00 % p.a.	30.00 % p.a.
IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
2 Years	2 Years

f) Experience adjustments

- Defined benefit obligation
- Fair value of plan assets
- Deficit in the plan
- Experience adjustments on plan liabilities
- Experience adjustments on plan assets

As at March 31,	
2025	2024
5.18	2.05
-	-
(5.18)	(2.05)
0.35	NA*
NA	NA

*Being the first actuarial valuation.

34. Leases**A. Operating lease rental charged to Income Statement**

- a) Residential flats for accommodation of employees
- b) Office premises

For the year ended March 31

2025	2024
-	-
22.91	7.51
<u>22.91</u>	<u>7.51</u>

- B.** The Company has taken buildings under operating lease. The following is the summary of future minimum lease rental payments under operating leases entered into by the Company.

For the year ended March 31

- i) Not later than one year from balance sheet date
- ii) Later than one year and not later than five years from balance sheet date
- iii) Later than five years from balance sheet date

2025	2024
29.52	19.33
45.95	43.42
-	-
<u>75.47</u>	<u>62.75</u>

35. Related Party Disclosure

In accordance with the requirements of Accounting Standard (AS)-18 "Related Party Disclosures" specified under section 133 of the Act, read with of the Companies (Accounts) Rules 2014 (as amended), the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and period end balances with them as identified and certified by the management are as follows. The transactions between the Company and its related parties were in the ordinary course of business and based on the principles of arm's length.

35.A List of Related parties

- A.** List of related parties and relationship with related parties where control exists or transactions have taken place during the year:

I Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company

- i) Bhavin Damania
- ii) Sominder Singh
- iii) Sarabjit Singh
- iv) Kasturilal Wasan
- v) Sharad Aggarwal



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

II Key Managerial Personnel

- i) Bhavin Damania - Executive Director*
- ii) Sominder Singh - Managing Director and CEO
- iii) Sarabjit Singh- Whole Time Director**
- v) Govind Bhandari - Company Secretary (Effective from August 18, 2023 till March 20, 2025)
- iv) Pradip Prajapati - Company Secretary (Effective from March 20, 2025 till effective April 4, 2025)
- vi) Geeta Krishnan- Company Secretary (till August 18, 2023)

Notes :

* The designation of Mr. Bhavin Damania (Whole Time Director to Executive Director) got changed effective March 20th 2025.

** Mr. Sarbjit Singh was appointed as Whole Time Director effective date of approval of the Reserve Bank of India dated May 15, 2025

35.B Transactions with Related parties during the year

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

No.	Nature of Transaction	Name of Party	For the year ended March 31	
			2025	2024
1	Issue of Shares to	Bhavin Damania	-	-
		Sominder Singh	-	-
		Sarabjit Singh	-	-
		Kasturilal Wasan	-	-
		Sharad Aggarwal	-	370.00
2	Reimbursement of expenses for stamp duty, ROC charges, salary payment to staff, professional fee, travelling etc.	Bhavin Damania	26.15	21.61
		Sominder Singh	21.28	23.91
		Sarabjit Singh	21.01	23.81
		Govind Bhandari	12.85	7.89
		Pradeep Prajapati	0.20	-
		Geeta Krishnan	-	0.68

35.C Closing balances with Related parties as at year end

No.	Nature of Balance	Name of Party	As at March 31,	
			2025	2024
1	Share Capital	Bhavin Damania	101.77	101.77
		Sominder Singh	253.67	253.67
		Sarabjit Singh	101.76	101.76
		Kasturilal Wasan	600.00	600.00
		Sharad Aggarwal	590.00	590.00
2	Payable for Reimbursement of expenses	Sarabjit Singh	-	1.88
		Sominder Singh	-	1.10
		Bhavin Damania	-	0.26
		Govind Bhandari	-	0.02



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

35 D : Disclosure of Related Party as required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 are given as under:

As at March 31, 2025

Related Party Items	Parent (as per ownership or control)	Subsidiaries	Associate / Joint Ventures	Key Managerial Personnel (KMP)	Relative of KMP	Others			
						Directors	Relative of Directors	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	-	-	-	-	-	-	-	-	-
Other Commitments - Off balance sheet exposure	-	-	-	-	-	-	-	-	-
Equity shares held	-	-	-	457.20	-	-	-	-	457.20
Inter Corporate Deposit received*	-	-	-	-	-	-	-	-	-
Inter Corporate Deposit repaid*	-	-	-	-	-	-	-	-	-
Other Loans given	-	-	-	-	-	-	-	-	-
Other Loans repayment received	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other payables	-	-	-	-	-	-	-	-	-
Other Expenses**	-	-	-	81.49	-	0.30	-	-	NA
Other Income	-	-	-	-	-	-	-	-	-
Investment in Equity shares during period	-	-	-	-	-	-	-	-	-
Security Deposit received on Lease Disbursal	-	-	-	-	-	-	-	-	-
Security deposit repaid / adjusted during year	-	-	-	-	-	-	-	-	-

The outstanding at the year end and the maximum during the year.

* Transactions during the year.

** Other Expenses includes Salary and reimbursement paid.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

As at March 31, 2024

Related Party	Parent (as per ownership or control)	Subsidiaries	Associate / Joint Ventures	Key Managerial Personnel (KMP)	Relative of KMP	Others			
						Directors	Relative of Directors	Total	Maximum outstanding during the year
Items									
Borrowings#	-	-	-	-	-	-	-	-	-
Deposits#	-	-	-	-	-	-	-	-	-
Placement of deposits#	-	-	-	-	-	-	-	-	-
Advances#	-	-	-	-	-	-	-	-	-
Investments#	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Other Commitments - Off balance sheet exposure	-	-	-	-	-	-	-	-	-
Equity shares held	-	-	-	457.20	-	-	-	-	457.20
Inter Corporate Deposit received*	-	-	-	-	-	-	-	-	-
Inter Corporate Deposit repaid*	-	-	-	-	-	-	-	-	-
Other Loans given	-	-	-	-	-	-	-	-	-
Other Loans repayment received	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other payables	-	-	-	-	-	-	-	-	-
Other Expenses**	-	-	-	77.90	-	-	-	-	NA
Other Income	-	-	-	-	-	-	-	-	-
Investment in Equity shares during period	-	-	-	-	-	-	-	-	-
Security Deposit received on Lease Disbursal	-	-	-	-	-	-	-	-	-
Security deposit repaid / adjusted during year	-	-	-	-	-	-	-	-	-

The outstanding at the year end and the maximum during the year.

* Transactions during the year.

** Other Expenses includes Salary and reimbursement paid.



Micro Green Housing Finance Private Limited
Micro Green Housing Finance Private Limited
Notes to the financial statements for the year ended March 31, 2025

(Currency: Indian Rupees in lakh)

36. Schedule to the Balance Sheet of an HFC pursuant to annex III of Master direction Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021
36.01 Schedule to the Balance Sheet

Particulars		As at March 31, 2025	
	Liabilities side	Amount outstanding	Amount overdue
1	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid: a) Debentures: Secured Unsecured (other than falling within the meaning of public deposits*) b) Deferred Credits c) Term Loans d) Inter-corporate loans and borrowing e) Commercial Paper f) Public Deposits* g) Other Loans (Loan repayable on demand from banks) * Please see Note 1 below	- - - 1,256.78 - - - -	- - - 9.56 - - - -
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): a) In the form of Unsecured debentures b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security c) Other public deposits * Please see Note 1 below	- - -	- - -
	Assets side	Amount outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]: a) Secured b) Unsecured		1,788.10
4	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities i) Lease assets including lease rentals under sundry debtors a) Financial lease b) Operating lease ii) Stock on hire including hire charges under sundry debtors a) Assets on hire b) Repossessed Assets iii) Other loans counting towards asset financing activities a) Loans where assets have been repossessed b) Loans other than (a) above		- - - - - -
5	Break-up of Investments Current Investments Quoted i) Shares a) Equity b) Preference ii) Debentures and Bonds iii) Units of mutual funds iv) Government Securities v) Others (please specify) Unquoted i) Shares a) Equity b) Preference ii) Debentures and Bonds iii) Units of mutual funds iv) Government Securities v) Others (please specify)		- - - 500.00 - - - - - - - - -



(Currency: Indian Rupees in lakh)

	Assets side (Continued)	Amount outstanding		
	Long Term investments			
	Quoted			
	i) Shares			
	a) Equity			
	b) Preference			
	ii) Debentures and Bonds			
	iii) Units of mutual funds			
	iv) Government Securities			
	v) Others (please specify)			
	Unquoted			
	i) Shares			
	a) Equity	1.00		
	b) Preference			
	ii) Debentures and Bonds			
	iii) Units of mutual funds			
	iv) Government Securities			
	v) Others (please specify)			
6	Borrower group-wise classification of assets financed as in (3) and (4) above: (Please see Note 2 below)			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	Related Parties **			
	a) Subsidiaries	-	-	-
	b) Companies in the same group	-	-	-
	c) Other related parties	-	-	-
	Other than related parties	1,788.10	-	1,788.10
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : (Please see Note 3 below)			
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
	Related Parties			
	a) Subsidiaries	-	-	
	b) Companies in the same group	-	-	
	c) Other related parties	-	-	
	Other than related parties	500.79	500.00	
	** As per applicable Accounting Standard (Please see Note 3)			
8	Other information			
	Particulars	Amount		
	i) Gross Non-Performing Assets			
	a) Related parties			
	b) Other than related parties			
	ii) Net Non-Performing Assets			
	a) Related parties			
	b) Other than related parties			
	iii) Assets acquired in satisfaction of debt			
Notes:				
1. As defined in Paragraph 4.1.30 of these Directions.				
2. Provisioning norms shall be applicable as prescribed in these Directions.				
3. As per applicable Accounting Standards including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.				



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

37. Disclosure of details as required under annexure IV of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular Dated 17 February, 2021 & under Scale Based Regulation framework for NBFCs, Circular DOR.CRE.REC.No. 60/03.10.001/2021-22 Dated 21 October, 2022 & Circular DOR.ACC.REC.No.20221.0N.01822022-23 Dated 19 April, 2022

Particulars	As at March 31,	
	2025	2024
37.01 Capital to risk assets ratio (CRAR)		
CRAR (%)	130.88%	389.53%
CRAR - Tier I capital (%)	130.46%	389.38%
CRAR - Tier II Capital (%)	0.42%	0.14%
Amount of Subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-
37.02 Reserve Fund u/s 29C of NHB Act, 1987		
Balance at the beginning of the year		
a) Statutory Reserve under Section 29C of the NHB	-	-
b) Amount of Special Reserve under Section 36 (1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Total		
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred under Section 29C of the	-	-
b) Amount of Special Reserve under Section 36 (1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Less:		
a) Amount appropriated from Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special Reserve under Section 36 (1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision under Section 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
b) Amount of Special Reserve under Section 36 (1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Total		



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

37. Disclosure of details as required under annexure IV of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular Dated 17 February, 2021 & under Scale Based Regulation framework for NBFCs, Circular DOR.CRE.REC.No. 60/03.10.001/2021-22 Dated 21 October, 2022 & Circular DOR.ACC.REC.No.20221.0N.01822022-23 Dated 19 April, 2022

37.03 Investments

Particulars

I) Value of Investment

(i) Gross value of investments

(a) In India	501.00	287.84
(b) Outside India	-	-

(ii) Provisions for depreciation

(a) In India	-	-
(b) Outside India	-	-

(iii) Net value of investments

(a) In India	501.00	287.84
(b) Outside India	-	-

II) Movement of provisions held towards depreciation on investments

Opening balance

Add : Provisions made during the year

Less : Write-off / written-back of excess provisions during the year

Closing balance

-	-
-	-
-	-
-	-

37.04 Derivatives

As at March 31,
2025 2024

37.04.01 I) Forward rate agreement / interest rate swap

Particulars

i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the HFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps ^{\$}	-	-
v) The fair value of the swap book [@]	-	-

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

^{\$} Examples of concentration could be exposures to particular industries or swaps with highly geared companies.

[@] If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date.

37.04.02 II) Exchange traded interest rate (IR) derivatives

Particulars

i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
ii) Notional principal amount of exchange traded IR derivatives outstanding as on year end	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

37. Disclosure of details as required under annexure IV of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular Dated 17 February, 2021 & under Scale Based Regulation framework for NBFCs, Circular DOR.CRE.REC.No. 60/03.10.001/2021-22 Dated 21 October, 2022 & Circular DOR.ACC.REC.No.20221.0N.01822022-23 Dated 19 April, 2022

37.04.03 II) Disclosures on risk exposure in derivatives**Qualitative disclosure**

The company has not entered into any derivate/forward rate agreement/interest rate swap/exchange traded interest rate derivative during the Current year & Previous year, hence there is no qualitative disclosure.

Quantitative disclosure

Particulars	As at March 31, 2025	
	Currency Derivatives	Interest Rate Derivatives
Derivatives (notional principal amount)	-	-
Marked to market positions	-	-
Assets (+)	-	-
Liability (-)	-	-
Credit exposure	-	-
Unhedged exposures	-	-

Quantitative disclosure

Particulars	As at March 31, 2024	
	Currency Derivatives	Interest Rate Derivatives
Derivatives (notional principal amount)	-	-
Marked to market positions	-	-
Assets (+)	-	-
Liability (-)	-	-
Credit exposure	-	-
Unhedged exposures	-	-

- 37.05 **Disclosures relating to securitisation:**
During the Current year and Previous year the Company has not entered into any securitisation related deal / transaction, so disclosure related to this is not applicable.
- 37.06 **Disclosure of Restructured Accounts**
During the Current year and Previous year the Company has not restructured any accounts, accordingly disclosure related to this is not applicable.
- 37.07 **Details of non-performing financials assets purchased/sold:**
During the Current year and Previous year the Company has not entered into any transaction for purcashe or sale of NPA assets.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

37.

Disclosure of details as required under annexure IV of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular Dated 17 February, 2021 & under Scale Based Regulation framework for NBFCs, Circular DOR.CRE.REC.No. 60/03.10.001/2021-22 Dated 21 October, 2022 & Circular DOR.ACC.REC.No.20221.0N.01822022-23 Dated 19 April, 2022:(Continued)

37.08

Asset liability management

Maturity pattern of certain items of assets and liabilities As at March 31, 2025

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Banks	-	-	8.33	8.33	8.33	25.00	50.00	175.00	-	-	275.00
Market Borrowings	27.78	-	-	27.78	27.78	83.33	166.67	638.89	-	-	972.22
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	3.66	0.22	-	4.82	4.39	15.12	37.89	845.37	760.15	116.48	1,788.10
Investments	500.00	-	-	-	-	-	-	-	-	1.00	501.00
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of assets and liabilities As at March 31, 2024

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Banks	-	-	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	0.37	-	-	0.57	0.52	1.89	4.78	31.26	43.54	220.18	303.12
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

37. Disclosure of details as required under annexure IV of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular Dated 17 February, 2021 & under Scale Based Regulation framework for NBFCs, Circular DOR.CRE.REC.No. 60/03.10.001/2021-22 Dated 21 October, 2022 & Circular DOR.ACC.REC.No.20221.ON.01822022-23 Dated 19 April, 2022 : (Continued)

37.09 Exposure

i) Exposure to Real Estate Sector

Category	As at March 31, 2025	As at March 31, 2024
a) Direct exposure		
Residential mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	2,321.08	448.17
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 includes non-fund based (NFB) limits. (Note: Loans for third dwelling unit onwards are being classified as CRE exposure)	-	-
Investments in mortgage backed		
- Residential	-	-
- Commercial Real Estate	-	-
b) Indirect exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
Total exposure to Real Estate Sector	2,321.08	448.17

ii) Exposure to Capital Market

Particulars	As at March 31, 2025	As at March 31, 2024
a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
b) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
c) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
d) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
f) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
g) Bridge loans to companies against expected equity flows / issues	-	-
h) All exposures to Venture Capital Funds/Alternate Investment Funds (both registered and unregistered)	-	-
i) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-
j) Financing to stockbrokers for margin trading	-	-
k) All exposures to Alternative Investment Funds:		
i) Category I	-	-
ii) Category II	-	-
iii) Category III	-	-
Total exposure to Capital Market	-	-



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

37. Disclosure of details as required under annexure IV of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular Dated 17 February, 2021 & under Scale Based Regulation framework for NBFCs, Circular DOR.CRE.REC.No. 60/03.10.001/2021-22 Dated 21 October, 2022 & Circular DOR.ACC.REC.No.20221.0N.01822022-23 Dated 19 April, 2022 : (Continued)

37.10 Details of financing of parent company products:

The Company does not have parent company hence not applicable.

37.11 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the Company:

The Company has not exceeded prudential exposure limit as on reporting date.

37.12 Unsecured advances

The Company has not granted any advances against intangible collateral.

37.13 Exposure to group companies engaged in real estate business

The Company does not have group company hence not applicable.

Description	As at March 31, 2025	
	Amount	% of Owned Fund
i) Not applicable	-	-

37.14 Registration obtained from other financial sector regulators

The Company is registered with following regulators :

Regulator	Registration No.
i) Ministry of Company Affairs	CIN : U65999MH2022PTC378239
ii) Reserve Bank of India and National H	Registration No. DOR-00186 dated 08/03/2023
iii) Legal Entity Identifier	984500DDF44V06061E39

37.15 Disclosure of penalties imposed by RBI and other regulators

There was no penalty imposed on the Company by NHIB or any other regulator during the year ended March 31, 2025. (March 31, 2024: Nil).

37.16 Related Party Transactions

Details of all material transactions with related parties are disclosed in Note 35 to Financial Statements.

37.17 Group Structure

The Company does not have any subsidiary, associate or parent company.

37.18 Rating assigned by credit rating agencies

As on March 31, 2025 and March 31, 2024 the Company has not availed any rating from any credit rating agency.

37.19 Remuneration of Directors

FY 2024-2025

Name of Director	Remuneration
Bhavin Damania	17.60
Sominder Singh	21.00
Rajeev Panikath (Sitting fees)	0.30
Chandramohan Bhagavatula*	NIL
Deepak Kumar*	NIL

*Appointed effective March 18, 2025.

FY 2023-2024

Name of Director	Remuneration
Bhavin Damania	17.60
Sominder Singh	21.00



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

37. Disclosure of details as required under annexure IV of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular Dated 17 February, 2021 & under Scale Based Regulation framework for NBFCs, Circular DOR.CRE.REC.No. 60/03.10.001/2021-22 Dated 21 October, 2022 & Circular DOR.ACC.REC.No.20221.0N.01822022-23 Dated 19 April, 2022 : (Continued)

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

There are no prior period items that have impact on the current year's profit and loss. There are no changes in accounting policies during the year.

37.21 **Revenue Recognition**

There have been no instances in which revenue recognition have been postponed pending resolution of significant uncertainties.

37.22 **AS-21 Consolidated Financial Statements (CFS)**

The Company does not have any Subsidiary/Joint Venture/Associates as on March 31, 2025 hence not applicable

37.23 **Provisions and contingencies**

Breakup of provisions and contingencies shown under the head expenditure in the Statement of Profit and loss

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
i) Provision made for depreciation on investment	-	-
ii) Provision made towards non performing assets	-	-
iii) Provision made towards income tax	-	-
iv) Provision made for gratuity	3.13	2.05
v) Provision made for leave encashment	-	-
vi) Provision made for standard assets:	-	-
CRE	-	-
CRE-RH	-	-
Teaser Loan	-	-
Housing Loans	2.70	0.50
Non-Housing Loans	3.73	0.42

37.24 **Break up of Loan & Advances and Provisions thereon**

	As at March 31, 2025	
	Housing	Non Housing
i) Standard Assets		
Total Outstanding Amount	1,226.16	548.07
Provisions made	3.20	2.06
ii) Sub-Standard Assets		
Total Outstanding Amount	-	13.88
Provisions made	-	2.08
iii) Doubtful Assets – Category-I		
Total Outstanding Amount	-	-
Provisions made	-	-
iv) Doubtful Assets – Category-II		
Total Outstanding Amount	-	-
Provisions made	-	-
v) Doubtful Assets – Category-III		
Total Outstanding Amount	-	-
Provisions made	-	-
vi) Loss Assets		
Total Outstanding Amount	-	-
Provisions made	-	-
vii) Total		
Total Outstanding Amount	1,226.16	561.94
Provisions made	3.20	4.15



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

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Break up of Loan & Advances and Provisions thereon	As at March 31, 2024	
	Housing	Non Housing
i) Standard Assets		
Total Outstanding Amount	192.48	110.64
Provisions made	0.50	0.42
ii) Sub-Standard Assets		
Total Outstanding Amount	-	-
Provisions made	-	-
iii) Doubtful Assets – Category-I		
Total Outstanding Amount	-	-
Provisions made	-	-
iv) Doubtful Assets – Category-II		
Total Outstanding Amount	-	-
Provisions made	-	-
v) Doubtful Assets – Category-III		
Total Outstanding Amount	-	-
Provisions made	-	-
vi) Loss Assets		
Total Outstanding Amount	-	-
Provisions made	-	-
vii) Total		
Total Outstanding Amount	192.48	110.64
Provisions made	0.50	0.42

Note :

The category of Doubtful Assets will be as under:

Period for which the assets has been considered Doubtful	Category
i) Upto one year:	Category - I
ii) One to three years:	Category - II
iii) More than three years :	Category - III

Note: No Such instance are there for the year as assets are standard.

37.25 Draw down from reserves

There have been no drawdown from the reserves during the year.

37.26 Concentration of deposits, advances, exposures and NPA assets

Particulars	As at March 31, 2025	As at March 31, 2024
i) Concentration of public deposits		
Total deposits of twenty largest	-	-
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	0.00%	0.00%
ii) Concentration of Loans & Advances		
Total loans & advances to twenty largest borrowers	448.23	150.40
Percentage of loans & advances to twenty largest borrowers to Total Advances of the HFC	25.07%	49.62%
iii) Concentration of all Exposure (including off-balance sheet exposure)		
Total Exposures to twenty largest borrowers / Customers	1,695.45	150.40
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposure of the HFC on borrowers / Customers	55.86%	49.62%
iv) Concentration of NPAs		
Total Exposures to top ten NPA accounts	13.88	-



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

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37.26 Concentration of deposits, advances, exposures and NPA assets (Continued)

v) Sector-wise NPAs

Sectors	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2025	As at March 31, 2024
a. Housing Loans:		
i) Individual	-	-
ii) Builder/Project Loans	-	-
iii) Corporates	-	-
iv) Others	-	-
b. Non-Housing Loans:		
i) Individual	2.53%	-
ii) Builder/Project Loans	-	-
iii) Corporates	-	-
iv) Others	-	-

37.27 Movement in non-performing assets (NPAs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Net NPAs to net advances (%)	0.66%	-
(ii) Movement of NPAs (gross)		
(a) Opening balance	-	-
(b) Additions during the year	13.88	-
(c) Reductions during the year	-	-
(d) Closing balance	13.88	-
(iii) Movement of net NPAs		
(a) Opening balance	-	-
(b) Additions during the year	11.80	-
(c) Reductions during the year	-	-
(d) Closing balance	11.80	-
(iv) Movement of provisions for NPAs (excluding provision on standard assets)		
(a) Opening Balance	-	-
(b) Additions during the year	2.08	-
(c) Write off/write back of excess provision	-	-
(d) Closing balance	2.08	-

37.28 Overseas Assets

The Company does not own any overseas assets as on reporting date.

37.29 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	None
Domestic	Overseas
Nil	Nil



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

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37.30 Disclosure of Complaints

Summary information on complaints received by the HFCs from customers and from the Offices of Ombudsman (applicable in case included under The Reserve Bank – Integrated Ombudsman Scheme, 2021)

Details of customers complaints

Particulars	As at March 31, 2025	As at March 31, 2024
Complaints received by the Company from its customers		
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	14	1
c) No. of complaints redressed during the year	14	1
i) Of which, number of complaints rejected by the Company	-	-
d) No. of complaints pending at the end of the year	-	-
Maintainable complaints received by the Company from Office of Ombudsman		
e) Number of maintainable complaints received by the Company from Office of Ombudsman		
i) Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman		
ii) Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman		
iii) Of 5, number of complaints resolved after passing of A wards by Office of Ombudsman against the Company	NA*	NA*
f) Number of Awards unimplemented within the stipulated time (other than those appealed)		

* The Reserve Bank – Integrated Ombudsman Scheme, 2021 was not applicable to the Company for year ended March 31, 2025 and March 31, 2024.

The details of top five grounds of complaints received by the Company.

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
Year ended March 31, 2025					
Deliverable / Documents related	-	-	-100%	-	-
Refund/ charges related	-	1	100%	-	-
Sanction/ disbursement/ loan relate	-	3	100%	-	-
EMI/ rescheulement related	-	2	100%	-	-
Collection related	-	-	-	-	-
Others	-	8	100%	-	-
Total	-	14	100%	-	-

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
Year ended March 31, 2024					
Deliverable / Documents related	-	1	100%	-	-
Refund/ charges related	-	-	-	-	-
Sanction/ disbursement/ loan relate	-	-	-	-	-
EMI/ rescheulement related	-	-	-	-	-
Collection related	-	-	-	-	-
Others	-	-	-	-	-
Total	-	1	100%	-	-



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

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37.31 Disclosure of principal business criteria

"Housing finance Company" shall mean a Company incorporated under the Companies Act, 2013 that fulfils the following conditions:

- It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).
- Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

RBI vide its circular number RBI/2020-21/60/DOR.NBFC (HFC) CC.NO 118/03.10.136/2020-21 dated October 22,2020 defined the principal business criteria for HFCs

Particulars	As at March 31, 2025	As at March 31, 2024
i) Financial assets, in the business of providing finance for housing, to total assets (netted off by intangible assets)	65.05%	23.73%
ii) Housing finance to individuals to total assets (netted off by intangible assets)	34.35%	7.84%

Note : Company has received an extension from the RBI to achieve the Principal Business Criteria (PBC) by September 2025.

- 37.32 **Gold Loan** : The Company has not granted any loans against collateral of gold jewellery during the year (31 March, 2024: Nil).

- 37.33 The Company has not granted any loans against collateral of shares during the year.

- 37.34 **Disclosure Pursuant To The Reserve Bank Of India (Securitisation Of Standard Assets) Directions, 2021** (RBI Securitisation Assigned & Securitised Loans:

i) Securitisation transactions entered into by the HFC and outstanding.

Particulars	As at March 31, 2025	As at March 31, 2024
1) No of SPVs sponsored by the HFC for securitisation transactions	-	-
2) Total amount of securitised assets as per books of the SPVs sponsored	-	-
3) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	-	-
(i) Off-balance sheet exposures towards Credit Enhancements	-	-
(ii) On-balance sheet exposures towards Credit Enhancements	-	-
4) Amount of exposures to securitisation transactions other than MRR	-	-
(i) Off-balance sheet exposures towards Credit Enhancements	-	-
a) Exposure to own securitizations	-	-
b) Exposure to third party securitisations	-	-
(ii) On-balance sheet exposures towards Credit Enhancements	-	-
a) Exposure to own securitisations	-	-
b) Exposure to third party securitisations	-	-

ii) Details of Assignment transactions undertaken by HFCs

Particulars	As at March 31, 2025	As at March 31, 2024
1) No. of accounts	-	-
2) Aggregate value (net of provisions) of accounts assigned	-	-
3) Aggregate consideration	-	-
4) Additional consideration realized in respect of accounts transferred in earlier	-	-
5) Aggregate gain / loss over net book value	-	-

iii) The Company has not transferred or acquired, any stressed loans during the year ended March 31, 2025 (March 31, 2024: Nil).

iv) The Company has not acquired, any loans not in default during the year ended March 31, 2025 (March 31, 2024: Nil).



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

37. Disclosure of details as required under annexure IV of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular Dated 17 February, 2021 & under Scale Based Regulation framework for NBFCs, Circular DOR.CRE.REC.No. 60/03.10.001/2021-22 Dated 21 October, 2022 & Circular DOR.ACC.REC.No.20221.0N.01822022-23 Dated 19 April, 2022 : (Continued)
- 37.35 There are no adverse comments during the year on the Company made in writing by the Bank or NHB on regulatory compliances.
- 37.36 The Company does not have any joint ventures and overseas subsidiaries as on the reporting date.
- 37.37 The Company has not granted loans to its employees during the year.
- 37.38 The Company has not issued any structured products during the year.
- 37.39 **Disclosure of frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016**
As required by RBI Master Directions - Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016, the Company had reported fraud amounting to Rs. 5.50 Lakhs during year ended March 31, 2025 (March 31, 2024: Nil).
- 37.40 **Disclosure on liquidity risk as per Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies issued by Reserve Bank of India**

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

Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

ii) Top 20 large deposits and % of total deposits: N.A.

iii) Top 10 borrowings and forms % of total borrowings. : NA

iv) Funding Concentration based on significant instrument/product : NA

Name of the instrument/product	Amount	% of Total Liabilities

v) Stock Ratios:

- a) Commercial papers (CPs) as a % of total public funds, total liabilities and total assets - Nil
- b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets - 0%
- c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets - Nil

vi) Institutional set-up for liquidity risk management

The company has in place a board approved ALM Policy and Risk Management Policy. Further, the board of directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The company has in place an Asset Liability Committee (ALCO).



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

Disclosure of details as required under annexure IV of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular Dated 17 February, 2021 & under Scale Based Regulation framework for NBFCs, Circular DOR.CRE.REC.No. 60/03.10.001/2021-22 Dated 21 October, 2022 & Circular DOR.ACC.REC.No.20221.0N.01822022-23 Dated 19 April, 2022;

(Continued)

37.41 Sectoral exposure

Sectors	FY 2024-25			FY 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 off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
2.1	-	-	-	-	-	-
2.2	-	-	-	-	-	-
Total of Industry (2)	-	-	-	-	-	-
3. Services						
3.1	-	-	-	-	-	-
3.2	-	-	-	-	-	-
Total of Services (3)	-	-	-	-	-	-
4. Personal Loans						
4.1. Housing	1,751.74	-	-	261.52	-	-
4.2. Non Housing	569.34	13.88	2.44%	114.13	-	-
4.3. Others	0.36	-	-	-	-	-
Total of Personal Loans (4)	2,321.44	13.88	0.60%	375.65	-	-
5. Others	-	-	-	-	-	-
Total (1+2+3+4+5)	2,321.44	13.88	0.60%	-	-	-

Intra-group exposures

Particulars	FY 2024-25	FY 2023-24
i) Total amount of intra-group exposures	-	-
ii) Total amount of top 20 intra-group exposures	-	-
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.00%	0.00%

37.42 Divergence in Asset Classification and Provisioning

Details of divergence as per the table given below, if either or both of the following conditions are satisfied:

There has been no divergence in asset classification and provisioning requirements as assessed by NIIB during the year ended 31st March, 2025 and 31st March, 2024

a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period - Not Applicable

b) the additional Gross NPAs identified by RBI/NIIB exceeds 5 per cent of the reported Gross NPAs for the reference period - Not Applicable

Particulars	Amt
1. Gross NPAs as on March 31, 2025* as reported by the Company	Nil
2. Gross NPAs as on March 31, 2025 as assessed by the Reserve Bank of India/ NHB	
3. Divergence in Gross NPAs (2-1)	
4. Net NPAs as on March 31, 2025 as reported by the NBFC	
5. Net NPAs as on March 31, 2025 as assessed by Reserve Bank of India/ NHB	
6. Divergence in Net NPAs (5-4)	
7. Provisions for NPAs as on March 31, 2025 as reported by the NBFC	
8. Provisions for NPAs as on March 31, 2025 as assessed by Reserve Bank of India/ NHB	
9. Divergence in provisioning (8-7)	
10. Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2025	
11. Reported Net Profit after Tax (PAT) for the year ended March 31, 2025	
12. Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2025 after considering the divergence in provisioning	

Note : * March 31, 2025 is the close of the reference period in respect of which divergences were assessed.

37.43 Events after reporting date

There have been no significant events after the reporting date that require disclosure in these financial statements.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

38. Segment reporting

The Company is engaged in lending business. The Company provides mortgages loans namely, home loans, secured business loans and loans against properties. All other activities of the Company revolve around the main business. The Company has only one operating segment hence reporting under AS 17 is not required. The Board reviews the Company's performance as a single business. The Company's operation is within India only. There being only one segment, disclosure for operating segment is not applicable. Further, no clients individually accounted for more than 10% of the revenue in financial year.

39. Collateral & its repossession

The Company obtains assets by taking possession of collateral held as security against loans and advances and held at the year end. The Company's policy is to realise collateral on a timely basis. The Company does not use non-cash collateral for its operations.

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Housing Finance Company under SARFAESI act. In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but generally engages external or internal agents to recover funds generally at auctions to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and are treated as assets held for sale at (i) fair value less cost to sell or (ii) principal outstanding, whichever is less, at the repossession date.

The Company holds collateral to mitigate credit risk associated with financial assets. The main types of collateral are registered/cquitable mortgage property. The collateral presented relates to Loans.

The Company did not hold any assets for which no provision for recovery is recognised because of collateral at March 31, 2025. There was no change in the Company's collateral policy or collateral quality during the year.

40. Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve. The dilutive effect of outstanding options, if any, is reflected as additional share dilution in the computation of diluted earnings per share. The Company has not granted any options to its employees as at March 31, 2025 and March 31, 2024.

41. Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to Statement of Profit and Loss account. The Company has not written off any amount during the year ended March 31, 2025 and March 31, 2024.

42. Details of loans given, investments made and guarantee given covered u/s 186 (4) of the Companies Act, 2013

The Company has not given any loans or guarantees or made any investments to parties covered under section 186(4) of the Companies Act, 2013.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

43. Ageing of trade receivables

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled Dues	Not Due	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	> 3 years	
a) Undisputed - considered good	-	-	-	-	-	-	-	-
b) Undisputed - considered doubtful	-	-	-	-	-	-	-	-
c) Disputed - considered good	-	-	-	-	-	-	-	-
d) Disputed - considered doubtful	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled Dues	Not Due	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	> 3 years	
a) Undisputed - considered good	-	-	-	-	-	-	-	-
b) Undisputed - considered doubtful	-	-	-	-	-	-	-	-
c) Disputed - considered good	-	-	-	-	-	-	-	-
d) Disputed - considered doubtful	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Note: Ageing of the trade receivables is determined from the date of transaction till the reporting date.

44. Ageing of trade payables

As at March 31, 2025

Particulars	Outstanding for the following period from due date of payments						Total
	Unbilled Payables	Payables Not Due	< 1 year	1 - 2 years	2 - 3 Years	> 3 years	
a) MSME	-	-	-	-	-	-	-
b) Others	-	11.87	5.74	-	-	-	17.61
c) Disputed - MSME	-	-	-	-	-	-	-
d) Disputed - Others	-	-	-	-	-	-	-
Total	-	11.87	5.74	-	-	-	17.61

As at March 31, 2024

Particulars	Outstanding for the following period from due date of payments						Total
	Unbilled Payables	Payables Not Due	< 1 year	1 - 2 years	2 - 3 Years	> 3 years	
a) MSME	-	-	-	-	-	-	-
b) Others	-	12.81	5.82	-	-	-	18.63
c) Disputed - MSME	-	-	-	-	-	-	-
d) Disputed - Others	-	-	-	-	-	-	-
Total	-	12.81	5.82	-	-	-	18.63

Note: Ageing of the trade payables is determined from the date of transaction till the reporting date.



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

45. Liquidity Coverage Ratio (LCR) Disclosure

During the Current year and Previous year the Company's asset size is less than 5,000 crore, accordingly disclosure related to this is not applicable.

46. Loans to Directors, Senior Officers and Relatives of Directors

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

47. Ratios

Ratio	Ratio as on	Ratio as on	Variation	Change of more than 25% if any and remarks
	31-Mar-25	31-Mar-24		
Current Ratio(Current Assets / Current Liabilities)	372%	6769%	-94%	Current ratio is lower than the previous year is due to reduction in cash & cash equivalent and increase in borrowings.
Debt-Equity Ratio(Debt / Equity)	55%	0%	100%	Debt equity ratio is higher than previous year due to borrowings taken in current year.
Debt Service Coverage Ratio(Net Operating Income / Debt Service)	-388%	-503729%	-100%	Debt service coverage ratio is lower than previous year due to increase in loss.
Return on Equity Ratio(Profit after tax less pref. Dividend x 100 / Shareholder's Equity)	-11%	-3%	-305%	Return on equity ratio is higher than previous year due to increase in loss.
Inventory Turnover Ratio(Cost of Goods Sold / Average Inventory)	NA	NA	NA	NA
Trade Receivables Turnover Ratio(Net Credit Sales / Average Trade Receivables)	NA	NA	NA	NA
Trade Payables Turnover Ratio(Net Credit Purchases / Average Trade Payables)	NA	NA	NA	NA
Net Capital Turnover Ratio(Revenue / Average Working Capital)	61%	21%	194%	Net Capital Turnover Ratio is higher than the previous year is Due to Increase in Revenue
Net Profit Ratio(Net Profit / Net Sales)	-71%	-34%	-109%	Net profit ratio is lower than the previous year Due to Increase in Loss
Return on Capital Employed(EBIT / Capital Employed)	-6%	-3%	-138%	Return on Capital Employed is lower than the previous year Due to Increase in Loss
Return on Investment(Net Profit / Net Investment)	-11%	-3%	-305%	Return on Investment is lower than the previous year Due to Increase in Loss



Micro Green Housing Finance Private Limited

CIN : U65999MH2022PTC378239

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

(Currency: Indian Rupees in lakh)

48. Additional Regulatory Information

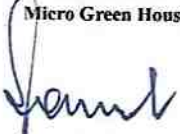
- 48.01 There is no such immovable property whose title deeds are not held in the name of the Company.
- 48.02 There are no investment property as on March 31, 2025 and as on March 31, 2024.
- 48.03 The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- 48.04 The Company has not revalued its Intangible assets based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- 48.05 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment : Nil.
- 48.06 No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactionsn (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 48.07 The Company has taken borrowings from banks or financial institutions on the basis of security of current assets.
- 48.08 The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- 48.09 No Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956: As on March 31, 2025 and As on March 31, 2024.
- 48.10 No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- 48.11 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 48.12 No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- 48.13 Utilisation of Borrowed funds and share premium
- (a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:-
- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :-
- (i) 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
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 48.14 There are no such transaction or undisclosed income that need to be disclosed in accordance with this provision of Income Tax Act, 1961. (March 31, 2024: Nil).
- 48.15 The Company has not traded or invested in Crypto currency or Virtual Currency during the Current year and Previous year.
- 48.16 There was no income and expenditure of exceptional nature during the year ended March 31, 2025 (March 31, 2024: Nil).
- 48.17 During the year ended March 31, 2025, There were no breaches of loan covenants for facilities availed from lenders and During the year ended March 31, 2024, there was no breach in covenants of compulsory convertible debentures.
49. The previous year figures have been reclassified/regrouped/restated to conform to current year's classification.

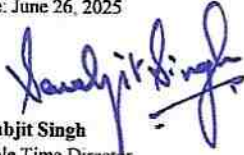
As per our report of even date attached
For M G B & CO LLP
Chartered Accountants
FRN No. 101169W/W100035


Divaker Sudesh Bansal
Memership No. 409797
Place: Mumbai
Date: June 26, 2025



For and on behalf of the Board of Directors of
Micro Green Housing Finance Private Limited


Sominder Singh
Managing Director and CEO
DIN : 09532436
Place: Mumbai
Date: June 26, 2025


Sarabjit Singh
Whole Time Director
DIN : 10913954
Place: Mumbai
Date: June 26, 2025


Bhavin Damania
Executive Director
DIN : 09532435
Place: Mumbai
Date: June 26, 2025





ANNUAL REPORT

Financial Year 2024 - 2025

www.microgreenhf.com

Micro Green Housing Finance Private Limited