

## DIRECTORS' REPORT

Dear Members,

Your Company, SEWA Grih Rin Limited (SITARA) is a Housing Finance Company registered with National Housing Bank (“NHB”) and regulated & controlled by Reserve Bank of India (RBI) and supervised by NHB. SITARA is engaged in providing housing finance to lower income segment of the society. Your Directors are pleased to present the Eleventh Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2022.

### 1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY

PARTICULARS	2021-2022 (INR in Crore)	2020-2021 (INR in Crore)
Sales and Other Income	54.34	46.80
Operating Profit (PBIDT)	21.94	26.81
Interest Cost	15.37	16.75
Profit before Depreciation (PBDT)	6.57	10.06
Depreciation	0.88	0.77
Profit before Tax	5.69	9.30
Provision for Taxation	0.21	0.00
Profit after Tax	5.48	9.30

#### 1.1. Financial Ratios

The main Financial Ratios of the Company are;

	FY 2021-22	FY 2020-21
Earning per share (EPS)	0.99	1.69
Capital to Risk Asset Ratio (CRAR)	53.41%	66.21%
Net Debt Equity Ratio (DE Ratio)	1.92	1.52
Net Owned Fund (NOF)	121.33	116.39

#### 1.2. NET WORTH

As of March 31, 2022, the net worth of your Company stood at INR 122.21 crore compared to INR 117.14 crore on March 31, 2021. The increase is on account of PAT of INR 5.48 crore in the year 2021-22.

#### 1.3. RATING UPGRADES

During the year, Company's Credit Rating for long term bank facilities was reaffirmed as CRISIL BBB (Outlook Stable) in March, 2022. The amount was enhanced from INR 110 crore to INR 180 crore.

Also, the Company has obtained rating of CRISIL A3+ for its short-term bank facilities. The Instruments with this rating are considered to have moderate credit risks w.r.t. timely servicing of financial obligation.

#### **1.4. STABLE ASSET QUALITY**

- Gross non-performing loans as on March 31, 2022 amounted to INR 2.84 crore. This is equivalent to 0.89 % of the portfolio
- Net non-performing loans as on March 31, 2022 amounted to INR 2.29 crore. This is equivalent to 0.72% of the portfolio
- The Company has a prudent approach to creating loan provisions and carries total provisions across standard assets, sub-standard asset and restructured assets of INR 3.05 crore. The provision made for restructured assets is of around INR 1.56 crore.
- Total provision for NPA to gross NPAs is around 19.34%
- An experienced underwriting team and the in-house sourcing and collection teams ensure control over loan sourcing, credit appraisal and portfolio quality.

#### **1.5. BORROWINGS**

The Company has obtained approval for borrowings upto INR 400 crore vide special resolution passed by shareholders at their Annual General Meeting held on 27<sup>th</sup> September 2019, under Sections 180(1)(c) read with 180(1)(a) of the Companies Act, 2013 or other applicable provisions and has authorised the Board of Directors to raise or borrow any sum or sums of money (including non-fund-based facilities) by way of loan(s).

As on March 31, 2022, the Company's outstanding bank loans stood at INR 235.14 crore (including INR 47.15 crore of total refinance received from NHB under various schemes and INR 81.55 crore of outstanding ECB loan) vis-à-vis INR 177.7 crore (including INR 18.8 crore of NHB refinance and INR 13.6 crore under NHB LIFT Scheme) as on March 31, 2021.

United States International Development Finance Corporation (erstwhile OPIC) sanctioned of ECB of USD 30 million in Aug 28, 2019. This is a Fixed Rate 15-year ECB loan, competitively priced at 4.38%. This will help the Company in not only reducing its cost of debt and but also in improving the ALM profile. The sanction validates the Company's strength and augurs well for a long-term pipeline of funds.

The Company has not issued any Convertible or Non-Convertible Debentures. Hence, no disclosures are required to be made.

#### **1.6. UPDATE ON RESTRUCTURING**

The second wave of COVID-19 caused devastation which compounded the social and economic well-being of the country. The sharp surge in cases across the country overwhelmed the health infrastructure, with people left scrambling for hospital beds, critical drugs, and oxygen.

The second wave of the COVID-19 pandemic and the consequent lockdowns have had an extended impact on the Company's target segment, more than any other, as daily wage earners and other informal economy workers have been the hardest hit by the crisis.

The management ensured that people's safety took priority over other all else and kept the lines of communication open so that help could be rendered whenever needed. Employees were instructed to follow all COVID 19 related protocols and work from home wherever possible. The Company received full support of all the employees. Branch staff worked with extraordinary will to reach out to the borrowers to aid them in whatever way possible. The Board provided crucial support and guidance to the management in implementing employee health and safety friendly measures.

Also, with a view to ease the financial burden on the borrowers due to resurgence of the pandemic, the Company decided to offer restructuring benefits, in line with RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021, to all its borrowers who lost their jobs/livelihood. Assessment was made on monthly basis to identify new borrowers to whom restructuring benefit was to be extended. The Company came up with a "Loan Restructuring Policy 2.0" within the framework provided by RBI. 543 accounts aggregating to around INR 16 crore were restructured during the year based on the provisions of Loan Restructuring Policy 2.0. The Company is making provision @ 10% on such restructured loans.

## **2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India for Housing Finance Companies, a detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## **3. STATE OF COMPANY'S AFFAIRS**

SEWA Grih Rin Limited ended FY 2021-22 with cumulative Portfolio outstanding of INR 320.77 crore and around 11900 loans. The business was impacted on account of COVID-19 pandemic. The Company sanctioned around 3144 loans aggregating to INR 108.46 crore during the FY 22. The total disbursement during the FY 22 is around INR 80.95 crore including around 2659 new loans. The company posted a modest growth of around 27.5% in the loan book. but a 41% fall in the Net profit in FY 22.

During the year under reporting, initially the focus of the Company was to help its customers face the challenges imposed by the pandemic. Branch officials were engaged in educating the customers regarding the safety precautions and if necessary help them with basic ration supplies. Later on, the

customers were informed about the Company's policies of granting moratorium and restructuring benefits. Once the lockdown was lifted, the focus shifted to collection of dues to ensure that the financial implication on interest capitalisation was reduced to the maximum possible extent. During the second half of the FY 2021-22, the focus shifted back to advancing loans to worthy customers and collection of dues.

#### **4. PUBLIC DEPOSITS**

In accordance with the National Housing Bank Act, 1987, your Company is a non-deposit taking Housing Finance Company and has resolved in the Board meeting held on 21<sup>st</sup> June, 2014 that it shall not accept public deposits as per the license provided by National Housing Bank.

During the year, your Company did not accept any public deposits within the meaning of section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of deposits) Rules, 2014 and amendment made thereunder.

#### **5. RESERVE BANK OF INDIA (RBI) REGULATIONS/ DIRECTIONS**

As per the powers delegated by the Government of India, the Reserve Bank of India (RBI) vide Notification No. RBI/2019-20/98 DOR NBFC (PD) CC.No.105/03.10.136/2019-20 dated November 11, 2019, has directed that the Housing Finance Companies (HFCs) shall be regulated & controlled by RBI. Further, the RBI also has powers to issue directions, regulations or guidelines for the monitoring and control of Housing Finance companies as and when applicable. Based on these powers, RBI has issued various notifications/directions for controlling/maintaining adequate liquidity position for HFCs vide above Notifications/directions issued by RBI. The HFCs are also monitored and regulated by RBI through the NHB and/or direct orders issued to the HFCs from time to time.

As per the RBI Circular no. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 on Covid-19 regulatory package, the Company has adopted Policy on Moratorium/ deferment (in line with COVID-19- Regulatory Package released by RBI on March 27, 2020), duly approved by the Board of Directors on 6th April, 2020.

Further, the requirements pursuant to the latest amendments circulated by Reserve Bank of India vide Circular No. RBI/2020-21/73 DOR. FIN. HFC. CC. No.120/03.10.136/2020-21, dated February 17, 2021- Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, are also being complied with by the Company.

During the year under review your Company has complied with all regulatory notifications, guidelines, circulars, rules and directions laid down by the Reserve Bank of India (RBI) with respect to the Foreign Direct Investment through the Automatic Route. No Fines/Penalties has been levied by the RBI during the year 2021-22. During the FY 2021-22 the Company has duly filed/submitted Foreign Liabilities and Assets Annual Return with RBI in the month of July, 2022, within the stipulated time-limit.

## **6. NATIONAL HOUSING BANK REGULATIONS**

Your Company is having a valid NHB License for carrying on business of Housing Finance Company, bearing registration certificate No. 01.0118.15, dated 24th January 2015, and further the Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010 and RBI Directions issued, as applicable. Various inspection observations of NHB were satisfactorily complied and resolved and reported to the Board.

As per the NHB Directions, 2010 and various Circulars/ Guidelines/ Notifications issued thereunder your Company has duly complied and submitted all the required monthly/ quarterly/ half yearly NHB reports/ returns, intimation of opening/closing (shifting/relocation) within prescribed time-limit during the FY 2021-22.

The Company being a financial institution is also registered for taking SARFAESI Action under SARFAESI Act and the same has been notified by National Housing Bank.

## **7. FAIR PRACTICE CODE, KYC NORMS AND ANTI MONEY LAUNDERING STANDARDS**

The Company continued to ensure that Fair Practice Code, KYC Norms and Anti Money Laundering (AML) Standards as per the guidelines issued by the NHB/RBI from time to time are invariably adhered to and duly complied by the Company. The Company has put in place board approved robust KYC & AML policy for compliance by the branches. The revised KYC & AML policy was placed & approved by the Board of Directors at their meeting held on 17<sup>th</sup> August, 2021.

## **8. DIVIDEND**

In view of proposed expansion plan, your Directors do not recommend payment of any dividend for the year ended 31<sup>st</sup> March 2022.

## **9. CAPITAL ADEQUACY AND TRANSFER TO RESERVES**

During the financial year, the Company has earned the profit of INR 5.48 crore. There was a shortfall in amount of funds transferred to statutory reserve in FY21 in terms of Section 29C of the National Housing Bank Act, 1987. The shortfall amount of INR 0.87 crore has now been transferred to statutory reserve in addition to 20% of profit of the current year. The total amount transferred to the Statutory Reserve created under section 29C of National Bank Act, 1987 is INR 1.97 crore. The total reserves as on 31<sup>st</sup> March, 2022 stood at INR.3.23 crore.

The Capital Adequacy (CRAR) as on 31<sup>st</sup> March, 2022 stood at 53.41%.

## **10. SHARE CAPITAL OF THE COMPANY**

Your Company's capital structure as at March 31, 2022 is given in the below table:

Share Capital	Amount in ₹ Crore
Authorized Share Capital (8,00,00,000 Equity Shares of ₹ 10 each and 2,40,00,000 Preference Shares of ₹ 10 each)	104.00
Issued, Subscribed and Paid-up Share Capital (5,51,53,217 Equity Shares of ₹ 10 each and 2,28,57,140 Compulsory Convertible Preference Shares (CCPS) of ₹ 10 each)	78.01

#### **10.1 Changes in Capital Structure and Shareholding position:**

There were no changes in the Capital Structure and Shareholding pattern of the Company during the financial year 2021-22.

#### **10.2 Issue of Employee Stock Options**

There were no Employee Stock Options (ESOP) granting during the financial year.

#### **10.3 Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees**

Your Company has not made any provisions or provided any scheme for its employees to purchase its own shares.

#### **10.4 Issue of Equity Share Capital**

Your Company has not issued any Equity Shares during the current financial year.

#### **10.5 Transfer of Shares**

There were no share transfers during the current financial year.

#### **10.6 Duplicate Share Certificate**

No duplicate share certificates were issued during the year under review.

#### **10.7 Dematerialisation of Shares**

The Equity Shares and Compulsorily Convertible Preference Shares (CCPS) of the Company are available for dematerialization with both depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with ISIN No: INE772R01010 and ISIN No: INE772R03016. As on 31st March, 2022, All the Equity shares and Compulsorily Convertible Preference Shares (CCPS) of the Company representing of a total of 5,51,53,217 Equity Shares and 2,28,57,140 Compulsorily Convertible Preference Shares (CCPS) were held in

dematerialized form. The Company has filed prescribed report in this regard with the Registrar of Companies.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company has a healthy blend of executive and non-executive directors which ensures the desired level of independence in functioning and decision making.

### A) Retirement by rotation

In accordance with the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Renana Jhabvala (DIN: 01106825) and Ms. Manjiree Sureshchandra Jaitly (DIN: 05222441), retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. Your Directors recommend their re-appointment as Director of your Company.

### B) Changes in Directors

The Board of directors of the Company vide its meeting held on 13<sup>th</sup> August, 2021 had appointed Mr. Raj Vikash Verma (DIN: 03546341) as an additional Director in the capacity of Independent Director of the Company and his appointment was regularized in the 10<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2021.

Apart from the above, the Board of directors of the Company vide circular resolution passed on 24<sup>th</sup> October, 2021 had appointed Ms. Shilpa Naval Kumar (DIN: 02404667) as an Additional Director representing Omidyar Network Fund, INC on the Board.

The following Directors had resigned/ceased from the Board of the Company during the period under report:

S. No.	Name of Directors	Effective date of resignation
1.	Ms. Shreya Deb	28/05/2021
2.	Mr. Srinivasan Sridhar	31/07/2021

Apart from the above, there was no other change in the Directors during the year.

The shareholding of Directors as on 31st March, 2022 is as follows:

S. No.	Name of Directors	No of shares
1	Ms. Renana Jhabvala	502

### C) Appointment of Key Managerial Person

There was no change in Key Managerial Person during the current financial year.

### D) Remuneration to Directors

During the year, the Company has not paid any remuneration to Non-Executive Directors. However, sitting fees of INR 6,59,450/- has been paid to the Independent Director during the year as per the provisions of Companies Act, 2013.

### E) Fit & Proper Declarations

During the FY 2021-22 as per NHB Corporate Governance Directions / applicable RBI directions, the Company has obtained Fit & Proper declarations, Deed of Covenants and various other Declarations duly signed by all the Directors of the Company.

## 12. PARTICULARS OF EMPLOYEES

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure-A**.

## 13. BOARD MEETINGS

During the year under review the Board of Directors met periodically/as and when required to deliberate various issues, policy matters, take suitable decisions etc.

During the period, 8 (Eight) Board Meetings were duly conducted as per the provisions of the Companies Act, 2013. Details of Board Meeting convened are given below:

S. No.	Quarter	Meeting held on
1.	April, 2021 to June, 2022	27 <sup>th</sup> April, 2021, 27 <sup>th</sup> May, 2021 & 24 <sup>th</sup> June, 2021
2.	July, 2021 to September, 2021	13 <sup>th</sup> August, 2021
3.	October, 2021 to December, 2021	26 <sup>th</sup> October, 2021 & 23 <sup>rd</sup> November, 2021
4.	January, 2022 to March, 2022	2 <sup>nd</sup> February, 2022 & 07 <sup>th</sup> March, 2022

## 14. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES

The Company has no Subsidiaries, Associates and Joint Ventures. Hence, no disclosures are required to be made by the Company.

## 15. AUDITOR'S & AUDITORS REPORT



M/s S.S Kothari Mehta & Co. Chartered Accountants (ICAI Firm Registration No. 000756N), were appointed as the Statutory Auditors of the Company in the Tenth Annual General Meeting of the Company held on 30<sup>th</sup> September 2021, for a period of one year i.e. for the financial year 2020-21 as it was a case of Casual Vacancy which arised due to the resignation of the existing Statutory Auditor, M/s MSKA & Associates, Chartered Accountants.

On the recommendation of the Audit Committee of the Company, The Board of the Directors has recommended the appointment of the M/s S.S Kothari Mehta & Co., Chartered Accountants for term of 4 years i.e. upto FY 2025-2026, subject to the approval of the shareholders at the ensuing AGM.

In this context, the Statutory Auditors (M/s S.S Kothari Mehta & Co.) have submitted the consent letter and eligibility certificate dated 25<sup>th</sup> August, 2022, showing their eligibility and consent to act as statutory auditors of the Company.

The Report given by M/s S.S. Kothari Mehta & Company, Chartered Accountants, Statutory Auditors on the financial statement of the Company for the year 2021-22 is part of the Annual Report.

The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation. No frauds have been reported by the Auditors of the Company in terms of Section 143(12) of the Companies Act, 2013.

## **16. SECRETARIAL AUDIT COMPLIANCE**

The Board of Directors of the Company, at its meeting held on 27<sup>th</sup> April, 2021, re-appointed M/s Neelam Gupta & Associates, Company Secretaries, Delhi, (having Membership Number– FCS 3135 and Certificate of Practice Number 6950) as Secretarial Auditor, pursuant to section 204(1) of Companies Act, 2013. The Secretarial audit report for FY 2021-22 is annexed to this report as **Annexure-B**. There are no qualifications or adverse remarks in the Secretarial Audit Report for the F.Y. 2021-22.

## **17. COST RECORDS**

The Company is not required to make and maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.

## **18. 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**

Management believes that it has fully considered all the possible impact of known events arising from Covid-19 pandemic in the preparation of the financial results. However, the impact assessment of

Covid-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the company which would render any amount stated in financial statements misleading.

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

#### **19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The company has not given any Loans, guarantees and/ or made any investments covered under section 186 of the Act.

#### **20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188**

The relevant particulars and details of the company in respect of contracts or arrangements with related parties referred to in section 188(1) of the Act are attached herewith in Board's Report in **Form AOC-2 (Annexure-C)**.

#### **21. RELATED PARTY TRANSACTIONS**

No related party transaction was entered into by the Company, during the financial year. Also, there are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Further, Policy for Dealing with Related Party Transactions and materiality of Related Party Transactions is enclosed as Annexure -D and is also available on the website of the Company(<https://www.sgrlimited.in/>).

Apart from payment of sitting fees to Independent Directors, there is no pecuniary relationship or transactions of the Independent/Non-Executive Directors. The details with respect to the related party transactions are mentioned in the notes to the audited financial statements for the financial year ended March 31, 2022.

#### **22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO**

Statement giving the details of conservation of energy, technology absorption and foreign exchange earning & outgo in accordance with requirements of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, is as follows:

##### **22.1 Conservation of energy**

Disclosures regarding conservation of energy are not required as the Company is not energy intensive and requires electricity for general office purposes.

## 22.2 Technology absorption, adoption and innovation

Particulars required under Rule 8(3)(B) Companies (Accounts) Rules, 2014, have not been given since the company has no Research & Development activity; the point regarding technology absorption, adoption or innovation is not applicable to our company.

## 22.3 Foreign exchange earnings and outgo

The foreign exchange earnings and outgo during the year as follows: -

Foreign Exchange Earning	Nil
Foreign Exchange Outgo	INR 8.96 crore

## 23. CORPORATE SOCIAL RESPONSIBILITY

No disclosures on Corporate Social Responsibility are required as provision under Section 135 of the Companies Act, 2013 and Rules made thereunder are not applicable on the Company.

## 24. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In terms of Section 177(9) of the Companies Act, 2013 and Rule 7 Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors has put in place a Vigil Mechanism and adopted a Whistle Blower Policy to provide for adequate safeguards against victimization of employees and Directors who may avail of the vigil mechanism/ whistle blower by directly sending mail to the Chairman of the Audit Committee.

This policy has been displayed on the website of the Company. Hence, the Company has complied with the provisions of the Act and RBI/ NHB Directions.

## 25. HUMAN RESOURCE MANAGEMENT

Building on the human capital is an essential step in laying the foundation of a long-term development progress. We believe that employees are our most valuable assets and constitute one of the key pillars of its strategy. We have built system in place to attract, develop, retain and reward the best talent. We are committed to provide safe work environment, robust process of learning and development to drive capability building, productivity improvement, and enhancement of skill-sets for all employees, cutting across verticals and hierarchy. The HR team works at continuously improving employee connect and employee engagement across the country to foster inclusivity, and originality across our locations pan India.

The health and well-being of our employees is a priority for us. We have launched SITARA – We Care Programme that caters to our employees and their families. Employees were periodically notified on

health and safety measures to be taken to avoid contracting the virus, and tips to build their immunity, organized cancer screening, vaccination camps etc.

As on 31st March 2022, the Company had 503 on roll employees at various locations. We are actively promoting diversity and inclusion in the organization with a female ratio of 12%. Your Board would like to make a special mention about the competence, hard work, solidarity, co-operation, support and commitment of the employees at all levels, who caused achievement of several milestones in the growth of the Company.

We believe in employee empowerment and our efforts are focused on creating a happy and healthy work environment. Further, people practices have been developed, aimed at increasing welfare, ensuring well-being, and improving work-life balance.

## **26. INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company ensures prevention, prohibition and Redressal of Sexual Harassment complaints at workplace, as per the policy and procedure with the approval of Nomination & Remuneration Committee (NRC) pursuant to provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has duly implemented the NRC approved Anti-Sexual Harassment Policy. The Company has set up an Internal Complaints Committee with a majority Women Employees for looking into any such complaints or reports. This Committee will conduct the inquiry and determine the sanctions, if any, and report to the NRC. No complaints were received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in FY 2021-22.

## **27. NOMINATION AND REMUNERATION COMMITTEE OF DIRECTOR U/S 178 OF THE ACT**

As on the date of this Report, the Committee comprises of four Directors namely Ms. Renana Jhabvala, Mr. R.V. Verma, Mr. Sanjay Kaul and Mr. Rajat Arora. Mr. Sanjay Kaul and Mr. R.V. Verma are Independent Directors. The Committee meets periodically as and when required.

The Nomination and Remuneration Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013. During the year under review, the Committee met two times as below:

<b>Sr. No.</b>	<b>Date of Meeting</b>
1.	8 <sup>th</sup> July, 2021 and adjourned meeting held on 13 <sup>th</sup> July, 2021
2.	27 <sup>th</sup> August, 2021
3.	7 <sup>th</sup> October, 2021
4.	14 <sup>th</sup> December, 2021

## 28. BOARD EVALUATION

### FORMAL ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS UNDER SECTION 134(3)(P) AND RULE 8(4) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

Performance Evaluation of the Board as a whole, as well as that of its Committees, Independent Directors and Non-Independent Directors was done in accordance with the relevant provisions of the Act read with relevant rules made thereunder.

The evaluation of the performance of the Board is based on the approved criteria which includes effectiveness of the Board and its committees, decision making process, Directors/members participation, governance, independence, quality and content of agenda papers, team work, frequency of meetings, discussions at meetings, corporate culture, contribution, role of the Chairman and management of conflict of interest.

The manner in which formal annual evaluation of the Board, its Committees and individual Directors are conducted includes:

- The Independent Directors, at their separate Meeting review the performance of Non-Independent Directors, the Board as a whole and Chairperson.
- In light of the criteria prescribed for the evaluation, the Board analyses its own performance, that of its Committees and each Director during the year and suggests changes or improvements, if required.
- The performance evaluation of Independent Directors of the Company is carried out by the Board of Directors of the Company excluding the Director being evaluated.

The Board of Directors has expressed their satisfaction with the evaluation process.

## 29. AUDIT COMMITTEE

The Company has adequately qualified and independent Audit Committee. As on the date of this Report, Audit Committee comprises of three Directors: Mr. R.V. Verma, Mr. Manish Thakkar and Mr. Sanjay Kaul. Two of the three members on the Committee are independent directors.

The Audit Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013. During the year under review, the Committee met five times as below:

Sr. No.	Date of Meeting
1.	28 <sup>th</sup> July, 2021
2.	27 <sup>th</sup> August, 2021
3.	16 <sup>th</sup> December, 2021
4.	29 <sup>th</sup> March, 2022

The meetings of Audit Committee are also attended by the Auditors, if required as special invitees. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Committee.

### **30. ASSETS & LIABILITIES MANAGEMENT COMMITTEE**

The Company has duly implemented the NHB's Asset Liability Management (ALM) Guidelines applicable to HFCs. The ALCO Committee ensures that the liquidity and interest-rate risks are contained within the limits laid down by the NHB. During the Financial Year 2021-22, Six meetings of the Committee were held on following dates:

<b>Sr. No.</b>	<b>Date of Meeting</b>
1.	29 <sup>th</sup> April, 2021
2.	28 <sup>th</sup> May, 2021
3.	24 <sup>th</sup> June, 2021
4.	26 <sup>th</sup> August, 2021
5.	8 <sup>th</sup> October, 2021
6.	27 <sup>th</sup> December, 2021

### **31. STATEMENT ON RISK MANAGEMENT OF THE COMPANY**

Risk Management is an integral part of Company's business strategy. In line with RBI/NHB Regulations, the Company has a Board approved Risk Management Policy and a Board Level Committee, i.e. Risk Management Committee to oversee the Risk management function.

As on the date of this Report, Risk Management Committee comprises of Five Directors of the Company: Ms. Renana Jhabvala, Ms. Manjiree Jaitly, Mr. David Smith, Mr. Anirudh Sarda and Ms. Shruti Gonsalves. This Committee reports to the Board of Directors of the Company.

During the Financial Year 2021-22, Four meetings of the Committee were held on following dates:

<b>Sr. No.</b>	<b>Date of Meeting</b>
1.	20 <sup>th</sup> July, 2021
2.	29 <sup>th</sup> September, 2021
3.	19 <sup>th</sup> November, 2021
4.	13 <sup>th</sup> January, 2022

### **32. COMPOSITION OF IT STRATEGY COMMITTEE**

The Company has duly constituted IT Strategy Committee as per the NHB guidelines/RBI Directions, which consists of Mr. Sanjay Kaul, Independent Director as Chairperson of the Committee, Mr. Manish Thakkar- Director, Ms. Manjiree Jaitly-Director, Ms. Shruti Gonsalves- MD & CEO, Mr. Somesh Tewari-COO and designated Chief Technical Officer (CTO), Mr. Nagendra Nath Saxena- CFO and designated Chief Information Officer (CIO), Mr. Vimal Kant Arora- (GM-MIS, IT & Operations) are

members as on 31st March, 2022. Further, during the period under review 2 (two) meetings of IT Strategy Committee were held on 23<sup>rd</sup> April 2021 and 25<sup>th</sup> October 2021 which was attended by Members of the Committee as aforesaid.

### **33. REPORTING ON VARIOUS CORPORATE GOVERNANCE REGULATIONS & COMPLIANCES UNDER THE COMPANIES ACT, 2013:**

#### **Company's Philosophy on Code of Governance**

Company's philosophy on code of governance is to ensure fairness, transparency, accountability, credibility and responsibility to all stakeholders. The company is committed to good corporate governance i.e. to achieve business excellence and add shareholder value following desired disclosure practices and sound decision-making achieved through harmonious interactions amongst the board of directors and senior management. Transparency is the key guiding principal for all decisions, transactions and policy matters.

#### **a) Filing the Annual Return as per section 134(3)(a):**

During the year 2021-22, Annual General Meeting (AGM) for the financial year 2020-21 was duly held on 30th September, 2021, and Annual Return filing was done within prescribed time limit.

As provided under sections 92(3) and 134(3)(a) of the Companies Act, 2013, Annual Returns of the Company are placed on the website of the Company at <https://www.sgrlimited.in/>

#### **b) Director's Responsibility Statement**

In terms of Section 134(5) of the Companies Act, 2013, the directors hereby state that:

- I. In the preparation of the annual accounts, the applicable accounting standards issued by Institute of Chartered Accountants of India had been followed along with proper explanation relating to material departures;
- II. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit/ loss of the company for that period under review;
- III. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- IV. The directors had prepared the annual accounts on a going concern basis;
- V. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively and;

VI. Proper internal financial controls laid down by the Directors were followed by your Company and that such internal financial controls are adequate and operating effectively;

**c) Details of fraud reporting to NHB/ RBI & as per provisions of section 134(3) (ca), read with section 143 (12) of the Companies act, 2013**

I. There were no fraud cases detected and required to be reported during the year under review, as per the provisions of section 134(3)(ca), read with section 143(12) of the Companies Act, 2013 to the regulatory authorities.

II. Further, there were no frauds detected during the Financial year under review as per Circular(s)/Guidelines, issued by National Housing Bank/ Reserve Bank of India.

**d) Statement on declaration given by Independent Directors under sub-section (6) of section 149 of Companies Act, 2013**

The Company has received declarations from Independent Directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149(6) of the Companies Act, 2013.

**e)** Pursuant to provisions of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016, the Company has obtained Fit & Proper declarations and Deed of Covenants and various other Declarations duly signed by all the Directors of the Company. The aforesaid policy is available on the website of the Company, i.e. <https://www.sgrlimited.in/>

**f) Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director, key managerial personnel and other employees**

The Company shall have such person on the Board who complies with the requirements of the Companies Act, 2013, Memorandum of Association and Articles of Association of the company and all other statutory provisions and guidelines as may be applicable from time to time. Majority of the Directors shall have specialized knowledge/ experience in the areas like Finance sector, Strategic management, Legal, Risk Management, Accountancy, Finance, etc. Except for Managing Director, no other directors are paid remuneration. Independent Directors are being paid only sitting fees. The Managing Director is paid remuneration as recommended by the Nomination & Remuneration Committee, approved by the Board & shareholders in the General meeting but are not paid sitting fees. Managing Director, Chief Financial Officer and Company Secretary shall be



the Key Managerial Personnel (KMPs) of the company. All persons who are Directors / KMPs, members of Senior Management and all other employees shall abide by the Code of Conduct.

Directors/KMPs shall not acquire any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in their respective fields. The aforesaid policy is available on the website of the Company, i.e. <https://www.sgrlimited.in/>

**g) Independent Director**

Independent Director is a director who has no direct or indirect material relationship with the Company or any of its officers.

Independent Director shall meet all criteria specified in Section 149(7) of the Companies Act, 2013 and rules made thereunder. Remuneration to Independent Directors is mentioned below:

**i) Payment of Remuneration:**

None of the independent directors shall be entitled to any remuneration as stated in section 197(1)(ii)(a) and (b) of the Companies Act, 2013.

**ii) Payment of Sitting Fees:**

All the independent directors and Non-Executive Directors shall be entitled to receive sitting fees for attending Board Meetings and/ or Committee Meetings as may be decided by the Board from time to time within the limits as per Companies Act 2013. At present, the Board has approved the payment of sitting fee to Independent Directors for Board and Committee meetings. The amount of sitting fee for Board and Committee meetings is INR 40,000 and INR 20,000/- respectively.

**iii) Reimbursement of out-of-pocket expenditure, if any:**

Besides sitting fees as stated above, the independent directors shall also be entitled for reimbursement of out-of-pocket expenditure, if any incurred for attending the Board / committee meetings.

- h)** As per section 134(3)(f) of the Companies Act, 2013, your management states that during the year under review and also during the previous year 2020-21, there were no adverse qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors & Secretarial Auditor of the Company, during the course of their audits, as per their Auditors' Report and Secretarial Audit Report respectively, hence there is no clarification required to be provided by the Company.
- i)** In terms of section 134(3)(g) of the Companies Act, 2013, Company has not made any Investment through two or more layers of Investment Companies, pursuant to provisions of section 186(1) of the Companies Act, 2013. Further, the Company being Housing Finance Company, all loans & guarantees are in the ordinary course of business and details of the same along with the Investment made by the Company are disclosed in Financial Statements and Notes to Accounts, thereto, which is forming part of Annual Report.

**j) Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year, in terms of rule 8 (5) (iiia) of Companies (Accounts) rules, 2014 as amended:-**

The Independent Directors are selected as per the applicable provisions of Companies Act, 2013, NHB Directions and Housing Finance Companies – Corporate Governance (National Housing Bank), Directions, 2016 read with Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 based upon the qualification, expertise, track record, integrity and other “fit and proper” criteria and Company obtains the necessary information and declaration from the Directors. All the Independent Directors of the Company have strong academic background and having long stint experience with renowned Government and private Organizations/Corporates. The integrity/ expertise of the Directors have been evaluated by the Board and NRC at the time of appointment and every year evaluated at the respective meetings.

**k) Risk Management under section - 134(3)(n):**

Risk Management is an integral part of the Company’s business strategy. The Risk Management process is supported by a robust risk reporting framework which is presented to the Risk Management Committee on a quarterly basis. The Risk Management Committee of the Board is set up to assist the Board in its oversight of various risks, review of compliance with risk policies, monitoring of risk tolerance limits, review and analyse the risk exposures related to specific issues and provides oversight of risk across the organization.

The Company has also implemented various policies such as - Collection and Recovery Policy, Risk Management Policy, IT Policy etc. as per the various provisions of the NHB/other Regulators and internal control procedures have been adopted by the Company for effective utilization of the resources.

**l) Internal Financial Controls and their Adequacy**

The Company’s internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. To fulfil the requirements of the Companies Act, 2013, the Company had appointed Internal Audit firms for internal audit of Head Office and Rajasthan and M.P branches.

With a view to ensure and review the effectiveness and implementation of the systems and operations, the Audit Committee regularly reviews them. The Internal Auditors regularly attend Audit Committee meetings and convey their views on the adequacy of internal control systems. The Audit Committee is briefed about the corrective actions taken by the management on the audit observations.

The Audit scope is regularly reviewed by the Audit Committee for enhancement/modification of

scope and coverage of specific areas.

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control commensurate with the size and nature of the Company's business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with Company's policies.

On review of the internal audit observations and action taken on audit observations, the Company can state that there are no adverse observations having material impact on financials, commercial implications or material non-compliances which have not been acted upon.

**m) Statement on compliance with Secretarial Standards**

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

**n) Details of Application made or any proceeding pending under IBC, 2016 during the year as per Rule 8 of Companies (Account of Companies) Rules, 2014**

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**34. ACKNOWLEDGEMENTS**

The Company expresses gratitude for the guidance and cooperation extended by the Board, Regulators, Reserve Bank of India, National Housing Bank, Registrar of Companies, Ministry of Corporate Affairs statutory authorities and regulators. The Company appreciates the excellent co-operation and assistance received from Banks and Financial Institutions. The Company is thankful to its auditors. The Company is pleased to record its appreciation for the enthusiasm, commitment and dedicated efforts of its employees at all levels. Without the team on ground, the Company would not have achieved its presence. The Company is also deeply grateful for the continued confidence and faith reposed in the Company by the shareholders and debt funders.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS OF**

**SEWA GRIH RIN LIMITED**

**SD/-**

Renana Jhabvala

Chairperson

DIN: 01106825

Address: B-9/9 Sterling,

Bopal, Ahmedabad, Gujarat-380058

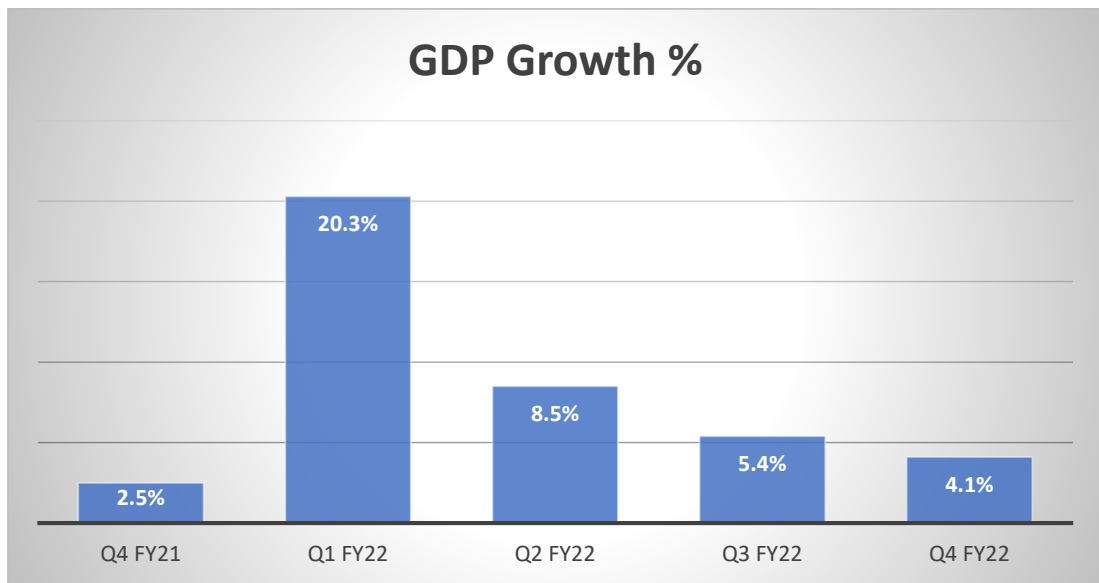
Date: 29<sup>th</sup> August, 2022

## Management Discussion and Analysis 2021-22

### 1. ECONOMIC OVERVIEW

During FY 2021-22, the Indian economy has grown by 8.7%, according to the Ministry of Statistics and Programme Implementation (MoSPI), compared to a contraction of 6.6% in FY 2020-21. It recorded a growth of around 20% in the first quarter of the fiscal year and then slowed down to 8.5%, 5.4% and 4.1% in the second, third and fourth quarter respectively.

#### *India's Quarterly GDP Growth*



The growth was led by Construction, Manufacturing, Mining and Hotel industry which expanded by around 11%. In addition, Services, Agriculture and Power & Gas sectors also demonstrated growth in various magnitudes in the fiscal year 2021-22. The fiscal deficit for the year 2021-22 is 6.7% of the GDP, less than the Finance Ministry's revised budget estimate projection of 6.9%.

India, Asia's third largest economy, had just begun recovering from the pandemic induced slump when a surge in Omicron cases in January, 2022 brought back some of the virus-related restrictions. The war in Ukraine, in February, 2022 further added to its woes, pushing up commodity prices and squeezing supplies further. Geopolitical uncertainties and soaring crude oil prices resulting in high inflation had a dampening affect on consumer sentiments and growth prospects.

Nevertheless, the RBI assured that India is better prepared than before to meet the challenges as fiscal and monetary authorities stand ready to act in a coordinated manner to limit its spill-overs to the economy at large and contain its fallout on the ongoing recovery.

### ***Fiscal Stimulus***

In order to reduce the impact of the shock caused by the COVID-19 second wave and support the recovering economy, Government of India announced additional relief measures in 2021-22 viz. Loan Guarantee Scheme for COVID-19 affected sectors, Credit Guarantee Scheme for Micro Finance institutions, India COVID-19 Emergency Response & Health System preparedness package-II, Free food grains under PM Garib Kalyan Ann Yojana etc. These measures were targeted towards providing economic relief to the vulnerable people and sectors, strengthening the health system, and providing impetus to growth and employment. The financial stimulus was specifically provided to stimulate the sagging growth in credit offtake mainly by providing interest rate concessionality with a focus on priority sectors such as health, power and other infrastructure sectors.

The Union Budget 2022-23, presented by the Finance Minister in the month of February, 2022 also proposed far-reaching reforms. It planned largescale spending over the next five years and announced no significant new taxes or levies. The macro-economic policies announced in the Budget focused on stabilising growth, boosting public infrastructure and capital expenditure.

### ***Inflation and Monetary Policy***

Inflation remained a persistent problem in India throughout the pandemic. A large part of it was earlier driven by high food prices, followed by fuel prices that started rising in 2021. Rising prices of commodities and raw materials globally have also seeped into the economy through imports. In the light of the health crisis and the fiscal measures announced during the year, inflation targets were relaxed to 4%, with the lower and upper tolerance levels of 2% and 6%, respectively, for the next five years (April 2021-March 2026).

The Monetary Policy Committee also assured that monetary policy would remain accommodative to support and nurture economic recovery, and it would closely monitor the evolving outlook for inflation, especially once the recovery was secure.

As far as liquidity is concerned, the global financial markets have turned volatile since mid-February 2021, on the back of expectations of stronger growth and a surge in commodity prices. Further, expectations of a reflationary cycle in the US triggered a cut-back of portfolio flows to the emerging markets. This volatility impacted the Indian financial markets too. In response, the RBI raised its open market operations and undertook other actions to compress term premia as well as to inject liquidity into the system.

## **2. INDUSTRY OVERVIEW**

### ***NBFCs and HFCs in India***

According to a CRISIL report, the decline in non-bank credit growth, which started in the second half of FY 2018-19, continued through FY 2019-20, accentuated first by the economic slowdown and then, more vigorously, by the pandemic, the impact of which was immediate and debilitating.

To enable borrowers to tide over the pandemic-led economic hardships, the RBI appealed to lenders to extend the moratorium on loans until September, 2021. However, this posed a liquidity challenge for most NBFCs/ HFCs as they were sandwiched between meeting their commitments to their lenders while they facilitated their borrowers with the moratorium. The second challenge was keeping their asset quality under control in this situation.

CRISIL Ratings reported that due to the revival in economic activities that commenced in the second half of FY 2020-21, cash flows in the segment improved, and borrowers started repaying their loan installments. As a result, the rating and research agency stated that median collection ratios for November 2020 payouts for commercial vehicle loan pools increased to 93% from barely 24% in May 2020, and collection efficiency for mortgage-backed loans, comprising largely home loans and loans against property, was around 96% in October-November 2020.

Although the second wave of Covid19 struck in the last quarter of FY2020-21, authorities, lenders, and borrowers were better prepared on the strength of lessons learned from the previous experience.

### ***Housing Finance***

The Government has announced various social welfare schemes and initiatives to create an enabling and supportive environment to enhance the flow of credit to the housing sector and increase home ownership in India. Initiatives such as "Smart Cities," "Pradhan Mantri Awas Yojana," and "Housing for all by 2022" are some of the more popular schemes to promote affordable housing.

India's mortgage market is divided into two segments by ticket size of the housing loan at the time of disbursement - loans with a ticket size of more than Rs 15 lakh and those with Rs 15 lakh and below. The former is prominent in the metro/urban areas, and the latter, which generally includes houses in the outskirts of these areas and semi-urban and rural areas, is typically defined as the affordable housing market. The overall size of the affordable housing finance market was around INR 4 trillion as of March 2020, constituting a little less than one-fifth of the housing finance industry. (Source: CRISIL).

Looking ahead, CRISIL expects the affordable housing finance market to grow at a faster pace than in the past due to the following reasons:

- The economy is expected to rebound from the lows gradually touched post Covid-19
- Government focus on housing and sops given by some state governments such as lowering stamp duties to aid housing demand
- Increased supply of affordable homes
- Rising demand for affordable homes in Tier 2/3/4 cities post-Covid due to work from home and reverse migration
- Preference for owning homes seems to be on the rise in the post-Covid world
- Home loan interest rates may continue to be at attractive levels

### **3. AFFORDABLE HOUSING FINANCE: OPPORTUNITIES AND CHALLENGES**

The affordable housing market can be expected to grow stronger and faster than the overall economic growth rate over the next decade and beyond, as a secure and stable house is an essential requirement for every household.

#### ***Opportunities***

The global pandemic highlighted the importance of owning property as people who experienced a reduction, or complete absence of income struggled to pay rents. The pandemic also influenced investment trends in the realty sector, as it prompted individuals to invest in affordable housing for their future security. The total portfolio of new AHFCs in the affordable housing space stood at INR 55,061 crore as of September 30, 2020, and registered a moderate year-on-year growth of 9% compared to the sector's overall negative growth, according to ICRA reports.

Although the pandemic has adversely impacted the saving capacity and purchasing power of people at present, the long-term growth outlook for the sector remains positive on account of several factors. These include the largely underserved market for affordable homes, India's favorable demographic profile, the housing shortage, and government support in the form of tax sops and subsidies. As a result, according to ICRA reports, growth is expected to pick up to 12 to 15% in FY22.

The previous decades have seen the evolution of credit models for salaried individuals and corporates. However, credit assessment and on-lending to self-employed individuals with a lack of formal documented income proof and credit history remain an under-penetrated area. This presents a robust market expansion opportunity for companies with successful proprietary assessment models.

As India grows towards becoming a developed nation, peri-urban areas, i.e., Tier 2 and 3 cities, will see a continuous inward migration. This trend will trigger demand for housing in these areas. Further, the Covid-19-induced Work From Home (WFH) trend is expected to accelerate the above process.

While the larger ticket-sized HFCs face increasing competition from banks, affordable housing finance companies are relatively insulated from that competition due to the uniqueness of their underwriting and business model structures.

### ***Challenges***

Higher returns always come with higher risks.

OR

Opportunities and challenges go hand in hand. It's only those who can overcome challenges and seek opportunities that make a true impact.

As the business models in this segment of the housing finance spacer are relatively new and untested, funding conditions remain challenging for affordable HFCs as larger lending institutions slowly build their credit risk comfort with the sector. While leverage ratios have been rising, they are still much lower than bigger HFCs.

Due to the relatively tighter funding availability, with alternate sources such as securitization/ CP/ NCDs still a small part of the overall sector funding sources, the sector remains more vulnerable to liquidity and credit shocks in the overall financial system.

Some of the affordable HFCs have shown deterioration in credit quality, which may prolong the time taken by the overall financial system to validate and gain comfort with the unique credit appraisal models for self-employed, informal sector housing finance.

## **4. BUSINESS REVIEW**

### ***Macro Environment***

The second and third wave of the COVID-19 pandemic and the consequent lockdowns have had an extended impact on the Company's target segment, more than any other, as daily wage earners and other informal economy workers have been the hardest hit by the crisis.

With a view to ease the financial burden on the borrowers due to resurgence of the pandemic, the Company decided to offer restructuring benefits, in line with RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021, to all its borrowers who lost their



jobs/livelihood. Assessment was made on monthly basis to identify new borrowers to whom restructuring benefit was to be extended. The Company came up with a “Loan Restructuring Policy 2.0” within the framework provided by RBI. 543 accounts aggregating to around INR 16 crore were restructured during the year based on the provisions of Loan Restructuring Policy 2.0. The Company is making provision @ 10% on such restructured loans.

Despite the disruption caused due to the second and third wave of COVID 19 pandemic, the total income for the Company grew at by 16% YoY to INR 54.34 crore in FY 22, compared to INR 46.80 crore in the previous fiscal year. However, the Company's profit declined by around 41% to INR 5.48 crore in FY 22 mainly on account of increased provisioning on the restructured loan accounts and expenses incurred to open 8 new branches. The branches were opened in cities viz. Baran, Hanuman Garh and Rajsamand in Rajasthan, Chhindwara and Mandsaur in M.P, Gorakhpur and Varanasi in U.P and Rewari in Haryana.

The AUM rose by around 28% YoY to INR 320.77 crore at the end of 2021-22, from INR 251.53 crore at the end of 2020-21, as affordable housing finance growth remained at higher levels, proving itself to be a safe haven, despite economic headwinds affecting the broader economy and the housing finance sector. As a result, total disbursements for the year ended March 31, 2022, was around INR 81 crore, with a continued focus on prudent lending in the target segment, in the relatively more challenging environment post the extended COVID-19 pandemic induces lockdowns and economic crisis after that.

The average ticket size was INR 2.65 lakhs for the loan book as of March 31, 2022. The Company continued to see strong demand in both the low-ticket Housing Finance and Loan Against Property products.

During the year, the Company purchased a loan pool from Mentor Home Loans India Ltd. worth INR 19.01 crores on March 11, 2022 mainly to maintain the Principal Business Criteria (PBC) as mandated by RBI. As per Para 5.3 of the Directions, the registered HFCs are required maintain minimum 50% of total assets towards housing finance as at March 31, 2022. The Company's Housing Loans / Total Asset as on 31<sup>st</sup> March, 2022 is 52%.

### ***Robust Financial Performance***

During FY 22, NIMs reduced to 11.40% from 11.67% in FY 21 on account of slight drop in the yields.

The interest yields for the Company have also shown a decrease to 18.46% in FY 2021-22 from

18.86% in FY 2020-21 mainly on account of lower yield on the loan pool purchased during the year.

The finance cost as % of average AUM has reduced from 7.18% last year to 7.06% in the year of reporting.

Remarkably, the portfolio quality continues to be very healthy, with the recovery picking up and stabilizing post three rounds of moratorium/restructuring last year.

### ***Operational Performance***

The Opex ratios were higher on account of expenses incurred in setting up eight new branches during the FY 2021-22. The Opex to Total Income ratio increased to 50% for FY2021-22, from 44% in FY2020-21. In absolute terms, the operating expenses increased by around 32 % to INR 27 crores in FY2021-22 from INR 21 crores in FY2020-21.

### ***Stable Credit Quality***

On the credit quality front, GNPA's stood at 0.89% on March 31, 2022, rising from 0.31% at the end of FY2020-21 due to the impact of the economic slowdown in the year also due to the Covid pandemic.

The Company remains adequately capitalized with CRAR of 53.41% as on 31<sup>st</sup> March, 2022.

### ***Significant Funding Secured for Ensuring Growth and Stability***

In FY 2019-20, the Company received a sanction from the United States International Development Finance Corporation, an agency of the US Government, in the form of an ECB loan of USD 30 MN at a fixed rate of 4.38%, for 15 years. The first drawdown of USD 2.50 MN was done in Feb 2020. During FY2020-21, a total of USD 6 Mn was drawn in the months of May 2020 and Feb 2021 and USD 3.5 Mn was drawn during FY 2021-22.

Also, the Company was able to add new financial institutions viz. Federal Bank, Bandhan Bank, HDFC Bank and State Bank of India to its debt profile during the FY 2021-22. The disbursement availed from the domestic lenders was around INR 103 crore.

As on March 31, 2022, the Company's outstanding bank loans stood at INR 235.14 crore (including INR 47.15 crore of total refinance received from NHB under various schemes and INR 81.55 crore of outstanding ECB loan) vis-à-vis INR 177.7 crore (including INR 18.8 crore of NHB refinance and INR 13.6 crore under NHB LIFT Scheme) as on March 31, 2021.

The Company has now achieved a profitable track record of three years. It shall help the Company in raising additional debt funds at lucrative interest rates and thus, further reduce its cost of borrowings.

## **5. INTERNAL CONTROL SYSTEMS**

The Company has a robust internal audit process, supported by independent internal auditors. A comprehensive audit of all functional areas and operations is conducted to verify and improve the adequacy of compliance with the various statutory and regulatory requirements, policies, and procedures.

The internal audit observations, which are material, are highlighted, and the corrective measures taken are periodically reported to the Board's Audit Committee. The Committee judges the internal control processes and mechanisms on the parameters of adequacy and effectiveness. Furthermore, the Committee monitors the actions taken on audit recommendations.

The Company regularly monitors internal control systems to ensure they are adequate and compliant with the accounting procedures, operating systems, and policies through all offices and branches.

A documented framework is in place, as approved by the Audit Committee and the Board of Directors. The policies and procedures therein ensure the Company can prevent and detect frauds and errors, safeguard all assets, validate all accounting reports, and monitor the timely reporting and submission of all financial information and disclosures.

## **6. HUMAN RESOURCES**

We believe that employees are our most valuable assets and constitute one of the critical pillars of our strategy. Accordingly, strengthening our human capital base is essential in laying the foundation for our long-term development.

Over the last five years, our HR team and functions steered the processes and culture to create a work environment that enabled employees to thrive both as individuals and as contributors to business success. We have put in place systems that attract, develop, retain and reward the best talent. We have also instituted robust processes of learning and development to drive capability building, productivity improvement, and enhancement of skill-sets for all employees, cutting across verticals and hierarchy.

The HR team continuously improves employee connect and employee engagement across the country and fosters an inclusive culture across our locations pan India. We believe in employee empowerment, and our efforts are focused on creating a happy and healthy work environment. Further, people practices have been developed to increase welfare, ensure well-being, and improve work-life balance.

Our Human Capital efficiency and productivity matrices across job families have continuously improved every year, and our performance is a testimony of the same. We will continue to nurture a positive employee environment and lucidly communicate corporate expectations across functions and levels. Going forward, as a company, we are poised for the next phase of growth and ready to meet the challenge that it may present. We are confident that our leadership and managerial cadre will provide an enabling, inspiring, and engaging work environment to facilitate and fuel this progress.

We are also committed to ensuring a safe working environment, wherein the health and well-being of our employees is a foremost priority. We have launched the "SITARA – We Care" Programme for our employees and their families. Under this programme, employees were periodically notified of health and safety measures to avoid contracting the virus, and tips were shared to build their immunity. The staff who could work from home have been enabled to do so without compromising branch operations.

We have made constant efforts to improve gender diversity by driving special projects like a gender action plan, ensuring a fair mix of male to female candidates during any interview drive, and regular employee feedback to further strengthen the process and practices.

As of March 31, 2022, the Company had around 500 employees on roll at various locations. Your Board would like to make a special mention about the competence, hard work, solidarity, co-operation, support and commitment of the employees at all levels, who caused achievement of several milestones in the growth of the Company.

At Sitara, we will continue our focus on offering long-term careers based on our value proposition of fairness, transparency, meritocracy, learning, and growth, while providing a supportive, secure work environment.

# ANNEXURES TO DIRECTORS' REPORT

## Annexure A

### The information of employees as per provisions of rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars of employees (Year ended at 31.03.2022)	
<b>Name</b>	
(a) Designation of the employee.	NIL
(b) Remuneration received (Yearly CTC)	NIL
(c) Nature of employment, whether contractual or otherwise.	NIL
(d) Other terms and conditions.	NIL
(e) Nature of duties of the employee.	NIL
(f) Qualifications and experience of the employee.	NIL
(g) Date of commencement of employment.	NIL
(h) The age of such employee.	NIL
(i) The last employment held by such employee before joining the company.	NIL

Notes:

1. No employee of the company was employed for part of the financial year and was in receipt of remuneration, at a rate which, in the aggregate, was not less than INR 8.50 lakh per month.
2. No employee of the Company was employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees
3. Pursuant to the Companies, (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list containing names of the top ten employees in terms of remuneration drawn is being maintained at the Registered Office of the Company. The Report and Accounts as set out therein are being sent to all Members of the Company, excluding the aforesaid information. Any Member, who is interested in obtaining these, may write to the Company Secretary at the Registered Office of the Company.

### FOR AND ON BEHALF OF BOARD OF DIRECTORS

**SD/-**

**Renana Jhabvala**

Chairperson

DIN: 01106825

Address: B-9/9 Sterling,

Bopal, Ahmedabad, Gujarat-380058

Date: 29<sup>th</sup> August 2022

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**  
**(For the Financial Year ended 31st March, 2022)**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members**  
**Sewa Grih Rin Limited**  
**1st Floor, 216/C-12,**  
**Old No. C-12 Plot No. 13-B,**  
**Guru Nanak Pura,**  
**Laxmi Nagar, Delhi - 110092**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sewa Grih Rin Limited** (hereinafter called "the Company" / "SGRL"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- A. I have examined the books, papers, minute books, forms and returns filed and other records maintained by SGRL for the year ended on 31<sup>st</sup> March, 2022 according to the provisions of:
- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not Applicable to the Company as the equity shares of the Company are not listed on any stock exchange);
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable.

**I further report that**, having regard to the compliance system prevailing in the Company and based on the representation made by the management of the Company and on examination of the relevant documents and records in pursuance thereof, the Company, being a housing finance Company registered with National Housing Bank, has complied with the following laws applicable specifically to the Company:

- (a) The National Housing Bank Act, 1987 and the Rules and Regulations made thereunder;
- (b) Housing Finance Companies (NHB) Directions, 2010.
- (c) Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016.
- (d) Master Direction- Non-Banking Financial Company -Housing Finance Company (Reserve Bank) Directions, 2021 issued on 17<sup>th</sup> February, 2021.

I have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

B. I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Company is holding Board and Committee meetings at shorter notice (in case of urgency) with requisite compliance for holding Meeting at shorter notice, as applicable.
- c. As per the minutes of meetings duly recorded and signed by the Chairman, majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that**, based on the information provided and the representation made by the Company and also on the review of compliance reports / certificates taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in

the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

C. I further report that during the audit period under review:

- i. In the Extraordinary General Meeting held on 22<sup>nd</sup> March, 2022, the Shareholders of the Company approved amendment in the ESOP scheme of the Company.
- ii. The registered office of the Company was shifted from '206-207, 2nd Floor, Vikram Tower, Rajendra Place, New Delhi - 110008' to '1st Floor, 216/C-12, Old No. C-12 Plot No. 13-B, Guru Nanak Pura, Laxmi Nagar, Delhi - 110092' w.e.f. 10<sup>th</sup> April, 2022.

This report is to be read with my letter of even date which is annexed hereto and forms integral part of this report.

For NEELAM GUPTA & ASSOCIATES  
  
NEELAM GUPTA  
COMPANY SECRETARIES

FCS : 3135 CP : 6950  
PR No.: 747/2020  
UDIN: F003135D000869209

Place: New Delhi  
Date: 29<sup>th</sup> August, 2022



**Annexure to Secretarial Audit Report of Sewa Grih Rin Limited for financial year ended 31st March, 2022**

To,  
The Members  
**Sewa Grih Rin Limited**

**Sub. : Management Responsibility for Compliances**

1. The maintenance and compliance of the provisions of Corporate and other applicable laws, rules, regulations, secretarial standards is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for my opinion.
3. I have also relied upon the books, records and documents made available by the Company to us through electronic means and in digital format.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. We have not verified the correctness and appropriateness of the information furnished by the Company in its NHB / RBI filings and records maintained under the applicable provisions of law.
6. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For NEELAM GUPTA & ASSOCIATES



FCS : 3135 CP : 6950

PR No.: 747/2020

UDIN: F003135D000869209

Place: New Delhi

Date: 29<sup>th</sup> August, 2022

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	NIL
2	Nature of contracts/arrangements/transaction	NIL
3	Duration of the contracts/arrangements/transaction	NIL
4	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
5	Justification for entering into such contracts or arrangements or transactions'	NIL
6	Date of approval by the Board	NIL
7	Amount paid as advances, if any	NIL
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	NIL
2	Nature of contracts/arrangements/transaction	NIL
3	Duration of the contracts/arrangements/transaction	NIL
4	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
5	Date of approval by the Board	NIL
6	Amount paid as advances, if any	NIL

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**SEWA GRIH RIN LIMITED**

**SD/-**

**Renana Jhabvala**

Chairperson

DIN: 01106825

Address: B-9/9 Sterling,

Bopal, Ahmedabad, Gujarat-380058

Date: 29<sup>th</sup> August 2022

## ANNEXURE D



### POLICY ON RELATED PARTY TRANSACTION

SEWA GRIH RIN LIMITED

Registered Office: 206-207, 2<sup>nd</sup>  
floor, Vikram Towers, Rajendra  
Place, New Delhi 110008

## PART-A

### 1. REGULATORY FRAMEWORK

In terms of paragraph 4.3 of Annex 4 of Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016, all non-public deposit accepting Housing Finance Company with assets size of 50 crore and above, as per the last audited balance sheet are required to disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report. This policy shall also be disclosed by the Company in the Annual Report besides being made available on the website of the Company. The assets size of SEWA Grih Rin Limited has exceeded INR 50 crores. Hence, the Company is required to follow these directives.

This Policy has been prepared in compliance of the provisions of National Housing Bank (NHB) directions and provisions of the Companies Act 2013 and rules made thereunder.

### 2. THE POLICY

**SEWA GRIH RIN LIMITED** shall engage with Related Parties transactions in the ordinary course of business and on an arm's length basis to leverage scale, size and to drive operational synergies, at the same time ensuring that transactions with Related Parties are, fully compliant with applicable Regulations. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

### 3. DEFINITIONS

**“Act”** means Companies Act, 2013 and rules made thereunder, as amended from time to time.

**“Arm's Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

**“Associate Company”** In terms of Section 2(6) of the Companies Act, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. For the purposes of this term 'Associate Company', "significant influence" means control of at least twenty per cent of voting power, or control or participation in business decisions under an agreement.

**“Audit Committee”** means the committee of Board of Directors constituted in accordance with the provisions of Companies Act, 2013 and Rules made thereunder.

**“Board”** means Board of Directors of the Company.

**“Company”** means SEWA Grih Rin Limited.

**Directors”** means Directors appointed by the Board including executive, non-executive and independent directors.

**“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.



## Policy on Related Party Transaction

**“Control”** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

**“Key Managerial Personnel”** or **“KMP”** means the following key managerial personnel:

- a. Chief Executive Officer and / or Managing Director or Manager of the Company;
- b. Chief Financial Officer of the Company;
- c. Company Secretary of the Company;
- d. Whole Time Director of the Company;
- e. Chief Operating Officer; and
- e. Such other officer of the Company as may be decided by the Nomination and Remuneration Committee.

**“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.

**“Material Related Party Transaction”** means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

**“NHB Guidelines”** means and includes NHB Act, 1987, NHB Directions, 2010, NHB Notifications, Circulars and others such communications thereto.

**“Policy”** means Related Party Transaction Policy.

**“Related Party”** means related party as defined under Section 2(76) of the Companies Act, 2013.

Related Party with reference to a company means –

- (i) a director or his/her relative;
- (ii) key managerial personnel or his/her relative;
- (iii) a firm, in which a director, manager or his/her relative is a partner;
- (iv) a private company in which a director or manager or his/her relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his/her relatives, more than 2% of its paid-up share capital;
- (vi) any body-corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:  
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any body-corporate which is —
  - (A) a holding, subsidiary or an associate company of such company;
  - (B) a subsidiary of a holding company to which it is also a subsidiary; or
  - (C) an investing company or the venturer of the company (Explanation- for the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- (ix) such other person as may be prescribed; Rule 3 of the Companies (Specification of definitions details) Rules, 2014, provides that a director other than Independent Director or key managerial personnel of the holding company or his relative with reference to a company shall be deemed to be a related party.

**“Related Party Transaction”** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

**“Relative”** In terms of Section 2(77) of the Companies Act, 2013 read with the Companies (Specification of definitions details) Rules, 2014 a person is said to be a relative of another, if –

- a. They are members of a Hindu undivided family;
- b. They are husband and wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son’s wife;
- g. Daughter;
- h. Daughter’s husband;
- i. Brother (including step-brother); or
- j. Sister (including step-sister)

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or NHB Act, 1987, NHB Directions, Notifications, Circulars or guidelines as may be amended from time to time shall have the meaning respectively assigned to them therein.

**PART-B**

**TERMS OF THE POLICY**

1. All the Related Party Transactions proposed to be entered into by the Company shall require the prior approval of the Audit Committee, including those transactions proposed to be entered in the ordinary course of its business.
2. Related Party Transactions that are not in ordinary course of business but on arm's length basis should be approved by Audit Committee. Where such Related Party Transactions fall under Section 188 (1) of the Act, the Audit Committee shall recommend the transaction for approval of the Board.

Related Party Transactions that are not on arm's length basis, irrespective whether those are covered under Section 188 or not, should be placed by the Audit Committee, along with its recommendations, to the Board for appropriate action.

3. All the Material Related Party Transactions and Related Party Transactions which are either not in the 'Ordinary Course of Business' or are not at 'arm's length price' and exceeds the threshold under section 188 of the Companies Act, 2013 shall require prior approval of Audit Committee, the Board and the shareholders through special resolution and the related parties shall abstain from voting in such resolution exceeding the threshold limits whether or not in the ordinary course of business of the Company or on an arm's length basis, shall require prior approval of the Audit Committee, the Board and the shareholders of the Corporation by way of Special Resolution and the related parties shall abstain from voting in such resolution.
4. However, it is clarified that all Related Party Transactions exceeding the threshold limits prescribed under Rule 15(3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014, which are in the ordinary course of business and on an arm's length basis, will only require the prior approval of the Audit Committee.



**PART-C**

**GOVERNANCE STRUCTURE**

**Dealing with Related Party Transactions**

Related Party Transactions are prohibited, unless approved or ratified by the Audit Committee and / or the Board of Directors of the Company in accordance with this policy. In dealing with Related Party Transactions, the Company will follow the following approach:

**a. Identification of Potential Related Party Transactions**

1. In terms of **Section 188 (1)** of the Companies Act, 2013, the Company cannot enter into any contract or arrangement with a Related Party, without the consent of the Board with respect to the following contracts/ arrangements viz.

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services, property;
- f. appointment to any office or place of profit in the company
- g. underwriting the subscription of any securities or derivatives thereof, of the company

In relation to the above, the expression “office or place of profit” has been explained to mean any office or place—

- i. where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he/she is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- ii. where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

2. In terms of the third proviso to Section 188(1) of the Companies Act, 2013, the consent of the Board and the shareholders of the Company will not be required in case any of the aforementioned transactions entered into by the Company are in the ordinary course of business and on an arm’s length basis.

3. All related party transaction shall require prior approval of the Audit Committee / Board/ Shareholder as applicable, however, in cases where transaction has been done whether inadvertently or due to requirement of urgency the Audit Committee / Board may ratify the decision. However, this ratification should be done within 3 months of the contract having taken place otherwise the transaction shall be voidable at the option of Board /Committee.



4. While considering any transaction, the Committee / Board shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. No member of the Committee / Board shall be present during discussion, if he/she is a related party.
5. Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board shall record the disclosure of interest and /Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.
6. Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Board/ Audit Committee of the Company.
7. The Related Party list shall be updated periodically and shall be reviewed by the Audit Committee/ Board at least once a year, in its first meeting after closing of the previous financial year.
8. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Board/ Audit Committee has adequate time to obtain and review information about the proposed transaction.
9. The Audit Committee shall confirm to the Board whether the Related Party Transactions entered into by the Company during the period under consideration were on an arm's length basis and in the ordinary course of its business.

**b. Related Party Transactions that shall not require Approval**

1. All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:
  - (i) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company.
  - (ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

Such omnibus approval shall specify:

- (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
- (b) the maximum value per transaction which can be allowed;
- (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

- (d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
- (e) transactions which cannot be subject to the omnibus approval by the Audit Committee;
- (f) such other conditions as the Audit Committee may deem fit

(iii) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:

- (a) repetitiveness of the transactions (in past or in future);
- (b) justification for the need of omnibus approval.

(iv) The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.

(v) The omnibus approval shall contain or indicate the following:

- (a) name of the related parties;
- (b) nature and duration of the transaction;
- (c) nature and duration of the transaction;
- (d) maximum amount of transaction that can be entered into;
- (e) the indicative base price or current contracted price and the formula for variation in the price, if any; and
- (e) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR 1 crore per transaction.

Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such one financial year.

Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

### **c. Review and Approval of Related Party Transactions**

1. Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval including any amendment or modification to such transaction. Relevant information will be provided with respect to each Related Party Transaction as follows:

- (i) the name of the related party and nature of relationship;
  - (ii) the nature, duration of the contract and particulars of the contract or arrangement;
  - (iii) the material terms of the contract or arrangement including the value, if any;
  - (iv) any advance paid or received for the contract or arrangement, if any;
  - (v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
  - (vi) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
  - (vii) any other information relevant or important for the Committee to take a decision on the proposed transaction.
2. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.
3. In determining whether approval can be accorded to a Related Party Transaction, the Audit Committee will consider the following factors:
  - (i) whether the transaction with the Related Party is in the ordinary course of business of the Company;
  - (ii) whether the terms of the Related Party Transaction are on arm's length basis;
  - (iii) whether there are any undue compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
  - (iv) whether the Related Party Transaction would affect the independence of any director / key managerial person.
  - (v) whether the proposed Related Party Transaction includes any potential reputational / regulatory risks that may arise as a result of or in connection with the proposed transaction; and
  - (vi) whether the Related Party Transaction would present an improper conflict of interest for any director or key managerial personnel of the Company, taking into account the size of the transaction, the overall financial position of the Related Party, the direct or indirect nature of interest of the Related Party in the transaction and such other factors as the Audit Committee deems relevant.
4. If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

**d. Material Related Party Transaction**

All Material Related Party Transactions shall be placed for prior approval of shareholders through Special Resolution.

**e. Amendments to the Policy**

The provisions of this policy shall be subject to the provisions of the Act & NHB guidelines and rules and regulations made thereunder.

The Audit Committee of the Company shall review and may recommend amendments to this policy to the Board for approval from time to time.

Any or all provisions of this policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s),etc.

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Sewa Grih Rin Limited**

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

**Opinion**

We have audited the accompanying financial statements of Sewa Grih Rin Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Statement of Cash Flow for the year ended on that date and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the profit and its cash flows for the year ended on that date.

**Basis of 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 these 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of these financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on these financial statements.

**Emphasis of Matter**

We draw attention to Note No. 42 of the accompanying financial statement, which describe the extent of the COVID-19 pandemic may impact the company operations and its financial statements which are dependent on uncertain future developments.

Our opinion is not modified in respect of this matter.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Board Report.

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

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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.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 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. This responsibility also includes 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 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 these 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 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.

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

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



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

- Identify and assess the risks of material misstatement of these 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in these 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 misstatements in the financial statements.

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

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





**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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Company to its director during the year is in accordance with the provisions of section 197 of the Act.
  - 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.
    - ii. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.



- 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, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the 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), as provided under (a) and (b) above, contain any material misstatement
- (v) The Company has neither declared nor paid any dividend during the year and until the date of this report. Accordingly, the requirement of Section 123 of the Act is not applicable.

**For S S Kothari Mehta & Company**

Chartered Accountants  
Firm Reg. No. : 000756N



**Naveen Aggarwal**  
**Partner**

Membership No. :- 094380  
UDIN : 22094380AQZYRA9974  
Place : Gurugram  
Date : August 29, 2022



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure as referred to in paragraph (1) 'Report on Other Legal and Regulatory Requirements' section of our independent Auditors' Report to the members of Sewa Grih Rin Limited on the financial statements for the year ended March 31, 2022, we report that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b. According to the information and explanation provided to us, the Property, Plant & Equipment have been physically verified by the management to cover all the items on annual basis. No discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us and based on our examination of records, there are no immovable properties held by the company (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), and hence reporting under the clause 3(i)(c) is not applicable to the company.
- d. According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment and Intangible Assets during the year.
- e. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanation given to us and based on our examination of records, 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 and hence reporting under the clause 3 (ii)(b) of the Order is not applicable to the company.
- iii. According to the information and explanation given to us and based on our examination of records, the Company has not made any investments. However, the Company has granted secured loans to other parties, during the year, in respect of which:



- (a) Reporting under clause 3(iii)(a) of the Order is not applicable as the Company is a housing finance company whose principal business is to give loans.
- (b) In our opinion, guarantees provided and the terms and conditions of the grant of all loans and advances provided, during the year are, prima facie, not prejudicial to the Company's interest. The Company has not made any investment or provided any security to Companies, Firms, Limited Liability Partnerships or any other parties.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. Since, the Company is housing finance company and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.
- (d) In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows :-

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
Home Loan	44	1,52,33,524	24,33,603	1,76,67,127
Loan Against Property	48	1,31,76,051	22,33,863	1,54,09,914
<b>Total</b>	<b>92</b>	<b>2,84,09,575</b>	<b>46,67,466</b>	<b>3,30,77,041</b>

Based on the information & explanations given to us, reasonable steps have been taken by the company for the recovery of the Principal & Interest.

- (e) Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a housing finance company whose principal business is to give loans.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable.
- iv. According to the information and explanations given to us, the Company has not provided any loans and guarantees as specified under Section 185 and has not made any investments as specified under section 186 of the Companies Act, 2013. Further the Company is registered as a Housing Finance Company. Accordingly reporting under clause 3(iv) of the Order is not applicable.
- v. According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no deemed deposits under the provisions of Companies Act, 2013 and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.



- vi.** In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii.** According to the information and explanations given to us and the records of the Company examined by us, in our opinion :
- a. The Company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Service Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable, with the appropriate authorities except slight delay in few instances. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and on the basis of examination of the records, there are no dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Service Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable which have not been deposited on account of any dispute.
- viii.** There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.** (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) Based on the information and explanations obtained by us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.
- (d) According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanation given to us and based on our examination of records, Company is not having any subsidiary, associate or joint venture. Accordingly, the reporting under this clause 3(ix)(e) and (f) of the Order is not applicable.



- x.** (a) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanation given to us and on the basis of our examination of the records, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi.** (a) According to the information and explanation given to us and based on our examination of records, no fraud by the company or on the company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanation given to us and based on our examination of records, no whistle blower complaint has been received by the Company during the year (and up to the date of this report), while determining the nature, timing, and extent of our audit procedures.
- xii.** The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii.** According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards (Refer Note No. 30 to the financial statements).
- Section 177 of the Act is not applicable on the company. However, the said Committee has been voluntarily constituted by the Company to ensure good governance.
- xiv.** (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.
- xv.** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



- xvi.** (a) The company is a "Housing Finance Company" and is not required a registration under section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934) as per the Circular "DOR NBFC (PD)CC.No.105/03.10.136/2019-20" dated November 11, 2019. The Company has obtained a registration certificate from the National Housing Bank (NHB) under the provisions of the National Housing Bank Act, 1987.
- (b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations mentioned in "Master Circular- Regulatory Framework for Core Investment Companies (CICs)" dated July 01, 2015 issued by The Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to information and explanations provided to us and based on our examination of records, the Company does not have more than one CIC in the group hence the reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii.** The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii.** In terms of RBI Circular RBI/2021-22/25 dated April 27, 2021, w.r.t. Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), the previous statutory auditors of the Company had resigned during the period under audit. We have obtained no objection from the previous statutory auditors and no issues have been informed to us.
- xix.** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



**S S KOTHARI MEHTA**  
**& COMPANY**  
CHARTERED ACCOUNTANTS

- xx.** According to the information and explanation given to us and based on our examination of records, the provision of section 135 of companies Act,2013 are not applicable on Company, accordingly, reporting under clause 3(xx) (a) and 3(xx) (b) of the Order is not applicable.
- xxi.** According to the information and explanation given to us and based on our examination of the record of the company, the company does not have any subsidiary or the joint venture. Accordingly, the clause 3(xxi) of the order is not applicable.

For **S S Kothari Mehta & Company**  
Chartered Accountants  
Firm Reg. No. : 000756N





**Naveen Aggarwal**

Partner

Membership No.: 094380

UDIN : 22094380AQZYRA9974

Place: Gurugram

Date: August 29, 2022



**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

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

We have audited the internal financial controls over financial reporting of **Sewa Grih Rin Limited** (“the Company”) as at March 31, 2022 in conjunction with our audit of these financial statements of the Company for the year ended on that date.

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

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

**Auditor’s Responsibility**

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

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

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



**Meaning of Internal Financial Controls with reference to the financial statements**

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022 based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

For **S S Kothari Mehta & Company**

Chartered Accountants  
Firm Reg. No. : 000756N



**Naveen Aggarwal**

Partner

Membership No.: 094380

UDIN : 22094380AQZYRA9974

Place: Gurugram

Date: August 29, 2022



**Auditor's Additional Report**

The Board of Directors,  
**Sewa Grih Rin Limited**  
Eighth Floor, Tower- C, Building No. 8,  
DLF Cyber City, Gurugram – 122002.

1. This report is issued in accordance with the requirements of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 vide Ref. No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (hereinafter referred to as "The Directions") issued by the 'Reserve Bank of India ("RBI").
2. We have audited the financial statements of **Sewa Grih Rin Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the Financial Statements"), on which we have issued our unmodified opinion in Independent Auditor's report dated August 29, 2022.

**Management's Responsibility for the Financial Statements**

3. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
4. The Management is also responsible for compliance with Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the National Housing Bank Act, 1987 (NHB) and other relevant NHB/RBI Circulars, Directions, Notifications, and Guidelines as amended from time to time pertaining to Housing Finance Companies (HFC) and for providing all the required information to RBI/NHB.



**Auditor's Responsibility**

5. Pursuant to the requirements of the Directions referred to in Paragraph 1 above it is our responsibility to examine the audited books and records of the Company for the year ended March 31, 2022 and report on the matters specified in the directions to the extent applicable to the Company.
6. We conducted our examination in accordance with the 'Guidance Note on reports or Certificates for Special Purposes' issued by Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of Standards on Quality Control (SQC) 1, Quality control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the books and records of the Company as produced for our examination, the information and explanations given to us and our Independent Auditor's report dated August 29, 2022, we report that:
  - 8.1 The Company is engaged in the business of housing finance and has obtained a certificate of registration no. 01.0118.15 dated January 24, 2015 under section 29A of the National Housing Bank Act, 1987 and the Company has complied with Principal Business Criteria as specified in Paragraph 4.1.17 of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
  - 8.2 The Company is meeting the required Net Owned Fund (NOF) requirement as prescribed under Section 29A of the National Housing Bank Act, 1987.
  - 8.3 The Company has complied with the provisions of Section 29C of the National Housing Bank Act, 1987.
  - 8.4 The total borrowings of the company are within the limits prescribed under Paragraph 27.2 of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
  - 8.5 The company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/

investments as specified in the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

- 8.6** The capital adequacy ratio as disclosed in the Schedule-II return based on unaudited financial statements for the half year ended March 31, 2022 submitted to the National Housing Bank in terms of the Housing Finance Companies (NHB) Directions, 2010 has been correctly determined and the ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein. The Final Schedule-II return for the half year ended 31st March 2022 is pending for finalization as on date of this report
- 8.7** The Company has furnished to the National Housing Bank within the stipulated period, the Schedule-II return based on unaudited financial statements for half year ended March 31, 2022 as specified in the NHB(ND)/DOS/SUP. Circular No. 5/2020-21 dated April 13, 2021. However, the company has submitted provisional schedule II return for half year ended 31st March 2022 within the stipulated period as specified in the NHB(ND)/DOS/Sup. Circular No.7/2021-22 December 31, 2021 and as explained by the management, final return would be submitted post approval of accounts for the year ended 31st March 2022 by the board of directors.
- 8.8** All deposit taking HFCs irrespective of their asset size, are required to submit Schedule-III return on Statutory Liquid Assets as specified in the NHB(ND)/DOS/SUP. Circular No. 5/2020-21 date April 13, 2021 and as specified in the NHB(ND)/DOS/Sup. Circular No.7/2021-22 dated December 31, 2021 on a quarterly basis. Since the Company is non-deposit taking HFCs and has not accepted any public deposits during the year ended March 31, 2022 so Schedule-III return on Statutory Liquid Assets is not applicable.
- 8.9** Based on information made available for our review of ORMIS NHB Portal, in the case of opening of new branches/ offices or in the case of closure of existing branches/ offices, the company has complied with the requirements contained in the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
- 8.10** The Company has complied with the provisions contained in Paragraph 18 of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. The provisions contained in Paragraph 3.1.3 and 3.1.4 of the direction are not applicable on the Company.
- 8.11** The Board of Directors of the Company have passed a resolution on February 02, 2022 for non-acceptance of any public deposits and accordingly the company has not accepted any public deposits during the year ended March 31, 2022.

**Restriction on Use**

9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Directions. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements the Company.
  
10. This report is issued pursuant to our obligations under the directions to submit a report on additional matters as stated in the above Directions, to the Board of Directors, for submission to the RBI / NHB pursuant to RBI / NHB Directions and should not be used by any other person or for any other purpose. S S Kothari Mehta & Company neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

**For S S Kothari Mehta & Company**

Firm Registration Number: 000756N

Chartered Accountants



Naveen Aggarwal

Partner

Membership Number: 094380

UDIN: 22094380AQZZGB6722

Place Gurugram

Date: August 29, 2022





**Sitara**  
A SEWA INITIATIVE

# **AUDITED FINANCIALS**

**2021 – 22**

**SEWA GRIH RIN LIMITED**

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	7,80,103	7,80,103
(b) Reserves and surplus	3	4,42,033	3,91,383
		<b>12,22,136</b>	<b>11,71,486</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	4	19,45,362	14,41,574
(b) Other Long term liabilities	5	50,619	-
(c) Long term provisions	6	33,247	14,127
		<b>20,29,228</b>	<b>14,55,701</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	4,06,004	3,34,943
(b) Trade payables :-			
(i) Total outstanding dues of micro enterprises and small enterprises	8	780	342
(ii) Total outstanding dues of creditors Other than micro enterprise and small enterprises	8	6,463	2,684
(c) Other current liabilities	9	35,708	22,561
(d) Short term provisions	10	19,822	3,447
		<b>4,68,777</b>	<b>3,63,977</b>
<b>Total</b>		<b>37,20,141</b>	<b>29,91,164</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment (and intangible assets)			
(i) Property plant and equipment		25,091	8,963
(ii) Intangible assets	11	541	4,674
(iii) Intangible assets under development		8,284	2,943
(b) Deferred tax assets (net)	12	10,879	-
(c) Long term loans and advances	13	29,54,357	23,65,117
(d) Other non-current assets	14	80,762	21,064
		<b>30,79,914</b>	<b>24,02,761</b>
<b>(2) Current assets</b>			
(a) Cash and cash equivalents	15	3,42,219	4,13,348
(b) Short-term loans and advances	16	2,20,955	1,51,686
(c) Other Current Assets	17	77,053	23,369
		<b>6,40,227</b>	<b>5,88,403</b>
<b>Total</b>		<b>37,20,141</b>	<b>29,91,164</b>

Summary of significant accounting policies 1

The accompanying notes form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For S S Kothari Mehta & Company

Chartered Accountants

Firm Registration Number: 000756N

Naveen Aggarwal

Partner

Membership Number: 094380



For and on behalf of the Board of Directors of

Sewa Grih Rin Limited

CIN: U65923DL2011PLC222491

Renana Jhabvala

Director

DIN: 01106825

Nagendra Saxena

Chief Financial Officer

Place: New Delhi

Date: 29/08/2022



Shruti Savio Gonsalves

Managing Director & Chief Executive Officer

DIN: 07160748

Preeti Singh

Company Secretary

Membership No: A29633

Place: New Delhi

Date: 29/08/2022



Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	18	5,43,343	4,60,975
Other income	19	73	6,998
<b>Total Income</b>		<b>5,43,416</b>	<b>4,67,973</b>
<b>Expenses</b>			
Employee benefits expense	20	1,89,419	1,48,862
Finance costs	21	1,89,658	1,65,099
Depreciation and amortisation expense	22	8,820	7,671
Other expenses	23	77,642	52,386
Provisions and write off	24	20,967	980
<b>Total expenses</b>		<b>4,86,506</b>	<b>3,74,998</b>
Profit before tax		56,910	92,975
<b>Tax expense</b>			
-Current Tax		13,016	-
-Reversal of MAT Credit Entitlement		-	1,326
-Deferred Tax		-10,879	-
-Earlier year tax adjustment		-	-1,326
<b>Profit after tax</b>		<b>54,773</b>	<b>92,975</b>
<b>Earnings per equity share [nominal value per share INR 10 (Previous year INR 10)]</b>			
Basic	28	0.99	1.69
Diluted		0.83	1.40
Summary of significant accounting policies	1		

The accompanying notes form an integral part of these financial statements.

This is the Statement of Profit or Loss referred to in our report of even date

**For S S Kothari Mehta & Company**

Chartered Accountants

Firm Registration Number: 000756N

*Naveen Aggarwal*

**Naveen Aggarwal**

Partner

Membership Number: 094380



For and on behalf of the Board of Directors of

**Sewa Grih Rin Limited**

CIN: U65923DL2011PLC222491

*Renana Jhabvala*

**Renana Jhabvala**

Director

DIN: 01106825

*Shrutika Savio Gonsalves*

**Shrutika Savio Gonsalves**

Managing Director & Chief Executive Officer

DIN: 07160748



*Nagendra Saxena*

**Nagendra Saxena**

Chief Financial Officer

*Preeti Singh*

**Preeti Singh**

Company Secretary

Place: New Delhi

Date: 29/08/2022

Place: New Delhi

Date: 29/08/2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I. Cash flow from operating activities</b>		
Profit before taxation	56,910	92,975
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Provision on loan assets & Gratuity	25,440	(3,292)
Depreciation of fixed assets	8,820	7,671
Interest expense	1,53,859	1,67,606
ESOP expense	-	5,993
<b>Operating profit before working capital changes</b>	<b>2,45,029</b>	<b>2,70,953</b>
<b>Working Capital Changes</b>		
- Increase in loans and advances	(6,58,509)	(3,47,126)
- Increase in other current assets / Non-Current Assets	(1,11,932)	(17,057)
- Increase/(decrease) in trade payable	4,216	(7,182)
- Increase in other current liabilities and provisions	11,939	4,662
<b>Cash used in operations</b>	<b>(5,09,257)</b>	<b>(95,750)</b>
Tax paid / recoverable Tax Deducted at Source	(1,450)	(365)
<b>Net cash used in operating activities (A)</b>	<b>(5,10,707)</b>	<b>(96,115)</b>
<b>II. Cash flow from investing activities</b>		
Purchase of fixed assets	(26,156)	(7,576)
Gratuity Paid during the Year	(1,512)	-
Issue of Compulsorily Convertible preference shares	-	2,28,571
Investment in bank deposits (having original maturity of more than 12 months)	(84,262)	(47,783)
<b>Net cash flow generated from/ (used in) investing activities (B)</b>	<b>(1,11,930)</b>	<b>1,73,212</b>
<b>III. Cash flows from financing activities</b>		
Security premium on Compulsorily Convertible preference shares	-	91,429
Share issue expenses on account of issue of 0.01% Compulsorily Convertible Preference Shares	(4,786)	(16,682)
Proceeds from borrowings	11,21,765	5,76,860
Repayment of borrowings	(5,46,916)	(2,47,327)
Amount transferred to/ from foreign currency translation reserve	665	665
Payable for forward contract	50,619	-
Interest paid	(1,54,101)	(1,68,168)
<b>Net cash flow generated from financing activities (C)</b>	<b>4,67,246</b>	<b>2,36,777</b>
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,55,391)	3,13,874
Cash and cash equivalents at the beginning of the year	3,64,565	50,691
<b>Cash and cash equivalents at the end of the year (refer note 15)</b>	<b>2,09,174</b>	<b>3,64,565</b>
<b>Components of cash and cash equivalents</b>		
Balance with scheduled banks :		
- in current, collection & OD accounts	1,54,319	80,272
-Cash-in-hand & collection with branches	2,892	3,354
-Cheques/DD in hand	1,963	-
Fixed deposits with banks	50,000	2,80,939
	<b>2,09,174</b>	<b>3,64,565</b>

**Notes:**

- The above Cash flow statement has been prepared under the indirect method as set out in AS 3 'Statement of Cash Flows'
- Figures in brackets represents cash outflows

The accompanying notes are an integral part of the financial statements

This is the Statement of Cash flows referred to in our report of even date

For S S Kothari Mehta & Company  
Chartered Accountants  
Firm Registration Number: 000756N

**Naveen Aggarwal**  
Partner  
Membership Number: 094380



For and on behalf of the Board of Directors of  
**Sewa Grih Rin Limited**  
CIN: U65923DL2011PLC222491

**Renana Jhabvala**  
Director  
DIN: 01106825

**Nagendra Saxena**  
Chief Financial Officer

**Shruti Savio Gonsalves**  
Managing Director & Chief Executive Officer  
DIN: 07160748

**Preeti Singh**  
Company Secretary

Place: New Delhi  
Date: 29/08/2022

Place: New Delhi  
Date: 29/08/2022



## 1 Corporate information and Significant accounting policies

### a) Corporate information

Sewa Grih Rin Limited ("The Company") is a company incorporated on July 18, 2011 under the provisions of the Companies Act, 1956, and obtained a fresh Certificate of Incorporation on April 07, 2014 upon change of name on conversion to a Public Limited Company. It is a Housing Finance Company registered under section 29 A of The National Housing Bank Act, 1987 vide Registration Certificate No. 01.0118.15 dated January 24, 2015. The Company is engaged in providing secured retail home loans, home equity loans and loans against property to women borrowers for a period up to twenty years. The Company operates in India through 36 branches spread across eight Indian States viz. Delhi, Rajasthan, Madhya Pradesh, Uttar Pradesh, Maharashtra, Bihar, Haryana and Gujarat. These loans are primarily to be used by the women borrowers for home purchase, home improvements, home extension and for construction of dwelling units on plots owned by borrowers. Under the registration certificate by NHB, the Company is not allowed to accept/ hold public deposits.

### b) Basis of preparation

The financial statements which have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 2013 (the "Act") and comply in all material aspects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013, The National Housing Bank Act, 1987, The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of work and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

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.

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

### c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Difference between actual results and estimates are recognised in the period in which they materialise.

### d) Revenue recognition

(i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured as provided in the Housing Finance Companies (NHB) Directions.

(ii) Repayment of housing and other loans is generally by way of Equated Monthly Instalments (EMIs) comprising principal and interest. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, pre EMI interest is recoverable every month. Interest on loans is computed on monthly rest basis.

(iii) Income including interest/ discount or any other charges on non performing assets (NPA) is recognised only when it is actually realised. Any such income recognised before the asset became non performing and remaining unrealised is reversed.

(iv) Income from Processing fee and other charges viz. penal interest on overdue/ additional interest on defaults, prepayment charges etc. revenue is recognised, when realisation is certain.

(v) Interest income on investments is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

(vi) Interest income on fixed deposits with banks, is recognised on time proportion basis and dividend income is accounted for in the year in which the right of the Company to receive the income is established.

(vii) In other cases, income is recognised when there is no significant uncertainty as to determination and realisation. Interest on tax refunds and other incomes are accounted for on receipt basis.

### e) Classification of assets and provisioning

i) All credit exposures are classified into performing and non-performing assets (NPAs) as per guidelines laid down by the National Housing Bank (NHB). Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by NHB.

ii) Provisions on performing assets & NPAs are made as per guidelines laid down by NHB.



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**f) Property, plant and equipment**

(i) Property, plant and equipment comprising both tangible and intangible are stated at the cost less depreciation, including expenses incurred in bringing the same to its present location and working condition.

(ii) The Company uses straight line method and depreciation is provided on pro-rata basis on the carrying amount of property, plant and equipment. The carrying amount is calculated after reducing 5% of the value of property, plant and equipment as residual value. Depreciation is charged based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. However, intangible assets are amortized over the estimated useful life of the assets. Following useful life has been considered: (a) Computer Software - 3 years and (b) Lendperfect Software - 5 years. However, the life of Lendperfect Software has been reduced till November'2021 and accordingly, the same is being depreciated over the remaining useful life.

(iii) Impairment of assets: At each balance sheet date the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds the recoverable amount, impairment loss is recognised in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount.

(iv) Asset costing up to Rs. 5,000/- is fully depreciated in the year of purchase.

**g) Foreign Currency Transactions**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, the Company has adopted the following policy for FY 2019-20:

In cases other than depreciable asset, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability. A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

From FY 2020-21 onwards the company has adopted following policy:

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the balance sheet date are translated at exchange rate prevailing at the year end. Premium or discount in respect of forward contracts covered under AS 11 (revised 2003) is recognised over the life of contract. Exchange differences arising on actual payments / realizations and year end translations including on forwards contracts are dealt with in Statement of Profit and Loss. The Foreign exchange loss/gain on reporting of long-term foreign currency monetary items and forward contracts, held as on reporting date to be used for, or actually used for repayment of loan taken for depreciable assets, are capitalized. Non-Monetary Foreign Currency items are stated at cost. In accordance with Announcement issued by the Institute of Chartered Accountants of India all outstanding derivatives except covered under AS-11 (Revised 2003) are marked on Balance sheet date and loss, if any, is recognized in Statement of Profit & Loss , gains are ignored.

In accordance with Announcement issued by the Institute of Chartered Accountants of India all outstanding derivatives except covered under AS-11 (Revised 2003) are marked on Balance sheet date and loss, if any, is recognized in Statement of Profit & Loss , gains are ignored.

**h) Investments**

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

**i) Taxes on Income**

Tax expense for the period comprises current tax & deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred Tax Assets (DTA) are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward unabsorbed depreciation and losses, DTA are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which DTA can be realised. These are reviewed for the appropriateness of their respective carrying values at each Balance sheet date.



*Agarwal*

*Preeti Singh*

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## J) Employee Benefits

### Defined contribution plan

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, which are recognised in the Statement of Profit and Loss on accrual basis.

The Company has no further obligations under these plans beyond its monthly contributions.

### Defined Benefit Plan- Gratuity

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

### Other short-term benefit

There is no obligation in respect of leave encashment.

### k) Employee stock option scheme

The Company has constituted "SGRL ESOP 2018" Employee Stock Option plan ('the plan'). Employee stock options granted under this plan are accounted under "Fair Value Method" stated in the Guidance Note on "Employee Share-based Payments" issued by the Institute of Chartered Accountants of India. The stock options are measured at fair value on the grant date using the valuation technique to estimate the price of those options on the grant date in the arm's length transaction between knowledgeable, willing parties.

### l) Leases (as a lessee)

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Since significant portion of risks and rewards are retained by lessor in respect of assets acquired on lease, they are classified as operating lease and the lease rentals are charged off to revenue account.

### m) Provisions, Contingent Liabilities and Contingent Assets

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

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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statement.

### n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



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**o) Share issue expenses**

Share issue expenses are debited to securities premium account as permissible under the provisions of section 52 of the Companies Act, 2013, to the extent balance is available for utilisation in the Securities Premium Account. Share/Security issue expenses in the excess of the balance in the Securities Premium Account are expensed off in the Statement of Profit and Loss.

**p) Borrowing costs**

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

**q) Derivative activities**

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/ liability, is recognised as income or as expense in the initial year only. Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

**r) Provision for standard assets, non performing assets**

Provisions on Standard Assets, Non Performing Assets are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

**s) Special Reserve/ Statutory reserve**

The Company creates special reserve every year out of its profit in terms of section 36 (i)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987

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*Indu*



*Agasth*

*Prachi Singh*



## 2 Share capital

## Authorised

80,000,000 equity shares of Rs.10 each (Previous Year 80,000,000 equity shares)

24,000,000 0.01% Compulsorily Convertible Preference Shares of Rs.10 each (Previous Year 24,000,000 Compulsorily Convertible Preference Shares)

## Issued, subscribed and fully paid up

55,153,217 equity shares of Rs.10 each (Previous Year 55,153,217 equity shares)

22,857,140 0.01% Compulsorily Convertible Preference Shares of Rs.10 each (Previous Year 22,857,140 Compulsorily Convertible Preference Shares)

	As at March 31, 2022	As at March 31, 2021
80,000,000 equity shares of Rs.10 each (Previous Year 80,000,000 equity shares)	8,00,000	8,00,000
24,000,000 0.01% Compulsorily Convertible Preference Shares of Rs.10 each (Previous Year 24,000,000 Compulsorily Convertible Preference Shares)	2,40,000	2,40,000
<b>Issued, subscribed and fully paid up</b>		
55,153,217 equity shares of Rs.10 each (Previous Year 55,153,217 equity shares)	5,51,532	5,51,532
22,857,140 0.01% Compulsorily Convertible Preference Shares of Rs.10 each (Previous Year 22,857,140 Compulsorily Convertible Preference Shares)	2,28,571	2,28,571
	<b>7,80,103</b>	<b>7,80,103</b>

## a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	5,51,53,217	5,51,532	5,51,53,217	5,51,532
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>5,51,53,217</b>	<b>5,51,532</b>	<b>5,51,53,217</b>	<b>5,51,532</b>
<b>Compulsorily convertible preference shares*</b>				
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	2,28,57,140	2,28,571	-	-
Issued during the year	-	-	2,28,57,140	2,28,571
<b>Outstanding at the end of the year</b>	<b>2,28,57,140</b>	<b>2,28,571</b>	<b>2,28,57,140</b>	<b>2,28,571</b>
	<b>7,80,10,357</b>	<b>7,80,103</b>	<b>7,80,10,357</b>	<b>7,80,103</b>

\* The Company has, vide Board Resolution dated 30th May, 2022, converted 2,28,57,140 Series C Compulsorily convertible preference shares into 1,05,86,025 equity shares. Equity shares have been allotted upon conversion of Compulsorily convertible preference shares in the ratio 1:0.4631.

## b) Detail of shareholders holding more than 5 % shares in the Company

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	Number	% holding	Number	% holding
<b>Equity shares of Rs.10 each fully paid up held by</b>				
Sewa Mutual Benefit Trust	2,08,13,558	37.74	2,08,13,558	37.74
AHI Capital Gateway, Inc	40,56,462	7.35	40,56,462	7.35
HDFC Holdings Limited	54,90,410	9.95	54,90,410	9.95
Oikocredit Ecumenical Development Cooperative Society U.A	1,34,95,277	24.47	1,34,95,277	24.47
Omidyar Network Fund Inc	62,97,796	11.42	62,97,796	11.42
<b>Total</b>	<b>5,01,53,503</b>	<b>90.93</b>	<b>5,01,53,503</b>	<b>90.93</b>
<b>0.01% Compulsorily Convertible Preference shares of Rs.10 each fully paid up held by</b>				
WWB CP II Non SSA, LLC	1,60,71,428	70.31	1,60,71,428	70.31
HDFC Standard Life Insurance Co Ltd	17,85,714	7.81	17,85,714	7.81
Oikocredit Ecumenical Development Coop Society U.A	14,28,571	6.25	14,28,571	6.25
Omidyar Network Fund Inc.	28,57,142	12.50	28,57,142	12.50
<b>Total</b>	<b>2,21,42,855</b>	<b>96.87</b>	<b>2,21,42,855</b>	<b>96.87</b>

## c) Rights, preferences and restrictions attached to equity shares

The Company has issued equity shares having a par value of Rs.10 per share. Each shareholder of ordinary shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of ordinary shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of ordinary shares held by the shareholders.

## Rights, preferences and restrictions attached to 0.01% Compulsorily Convertible preference shares

Compulsorily convertible preference shares (CCPS) carry non-cumulative dividend rate of 0.01% per annum.

## Conversion terms:

Voluntary conversion: To convert the CCPS into Equity Shares at any time until the Conversion Trigger Event subject to the approval of the Board and the Investors.

Compulsory Conversion Earlier of:

- the completion of the next round of equity infusion by third party investors in the Company of at least USD 5 million
- the expiry of 18 months of the Closing Date, in which case the CCPS will convert to the Conversion Shares within the next Business Day following completion of 18 months from the Closing Date.

## d) Shares held by promoters at the end of the year

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% Change	No. of Shares	% of total shares	% Change
Sewa Mutual Benefit Trust	2,08,13,558	37.74	NIL	2,08,13,558	37.74	NIL



*Agosahes*

*Treeta Singh*

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(Rupees in thousand unless otherwise stated)

## 3 Reserves &amp; surplus

	As at March 31, 2022	As at March 31, 2021
a) <b>Securities premium account</b>		
Balance at the beginning of the year	4,53,286	3,78,539
Addition during the year on account of issue of 0.01% Compulsorily Convertible Preference Shares	-	91,429
Less: Share issue expenses related to Series D fund raise**	(4,786)	(16,682)
	<u>4,48,500</u>	<u>4,53,286</u>
** Share issue expenses have been incurred during the year to formalise Series D fund raise		
b) <b>Statutory reserve (special reserve)*</b>		
Balance at the beginning of the year	12,604	2,742
Add: Shortfall in Funds transferred in FY 2021 #	8,733	-
Add: Transferred from Statement of profit and loss	10,955	9,862
Balance at the end of the year	<u>32,292</u>	<u>12,604</u>
* Statutory reserve is the reserve created by transferring the sum not less than 20% of its profit in terms of Section 29C of the National Housing Bank Act, 1987.		
# There was a shortfall in amount of funds transferred to statutory reserve in FY21 in terms of Section 29C of the National Housing Bank Act, 1987. The shortfall amount of Rs. 87,33,219 has now been transferred to statutory reserve in addition to 20% of profit of the current year.		
c) <b>Share option outstanding account</b>		
Balance at the beginning of the year	7,038	1,045
Add: Provision for the year	-	5,993
Balance at the end of the year	<u>7,038</u>	<u>7,038</u>
d) <b>Deficit in the statement of profit and loss</b>		
Balance at the beginning of the year	(72,417)	(1,55,530)
Add: Profit transferred from Statement of profit and loss	54,773	92,975
Less: Transfer to statutory reserve	(19,688)	(9,862)
Balance at the end of the year	<u>(37,332)</u>	<u>(72,417)</u>
e) <b>Foreign Currency Monetary Item Translation Difference Account</b>		
Balance at the beginning of the year	(9,128)	(9,793)
Add: Created on foreign currency loan taken	-	-
Charged to Statement of profit or loss during the year	665	665
Balance at the end of the year	<u>(8,463)</u>	<u>(9,128)</u>
	<u>4,42,033</u>	<u>3,91,383</u>

## 4 Long Term Borrowings

## Term Loans (Secured)

## a) From Banks

	As at March 31, 2022	As at March 31, 2021
Gross term loans	9,45,712	2,39,764
Less: Current maturities transferred to "Other Current Liabilities"	1,90,959	45,388
	<u>7,54,753</u>	<u>1,94,376</u>

## b) From Others

Gross term loans *	14,05,655	15,36,752
Less: Current maturities transferred to "Other Current Liabilities"	2,15,046	2,89,554
	<u>11,90,609</u>	<u>12,47,198</u>

## Gross term loans

Less: Current maturities transferred to "Other Current Liabilities" (refer note 7)	23,51,367	17,76,516
	<u>4,06,005</u>	<u>3,34,942</u>
<b>Total (a+b)</b>	<u>19,45,362</u>	<u>14,41,574</u>

\* Foreign currency loan has been reinstated at exchange rate prevailing at the year end

**Term loan from banks :** All term loans from bank are secured against loan assets carrying interest rates in the range of 9.15% to 12.50%. The loans are having tenures ranging from 4 to 10 years from the date of disbursement and are repayable in monthly instalments.

**Term loan from others :** Term loans from various financial institution are secured against loan assets carrying interest rates in the range of 4.38% to 11.75%. The loans are having tenure of 4 to 15 years from the date of disbursement and are repayable in monthly/ quarterly instalments.

The information required to be filed at the end of each quarter as per the terms of arrangement has been filed accordingly and are in agreement with the books of accounts.

## 5 Other Long Term liability

## Payable -Forward contract

	As at March 31, 2022	As at March 31, 2021
	50,619	-
	<u>50,619</u>	<u>-</u>



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*Chokke*

*Preethi Singh*





## 6 Long Term Provisions

## Provision for Loans

For standard assets

As at March 31, 2022	As at March 31, 2021
24,430	7,384

## Provision for Employee Benefits

Provision for Gratuity

8,817	6,743
<b>33,247</b>	<b>14,127</b>

## 7 Short Term Borrowings

Current maturities of long term loans ( refer note no. 4)

As at March 31, 2022	As at March 31, 2021
4,06,004	3,34,943
<b>4,06,004</b>	<b>3,34,943</b>

## 8 Trade Payables

Total outstanding dues of micro enterprises and small enterprise (Refer Note - 29)

Total outstanding dues of creditors other than micro enterprises and small enterprises

As at March 31, 2022	As at March 31, 2021
780	342
6,463	2,684
<b>7,243</b>	<b>3,026</b>

## Trade Payables ageing schedule as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	164	-	-	616	780
(ii) Others	6,408	-	-	55	6,463
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>6,572</b>	<b>-</b>	<b>-</b>	<b>671</b>	<b>7,243</b>

## Trade Payables ageing schedule as on March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	342	342
(ii) Others	2,633	-	52	-	2,684
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>2,633</b>	<b>-</b>	<b>52</b>	<b>342</b>	<b>3,026</b>

## 9 Other Current Liabilities

Interest accrued but not due

Advance EMI collected from customers

Amount refundable to borrowers

Amount payable to insurance company

Rent equalisation reserve

Statutory dues

Employee related payables

Expense payable

As at March 31, 2022	As at March 31, 2021
2,841	3,083
1,927	2,715
705	731
2,177	1,476
6,426	-
5,464	4,306
7,029	4,808
9,139	5,442
<b>35,708</b>	<b>22,561</b>

## 10 Short Term Provisions

## Provision for Loans:

For standard assets

For sub-standard assets

For Doubtful assets

Provision for Gratuity

Provision of income tax ( net of advance tax and TDS)

As at March 31, 2022	As at March 31, 2021
540	638
3,156	655
2,339	848
2,221	1,306
11,566	-
<b>19,822</b>	<b>3,447</b>



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*Reethi Singh*

11 Property plant and equipment

(Rupees in thousand unless otherwise stated)

Particulars	Tangible asset (A)					Intangible asset (B)	Intangible asset under development (C)	Total (A+B+C)
	Furniture and fixtures	Office equipment	Computers accessories and server hardware	Leasehold Improvements	Total	Computer software	Software under development	
<b>(i) Gross Block</b>								
Balance as at March 31, 2020	3,247	1,863	11,215	-	16,325	20,372	-	36,697
Additions	103	228	3,288	-	3,619	1,014	2,943	7,576
Disposals / Adjusted	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	3,350	2,091	14,503	-	19,944	21,386	2,943	44,273
Additions	1,482	4,047	12,481	2,739	20,749	66	5,341	26,156
Disposals / Adjusted	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	4,832	6,138	26,984	2,739	40,693	21,452	8,284	70,429
<b>(ii) Accumulated Depreciation</b>								
Balance as at March 31, 2020	834	888	6,345	-	8,067	11,956	-	20,023
For the year	310	318	2,286	-	2,914	4,756	-	7,670
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	1,144	1,206	8,631	-	10,981	16,712	-	27,693
For the year	330	370	3,899	22	4,621	4,199	-	8,820
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	1,474	1,576	12,530	22	15,602	20,911	-	36,513
<b>(iii) Net Block</b>								
Balance as at March 31, 2021	2,206	885	5,872	-	8,963	4,674	2,943	16,580
Balance as at March 31, 2022	3,358	4,562	14,454	2,717	25,091	541	8,284	33,916

Ageing for intangible assets under development as at March 31, 2022 and March 31, 2021 is as follows :

Particulars		Amount in intangible asset under development for a period of				
		Less than 1 Year	1 Year - 2Year	2 Year - 3 Year	More than 3 Year	Total
Projects in Progress	As at March 31, 2022	-	8,284	-	-	8,284
	As at March 31, 2021	2,943	-	-	-	2,943

The Board approved engagement of services of Nucleus Software Export Limited for Finnone Neo Software in November, 2020. Consequently, the Company formalised a service agreement with Nucleus in January, 2021 to implement the software. The software was to be implemented by July, 2021 but is now expected to be implemented by August, 2022. The time overrun is likely to be of 13 months. However, there is no cost overrun.



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*Preeti Singh*

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(Rupees in thousand unless otherwise stated)

12 Deferred tax asset (Net)

Deferred tax asset

As at March 31, 2022	As at March 31, 2021
10,879	-
<b>10,879</b>	<b>-</b>

13 Long-term loans and advances

Housing and property loans

(Secured, considered good unless stated otherwise)

a) Secured by mortgageable securities

- Housing Loans - Considered good
- Housing Loans - Substandard
- Housing Loans - Doubtful
- Loan against House Property- Considered good
- Loan against House Property- Substandard
- Loan against House Property- Doubtful

17,68,633	13,38,740
9,906	1,041
2,882	2,128
11,72,660	10,02,203
9,149	1,876
2,860	998

b) Secured by other securities\*

- Housing Loans - Considered good
- Housing Loans - Substandard
- Housing Loans - Doubtful
- Loan against House Property- Considered good
- Loan against House Property- Substandard
- Loan against House Property- Doubtful

1,21,595	1,02,875
1,509	756
937	183
69,848	53,977
474	693
693	-

\*( In the absence of or pending legal formalities, document evidencing possession or allotment or any other relevant documents are being held in these cases)

Less: Current portion of Housing and property loans (refer note 16)

31,61,146	25,05,470
2,16,074	1,48,894

Non-Current portion of housing and property loans

<b>29,45,072</b>	<b>23,56,576</b>
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Advance to Employees

805	61
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Advance Payment of Tax (Including TDS and TCS)

8,480	8,480
-------	-------

<b>29,54,357</b>	<b>23,65,117</b>
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As certified by management, loans given by the Company are secured by equitable mortgage/ registered mortgage of the property to create a security and /or hypothecation of asset and are considered appropriate and good.

14 Other non-current assets

Mark-to-market gain on derivatives\*

As at March 31, 2022	As at March 31, 2021
17,913	18,722

Prepaid expenses

1,456	1,318
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Security deposits for branches

13,390	1,024
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Receivable-Forward contract

46,330	-
--------	---

Deferred premium on forward contract

1,673	-
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<b>80,762</b>	<b>21,064</b>
---------------	---------------

\* The figure for the year ended March 31,2022 pertains to mark-to-market gain on option contracts entered into for hedging foreign currency payments only

15 Cash and cash equivalents

Cash-on-hand

2,892	3,354
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Balances with Banks

- On Current Accounts

1,54,319	80,272
----------	--------

- Deposits with original maturity of less than 3 months

50,000	2,80,939
--------	----------

Cheques/ Demand draft on hand

1,963	-
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Other bank balances

- Margin Money Deposits Against Borrowings

1,33,045	48,783
----------	--------

<b>3,42,219</b>	<b>4,13,348</b>
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16 Short term loans and advances

Housing and property loans

(Secured, considered good unless stated otherwise)

a) Secured by mortgageable securities

- Housing Loans
- Loan against House Property

1,01,109	64,631
83,095	62,517

b) Secured by other securities\*

- Housing Loans
- Loan against House Property

21,189	14,738
10,681	7,008

\*(In the absence of or pending legal formalities, document evidencing possession or allotment or any other relevant documents are being held in these cases)

Current portion of housing and property loans

<b>2,16,074</b>	<b>1,48,894</b>
-----------------	-----------------

Advance to Employees

2,470	1,068
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Other Advances

189	240
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Balance with Government Authorities

GST Input credit

2,222	1,484
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<b>2,20,955</b>	<b>1,51,686</b>
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17 Other Current Assets

(Unsecured-considered good)

Advance EMI for Debts  
Interest accrued but not due  
Interest accrued and due  
Deferred Interest for Moratorium period  
Prepaid expenses and advances given  
Accrued interest on fixed deposit  
Security deposits for Branches  
Deferred premium on forward contract  
Other fees and charges receivable

	As at March 31, 2022	As at March 31, 2021
	23,505	373
	1,182	10,819
	37,967	5,127
	-	47
	1,417	1,256
	827	5
	1,492	960
	2,027	-
	8,636	4,782
	<b>77,053</b>	<b>23,369</b>

18 Revenue from operations

a. Interest Income

Interest on loans  
Interest on fixed deposits

b. Other financial services

Loan processing fees / prepayment charges  
Initial money deposit  
Collection charges

	For the year ended March 31, 2022	For the year ended March 31, 2021
	4,96,158	4,33,424
	13,849	9,071
	5,10,007	4,42,495
	20,179	10,382
	5,998	3,001
	7,159	5,097
	33,336	18,480
	<b>5,43,343</b>	<b>4,60,975</b>

19 Other income

Provision on standard assets\*  
Provision on sub-standard assets  
Other Income

\* This includes the reversal of Provision for Covid-19 (refer note 38 T).

	For the year ended March 31, 2022	For the year ended March 31, 2021
	-	6,870
	-	58
	73	70
	<b>73</b>	<b>6,998</b>

20 Employee benefits expense

Salary, allowances and incentives  
Contribution to provident fund and other funds\*  
Gratuity expense (refer note 25)  
Staff welfare & Insurance expenses  
Employee share option expense (refer note no. 31)

\* Net of Rs. 9,44,279/- subsidy received under PMRPY (previous year - Rs. 1,10,013/-).

	For the year ended March 31, 2022	For the year ended March 31, 2021
	1,72,581	1,30,656
	7,219	7,128
	4,502	2,656
	5,117	2,429
	-	5,993
	<b>1,89,419</b>	<b>1,48,862</b>

21 Finance Cost

Interest expense on term loans  
Other borrowing cost  
Premium on Forward contract  
Foreign exchange loss/(gain)\*

\* The Company has net foreign exchange gain/loss on reinstatement of the foreign currency borrowings pursuant to the requirement of Accounting Standard 16.

	For the year ended March 31, 2022	For the year ended March 31, 2021
	1,53,859	1,67,606
	25,126	12,099
	354	-
	10,319	-14,606
	<b>1,89,658</b>	<b>1,65,099</b>

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*Arora*  
*Arora Singh*



(Rupees in thousand unless otherwise stated)

**22 Depreciation and amortisation expense**

Depreciation on property, plant and equipment  
Amortization of intangible assets

For the year ended March 31, 2022	For the year ended March 31, 2021
4,621	2,915
4,199	4,756
<b>8,820</b>	<b>7,671</b>

**23 Other Expenses**

Electricity and water charges  
Rent  
Repair and maintenance-Others  
Advertisement and marketing expenses  
Software maintenance charges  
Staff recruitment and training  
Office expenses  
Director's sitting fees  
Legal Professional & Consultancy expenses  
Cash Collection & Bank charges  
Meeting expenses  
Travelling and conveyance  
Rates Fee and Taxes (refer note 29)  
Remuneration to auditors\*  
Miscellaneous expenses

For the year ended March 31, 2022	For the year ended March 31, 2021
2,247	1,727
18,098	9,813
4,377	3,069
376	78
3,420	5,054
6,438	2,092
9,803	5,600
659	365
20,601	18,456
1,625	969
679	-
6,770	3,024
1,205	1,058
1,205	918
139	163
<b>77,642</b>	<b>52,386</b>

**\*Remuneration to auditors:**

-Audit fees  
-Tax audit fees  
-Certification & Other Services

900	440
125	50
180	428
<b>1,205</b>	<b>918</b>

**24 Provisions and write off**

Provision on standard assets  
Provision on sub-standard assets  
Provision on re-structured assets  
Provision on doubtful assets  
Bad debts written off

For the year ended March 31, 2022	For the year ended March 31, 2021
1,495	-
2,501	-
15,453	167
1,490	813
28	-
<b>20,967</b>	<b>980</b>

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*CarSaxene*

*Preethi Singh*



25 Employee Benefits ( as per AS-15 ) :

The Company has in accordance with the Accounting Standard-15 (Revised) 'Employee Benefits' has calculated the various benefits provided to employees as under:

(a). Defined contribution plans

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:-

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employers contribution to provident fund (Refer note 20)	7,188	7,074
<b>Total</b>	<b>7,188</b>	<b>7,074</b>

(b). Defined benefit plan

The present value obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit

entitlement and measures each unit separately to build up the final obligations. The summarized position of defined benefit plan is as under:

A. Actuarial assumptions ( Gratuity Non-funded)

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	7.26%	6.76%
Expected rate of future salary increase	7.00%	7.00%
Retirement age (years)	60	60
Mortality table	IALM (2012 - 14)	IALM (2012 - 14)
<b>Withdrawal rate</b>		
Up to 30 Years	39.14%	45.84%
From 31 to 44 years	32.44%	30.87%
Above 44 years	9.80%	8.68%

The discount rate assumed is 7.26% (previous year: 6.76%) which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

B. Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening present value of obligation	8,049	5,393
Interest cost	544	272
Current service cost	2,137	1,659
Benefits paid	-1,512	-
Actuarial gain/ (loss) on obligation	1,820	725
<b>Closing present value of obligation</b>	<b>11,039</b>	<b>8,049</b>

C. Expense recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	2,138	1,659
Interest cost	544	272
Net actuarial loss/(gain) to be recognized	1,820	725
<b>Expense recognised in the Statement of Profit and Loss (Refer note below)</b>	<b>4,502</b>	<b>2,656</b>
<b>Note:</b>		
Expense recognised in employee benefit expenses (Refer note 20)	4,502	2,656

D. Reconciliation of present value of defined benefit obligation and fair value of assets

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Present value of defined benefit obligation	11,039	8,049
Fair value of plan assets	-	-
<b>Net funded status</b>	<b>11,039</b>	<b>8,049</b>
<b>Recognised under:</b>		
Short term provision (Refer note 10)	2,221	1,306
Long term provision (Refer note 6)	8,817	6,743

E. Net assets / liability and actuarial experience gain / (loss) for present benefit obligation ('PBO') and plan assets on gratuity

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
PBO	11,039	8,049	5,393	3,092	1,832
Plan assets	-	-	-	-	-
Net assets/(liability)	(11,039)	(8,049)	(5,393)	(3,092)	(1,832)
Experience (gain)/loss on PBO	2,031	641	(4,258)	4	120
Experience (gain)/loss on plan assets	-	-	-	-	-

F. Enterprise's best estimate for payment during next year

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gratuity	3,177	2,309



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*Preethi Singh*

26 Contingent liabilities and Commitments (to the extent not provided for)

Contingent liabilities

There are no contingent liabilities as at March 31, 2022 and March 31, 2021.

Commitment

The Company has sanctioned loans which are still to be disbursed amounting to Rs. 20,06,03,445 (Previous year Rs.161,885,121).

Particulars

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for	-	-

27 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

28 Earning Per Share

Particulars

	As at March 31, 2022	As at March 31, 2021
Net profit attributable to equity shareholders for basic and diluted EPS (a)	54,772	92,975
Weighted average of number of equity shares outstanding during the year (b)	55,153	55,153
Weighted average of diluted number of equity shares outstanding during the year (c)*	65,738	66,300
Nominal value of shares	10	10
Basic earnings per equity share (a/b)	0.99	1.69
Diluted earnings per equity share (a/c)	0.83	1.40

\* The Company has, vide Board Resolution dated 30th May, 2022, converted Series C Compulsorily convertible preference shares into equity shares at a conversion ratio of 0.4631 equity share for every CCPS. Since conversion ratio was not defined as on March 31, 2021, the conversion ratio for the sake of computing diluted earnings per share was assumed at 1:1 for the previous year.

29 Disclosure relating to suppliers registered under Micro, Small and Medium Enterprises Development Act based on the information available with the Company:

The required disclosure under the MSMED Act are given below:

Particulars

	As at March 31, 2022	As at March 31, 2021
--	-------------------------	-------------------------

(a) Amount remaining unpaid to any supplier at the end of each accounting year:

The principal amount	506	342
The interest due thereon	274	-

(b) the amounts paid by the buyer during the year:

Interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)

	-	-
	-	-

(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

	-	-
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(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

	-	-
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(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

	-	-
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30 In accordance with the Accounting Standard (AS-18) on "Related Party Disclosures", the disclosures are as follows:

A. Name of related parties and nature of relationship

Related parties with whom transactions have taken place during the year

Name of related parties

Sewa Mutual Benefit Trust  
Oikocredit Ecumenical Development Cooperative Society U.A

Relationship

Enterprises having significant influence over the Company  
Enterprises having significant influence over the Company

Key Management Personnel (KMP)

Shruti Savio Gonsalves  
Nagendra Nath Saxena  
Preeti Singh

Managing Director & Chief Executive Officer  
Chief Financial Officer  
Company Secretary

B. Transaction with related parties

Particulars

	Year ended March 31, 2022	Year ended March 31, 2021
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Issue of 0.01% CCPS (including security premium)

Oikocredit Ecumenical Development Cooperative Society U.A	-	20,000
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Remuneration (including incentives)\*

Shruti Savio Gonsalves	8,508	7,997
Nagendra Nath Saxena	3,369	3,190
Preeti Singh	2,221	1,869

Reimbursement expenses

Shruti Savio Gonsalves	50	44
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*Gonsalves*

*N. Saxena*

*Preeti Singh*

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C. Balance outstanding as at year end:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Incentive Payable</b>		
Shruti Savio Gonsalves	726	657
Nagendra Nath Saxena	284	253
Preeti Singh	184	59

\*As the future liability for Gratuity is provided on actuarial basis for the company as a whole, the amount pertaining to KMPs is not ascertainable and, therefore not included above.

31 Employee Stock Option Plan - "SGRL ESOP 2018"

a) The Company established the Employees Stock Option Plan - "SGRL ESOP 2018" ("the plan") which was approved by the Members in the Extra Ordinary General Meeting held on June 04, 2018. Under the plan, the Company has issued/ granted 1,582,000 stock options at Rs. 17.68 per share. Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of the vesting.

The Nomination and Remuneration Committee consisting of independent members from the Board of Directors administer the plan. Board of Directors and Members of the Company have approved the delegation to Nomination & Remuneration Committee to administer the ESOP Plan.

Additional ESOPs of 18,000 was granted on June 19, 2020 and 989,513 was granted on September 21, 2020.

b) The Salient terms of the scheme are set out hereunder:

Date of Grant	March 28, 2019	June 19, 2020	September 21, 2020
Number of ESOPs granted	15,82,000	18,000	9,89,513
Fair value of equity shares	Rs. 22.18	Rs. 13.68	Rs. 13.68
Grant price	Rs. 17.68	Rs. 18.56	Rs. 18.56
Exercise Period	Options are exercisable on expiry of 24 months from the date of grant	50% Options are exercisable on expiry of 15 months and 50% are exercisable on expiry of 24 months from the date of grant	Options are exercisable on expiry of 24 months from the date of grant

Vesting Condition:-

Vesting of options would be subject to certain covenants to Employees Stock Option Plan - "SGRL ESOP 2018" ("the plan"), on the fulfilment of which the granted options would vest with the employees. Thus, the vesting of the options would be compliance of covenants to the SGRL ESOP 2018 agreement with employees.

c) Employee stock option detail as on the Balance sheet date are as follows:

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Number of Options	Amount (Rs)	Number of Options	Amount (Rs)
Outstanding at the beginning of the year	25,71,513	53,389	15,64,000	34,690
Granted during the year	-	-	10,07,513	18,699
Relinquished during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the Year	25,71,513	53,389	25,71,513	53,389

The compensation cost of stock option granted to employees are accounted by the company using fair value method. The difference between the exercise price and the fair value of equity share is amortised on straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares. Consequently, employee benefit expense (refer note 22) includes Rs. NIL (Previous year Rs. 5,993,051) being the amortisation of deferred employee compensation.

32 Segment Information

The Company's main business is to provide loans against/ for purchase, construction, repairs & renovations of houses. There are no business operations located "Outside India". Hence all the activities are considered as a "Single business/ Geographical Segment" for the purposes of Accounting Standard on Segment Reporting (AS-17), issued by the Institute of Chartered Accountants of India.

33 Expenditure in Foreign Currency

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Interest expense	33,316	17,403
Other Borrowing Cost	784	569

Earnings in Foreign Currency

There are no foreign currency earnings during the year ended March 31, 2022 and March 31, 2021.



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*Preeti Singh*

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34 Derivative instruments and Unhedged foreign currency exposure  
a. Derivative outstanding at the reporting date

Particulars	Purpose	Strike price	As at	
			March 31, 2022 (in USD)	March 31, 2021 (in USD)
Option/ call spread option contracts to buy/ sell USD	Hedge of external commercial borrowing	71.26	-	2,65,678
		72.73	6,34,330	12,86,180
		72.75	4,34,628	-
		73.11	6,14,620	-
		73.57	1,40,394	1,40,394
		73.60	2,83,800	2,83,800
		74.78	4,67,323	-
		75.75	1,43,405	4,62,760
				<b>27,18,500</b>

Forward Contract outstanding for the purpose of hedging as at balance sheet					
S. No.	Foreign Currency	March 31, 2022		March 31, 2021	
		FCY	INR	FCY	INR
1	USD Dollar	3,02,930	2,50,28,076	NA	NA
2	USD Dollar	3,05,120	2,53,55,472	NA	NA

b. Mark-to-market

Particulars	As at March 31, 2022	As at March 31, 2021
Mark-to-market gain provided for	7,313	18,722

c. The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2022

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Foreign Currency loan	USD	11,554	8,787

35 The Company has entered into lease transactions mainly for leases of office, branch and storage for a period between 1 and 5 years. The leases are cancellable. The total expense incurred under the operating lease agreements recognized as an expense in the Statement of Profit and Loss during the year is Rs. 1,80,97,972 (previous year Rs. 98,13,061).

36 Deferred tax asset

Particulars	As at March 31, 2022	As at March 31, 2021*
Depreciation of fixed assets	388	124
Disallowance under Income tax Act	45	227
Carry forward loss and unabsorbed depreciation	-	3,588
Provision for gratuity	2,778	2,026
Provision on loan assets	7,667	2,397
	<b>10,879</b>	<b>8,362</b>

\* Since there was no virtual certainty as at March 31, 2021 that carry forward losses would be set off in the near future, the deferred tax asset has not been recognised as a matter of prudence during the financial year ended March 31, 2021.

37 Ratios to be disclosed as per revised schedule 3

	As at March 31, 2022	As at March 31, 2021	% Variance	Reason for Variance
a) Current ratio	1.37	1.62	-15.52%	NA
(b) Debt-Equity ratio	1.92	1.52	26.87%	Increase in borrowed funds
(c) Debt Service Coverage ratio	0.36	0.61	-41.60%	Decrease in profits and increase in debts
(d) Return on Equity ratio	4.58%	9.58%	-52.25%	Decrease in profits
(e) Inventory turnover ratio	NA	NA	NA	NA
(f) Trade Receivables turnover ratio	NA	NA	NA	NA
(g) Trade payables turnover ratio	NA	NA	NA	NA
(h) Net capital turnover ratio	NA	NA	NA	NA
(i) Net profit ratio	10.08%	20.17%	-50.02%	Decrease in profits
(j) Return on Capital employed	5.90%	8.84%	-33.27%	Decrease in profits
(k) Return on investment	NA	NA	NA	NA

Note:

Current Ratio=Current Assets/Current Liabilities

Debt-Equity Ratio=Total Debt/Shareholder's Equity

Debt Service Coverage Ratio=(Net Profit before taxes + Depreciation + Interest+provision on portfolio+forex loss)/(Interest Payments + Principal Repayments)

Return on Equity Ratio=Net Profit after taxes/Average Shareholder's Equity

Net profit ratio=Net Profit after tax/Revenue from Operations

Return on Capital employed=(Profit before interest and taxes)/(Tangible Net Worth + Total Debt)



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## 38 Disclosures required by NHB

A Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets – Nil (Previous Year – Nil)

## B Capital to Risk Assets Ratio (CRAR)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(i) CRAR (%)	53.41%	66.21%
(ii) CRAR - Tier I Capital (%)	52.33%	65.76%
(iii) CRAR - Tier II Capital (%)	1.08%	0.45%
(iv) Amount of subordinated debt raised as Tier – II Capital	0.00%	0.00%
(v) Amount raised by issue of Perpetual Debt Instruments	0.00%	0.00%

## C Statement for Disclosure on Statutory/ Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/REG/MC07/2019 dated July 1, 2019:-

Particulars	Year Ended	Year Ended
	March 31, 2022	March 31, 2021
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	12,604	2,742
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
<b>Addition / Appropriation / Withdrawal during the year</b>		
<b>Add:</b>		
a) Amount transferred u/s 29C of the NHB Act, 1987	19,688	9,862
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
<b>Less:</b>		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act,	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	32,291	12,604
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into Account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
<b>Total</b>	<b>32,291</b>	<b>12,604</b>

Statutory reserve is the reserve created by transferring the sum not less than 20% of its profit in terms of Section 29C of the National Housing Bank Act, 1987.

## D Investments

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Value of Investments</b>		
<b>Gross value of investments</b>		
(i) In India	-	-
(ii) Outside India	-	-
<b>Provisions for Depreciation</b>		
(i) In India	-	-
(ii) Outside India	-	-
<b>Net value of investments</b>		
(i) In India	-	-
(ii) Outside India	-	-
<b>Movement of provisions held towards depreciation on investments</b>		
Opening balance	-	-
Add: Provisions made during the year	-	-
Less: Write-off / Written-bank of excess provisions during the year	-	-
Closing balance	-	-

## E Derivatives

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)</b>		
(i) The notional principal of Forward rate agreements/Interest Rate Swap	50,384	-
(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	-	-

\* The losses which would be incurred if the counterparties failed to fulfil their obligations under the agreements would depend on the future rate of USD at which the Company shall purchase USD from an authorised dealer for fulfilling its obligation.

## Exchange Traded Interest Rate (IR) Derivative

(i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding	-	-
(iii) Notional principal amount of exchange	-	-
(iv) Mark-to-market value of exchange	-	-

## Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure: The Company does not have any Exchange Traded Interest Rate (IR) Derivative and Interest Rate Swap (IRS). The Company has option contracts/ Call Spread Options and Forward Rate Agreement (FRA) for the External Commercial Borrowings, as mentioned in Note 30.

## B. Quantitative Disclosure

(i) Derivatives (Notional Principal Amount):	2,05,274	-
(ii) Marked to Market Positions		
(a) Assets (+)	8,490	-
(b) Liability (-)	-1,176	-
(iii) Credit Exposure	8,15,508	-
(iv) Unhedged Exposures	8,72,461	-



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**F Area and Country of operations**

Sewa Grih Rin Limited is a Housing Finance Company registered under section 29 A of The National Housing Bank Act, 1987 vide Registration Certificate No. 01.0118.15 dated January 24, 2015. The Company is engaged in providing secured retail home loans, home equity loans and loans against property to women borrowers for a period up to twenty years. The Company operates in India through 36 branches spread across eight Indian States viz. Delhi, Rajasthan, Madhya Pradesh, Uttar Pradesh, Maharashtra, Bihar, Gujarat and Haryana.

**G Securitization/ Assignment during the year:**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a) No of SPVs sponsored by the HFC for securitisation transactions	-	-
b) Total amount of securitised assets as per books of the SPVs sponsored	-	-
c) 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	-	-
d) 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 securitizations	-	-
(b) Exposure to third party securitisations	-	-
<b>Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction</b>		
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-
<b>Details of Assignment transactions undertaken by HFCs</b>		
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts assigned	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-
<b>Details of non-performing financial assets purchased / sold</b>		
<b>A. Details of non-performing financial assets purchased:</b>		
1. (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2. (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-
<b>B. Details of Non-performing Financial Assets sold:</b>		
1. No. of accounts sold	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-



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## Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2022

(Rupees in thousand unless otherwise stated)

## H. Asset liability management:

Maturity pattern of certain items of assets and liabilities as on March 31, 2022 and March 31, 2021\*

Description	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
<b>Liabilities:</b>											
Borrowing from Banks/ NBFCs	28,682	223	14,759	22,304	22,311	86,355	1,70,962	5,65,513	3,36,556	2,88,195	15,35,860
Foreign Currency Liabilities	-	-	-	-	15,293	15,293	30,587	1,22,347	1,22,347	5,09,640	8,15,507
<b>Total</b>	<b>28,682</b>	<b>223</b>	<b>14,759</b>	<b>22,304</b>	<b>37,604</b>	<b>1,01,648</b>	<b>2,01,549</b>	<b>6,87,860</b>	<b>4,58,903</b>	<b>7,97,835</b>	<b>23,51,367</b>
(Previous Year)	750	596	17,535	18,973	29,384	88,616	1,79,089	6,54,536	2,33,438	5,53,599	17,76,516
<b>Assets:</b>											
Advances# (Housing & Property Loans)	-	-	24,657	24,851	27,963	61,832	1,23,363	5,02,763	6,00,591	18,41,718	32,07,739
<b>Total</b>	<b>-</b>	<b>-</b>	<b>24,657</b>	<b>24,851</b>	<b>27,963</b>	<b>61,832</b>	<b>1,23,363</b>	<b>5,02,763</b>	<b>6,00,591</b>	<b>18,41,718</b>	<b>32,07,739</b>
(Previous Year)	-	-	10,648	10,521	10,632	33,689	83,404	3,40,669	4,19,242	16,06,530	25,15,335

\* The Company do not have any deposits, investments and foreign currency assets



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I Exposure

a. Exposure to Real Estate Sector

Category	As at March 31, 2022	As at March 31, 2021
<b>(a) Direct exposure</b>		
<b>(i) Residential mortgages</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
- Individual housing loans up to Rs.15 lakh	19,29,889	14,50,995
- Individual housing loans above Rs.15 lakh	-	-
- Loans mortgaged against housing property	12,77,849	10,64,340
<b>(ii) Commercial real estate</b>		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures</b>		
A Residential	-	-
B Commercial Real Estate	-	-
<b>(b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
<b>b. Exposure to Capital Market</b>		
The Company does not have exposure to capital market at the year ended March 31, 2022 and March 31, 2021.		
<b>c. Details of financing of parent company products</b>		
The Company has not finance any of the parent Company product		
<b>d. Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL)</b>		
The Company has not exceeded the prudential exposure limit for single borrower or group borrower during the year		
<b>e. Unsecured Advances</b>		
The Company has given Rs 23,80,000/-and 18,30,500/-unsecured advances to employees during FY ended March 31, 2022 and March 31, 2021 respectively		

J Registration obtained from financial sector regulators

- a. From NHB – vide registration number - 01.0118.15  
b. From Ministry of Corporate Affairs – CIN-U65923DL2011PLC222491  
The company has not obtained registration from any other financial sector regulator.

K Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010.During the current year:-

- a. No penalty has been imposed by NHB or other regulators during the current financial year . In previous financial year , RBI had imposed late submission fee (LSF) of Rs. 147,083 on account of late submission of Form FC-GPR.  
b. NHB has carried out inspection for FY 2018-19 and has not reported any adverse comment having material impact on the financials of the Company. For FY 2020-21, credit inspection has been carried out and NHB has reported non compliance U/s 29C of the National Housing Bank Act, 1987.

L Rating assigned by Credit Rating Agencies and migration of rating

- March 31, 2022: Bank loan – Long term CRISIL BBB/Stable (Reaffirmed) , Short term A3+  
March 31, 2021: Bank loan – CRISIL BBB/Stable (Reaffirmed)

M Related party transactions

Related party transactions are disclosed in Note No. 29

N Remuneration of Directors and auditors

Remuneration of Directors has been disclosed in Note No. 29 and Remuneration of auditor has been disclosed in Note No. 23

O Management

Management discussion and analysis report shall form part of Board of Directors Report

P During the year, no transaction was accounted which was related to prior period (Previous year Nil).

Q During the year, no item of revenue recognition has been postponed except as disclosed in accounting policy for revenue recognition (Refer Note 1).

R Company does not have any parent company or subsidiary, hence provision of AS 21 is not applicable on the company.

S The company has not reported any frauds during the year and in the previous year, based on management reporting to risk committee and to the NHB/ RBI through prescribed returns.

T Provisions and Contingencies

a. Summary of movement in provisions:

Particulars	As at March 31, 2021	Provision made during the Year	Provision Reversed /Adjusted during the Year	As at March 31, 2022
Provision for depreciation on investment	-	-	-	-
Provision for income tax	-	-	-	-
Provisions against standard assets	7,855	1,495	-	9,350
Provisions against sub standard assets	655	2,508	7	3,156
Provisions against doubtful assets	848	1,491	-	2,340
Other Provision and Contingencies	-	-	-	-
- Gratuity	8,049	2,990	-	11,039
- Provision on account of COVID-19	-	-	-	-
- Provision for Restructured Loan assets	167	15,453	-	15,620



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## b. Break up of loans and advances and provision thereon

Particulars	Housing		Non-Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Standard Assets</b>				
Total outstanding amount	18,28,227	14,46,059	11,94,902	10,59,929
Provision made	4,571	3,615	4,780	4,240
<b>Sub - Standard Assets</b>				
Total outstanding amount	11,414	1,797	9,623	2,569
Provision made	1,712	270	1,443	385
<b>Doubtful Assets – Category - I</b>				
Total outstanding amount	1,509	2,170	2,559	998
Provision made	378	542	640	250
<b>Doubtful Assets – Category - II</b>				
Total outstanding amount	2,310	141	994	-
Provision made	924	57	398	-
<b>Doubtful Assets – Category - III</b>				
Total outstanding amount	-	-	-	-
Provision made	-	-	-	-
<b>Loss assets</b>				
Total outstanding amount	-	-	-	-
Provision made	-	-	-	-
<b>Re-structured assets</b>				
Total outstanding amount	86,428	829	69,771	842
Provision made	8,643	83	6,977	84
<b>Total Amount</b>				
Total outstanding amount*	19,29,889	14,50,995	12,77,849	10,64,340
Provision made	16,228	4,567	14,237	4,959

\* Total outstanding includes interest accrued on portfolio

## c. Draw Down from Reserves

The Company has not drawn any amount from Statutory Reserve Fund maintained u/s 29C of the NHB Act during the current year as well as previous year.

## d. Concentration of Public Deposits, Advances, Exposures and NPAs

i. Concentration of public deposits – The Company is a non-deposit accepting housing finance company. Hence, there is no public deposits.

## ii. Concentration of loans and advances –

Particulars	As at March 31, 2022	As at March 31, 2021
Total loans and advances to twenty largest borrowers	21,329	20,121
Percentage of loans and advances to twenty largest borrowers to total Advances of the HFC	0.67%	0.80%

## iii. Concentration of all exposure (including off-balance sheet exposure)

Particulars	As at March 31, 2022	As at March 31, 2021
Total loans and advances to twenty largest borrowers	21,329	20,121
Percentage of loans and advances to twenty largest borrowers to total Advances of the HFC	0.63%	0.75%

## iv. Concentration of NPAs

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to top ten NPA accounts	6,005	4,408

## v. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2022	As at March 31, 2021
<b>A Housing Loans :</b>		
1 Individuals	0.79%	0.28%
2 Builders / Project Loans	-	-
3 Corporates	-	-
4 Others	-	-
<b>B Non- Housing Loans :</b>		
1 Individuals	1.03%	0.34%
2 Builders / Project Loans	-	-
3 Corporates	-	-
4 Others	-	-



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## vi. Movement of NPAs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Net NPAs to Net Advances (%)	0.72%	0.25%
(ii) Movement of NPAs (Gross)		
a) Opening balance	7,675	4,894
b) Additions during the year	34,353	4,827
c) Reductions during the year	13,619	2,045
d) Closing balance	28,410	7,675
(iii) Movement of NPAs (Net)		
a) Opening balance	6,172	4,145
b) Additions during the year	29,200	3,703
c) Reductions during the year	12,457	1,676
d) Closing balance	22,915	6,172
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	1,503	748
b) Additions during the year	5,153	1,125
c) Reductions during the year	1,162	369
d) Closing balance	5,494	1,503

## e. Overseas Assets

The Company does not have overseas assets for the year ended March 31, 2022 and March 31, 2021.

f. The Company does not have any Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) as at March 31, 2022 and March 31, 2021.

U The Company has not purchased or sold any non-performing financial assets from/to any other HFCs during the year ended March 31, 2022 and March 31, 2021.

## V Exposure to group companies engaged in real estate business

Particulars	Amount	% of owned fund
Exposure to any single entity in a group engaged in real estate business	-	-
Exposure to all entities in a group engaged in real estate business	-	-

## W Group Structure

Company does not have any parent company or subsidiary company. The Shareholding pattern is mentioned in Note 2 of the financial statements.

## X Disclosure of customer complaints

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) No of complaints pending at the beginning of the year	-	-
b) No of complaints received during the year	28	11
c) No of complaints redressed during the year	28	11
d) No of complaints pending at the end of the year	-	-



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Balance Sheet disclosures as required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (as amended) issued by the Reserve Bank of India

## Y. Schedule to the Balance Sheet of a HFC

Particulars	Amount outstanding	Amount overdue
<b>Liabilities side</b>		
<b>I Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>		
a) Debentures : Secured	-	-
Unsecured	-	-
b) Deferred Credits	-	-
c) Term Loans	23,54,208	-
d) Inter-corporate loans and borrowing	-	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans (specify nature)	-	-
<b>II Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
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	-	-
<b>Assets side</b>		
<b>Amount outstanding</b>		
<b>III Break-up of Loans and Advances including bills receivables [other than those included in (IV) below]:</b>		
a) Secured		32,07,738
b) Unsecured		1,711.00
<b>IV Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>		
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		-
<b>V Break-up of Investments</b>		
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		-



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*Agashee*



*Prachi Singh*



**2 Disclosure on Liquidity risk**

Disclosure as required in terms of Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies vide circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019

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

Number of significant counterparties	Amount *	% of Total deposits	% of Total liabilities
11	23,51,367	NA	94%

\*This does not include interest accrued

**ii. Top 20 large deposits**

Particulars	As at March 31, 2022
Total amount of top 20 large deposits	NA
Percentage of amount of top 20 large deposits to total deposits	NA

**iii. Top 10 borrowings**

Particulars	As at March 31, 2022
Total amount of top 10 borrowings	23,47,695
Percentage of amount of top 10 borrowings to total borrowings	99.84%

**iv. Funding concentration based on significant instrument/product**

Particulars	Amount	% of Total liabilities
Term loans(including NHB refinance)	15,35,859	61%
External Commercial Borrowing	8,15,508	33%

**v. Stock Ratios:**

Particulars	% of Total public funds	% of Total liabilities	% of Total assets
a) Commercial papers	NA	NA	NA
b) Non-convertible debentures (original maturity of less than one year)	NA	NA	NA
c) Other short-term liabilities, if any	NA	19%	13%

**vi. Institutional set-up for liquidity risk management**

The Company has in place a detailed "Asset Liability Management Policy", "Liquidity Policy" and "Foreign Exchange and Interest Rate Risk Management Policy". The policies provide a framework for risk identification, risk measurement, risk mitigation, risk monitoring and ensuring regulatory as well as internal compliance.

The liquidity risk is reviewed at periodic intervals by ALCO committee through statement of structural liquidity, statement of short-term dynamic liquidity and statement of interest rate sensitivity for better financial planning. The ALCO reports to the RMC (Risk management committee) and meetings of RMC are organised at regular intervals to review various risks associated with Company's operation.

**39 Disclosure of details as per RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021****Principal Business Criteria**

	As at March 31, 2022	As at March 31, 2021
Total assets	37,20,144	29,91,163
Less: Intangible assets	(8,825)	(7,617)
Total assets (netted off by intangible assets)	<b>37,11,319</b>	<b>29,83,546</b>
Total Housing loans	19,29,889	14,50,995
Total Housing loans as a % of total assets (netted off by intangible assets)	<b>52%</b>	<b>49%</b>
Total Individual Housing loans	19,29,889	14,50,995
Total Individual Housing loans as a % of total assets (netted off by intangible assets)	<b>52%</b>	<b>49%</b>

40 The Company has complied with requirements as per Para 29 of the Housing Finance Companies (NHB) Directions 2001.

41 The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. The Provisions of the said section are not applicable to the Company for the year ended March 31, 2022, as it does not meet the conditions mentioned under section 135(1) of the Companies Act, 2013.



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Prashant Singh

Balance Sheet disclosures as required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (as amended) issued by the Reserve Bank of India

b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others (please specify)	-

## 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	-
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others (please specify)	-

## VI Borrower group-wise classification of assets financed as in (III) and (IV) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
i) Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
ii) Other than related parties	31,30,681	-	31,30,681

## VII Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
i) Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
ii) Other than related parties	-	-

## VIII Other information

Particulars	Amount
i) Gross Non-Performing Assets	
a) Related parties	-
b) Other than related parties	28,410
ii) Net Non-Performing Assets	
a) Related parties	-
b) Other than related parties	22,915
ii) Assets acquired in satisfaction of debt	-



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- 42 The second wave of COVID-19 caused devastation which compounded the social and economic well-being of the country. The sharp surge in cases across the country overwhelmed the health infrastructure, with people left scrambling for hospital beds, critical drugs, and oxygen.

The second wave of the COVID-19 pandemic and the consequent lockdowns have had an extended impact on the Company's target segment, more than any other, as daily wage earners and other informal economy workers have been the hardest hit by the crisis.

The management ensured that people's safety took priority over other all else and kept the lines of communication open so that help could be rendered whenever needed. Employees were instructed to follow all COVID 19 related protocols and work from home wherever possible. The Company received full support of all the employees. Branch staff worked with extraordinary will to reach out to the borrowers to aid them in whatever way possible. The Board provided crucial support and guidance to the management in implementing employee health and safety friendly measures.

Also, with a view to ease the financial burden on the borrowers due to resurgence of the pandemic, the Company decided to offer restructuring benefits, in line with RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021, to all its borrowers who lost their jobs/livelihood. Assessment was made on monthly basis to identify new borrowers to whom restructuring benefit was to be extended. The borrowers were offered the facility of moratorium till September, 2021.

Employees were instructed to stay in touch with the borrowers and help the ones who had lost jobs in identifying other means of income to ensure timely payment of dues. Despite facing a dire economic crisis during the first wave of COVID 19 pandemic, the Company's borrowers had displayed strong resilience. They have risen above, against all odds, worked hard and made all efforts to pay their dues. The Company has been able to maintain good asset quality and there has not been any grave willful defaults.

The business was low during the first four months of FY22. Disbursements gradually started picking up from the month of August, 2021 onwards and the Company was able to disburse around Rs. 81 crores in FY22.

The Company is cautiously executing its plan for growth and has opened 8 new branches in the FY 22. Hiring plan of additional staff for existing branches is also being executed to ramp up the business as economic activity is expected to pick-up.

- 43 Details of resolution plan implemented in FY 2021-22 under the Resolution Framework 2.0 as per RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 are given below:

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution
Personal Loan	543	1,57,281	-	-	16,319
Corporate persons *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>543</b>	<b>1,57,281</b>	<b>-</b>	<b>-</b>	<b>16,319</b>

Details of resolution plan implemented in the FY 2020-21 under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below.

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution
Personal Loan	9	2,156	-	-	167
Corporate persons *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>9</b>	<b>2,156</b>	<b>-</b>	<b>-</b>	<b>167</b>

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



Handwritten signature 'Treepti Singh'.

Handwritten initials 'MS'.

44 Details of Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances as per RBI circular dated January 1, 2019 are given below.

No. of accounts restructured *	Amount in Rs.
-	-

\* Provision of Rs. Nil is created on the above restructured account

45 The Company has decided to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Accordingly the Company has recognised provision for Income tax for the year ended 31 March 2021 and re-measured its Deferred Tax Asset basis the rate prescribed in the said section.

46 All the borrowings of the company are used for the specific purpose for which it was taken

47 There are no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

48 The company is not a wilful defaulter as declared by any bank or financial Institution or any other lender.

49 The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

50 There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

51 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.

52 There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

53 The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

54 During the year 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 or entity 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 person or entities identified in any manner whatsoever by or on behalf of company (ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or behalf of the ultimate beneficiaries

55 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 lender invest in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or (ii) provide any guarantee, security or the to or behalf of the (ultimate beneficiaries) or (iii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

56 Previous year's figures have been regrouped/ reclassified, where necessary to conform to current year classification.

For S S Kothari Mehta & Company

Chartered Accountants  
Firm Registration Number: 000756N

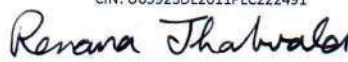


Naveen Aggarwal  
Partner  
Membership Number: 094380

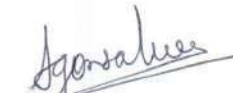


For and on behalf of the Board of Directors of

Sewa Grih Rin Limited  
CIN: U65923DL2011PLC222491



Renana Jhabvala  
Director  
DIN: 01106825

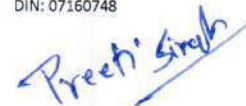


Shreeraj Savio Gonsalves  
Managing Director & Chief Executive Officer  
DIN: 07160748



Nagendra Saxena  
Chief Financial Officer

Place: New Delhi  
Date: 29/08/2022



Preeti Singh  
Company Secretary  
Membership No: A29633



Place: New Delhi  
Date: 29/08/2022