

**Sitara**  
A SEWA INITIATIVE

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 12<sup>TH</sup> (TWELTH) ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF SEWA GRIH RIN LIMITED (SGRL/SITARA) WILL BE HELD ON THURSDAY, 28<sup>TH</sup> SEPTEMBER 2023 AT 03:00 PM (IST) THROUGH VIDEO CONFERENCING/ OTHER AUDIO-VISUAL MEANS ("VC/OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:**

---

### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2023, the Reports of the Directors and the Auditors thereon and to pass the following resolution:**

**"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended March 31, 2023, and the report of Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

- 2. To appoint a Director in place of Mr. Anirudh Jagdish Sarda (DIN: 06453012), who retires by rotation and being eligible, offers himself for re-appointment and to pass the following resolution:**

**"RESOLVED THAT** pursuant to the provision of Section 152(6) of the Companies Act 2013 and rules made thereunder, Mr. Anirudh Jagdish Sarda (DIN: 06453012), who retires by rotation, and being eligible, offers himself for the re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

- 3. To appoint a Director in place of Mr. Manish Purshottam Thakkar (DIN: 03233206), who retires by rotation and being eligible, offers himself for re-appointment and to pass the following resolution:**

**"RESOLVED THAT** pursuant to the provision of Section 152(6) of the Companies Act 2013 and rules made thereunder, Mr. Manish Purshottam Thakkar (DIN: 03233206), who retires by rotation, and being eligible, offers himself for the re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

### **SPECIAL BUSINESS:**

- 4. Increase in the borrowing limits:**

**To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT,** in supersession of all earlier resolutions passed by the Shareholders, pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the provisions of the Articles of Association of the Company (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the



Company and its free reserves, provided that the total amount so borrowed shall not exceed the sum of INR 2,000 Crores (Indian Rupees Two Thousand Crores Only) in one or more than one tranche, at such time or times and in such form or manner as the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include the Risk Management Committee (RMC) which the Board has constituted to exercise its powers, including the powers, conferred by any resolution) may in its absolute discretion deem fit, obtained/to be obtained from banks, public financial institutions, body(ies) corporate or any other party by the Company, from time to time, together with interest, at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, commitment fee, premia on prepayment, additional interest, further interest, remuneration of the agent(s), if any, all other costs, charges and expenses and all other monies payable by the Company in terms of the financing documents, or any other documents, entered into/to be entered into between the Company and the lenders and agents in respect of the said borrowings/financial assistance and containing such specified terms and conditions and covenants in respect of enforcement of security(ies) as may be stipulated in that behalf and agreed to between the Company and the lenders, (including their agent(s), trustee(s)).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Ms. Shruti Gonsalves, MD & CEO, Ms. Jhummi Mantri, CFO and / or Ms. Kashvi Malhotra, Company Secretary of the Company be and are hereby severally authorized to finalize, settle and execute such documents /deeds / writings / papers / agreements as may be required and to do all such acts, deeds matters and things, as it may in its absolute discretion deem necessary, proper or desirable including signing and submitting the forms with Registrar of Companies, NCT of Delhi & Haryana."

#### **5. Creation of charge on the assets:**

**To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution**

**"RESOLVED THAT**, in supersession of all earlier resolutions passed by the Shareholders, pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the provisions of the Articles of Association of the Company (including any statutory modification(s) or enactment(s) thereof, for the time being in force), the consent of the shareholders of the Company be and is hereby accorded to create mortgage and/or charge and/or hypothecation on all or any of the movable properties of the Company, present and future, in such form and in such manner as the Board of Directors may deem fit, (hereinafter referred to as the "Board" which term shall be deemed to include the Risk Management Committee (RMC) which the Board has constituted to exercise its powers, including the powers, conferred by any resolution) in favour of banks, public financial institutions, body(ies) corporate or any other party for securing any loans/ borrowings and all interests, compound/additional interest, commitment charges, expenses and all other monies payable by the Company to the concerned lenders which shall not, at any time exceed INR 2000 Crores (Indian Rupees Two Thousand Crores Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Ms. Shruti Gonsalves, MD & CEO, Ms. Jhummi Mantri, CFO and / or Ms. Kashvi Malhotra, Company Secretary be and are hereby severally authorized to finalize, settle and executesuch documents /deeds / writings / papers / agreements as may be required and to do all such acts, deeds matters and things, as it may in its absolute discretion deem necessary, proper or desirable."



**6. To consider and approve the modification in the existing ESOP Policy 2018 of the Company.**

**To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

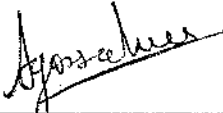
**"RESOLVED THAT**, pursuant to the provisions of Sections 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 including any statutory modification(s) or re-enactment of the Act, for the time being in force, the modification in the existing ESOP Policy 2018 of the Company be and is hereby approved.

**RESOLVED FURTHER THAT** it is hereby noted that the terms of amendments are not prejudicial to the interests of the option holders.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above the Board or any Committee of Board or any other authority designated by Board be and is hereby authorised to administer, superintend and implement the Scheme, in its absolute discretion and to settle all questions, difficulties or doubts that may arise in relation to the implementation and formulation of the Scheme without being required to seek further shareholders' approval.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution Ms. Renana Jhabvala- Director or Ms. Shruti Gonsalves- MD & CEO or Ms. Jhummi Mantri, CFO or Ms. Kashvi Malhotra, Company Secretary of the Company be and are hereby severally authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds matters and things, as it may in its absolute discretion deem necessary, proper or desirable."

**For & on behalf of the Board  
For SEWA GRIH RIN LIMITED**

  
(Shruti Savio Gonsalves)  
MD & CEO  
(DIN: 07160748)  
Address: 6B, Priyadarshani  
Tower, B/H NRI Tower, Near  
Judges Bungalows, Bodakdev,  
Ahmedabad, 380058, Gujarat,  
India



**Date: July 24, 2023  
Place: Gurugram  
Registered Office:  
1<sup>st</sup> Floor, 216/C-12, Old  
No. C-12, Plot No. 13-B,  
Guru Nanak Pura, Laxmi  
Nagar, Delhi - 110092,  
India**



**NOTES:**

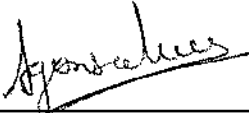
1. The Ministry of Corporate Affairs ("MCA") inter-alia vide its General Circular nos. 14/2020 dated April 8, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020; 02/2021 dated January 13, 2021; 02/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 issued by MCA (hereinafter collectively referred as "MCA Circulars") has permitted the holding of the Annual General Meeting/Extra-ordinary General Meeting through Video Conferencing ("VC") or through other audio-visual means ("OAVM"), without the physical presence of the Members at a common venue.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ("the Act") setting out material facts relating to Special Business to be transacted at this Annual General Meeting is annexed hereto.
3. Relevant documents referred to in the Notice and the Explanatory Statement and the other Statutory Records (Registers) shall be open for inspection at the Registered Office of the Company up to the date of the Annual General Meeting of the Company.
4. **GENERAL INSTRUCTION FOR ACCESSING AND PARTICIPATING IN THE AGM THROUGH VIDEO CONFERENCING (VC)/ OTHER AUDIOVISUAL MEANS (OVAM) FACILITY:**
  - A. Since the AGM is conducting through Video Conferencing/ Other Audio-Visual Means (VC/OAVM), there is no requirement for the appointment of proxies. Accordingly, the facility to appoint proxies to attend and cast vote for the Members is not available for this AGM.
  - B. As the meeting will be held through VC/ OAVM, the Route Map of the venue of the meeting is not annexed to this Notice.
  - C. Pursuant to Section 113 of the Act, Corporate members intending to send their authorized representative(s) to attend the AGM through VC / OAVM on its behalf and to vote are requested to send in advance a scanned copy (PDF/JPG Format) of a duly certified copy of the relevant Board Resolution / Letter of Authority / Power of Attorney of those representative(s), to the Company through e-mail to [compliance@sgrlimited.in](mailto:compliance@sgrlimited.in).
  - D. The Company has made arrangement of attending the AGM through VC/ OAVM and members desirous of attending the AGM through VC/ OAVM may note the following step for connectivity:

<b>Join Microsoft Teams Meeting:</b>
<b>(Link) <a href="#">Click here to join the meeting</a></b>
<b>Meeting ID: 442 761 509 025</b>
<b>Passcode: T3fA2S</b>



- E. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- F. Pursuant to the provision of the Companies Act 2013, voting on all matters considered at the AGM shall be by way of show of hands, unless a demand for poll is made by any member in accordance with Section 109 of the Act. Members attending the AGM through VC/OAVM are requested to convey their assent or dissent by sending the duly filled and signed polling paper, on items considered in the meeting by sending e-mails to the designated e-mails addressed of the Company i.e. [compliance@sgrlimited.in](mailto:compliance@sgrlimited.in).
- G. In compliance with the MCA Circulars, Notice of the AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company. If any shareholder wish to change their registered email id or communicate otherwise may send an email to the Company Secretary at [compliance@sgrlimited.in](mailto:compliance@sgrlimited.in).
- H. The process for dial through video conference and password for the same is as mentioned herein above. The facility for joining the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time. In case of any difficulties or if you need assistance, please contact at [compliance@sgrlimited.in](mailto:compliance@sgrlimited.in) and Phone No. +91 124 4271750.

**For & on behalf of the Board  
For SEWA GRIH RIN LIMITED**

  
(Shruti Savio Gonsalves)  
MD & CEO  
(DIN: 07160748)  
Address: 6B, Priyadarshani  
Tower, B/H NRI Tower, Near  
Judges Bungalows, Bodakdev,  
Ahmedabad, 380058, Gujarat,  
India



Date: July 24, 2023  
Place: Gurugram  
Registered Office:  
1st Floor, 216/C-12, Old  
No. C-12, Plot No. 13-B,  
Guru Nanak Pura, Laxmi  
Nagar, Delhi - 110092,  
India



## ANNEXURE TO THE NOTICE

(Explanatory Statement under Section 102 of the Companies Act, 2013)

### ITEM NO. 4

#### **Increase in the borrowing limits:**

In the Annual General Meeting held on September 30, 2022, the members had, by way of special resolution, approved the borrowing of funds on behalf of the Company in excess of the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed shall not exceed the sum of INR 2,000 Crores (Indian Rupees Two Thousand Crores Only).

In view of the expansion plans of the business operations, the Company shall require to look out for options for raising funds other than through equity. The Board in its meeting held on July 24, 2023 are of the view that existing borrowings limits for the Company be increased from INR. 800 Crores to INR. 2000 Crores and decided to seek members' approval for borrowing funds from any bank(s), financial institution(s), firm(s), body corporate(s) or any other person for the purposes of business activities of the Company as per the proposed borrowing limit.

<b>Particulars</b>	<b>Amount (In INR Crores)</b>
A) Current approved overall borrowings limit	<b>800</b>
B) Debt O/s Expected as on Mar-24	1352
<b>Minimum Increment Required (B-A)</b>	<b>552</b>
C) Debt O/s Expected as on Aug-24 (Until Next EGM)	2027
<b>Increment Required (C-A)</b>	<b>1227</b>
<b>Increment Recommended</b>	<b>1200</b>

Your Board recommends the Special Resolution as set out in item no. 4 for your approval.

None of the Directors and KMP or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice, except to the extent of their shareholding, if any, in the Company.

### ITEM NO. 5

#### **Creation of charge on the assets:**

The Shareholders may please be informed that in order to secure the repayment of monies borrowed by the Company, a charge/mortgage/ hypothecation, in general, needs to be created on the movable property of the Company, in favor of the lenders.



Further, under the provisions of section 180(1)(a) of the Companies Act 2013, the above power to create charge/mortgage/hypothecation on the properties on the company can be exercised by the Board only with the consent of shareholders of the Company obtained by passing a Special Resolution.

Your Board recommends the Special Resolution as set out in item no. 6 for your approval.

None of the Directors and KMP or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice, except to the extent of their shareholding, if any, in the Company.

#### **ITEM NO. 6**

#### **To consider and approve the modification in the existing ESOP Policy 2018 of the Company.**

The objective of ESOP plan is to facilitate Eligible Persons through stock ownership to acquire greater proprietary stake in the success and growth of the Company.

The Nomination & Remuneration Committee in its 30<sup>th</sup> meeting held on May 08, 2023, considered and recommended, following amendments in ESOP Plan, 2018, to Board of Directors of the Company:

1. Reducing the post separation exercise period to 6 months with power to NRC to grant discretionary extensions on a case-to-case basis.
2. Giving powers to the Board to enforce cash settlement of vested options in its discretion for option holders whose employment with the Company is terminated.

The Board of Directors in its 91<sup>st</sup> meeting held on June 21, 2023, has approved modification in existing ESOP Policy of the Company subject to approval of members of the Company.

Further, in terms of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, it is hereby confirmed that amendments in the Scheme are not prejudicial to the interests of the option holders.

A full draft copy of the amended Scheme would be available for inspection, by the Members without any fee, at the Registered Office of the Company during normal business hours on any working day upto the date of meeting and during the continuance of meeting.

Salient Features of the Scheme [Disclosures under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014] given below:

#### **Key Variations in the ESOP Scheme:**

Details of the key variations proposed to the ESOP Scheme are provided below:



S.No.	Clause No.	Existing clause under the ESOP Scheme	Variations Proposed
1.	14.5	<p>1.1 Notwithstanding anything contained in the Letter of Grant, Exercise of Options in the case of separation of an Optionee from the Company will be in the following manner:</p> <p>(a) While in Employment: Vested Options may be exercised by the Optionee in connection with or upon happening of a Liquidity Event or 7 (<b>Seven</b>) years from the date of Vesting of Options, whichever is earlier. It is clarified that the Exercise Period in connection with Liquidity Event shall be determined by the NRC.</p> <p>(b) Permanent Total Disablement: In the event of separation of an Optionee from the Company due to reasons of Permanent Total Disablement of the Optionee, otherwise while in employment, the Unvested Options shall be deemed to Vest immediately on the Date of Permanent Total Disablement. All Vested Options with an Optionee who has been subject to Permanent Total Disablement, may be Exercised by the Optionee in connection with or upon happening of a Liquidity Event or 7 (<b>Seven</b>) years from the date of vesting of options, whichever is earlier.</p> <p>(c) Death: In the event of death of an Optionee, otherwise while in employment, during the period of his association with the Company, the Unvested Options shall be deemed to Vest immediately on the date of Death. All Vested Options with an Optionee who has been subject to Death, may be Exercised by the Optionee in connection with or upon happening of a Liquidity Event or 7 (<b>Seven</b>) years from the date of options, whichever is earlier. The nominee/legal heirs shall be required to produce all documents as may be required by the NRC to prove the succession of the assets of the deceased Optionee. In case probate or proof of succession is not submitted within 6 (six) months from the date of death of the deceased Optionee or such further</p>	<p>1.1 Notwithstanding anything contained in the Letter of Grant, Exercise of Options in the case of separation of an Optionee from the Company will be in the following manner:</p> <p>(a) While in Employment: Vested Options may be exercised by the Optionee in connection with or upon happening of a Liquidity Event or 7 (<b>Seven</b>) years from the date of Vesting of Options, whichever is earlier, or such other period as may be decided by the NRC from time to time. It is clarified that the Exercise Period in connection with Liquidity Event shall be determined by the NRC.</p> <p>(b) Permanent Total Disablement: In the event of separation of an Optionee from the Company due to reasons of Permanent Total Disablement of the Optionee, otherwise while in employment, the Unvested Options shall be deemed to Vest immediately on the Date of Permanent Total Disablement. All Vested Options with an Optionee who has been subject to Permanent Total Disablement, may be Exercised by the Optionee in connection with or upon happening of a Liquidity Event or 6 (<b>Six</b>) months from the date of Permanent Total Disablement, whichever is earlier, unless otherwise determined by the NRC.</p> <p>(c) Death: In the event of death of an Optionee, otherwise while in employment, during the period of his association with the Company, the Unvested Options shall be deemed to Vest immediately on the date of Death. All Vested Options with an Optionee who has been subject to Death, may be Exercised by the Optionee in connection with or upon happening of a Liquidity Event or 6 (<b>Six</b>) months from the date of death, whichever is earlier, unless otherwise determined by the NRC. The nominee/legal heirs shall be required to produce all documents as</p>





		<p>time as the NRC permits in its absolute discretion, the Vested Options shall lapse and shall be available for issue by the NRC to any other Optionee as it may deem fit in its absolute discretion.</p> <p>(d) Termination for Cause: In the event of termination of association with an Optionee for Cause, all Options, including those which are Vested but not exercised at the time the Employee committed a Cause, shall stand cancelled with effect from the date on which the Employee committed a Cause. The decision of the NRC in relation to whether the termination of an Optionee is with or without Cause shall be final and binding.</p> <p>(e) Termination other than for Cause: In the event of termination of association with an Optionee by the Company for reasons other than Cause, then all Options which are unvested till the date of termination shall stand cancelled. All Options which have been Vested till the date of termination may be Exercised by the Optionee in connection with or upon happening of a Liquidity Event or 7 (Seven) years from the date of vesting of options, whichever is earlier, unless otherwise determined by the NRC.</p> <p>(f) Retirement: In the event of separation from the Company on account of retirement or an early retirement specifically approved by the Company, the Options which are unvested till the date of retirement shall stand cancelled. All Options that have been Vested may be Exercised by the retiring Optionee in connection with or upon happening of a Liquidity Event or 7 (Seven) years from the date of vesting of options, whichever is earlier.</p> <p>(g) Resignation: In the event of resignation or voluntary termination by the Optionee, all unvested Options till the date of submission of resignation or the voluntary termination, shall stand cancelled. All Options that have Vested may be Exercised by the resigning Optionee in connection with or upon happening of a Liquidity Event.</p>	<p>may be required by the NRC to prove the succession of the assets of the deceased Optionee. In case probate or proof of succession is not submitted within 6 (six) months from the date of death of the deceased Optionee or such further time as the NRC permits in its absolute discretion, the Vested Options shall lapse and shall be available for issue by the NRC to any other Optionee as it may deem fit in its absolute discretion.</p> <p>(d) Termination for Cause: In the event of termination of association with an Optionee for Cause, all Options, including those which are Vested but not exercised at the time the Employee committed a Cause, shall stand cancelled with effect from the date on which the Employee committed a Cause. The decision of the NRC in relation to whether the termination of an Optionee is with or without Cause shall be final and binding.</p> <p>(e) Termination other than for Cause: In the event of termination of association with an Optionee by the Company for reasons other than Cause, then all Options which are unvested till the date of termination shall stand cancelled. All Options which have been Vested till the date of termination may be Exercised by the Optionee in connection with or upon happening of a Liquidity Event or 6 (Six) months from the date of Termination other than for Cause, whichever is earlier, unless otherwise determined by the NRC.</p> <p>(f) Retirement: In the event of separation from the Company on account of retirement or an early retirement specifically approved by the Company, the Options which are unvested till the date of retirement shall stand cancelled. All Options that have been Vested may be Exercised by the retiring Optionee in connection with or upon happening of a Liquidity Event or 6 (Six) months from the date of Retirement, whichever is earlier, unless otherwise determined by the NRC.</p>
--	--	---	--



	<p>(h) Abandonment: In the event of abandonment of association by an Optionee without Company's consent, all Options, including those which are Vested but were not exercised at the time of abandonment of association with the Company, shall stand cancelled with immediate effect. The date of abandonment shall be decided by the NRC at its sole discretion which decision shall be binding on all concerned.</p> <p>(i) Transfer: In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them in connection with or upon happening of a Liquidity Event or 7 (Seven) years from the date of vesting of options, whichever is earlier.</p> <p>(j) Suspension: The Vested Options and the unvested Options of an Optionee who has been suspended from the services of the Company, or to whom a show cause notice has been issued, or against whom an enquiry is being or has been initiated, for any reason whatsoever, including but not limited to, misconduct, violation of the Company's policies, codes of the Company or terms of employment or for having committed or abetted any illegal or unlawful activity may, on the recommendation of the management, be suspended or kept in abeyance or cancelled at the sole discretion of the NRC. Options that have been suspended or kept in abeyance may be Vested in the Optionee concerned on such additional terms and conditions, as may be imposed by the NRC in its absolute discretion.</p> <p>Cancelled Options, if any, shall be treated as lapsed Options and shall be available for issuance to other Optionee in accordance with this Plan.</p>	<p>(g) Resignation: In the event of resignation or voluntary termination by the Optionee, all unvested Options till the date of submission of resignation or the voluntary termination, shall stand cancelled. All Options that have Vested may be Exercised by the resigning Optionee in connection with or upon happening of a Liquidity Event or 6 (Six) months from the date of Resignation, whichever is earlier, unless otherwise determined by the NRC.</p> <p>(h) Abandonment: In the event of abandonment of association by an Optionee without Company's consent, all Options, including those which are Vested but were not exercised at the time of abandonment of association with the Company, shall stand cancelled with immediate effect. The date of abandonment shall be decided by the NRC at its sole discretion which decision shall be binding on all concerned.</p> <p>(i) Transfer: In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them in connection with or upon happening of a Liquidity Event or 6 (Six) months from the date of Transfer, whichever is earlier, unless otherwise determined by the NRC.</p> <p>(j) Suspension: The Vested Options and the unvested Options of an Optionee who has been suspended from the services of the Company, or to whom a show cause notice has been issued, or against whom an enquiry is being or has been initiated, for any reason whatsoever, including but not limited to, misconduct, violation of the Company's policies, codes of the Company or terms of employment or for having committed or abetted any illegal or unlawful activity may, on the recommendation of the management, be suspended or kept in abeyance or cancelled at the sole discretion of the NRC. Options that have been suspended or kept in abeyance may be Vested in the Optionee concerned</p>
--	--	---



			<p>on such additional terms and conditions, as may be imposed by the NRC in its absolute discretion.</p> <p>Cancelled Options, if any, shall be treated as lapsed Options and shall be available for issuance to other Optionee in accordance with this Plan. It is clarified that the NRC shall have the power to prescribe extension(s) to the Exercise period in its absolute discretion.</p>
2.	17.4	<p>In case of cash settlement for Optionees ceased to be in service/ employment, the cash settlement of Vested Options shall be with reference to such discount as may be determined by the Board ranging from 15% to 30% discount from the Fair Market Value prevailing as on date of approval of cash settlement by the Board. The Board shall have the right to apply a different discount percentage for different Optionees within the overall range as mentioned depending on their past tenure.</p>	<p>In case of cash settlement for Optionees ceased to be in service/ employment, the Board, on the recommendation of the NRC shall have the right, without any obligation to prescribe for mandatory cash settlement of Vested Options. It is clarified that in the event of the Optionee refusing such mandatory cash settlement, the Options vested in such Optionee shall stand cancelled and all rights of the Optionee therein including the right to Exercise such Options shall be deemed to be settled and extinguished. It is further clarified that while prescribing cash settlement under this Sub-clause 17.4, the Board shall have the right to dispense with the conditions set out in Clause 17.1 (a) and (b). The cash settlement of Vested Options shall be with reference to such discount as may be determined by the Board ranging from 15% to 30% discount from the Fair Market Value prevailing as on date of approval of cash settlement by the Board. The Board shall have the right to apply a different discount percentage for different Optionees within the overall range as mentioned depending on their past tenure.</p>

**Rationale for the variation of the ESOP scheme:**

**Amendment in clause 14.5 of the ESOP scheme: -**

A longer post-termination Exercise Period places short term employees at par with other employees who have been loyally associated with the Company for a much longer stint. This goes against the basic purpose of ESOP, that is to promote long term association with the Company. Considering the same, it is proposed that the post separation Exercise Period may be shortened to 6 months.

This is also accompanied with giving powers to the NRC to grant extensions for exercise of Options on a case-to-case basis to facilitate exercise upon happening of a Liquidity Event. The Company may utilize this option for those ex-employees with whom the Company wishes to share its future prosperity and cultivate a deeper relationship.



**Amendment in clause 17.4 of the ESOP scheme: -**

It is proposed that the relevant clause may be amended to give powers to the Board/NRC to enforce cash settlement of Vested Options without providing the Option-holder any discretion in this regard. The rationale is that the Company shall have the discretion to cash settle ESOPs of certain employees that in the judgment of the Company ought not to be on the roster of optionees or potential shareholders. In this context it is clarified that the intention of the above-suggested amendment is not to make cash settlement the default course of action.

The Managing Director and CEO, other Key Managerial Persons (KMPs) of the Company may be deemed to be concerned or interested in the Resolution to the extent of the employee stock options granted to them. None of the other Directors, except to the extent of their shareholding or relatives of Directors or KMPs of the Company are concerned or interested in the passing of the resolution at Item No. 6.

Your Board recommends the Special Resolution as set out in item no. 6 for your approval.

**For & on behalf of the Board  
For SEWA GRIH RIN LIMITED**

*Shruti Gonsalves*



(Shruti Gonsalves)

MD & CEO

(DIN: 07160748)

Address: 6B, Priyadarshani Tower,  
B/H NRI Tower, Near Judges  
Bungalows, Bodakdev, Ahmedabad,  
380058, Gujarat, India

**Date: July 24, 2023**

**Place: Gurugram**

**Registered Office:**

**1<sup>st</sup> Floor, 216/C-12, Old  
No. C-12, Plot No. 13-B,  
Guru Nanak Pura, Laxmi  
Nagar, Delhi - 110092,  
India**



## DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting you the 12<sup>th</sup> Annual Report of your Company along with the Audited Accounts for Financial Year ended on March 31, 2023. SEWA Grih Rin Limited (SGRL/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.

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

(In ₹ Crore)

PARTICULARS	2022-2023	2021-2022
Sales and Other Income	94.22	54.34
Operating Profit (PBIDT)	39.80	25.54
Interest Cost	35.81	18.97
Profit before Depreciation (PBDT)	3.99	6.57
Depreciation	1.34	0.88
Profit before Tax	2.66	5.69
Provision for Taxation	0.45	0.21
Profit after Tax	2.20	5.48

#### 1.1. Financial Ratios

The main Financial Ratios of the Company are:

(In ₹ Crore)

PARTICULARS	FY 2022-23	FY 2021-22
Earnings per share (EPS)	INR 0.34	INR 0.99
Capital to Risk Asset Ratio (CRAR) %	41.72%	53.41%
Net Debt Equity Ratio (DE Ratio)	2.42	1.92
Net Owned Fund (NOF)	INR 217.94 Cr.	INR 120.24 Cr.

#### 1.2. NET WORTH

As of March 31, 2023, the net worth of your Company stood at INR 221.88 crore compared to INR 122.21 crore on March 31, 2022. The increase is on account of PAT



of INR 2.20 crore in the year 2022-23 and fresh capital raise INR. 100.09 crore.

### **1.3. RATING UPGRADES**

During the year, Company's Credit Rating for long term bank facilities was reaffirmed as CRISIL BBB (Outlook Stable) in June, 2022. The amount was enhanced from INR 180 crore to INR 230 crore. Also, the Company's short-term rating of CRISIL A3+ was reaffirmed. 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, 2023 amounted to INR 4.60 crore. This is equivalent to 0.70 % of the portfolio;
- Net non-performing loans as on March 31, 2023 amounted to INR 3.32 crore. This is equivalent to 0.51% of the portfolio;
- The Company has a prudent approach to create loan provisions and carries total provisions across standard assets, sub-standard asset and restructured assets of INR 4.40 crore. The provision made for restructured assets is of around INR 1.24 crore.
- Total provision for NPA to gross NPAs is around 27.72%
- 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 800 crore vide special resolution passed by shareholders at their Annual General Meeting held on September 30, 2022, under Sections 180(1)(c) read with 180(1)(a) of the Companies Act, 2013 or other applicable provisions.

As on March 31, 2023, the Company's outstanding bank loans stood at INR 536.93 crore (including INR 42.14 crore of total refinance received from NHB under various schemes and INR 224.32 crore of outstanding ECB loan) vis-à-vis INR 235.14 crore (including INR 47.15 crore of NHB refinance and INR 81.55 crore of outstanding ECB loan) as on March 31, 2022.

United States International Development Finance Corporation (erstwhile OPIC) sanctioned of ECB of USD 30 million in August 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.

## **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 is attached as **Annexure A**.

## **3. STATE OF COMPANY'S AFFAIRS/ REVIEW OF BUSINESS AND OPERATIONS DURING THE YEAR**

SEWA Grih Rin Limited ended FY 2022-23 with cumulative Portfolio outstanding of INR 653.28 crore and around 18216 loans. The Company sanctioned around 7670 loans aggregating to INR 377.71 crore during FY 23. The total disbursement during FY 23 is around INR 386.33 crore including around 6935 new loans. The company posted a growth of around 103.70% in the loan book.

During the year under reporting, Company opened 13 new branches taking the overall branch base to 49 spreads across eight states (Bihar, Delhi, Gujarat, Haryana, Maharashtra, Madhya Pradesh, Rajasthan, and Uttar Pradesh). Further, the entire Senior Management was strengthened last year to drive all core verticals and support the planned growth. Key positions hired were Chief Business Officer, Chief Financial Officer, Collections Head, National Sales Manager, National Credit Manager, National Collection Manager, Chief Technology Officer, Compliance Head, Chief Compliance Officer, Head Accounts etc. in FY-23.

The Company has implemented Loan Management System - FinnOne by Nucleus which will help in improving Log-in time & Screening process, enhancing productivity and reducing operations cost. The multi-channel solution will digitize the complete loan lifecycle from end to end i.e., from initial sourcing of the customers, by making better credit decisions, faster comprehensive loan servicing and sophisticated delinquency management. The company has purchased end-to-end suite of FinnOne neo from Log-in to Collections module to generate operational efficiencies and economies.



#### **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 February 02<sup>nd</sup>, 2022 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 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.

Further, pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (as amended from time to time) (“Master Directions”) are also being complied with by the Company.

The Company has also complied with RBI Circular dated November 12, 2021 on “Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances” applicable to the Company w.e.f. September 30, 2022.

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 2022-23. During the FY 2022-23 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 24/01/2015.





During the year under review, the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (as amended from time to time) (“Master Directions”) have been duly complied with. Further, various inspection observations of NHB were satisfactorily complied and resolved and reported to the Board.

As per the Master Directions 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 2022-23 except those which were delayed due to technical issues in the NHB portal.

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 August 17, 2021.

#### **8. DIVIDEND**

In view of proposed expansion plan, your Directors do not recommend payment of any dividend for the year ended March 31, 2023.

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

During the financial year, the Company has earned profit after tax of INR 2.20 crore. The total amount transferred to Statutory Reserve created under section 29C of National Bank Act, 1987 is INR 0.44 crore. The Capital Adequacy (CRAR) as on 31st March, 2023 stood at 41.72%.

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

Your Company’s capital structure as at March 31, 2023 is given in the below table:

(In ₹ Crore)

Share Capital	Amount
Authorized Share Capital 93,021,000 Equity Shares of ₹ 10 each and	117.02



2,40,00,000 Preference Shares of ₹ 10 each)	
Issued Share Capital 65,739,342 Equity Shares of ₹ 10 each and 23,701,892 Compulsory Convertible Preference Shares (CCPS) of ₹ 10 each)	89.44
Subscribed and Paid-up Share Capital 65,739,342 Equity Shares of ₹ 10 each and 23,701,872 Compulsory Convertible Preference Shares (CCPS) of ₹ 10 each)	89.44

### 10.1 Changes in Authorised Share Capital during the FY 2022-23

(In ₹ Crore)

Date of Increase in Authorised Share Capital	Exiting Authorised Share Capital	Revised Authorised Share Capital
May 30, 2022	INR. 104 crores divided into 8,00,00,000 Equity shares of INR. 10/- each and 2,40,00,000 CCPS of INR 10/- each.	INR. 117 crores divided into 9,30,21,000 Equity shares of INR. 10/- each and 2,40,00,000 CCPS of INR 10/- each.

### 10.2 Changes in Issued, Subscribed and Paid - up Share Capital Structure and Shareholding position:

During the year under review, the Company has made the following allotments:

(In ₹ INR)

Date of Allotment/Conversion	Type of Securities allotted	Number of shares allotted	Total amount paid
May 30, 2022	Equity shares (By way of Conversion of Series C CCPS into Equity shares)	10,586,025	22,85,52,279.75
July 11, 2022	Equity Shares	100	4,223.00
July 11, 2022	0.01% Coupon Non-Cumulative CCPS, SERIES D	1,49,91,232	63,30,79,727.36
October 06, 2022	0.01% Coupon Non-Cumulative CCPS, SERIES D	7,396,514	31,23,54,786.22
October 12, 2022	0.01% Coupon Non-Cumulative CCPS, SERIES D	13,14,126	5,54,95,540.98

### 10.3 Issue of Employee Stock Options

Your Company grants Employee Stock Options to attract and retain the best talent, encourage employees to align individual performance with your Company's objectives and promote increased participation in the success of your Company.

In compliance of covenants to the SGRL ESOP 2018 agreed with employees, 4,90,000 options were granted during the year. 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 shares is amortized on straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares. The vesting of the said stock options happened as per the grant letter. There were no options exercised by any of the option holder during the year. The exercised price is different for each grant and mentioned in the grant letter. The details of number of options granted to the KMPs are 10,73,883.

#### **10.4 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.

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

During the year there was transfer of Equity shares provided below: -

Date of Transfer	Type of Securities	Number of shares transferred	Name of Transferor	Name of Transferee
June 17, 2022	Equity Shares	10,00,000	Axis Bank Limited	WWBCP II Non-SSA, LLC (WWB)
June 17, 2022	Equity Shares	17,50,000	Acumen Fund Inc.	Oikocredit Ecumenical Development Cooperative Society U.A. (Oikocredit)

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

Since, all the securities of the Company are in Demat form. Therefore, there was no requirement of issuance of duplicate share certificates.

#### **10.7 Dematerialization 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, ISIN No: INE772R03024, ISIN No. INE772R03040 and ISIN No. INE772R03032.

As on March 31, 2023, All the Equity shares and Compulsorily Convertible Preference Shares (CCPS) of the Company representing, a total of 6,57,39,342 Equity Shares and 23,701,872 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. CORPORATE GOVERNANCE

Corporate Governance is about upholding the highest standards of integrity, transparency, and accountability. The Company's governance standards are initiated by senior management, and percolate down across the organization. To ensure the same, all the decisions are taken in a fair and transparent manner, well within an ethical framework. The organizational governance structure, practices and processes are actively monitored and revised periodically to reflect the best ethical practice.

SGRL/SITARA is subject to the regulations of the Reserve Bank of India ("RBI")/National Housing Bank ("NHB") and the Companies Act 2013. The Corporate Governance structures and practices are predominantly impacted by the respective regulations of these ruling bodies.

Further, in compliance to the Reserve Bank of India Circular No. RBI/2022-23/26 DOR.ACC.REC. No. 20/21.04.018/2022-23 dated April 19, 2023 in respect to the Disclosures in financial statements – Notes to Accounts of NBFCs. The disclosures have been made hereunder: -

### (i) Composition of the Board

(In ₹ INR)

S. N.	Name of Director	Direct or Sinee	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee / Independent)	DIN	Number of Board Meetings		No. of other Director ships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					He Id	Atten ded		Salary and other compensation	Sitting Fee	Commis sion	
1	Renana Jhabvala	July 18, 2011	Chairperson, Executive Director	01106825	10	8	3	-	-	-	502
2	Sanjay Kaul	August 08, 2018	Independent Director, Non-Executive	01729695	10	9	1	-	5,45,000.00	-	0



3	R.V. Verma	August 13, 2021	Independent Director, Non-Executive	03546341	10	10	3	-	5,45,000.00	-	0
4	Manjiree Jaitly	November 26, 2014	Nominee Director, Non-Executive	05222441	10	4	0	-	-	-	0
5	Anirudh Jagdish Sarda	March 28, 2019	Director, Non-Executive	06453012	10	7	0	-	-	-	0
6	David Smith	21-05-2019	Director, Non-Executive	07071450	10	6	0	-	-	-	0
7	Manish Thakkar	04-05-2017	Director, Non-Executive	03233206	10	5	2	-	-	-	0
8	Rajat Arora	07-06-2022	Director, Non-Executive	07201387	8	4	0	-	-	-	0
9	Shruti Gonsalves	14-12-2017	Managing Director & CEO, Executive	07160748	10	9	0	85,47,340.00	-	-	0
10	Shilpa Kumar	24-10-2021	Nominee Director, Non-Executive	02404667	10	5	3	-	-	-	0
11	Lise Lindback	15-07-2022	Director, Non-Executive	09655122	7	7	1	-	-	-	0

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

S.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Ms. Elisabeth Ballreich	Director, Non-Executive	Resignation	May 16, 2022



2	Ms. Shreya Deb	Director, Non-Executive	Resignation	May 28, 2021
3	Mr. Srinivasan Sridhar	Director, Non-Executive	Resignation	July 31, 2021
4	Mr. Raj Vikash Verma	Independent Director, Non-executive	Appointment	August 13, 2021
5	Ms. Shilpa Naval Kumar	Director, Non-Executive	Appointment	October 24, 2021
6	Mr. Rajat Arora	Director, Non-Executive	Appointment	June 07, 2022
7	Ms. Shilpa Naval Kumar	Nominee Director, Non-Executive	Appointment	October 24, 2021
8	Ms. Lise Lindback	Director, Non-Executive	Appointment	July 15, 2022

## (ii) Committees of the Board and their composition

### Audit Committee

Pursuant to the requirement of the NBFC Regulations and the Act, the Company has constituted an Audit Committee. The Board reviews the terms of reference and working of the Committee from time to time.

The TOR of Audit Committee inter-alia provides for the following key responsibilities of Committee:

1. To review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
2. To Review with management and the statutory auditors the results of the audit, including any difficulties encountered.
3. To Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
4. To consider the effectiveness of the company's internal control system, including information technology security and control.
5. To understand the scope of internal and statutory auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
6. To review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function.

During the FY 2022-23, the Committee met 2 (Two) times on August 29, 2022 and January 16, 2023. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:



S. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Sanjay Kaul	March 13, 2019	Independent Director, Non-executive	2	2	0
2	Mr. Raj Vikash Verma	August 13, 2021	Independent Director, Non-executive	2	2	0
3	Mr. Manish Purshottam Thakkar	March 13, 2019	Director, Executive	2	2	0

#### **Nomination & Remuneration Committee**

Pursuant to the requirement of the NBFC-HFC Regulations and the Act, the Company has constituted a Nomination & Remuneration Committee. The Board reviews the terms of reference and working of the Committee from time to time.

The TOR of Nomination & Remuneration Committee inter-alia provides for the following key responsibilities of Committee:

1. To make recommendations to the Board on the company's policy on executive remuneration, including determining specific remuneration packages and terms of employment (including pension rights) and determining performance incentive arrangements for executive directors and certain other senior executives.
2. To nominate, for approval by the Board, candidates for appointment to the Board.
3. The Committee will, on an annual basis, review the performance of individual executive directors and senior executives in achieving their agreed personal objectives.
4. To review the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve total annual payments made under such schemes.
5. To consider any other matters related to the remuneration of Directors which the Board may ask it to consider.



During the FY 2022-23, the Committee met 5 (five) times on June 07, 2022, June 24, 2022, September 19, 2022, October 04, 2022 and March 20, 2023. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

S.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Sanjay Kaul	March 13, 2019	Independent Director, Non-executive	5	5	0
2	Mr. Raj Vikash Verma	August 13, 2021	Independent Director, Non-executive	5	5	0
3	Ms. Renana Jhabvala	March 13, 2019	Director, Executive	5	5	502
4	Rajat Arora	June 07, 2022	Director, Non-Executive	3	3	0

#### **Risk Management Committee**

Pursuant to the requirement of the NBFC-HFC Regulations and the Act, the Company has constituted a Risk Management Committee. The Board reviews the terms of reference and working of the Committee from time to time.

The TOR of Risk Management Committee inter-alia provides for the following key responsibilities of Committee:

1. To consider the Company's risk management strategies.
2. To monitor and discuss the status and results of implemented asset/ liability management strategies and tactics.
3. To review the current and prospective liquidity positions and monitor alternative funding sources.
4. To review the measurement reports on various risks that can be measured with a reasonable degree of effort. Compare simulated exposures of these risks to policy





limits. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.

5. To review the current and prospective capital levels risk based as well as net worth] to determine sufficiency in relation to: expected growth, interest rate risk, price risk and asset mix/quality.
6. To review outlook for interest rates and economy at local, regional and international levels.
7. To review the maturity/repricing schedules with particular attention to the maturity distribution of large amounts of assets and liabilities maturing (i.e. jumbo CD's, large investments, etc.).
8. To Coordinate with an ongoing appropriate education program on the subject of ALM for the ALCO members, senior management, and the Board of Directors.

During the FY 2022-23, the Committee met 7 (Seven) times on June 06, 2022 and June 23, 2022, August 19, 2022, November 28, 2022, December 09, 2022, January 11, 2023 and March 13, 2023. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

S.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Renana Jhabvala	November 26, 2014	Director, Executive	7	6	502
2	Ms. Manjiree Sureshchandra Jaitly	November 26, 2014	Nominee Director, Non-executive.	7	6	0
3	Mr. Anirudh Jagdish Sarda	May 21, 2019	Director, Non-executive	7	6	0
4	Mr. David Alexander Smith	November 26, 2014	Director, Non-executive	7	5	0
5	Ms. Shruti Savio Gonsalves	August 13, 2021	Managing Director, Executive	7	7	0



6	Ms. Lise Lindback	November 28, 2022	Director, Non-executive	7	4	0
7	Ms. Shilpa Naval Kumar	November 28, 2022	Nominee Director, Non-executive	7	4	0
8	Mr. Rajat Arora	February 09, 2023	Director, Non-executive	5	4	0

### IT Strategy Committee

Pursuant to the requirement of the NBFC-HFC Regulations and the Act, the Company has constituted an IT Strategy Committee. The Board reviews the terms of reference and working of the Committee from time to time.

The TOR of IT Strategy Committee inter-alia provides for the following key responsibilities of Committee:

1. Approving IT Strategy and Policy Documents and ensuring that the management has put an effective strategic planning process in place.
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
3. Ensuring IT investments represent a balance of risks and benefits, and the budgets are acceptable.
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
5. Ensuring proper balance of IT investments for sustaining the company's growth and becoming aware about exposure towards IT risks and controls.

During the FY 2022-23, the Committee met 3 (Three) times on June 17, 2022, October 03, 2022 and February 15, 2023. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

S.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee	No. of shares held in the NBFC
------	------------------	---------------------------	--	-------------------------------------	--------------------------------



				Held	Attended	
1	Mr. Sanjay Kaul	May 21, 2019	Independent Director, Non-executive	3	3	0
2	Mr. Manish Purshottam Thakkar	October 05, 2020	Director, Executive	3	1	0
3	Ms. Manjiree Sureshchandra Jaitly	August 13, 2021	Nominee Director, Non-executive	3	2	0
4	Ms. Shruti Savio Gonsalves	March 21, 2019	Managing Director, Executive	3	3	0
5	Mr. Vimal Kant Arora, CIO	August 13, 2021	Chief Information Officer	3	3	0
6	Mr. Rajesh Soi, CTO	February 09, 2023	Chief Technology Officer	1	1	0

### Asset and Liability Committee

Pursuant to the requirement of the NBFC-HFC Regulations and the Act, the Company has constituted an IT Strategy Committee. The Board reviews the terms of reference and working of the Committee from time to time.

The TOR of Asset and Liability Committee inter-alia provides for the following key responsibilities of Committee:

1. To consider, review and make recommendations, at least annually, on the Investment Policy.
2. To monitor activity and controls underpinning the Investment Policy to ensure adherence to set policies and limits.
3. To review Company's balance sheet, including necessary changes and achievement of strategic objectives in relation to growth or shrinkage.
4. To recommend types of products and treasury instruments with an appropriate duration and interest rate to manage the overall balance sheet structure. Product recommendations are subject to Investment Policy.
5. To monitor, in accordance with the Investment Policy, the use of interest rate derivatives used in the management of interest rate risk including any periodic restructuring to the interest rate derivative portfolio.



6. To monitor compliance with limits in the Investment Policy for the management of market value risk and earning risk in relation to the agreed interest rate view.
7. To review on an annual basis the authorised list of treasury investment counterparties or more regularly where market conditions require.
8. To review sources of funding (funding includes short term debt, long term debt and equity), identify and assess the impact of new sources of funding, change in profile of sources of funding and review all funding limits for compliance with the Investment Policy.
9. To review and consider the impact on the Company's funding position of any "market news" or ratings agency action in relation to the Company.
10. To review changes in the profile of liquidity and compliance with all liquidity limits set out in the Investment Policy, ensuring that full consideration is given to items that may have become less liquid in more volatile treasury markets;

During the FY 2022-23, the Committee met 8 (Eight) times on May 07, 2022, July 30, 2022, August 24, 2022, November 23, 2022, December 16, 2022, January 13, 2023, February 24, 2023 and March 21, 2023. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

S.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Shruti Savio Gonsalves	August 13, 2021	Managing Director, Executive	8	8	0
2	Mr. Nagendra Nath Saxena	August 13, 2021	Chief Risk Officer	8	8	0
3	Mr. Shailendra Gupta	July 30, 2022	Chief Business Officer	7	6	0
4	Mr. Vimal Kant Arora	August 13, 2021	Chief Technology Officer	7	6	0
5	Ms. Purnima Banka	August 13, 2021	Head Treasury	7	7	0

6	Ms. Shweta Singh	August 13, 2021	HR Head	7	4	0
7	Ms. Jhummi Mantri	November 23, 2022	Chief Financial Officer	4	4	0

### Independent Directors Meeting

In compliance with Schedule IV of the Act, the Independent Directors held their separate meeting on January 24, 2023 inter alia, for the following:

1. To review the performance of Non-Independent Directors and the Board as a whole.
2. To assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

Both the Independent Directors were present at the meeting. The Independent Directors present at the meeting elected Mr. Sanjay Kaul as the Chairperson for the meeting, deliberated on the above and expressed their satisfaction on all matters.

### (iii) General Body Meetings

S.No	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	Extra Ordinary General Meeting	May 30, 2022 through Video Conferencing	1. Approved the Increase in Authorised Share Capital.
2	Extra Ordinary General Meeting	July 15, 2022 through Video Conferencing	1. Amendment in AOA of the Company.
3	Extra Ordinary General Meeting	September 20, 2022 through Video Conferencing	1. To approve offer and issue of 87,10,660 CCPS (Compulsory Convertible) Preference Shares on Private Placement basis.
4	Annual General Meeting	September 30, 2022 through Video Conferencing	1. Increase in Borrowing limits. 2. Creation of charge on assets. 3. Approval of Managerial Remuneration of Ms. Shruti Gonsalves as MD & CEO

### (iv) Details of non-compliance with requirements of Companies Act, 2013

The Company has not defaulted in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards



### (v) Details of penalties and strictures

During FY 2022-23, there was no penalty or strictures have been imposed on the Company by the RBI, ROC or any other statutory authority during the FY 22-23.

## 12. 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, Mr. Anirudh Sarda (DIN: 06453012), Mr. Manish Purshottam Thakkar (DIN: 03233206) and Mr. David Smith (DIN: 07071450), retire by rotation at the ensuing Annual General Meeting of the Company. Your Directors recommend the re-appointment of above-mentioned Directors except for Mr. David Smith whose reappointment is not a requirement of the Amended and Restated Share Subscription and Shareholders' Agreement dated 26/05/2022 and the Articles of Association of the Company, hence he shall not be eligible for re-appointment in the ensuing Annual General Meeting.

### B) Changes in Directors

During the year, the following Directors had appointed/resigned from the Board of the Company as under:

S. No.	Name of Directors	Nature of Change (Appointment/Cessation/Change in Designation)	Effective date
1.	Ms. Elisabeth Ballreich	Cessation	May 16, 2022
2.	Mr. Rajat Arora	Appointment	June 07, 2022
3.	Ms. Lise Lindback	Appointment	July 15, 2022
4.	Ms. Shilpa Naval Kumar	Change in Designation	September 30, 2022
5.	Mr. Rajat Arora	Change in Designation	September 30, 2022

Apart from the above, there were no other changes in the Directors during the year. The shareholding of Directors as on March 31, 2023 is as follows:

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

### C) Changes in Key Managerial Person (KMP)

During the year, there has been change in the Key Managerial Personnel, details of which is mentioned below: -

S. No.	Name of KMPs	Nature of Change (Appointment/Re- appointment/Cessation)	Effective date
1.	Ms. Kashvi Malhotra	Appointment	October 06, 2022
2.	Ms. Jhummi Mantri	Appointment	October 06, 2022
3.	Mr. Nagendra Nath Saxena	Cessation	October 06, 2022
4.	Ms. Shruti Savio Gonsalves	Re-appointment	October 06, 2022
5.	Ms. Preeti Singh	Cessation	September 10, 2022

### D) Remuneration to Directors

During the year, the Company has not paid any remuneration to Non-Executive Directors. However, sitting fees of INR 5,45,000/- has been paid to the Independent Director(s) in compliance to the provisions of Companies Act, 2013.

### E) Fit & Proper Declarations

During the FY 2022-23 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.

## 13. PARTICULARS OF EMPLOYEES

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

## 14. 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, 10 (Ten) Board Meetings were duly conducted as per the provisions of the Companies Act, 2013. The maximum gap between any two consecutive Meetings was less than one hundred and twenty days, as stipulated under Section 173 of Companies Act 2013 and Secretarial Standards - 1 as issued by the Institute of Company Secretaries of India (ICSI). As per applicable laws, minimum of four Board Meetings are required to be held every year. The Company has convened additional Board Meetings to address specific needs of the business.

The Details of Board Meetings convened are given below:



S. No.	Quarter	Meetings held on
1.	Q1FY2023	May 09, 2022, May 30, 2022
2.	Q2FY2023	July 11, 2022, August 29, 2022, September 20, 2022
3.	Q3FY2023	October 06, 2022, November 18, 2022
4.	Q4FY2023	February 21, 2023, March 16, 2023, March 24, 2023

#### 15. 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.

#### 16. AUDITOR'S & AUDITORS REPORT

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 August 25, 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 2022-23 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. There are no qualifications or adverse remarks or modified opinion expressed by the Statutory auditors having impact on the financials of the Company for the F.Y. 2022-23.

#### 17. SECRETARIAL AUDIT COMPLIANCE

The Board of Directors of the Company, at its meeting held on February 21, 2023, appointed M/s MAKS & Co., Company Secretaries as Secretarial Auditor, pursuant to section 204(1) of Companies Act, 2013. The Secretarial audit report for FY 2022-23 is annexed to this report as **Annexure-C**. There are no qualifications or adverse remarks in the Secretarial Audit Report for the F.Y. 2022-23.





## **18. COST RECORDS**

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

## **19. 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**

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.

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

The Company, being a non-banking finance Company - Housing Finance Company registered with the National Housing Bank and engaged in the business of granting Home loans in the ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Act, in respect of loans and guarantees.

Accordingly, the disclosures of the loans as required under the aforesaid section have not been given in this report.

## **21. 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-D)**.

## **22. 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, 2023.

## **23. 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:

### **23.1 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.

### **23.2 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.

### **23.3 Foreign exchange earnings and outgo**

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

Foreign Exchange Earning	Nil
Foreign Exchange Outgo	INR 8.24 crore

## **24. 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.

## **25. 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.

## **26. 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 engagement to foster inclusivity and originality across our locations.

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 March 31, 2023, the Company had 1048 on roll employees at various locations. We are actively promoting diversity and inclusion in the organization with a female ratio of 15%. 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.

## **27. 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 2022-23.

## 28. 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 (five) 5 times as below:

Sr. No.	Date of Meeting
1.	June 07, 2022
2.	June 24, 2022
3.	September 19, 2022
4.	October 04, 2022
5.	March 20, 2023

## 29. 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.

### 30. 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. Mr. RV Verma and Mr. Sanjay Kaul 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 (two) 2 times as below:

Sr. No.	Date of Meeting
1.	August 29, 2022
2.	January 16, 2023

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.

### 31. 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 2022-23, (Eight) 8 meetings of the Committee were held on following dates:

Sr. No.	Date of Meeting
1.	May 07, 2022
2.	June 30, 2022
3.	August 24, 2022
4.	November 23, 2022



5.	December 16, 2022
6.	January 13, 2023
7.	February 24, 2023
8.	March 21, 2023

### 32. 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 (Eight) 8 Directors of the Company: Ms. Renana Jhabvala, Ms. Manjiree Jaitly, Mr. David Smith, Mr. Anirudh Sarda, Ms. Shruti Gonsalves, Ms. Lise Lindback, Ms. Shilpa Naval Kumar and Mr. Rajat Arora. This Committee reports to the Board of Directors of the Company. During the Financial Year 2022-23, (Seven) 7 meetings of the Committee were held on following dates:

Sr. No.	Date of Meeting
1.	June 06, 2022
2.	June 23, 2022
3.	August 19, 2022
4.	November 28, 2022
5.	December 09, 2022
6.	January 11, 2023
7.	March 13, 2023

### 33. COMPOSITION OF IT STRATEGY COMMITTEE

The Company has duly constituted IT Strategy Committee as per the NHB guidelines/RBI Directions, which consists of (Eight) 8 members namely Mr. Sanjay Kaul, Independent Director as Chairperson of the Committee, Mr. Manish Thakkar, Ms. Manjiree Jaitly, Ms. Shruti Gonsalves, Mr. Vimal Kant Arora and Mr. Rajesh Soi as members as on 31/03/2023.

During the period under review (three) 3 meetings of IT Strategy Committee were held on following dates:

Sr. No.	Date of Meeting
1.	June 17, 2022
2.	October 03, 2022

### 34. 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 2022-23, Annual General Meeting (AGM) for the financial year 2022-23 was duly held on 30/09/2022 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 was one fraud 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 2021-22, 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) (iii a) 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.

**o) Details of difference between amount of the valuation done at the time of One-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof.**

During FY2023, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014,



reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.

### 35. 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**

*Renana Jhabvala*

**Renana Jhabvala**

**Chairperson**

**DIN: 01106825**

**Address: B-9/9 Sterling,**

**Bopal, Ahmedabad, Gujarat-380058**



**Date: July 24, 2023**



## CONTENTS

### Economic Overview

- Global Economy
- Indian Economy

### Industry Overview

- Housing scenario In India
- AHFCs: a lucrative model

### Business Overview

Performance Review: FY23

Our Growth Strategy



**Sitara**

A SEWA INITIATIVE

**Management Discussion & Analysis**

**FY23**

# Management Discussion and Analysis

## Economic overview:

### Global Economy

The global financial system has been impacted by significant strains from the banking turmoil in the U.S. and Europe. In contrast, the financial sector in India has been stable and resilient, as reflected in sustained growth in bank credit, low levels of non-performing assets and adequate capital and liquidity buffers. Both banking and corporate sector balance sheets have been strengthened, engendering a 'twin balance sheet advantage' for growth. The reach and depth of financial intermediation is being aided by technology and growing digitalization, which provides new opportunities for growth and financial inclusion.

*Source: Financial Stability Report*

### Indian Economy

#### Growth Rate

Despite the challenging macro-economic conditions, the Indian economy remained stable and resilient. In the last quarter of FY22, India's real GDP grew remarkably by 6.1%, surpassing analyst expectations. Looking ahead, it is projected to maintain a growth rate of 6.5% during 2023-24 with balanced risks.

Despite facing multiple global headwinds, the economy's growth momentum is gaining strength, supported by factors such as robust domestic demand, substantial public investments in infrastructure, smooth funding for businesses and households, and a positive business outlook. Also, India's purchasing managers' indices (PMIs) for both manufacturing and service sectors continue to outperform regional and global indices further strengthening the confidence.

#### Inflation

Inflation experienced broad-based price pressures during the first half of the year due to a spike in global prices of commodities like crude oil, food, fertilizers, and metals, along with renewed supply disruptions after the war, reaching 7.8% in April 2022.

However, as global supply chains normalized, targeted supply management measures and a policy repo rate hike by the RBI led to moderation in the second half of the year. Headline inflation gradually decreased from 7.8% (April 2022) to 4.3% (May 2023) due to monetary tightening, supply-side measures, and eased global supply bottlenecks. Core inflation also eased out but remained above 5%.

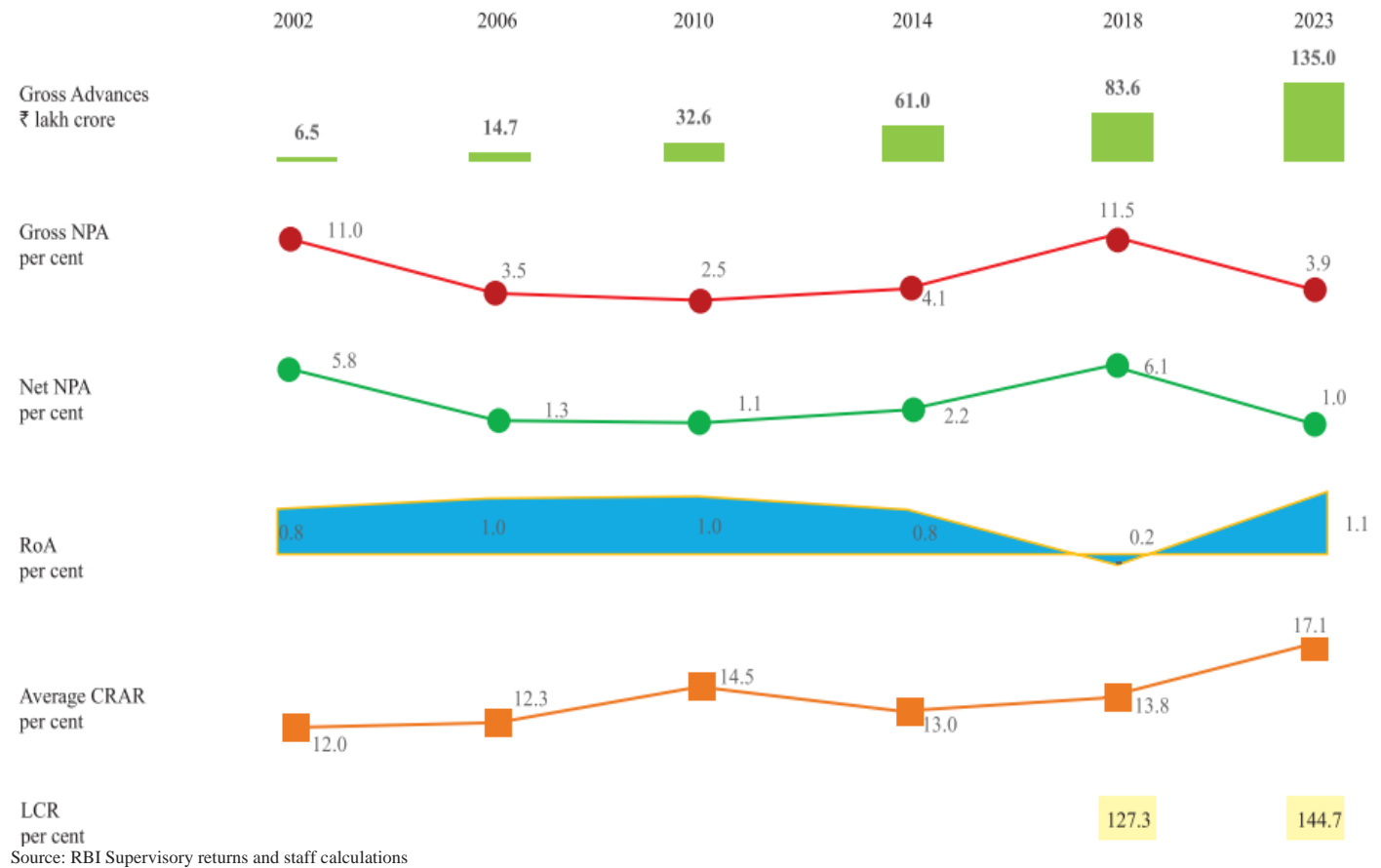
## Fiscal Deficit Down

For FY23, the government successfully managed to keep the fiscal deficit at Rs. 17.3 lakh crore, which was lower than the revised estimate of Rs. 17.55-lakh crore (Reported by the CGA). However, as the economy grew, the fiscal deficit as a percentage of GDP remained at 6.4%.

## Banking Ecosystem

The Indian financial system, supported by a robust banking system, remains stable and plays a crucial role in meeting out the productive needs of the economy. Banks are well-prepared for a credit cycle upturn that has been underway since early 2022. The major reasons being healthy earnings, adequate capital, liquidity buffers, and enhancing asset quality.

### Banking Sector soundness Indicators



Additionally, India's digital public infrastructure (DPI) fosters financial innovation and competition, enhances financial inclusion, and democratizes finance. Thus, boosting economic growth and enhancing the financial system's resilience and efficiency.

#### Sources:

Financial Stability Report, RBI Annual Report, MOSPI, India Ratings and Research

## Industry Overview: -

### *Housing scenario in India*

HFCs have a total market size of INR 28.4 Tn (FY23), of which INR 11 Tn is the affordable housing market size. The market share by players i.e., banks and HFCs in the affordable housing market is split in such a way that 60% comprises of Banks and 40% (INR 4.4Tn) via HFCs.

### *Dichotomous economy scenarios*

With the rise in the repo rate in May 2022 by 250bps by the Central bank, again in response to an inflation goal, the cost of borrowing for housing finance businesses have risen, resulting in higher home loan interest rates for borrowers. It will raise the cost of taking out mortgages and purchasing properties. This may result in a decline in home demand. Furthermore, an increase in interest rates will make it more difficult for consumers to qualify for mortgages, lowering demand even further. To help control inflation, the repo rate has been raised six times in the current financial year (the current repo rate is at 6.5% vs 4% a year ago). In the affordable segment in particular, our cost of borrowing increased to 250bps. With the last push of 35 basis points in December 2022, which was subsequently passed on to end users in total, retail consumers began to feel the heat as their EMIs on current loans began to rise.

Despite the hardening rate scenario, there is an increase in the demand primarily driven due to pent-up demand post-Covid-19 as people are looking at bigger accommodations.

Source: Business Today

<https://www.businesstoday.in/latest/in-focus/story/bt-mindrush-2023-no-slowdown-in-home-loan-demands-says-sbis-dinesh-kumar-khara-378962-2023-04-26>

### **Why demand is high?**

The growing awareness of home ownership and the government's favorable affordable housing schemes has led to significant growth in the affordable housing segment. With people realizing the long-term potential of owning a house v/s renting led to sustainable growth in the segment. An increase in earning potential, a need for a better standard of living and the growing base of aspirational consumers and their lifestyle changes have led to substantial growth in the sector. With suited economic growth, the premium housing segment will also witness higher demand in the years to come. Reforms in stamp duty, the introduction of affordable rental housing complexes and government-aided schemes will boost this asset class while providing relief to the many who do not have access to it.

The RBI's monetary policy is a testament to the country's commitment to financial stability and economic growth. The focus on maintaining inflation in check while supporting the growth of the sector is commendable. The increased repo rate could impact residential sales to some extent, particularly in the affordable segment but in the mid-term, it will have no impact.

Source: Mint

<https://www.livemint.com/money/personal-finance/future-of-real-estate-market-in-india-in-2023-11676368024008.html>



## **AHFCs – a lucrative model as the yield profile is healthy and has customer stickiness.**

### **Overview**

#### **Who is a typical customer?**

Affordable housing players broadly focus on a) low- and middle-income group customers, b) unserved, unreached and underserved markets c) semi-urban or rural locations, and d) with or without documented income proofs. These include bottom-of-the-pyramid customers normally identified as local tradesmen, daily wage laborer, small business owners and salaried employees working in small firms or at junior positions in larger companies.

These players help to fill the home financing gap for this segment that large NBFCs/HFC/banks normally don't cater to because of operational costs and lack of credit score or proven credit history. This requires specialized eye for underwriting to analyze the non-volatile cashflow from all income sources for the borrower and his/her capacity to payback on a consistent basis.

Banks majorly cater to customers with formal credit history while informal customers fail to obtain loans from banks due to lack of formal income proof. This creates an opportunity for NBFC/ HFCs to service this unserved portion of the pie which majorly comprises both salaried and self-employed customers with a certain degree of informal income. While large HFCs target metros and tier-1/2/3 cities, below tier-3 regions remain underpenetrated, which leaves an opportunity for AHFCs to tap customers belonging to EWS/LIG/MIG from semiurban and rural markets.

AHFCs primarily caters to salaried and self-employed customers in low and middle-income groups, which account for ~70% of the total customers in urban areas. Of these, ~30% are the informal salaried who typically earn in cash only. Salaried customers are typically employed by small firms or work in junior positions in companies, while self-employed customers are generally small business owners. The monthly income of these customers ranges from INR 20,000 to INR 50,000 per month with ATS of INR ~11.1 lakh.

#### **Consistently healthy growth in loan book across all AHFCs**

AHFCs have reported healthy growth over the last 6 years despite challenges like Covid and demonetization. Aggressive branch expansion and government push on "Housing for All" and "PMAY" has led to 25%+ CAGR growth over last 5 years in AHFCs. While CLSS subsidy (valid till FY23) played a vital role in higher disbursements in the last 5 years, growth from hereon would continue to sustain on the back of lower mortgage penetration, improved affordability and rising rural income.

#### **Major Headwinds for this sector**

**Pressure on yields due to increased competition:** AHFCs are able to charge higher yields of 13% -22% to customers given that they enjoy a competitive advantage over banks and other NBFCs (on ticket size and underwriting capabilities built over time). If there is an increase in competition in its target segment, it could put pressure on the company's yields and margins.

**Inability to maintain healthy asset quality parameters:** While AHFCs have successfully maintained asset quality within a comfortable range despite higher early buckets delinquencies on the back of strong monitoring and collection mechanism, any failure to sustain asset quality metrics in future, leading to an increase in credit costs, will be a risk.

**Broad-based economic slowdown:** Broad-based slowdown in the Indian economy may pose a risk to our AUM and earnings growth estimates.

## Business Overview

### Who We Are



*We are a gender focused affordable housing finance company helping achieve the dream of every woman to 'own a home'.*



“ Our goal is to demonstrate the **scale and impact**. Our housing finance model can achieve – in **delivering financial services** to the lowest income groups, folding **previously-excluded customers** into the **mainstream**, and **promoting economic stability** and **independence of women** – while maintaining **high-quality books and happy customers**”

### Strengths

**Market Penetration:** present in 49 branches and 8 states with 74% of our branches in Tier 2 and Tier 3 in underpenetrated credit markets like MP, UP and Bihar

**Steady Asset Quality:** GNPA of 0.70% with stabilization in the quantum of 90+ DPD (Rs. 45-50 Mn) with only 77 NPA cases

**Product offering:** deep focus on small-ticket loans we are uniquely positioned of Rs. 0.4-0.8 Mn ticket size category catering predominantly to the woman borrowers

**Robust returns from improving leverage ratios** i.e. D/E ratio is at 2.4:1

**Improving collection across buckets:** invested at a very early stage in strengthening the collection strategy and the team.

### Opportunities

**Pent-up demand** from Covid and increasing aspirations of the rural and semi-urban segments.

**Government thrust** on the affordable housing segment through budgetary allocations and various schemes.

**Growing urbanization** and the resulting growth of housing units

**Highly under-penetrated AHF market**

### Challenges

Rising interest rates and high inflation

Changing demand and employment market

Increased land acquisition cost

Maintaining healthy asset quality parameters

### Threats

Global economic slowdown and hikes in repo rates

Increased market competition pressuring yields & margins

Unfavorable statutory policies and regulations

Geographical concentration of the operating branches in North and West is subject to political/climate risks.

## SITARA PERFORMANCE REVIEW FY22-23

### Growth Metrics

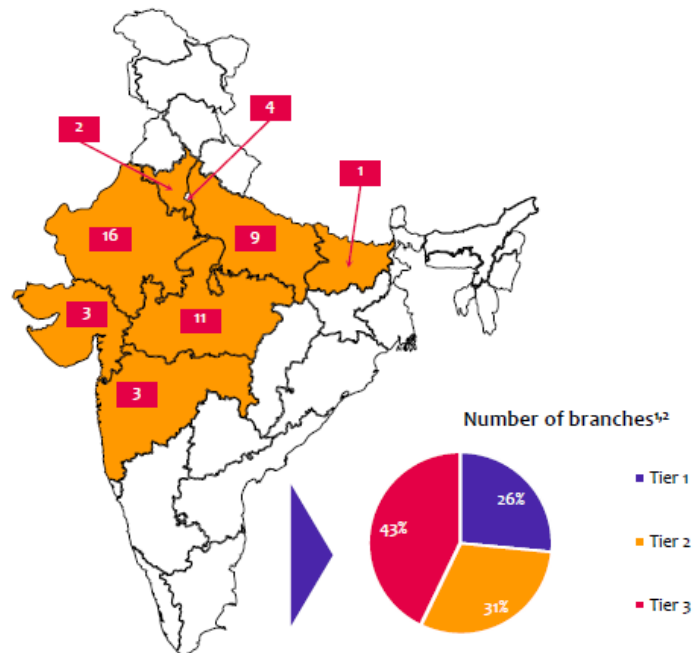
#### Disbursements

Weathering over the challenges of FY22-23 with our determined spirit, Sitara's performance has been phenomenal. The total disbursements of the company grew by 4x YoY to INR 386 Crores in FY23 compared to INR 81 Crores in the previous fiscal year due to expansion of branches towards new geographic locations.

### Market Penetration

#### Deep distribution reach with expanding branches

Building a strong & deep presence with the inception of our 13 new branches, we are continuously improving our market penetration with robust plans to expand. We are now spread across 49 branches and 8 states with 74% of our branches located in Tier 2 and Tier 3 cities strengthening our customer acquisition.



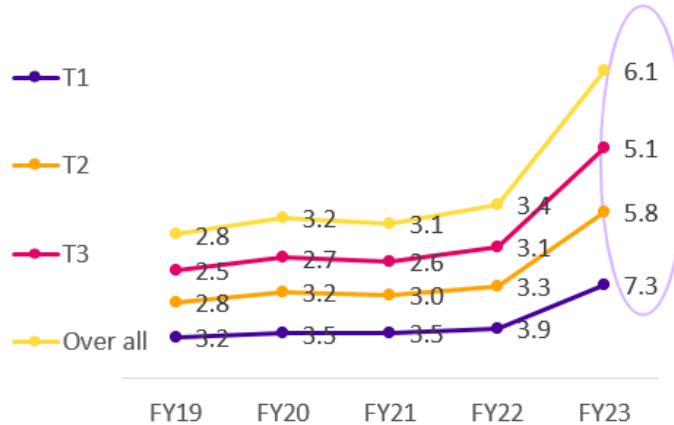
**Making deep presence with 43% of the branches in Tier 3 cities**

#### Empowering Women to realize their Dream home

Catering to the dreams of every woman to own a home, 100% of Sitara's primary applicants have been women borrowers. We have 16,960 active loan cases with a customer base of 40,433 with 52% males and 48% females.

### Deep focus on small ticket-size loans

Our overall ATS stood at 6.1 lakhs with T1 7.3 lakhs, T2 5.8 lakhs and T3 5.1 lakhs, bridging the gaps in the 0.4 – 0.8 Mn category.



Tier-wise ticket size in Lakhs (YoY)

### Doubled Loan book

Increase in AUM from 320.77 Cr in FY22 to 659.37 Cr in FY23 strengthens our conviction in Sitara's values and potential growth.

### HL to LAP ratio

Maintaining our HL to LAP ratio as per the principle business criteria, in the last FY 23 we have acquired new customers of 400+ Cr Loan value, with our HL contribution of 76%.

### Steady Asset Quality

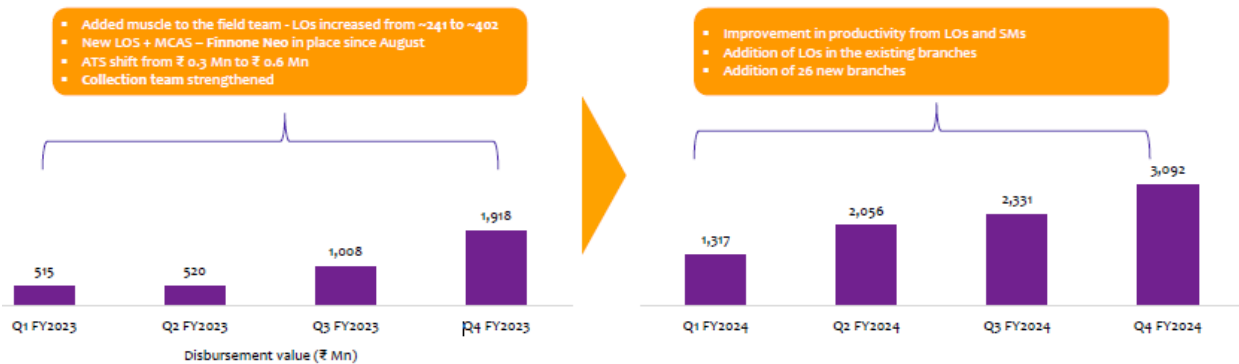
Specialized to underwrite a thin file asset class with 80% outstanding loans having Rs. 40k income, our GNPA is 0.70% with stabilization in the quantum of 90+ DPD (Rs. 45-50 Mn) having only 77 NPA cases to date, being a clear reflection of our commitment towards maintaining a steady asset quality.

### Adequate Long-term Debt

A healthy leverage ratio of 2.4:1 is also indicative of Sitara's sustainable growth over 1.7:1 ratio in the previous fiscal.

## OUR GROWTH STRATEGY

- Going into FY24 with good business momentum in FY23 (Disbursement in ₹ Mn)



- **Strengthening our present clusters and focusing on expanding to other states:**  
Contiguous expansion to Uttarakhand in FY24 followed by newer states like Chhattisgarh, Jharkhand, Odisha & Punjab in the next 4 years.
- **Technology enablers across business, credit & collections**  
Focus on improving operating leverage through investments in IT automation, better incentivisation/retention of LOs and improving collection mechanisms (focus on digital vs cash collection) thereby aiming to consolidate our management systems by deploying ERP.
- **Improving productivity is key to FY2024 growth.**
  - a) Focus on hiring seasoned employees from the market – strengthen sales by adding ~ 140 new LOs, open 26 new branches by penetrating further into the states already present.

	FY2023		FY2024
~# of LOs & SMs <sup>1</sup>	402	▶	591
Disb. p.m./ LO (₹ Mn)	1.3	▶	1.4
Files p.m./ LO (#)	2.2	▶	2.3

<sup>1</sup> Non-supervisory SMs

- b) Eligibility of incentives shifted from 'Volume' driven to 'Value + Volume' driven, retention of on field employees with >6 months vintage.

Annexure B

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 31.03.2023)	
Name	
(a) Designation of the employee.	
(b) Remuneration received (Yearly CTC)	
(c) Nature of employment, whether contractual or otherwise.	
(d) Other terms and conditions.	
(e) Nature of duties of the employee.	
(f) Qualifications and experience of the employee.	
(g) Date of commencement of employment	
(h) The age of such employee.	
(i) The last employment held by such employee before joining the company.	

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

  
  
**Renana Jhabvala**  
**Chairperson**  
**DIN: 01106825**  
**Address: B-9/9 Sterling,**  
**Bopal, Ahmedabad, Gujarat-380058**  
**Date: July 24, 2023**



**MR-3**  
**Secretarial Audit Report**

For the Financial Year Ended March 31, 2023  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members,**  
**Sewa Grih Rin Limited**  
Regd. Office: 1st Floor, 216/C-12,  
Old No. C-12, Plot No. 13-B,  
Guru Nanak Pura, Laxmi Nagar  
Delhi – 110 092

[CIN: U65923DL2011PLC222491]

We have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Sewa Grih Rin Limited [hereinafter referred as “the Company” / “SGRL”]. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. It is also noted that the Company is registered with National Housing Bank (“NHB”) under Section 29A of the National Housing Bank Act, 1987 to commence / carry on the business of a housing finance institution without accepting Public Deposit. Further, it is also been noted that, during the period under review, none of the securities of the Company is listed on any of the stock exchanges.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on March 31, 2023 (commencing from April 1, 2022 to March 31, 2023), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter. The Members are requested to read Secretarial Audit Report (“Report”) along with our letter dated July 24, 2023 enclosed herewith to this Report as Annexure – A.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on March 31, 2023 according to the applicable 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 during the audit period*);
  - iii) The Depositories Act, 1996 and the regulations and byelaws framed thereunder;
  - iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable;

**MAKS & CO., Company Secretaries**  
(Firm Regn. No.: P2018UP067700)

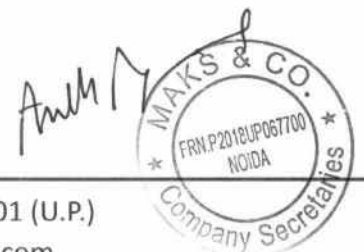
Address: 516 | Wave Silver Tower | Sector-18 | Noida -201301 (U.P.)  
Tel. : +120 5178033 | E: services@forecoreprofessionals.com





- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (*Not applicable to the Company during the audit period*);
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (*Not applicable to the Company during the audit period*);
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*);
  - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021/2018 (*Not applicable to the Company during the audit period*);
  - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (*Not applicable to the Company during the audit period*);
  - The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with clients (*Not applicable since the Company is not registered as Registrar to Issue and Share Transfer Agent during the period*);
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not applicable to the Company during the audit period*);
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not applicable to the Company during the audit period*); and
  - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Not applicable to the Company during the audit period*).
- vi) Based upon the Management Representation wherever required from the Company, its officers, and compliance reports from the management for systems and mechanism framed by the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the pertinent laws, rules, regulations and guidelines as specifically applicable to the Company relating to Rules, regulations, directions and guidelines issued by the National Housing Bank as are applicable to the Company.
2. We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings (hereinafter referred as '**Secretarial Standards**'); and
  - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges (*Not applicable to the Company during the Audit period*).

**MAKS & CO., Company Secretaries**  
(Firm Regn. No.: P2018UP067700)





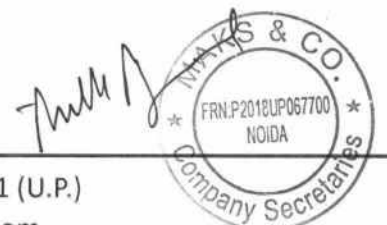


During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has been generally regular in compliance with the provisions of the Acts, Rules, Regulations Secretarial Standards as mentioned above.

3. Basis the information provided to us by the Management, we further report that during the period under review there were delay in filing of RBI Return in FCGPR w.r.t Allotment of Shares by the Company to Foreign Shareholders due to 'Technical Reasons'. Accordingly, the Company has deposited Late Submission Fees as levied by RBI in all such cases.
4. We further report that compliance of applicable financial laws including direct and indirect tax laws and maintenance of financial records and books of accounts by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
5. We further report that:
  - i) 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 was carried out in compliance with the provisions of the Act.
  - ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice and Agenda with notes to Agenda of Board meetings was sent at least seven days in advance of the meeting except in certain cases where meeting was held at shorter notice and a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
  - iii) Decisions of Board/Committee were carried through majority. We have been informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
  - iv) 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, 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.
  - v) We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:
    - (a) the Company has converted 2,28,57,140 Series C Compulsorily Convertible Preference Shares ("CCPS") of Rs. 10/- each into 1,05,86,025 Equity Shares of Rs. 10/- each w.e.f. May 30, 2022 on a pre-decided conversion ratio of 1: 0.463138737;
    - (b) The Board of Directors of the Company vide circular resolution dated June 18, 2022, had approved following transfer of Shares:
      - (i) 10,00,000 Equity Shares of face value of Rs. 10/- each were transferred from Axis Bank Limited to WWBCP II Non-SSA, LLC; and

**MAKS & CO., Company Secretaries**  
(Firm Regn. No.: P2018UP067700)

Address: 516 | Wave Silver Tower | Sector-18 | Noida -201301 (U.P.)  
Tel. : +120 5178033 | E: services@forecoreprofessionals.com





# MAKS & CO.

Company Secretaries

- (ii) 17,50,000 Equity Shares of face value of Rs. 10/- each were transferred from Acumen Fund INC. to Oikocredit Ecumenical Development Cooperative Society U.A
- (c) During the financial year 2022-23, the Board of Directors of the Company allotted 2,37,01,872 Series D Non-cumulative Compulsorily Convertible Preference Shares ("CCPS") and 100 Equity Shares of Rs. 10/- each at a price of Rs. 42.23 per CCPS through Private Placement basis in three tranches (i.e. July 11, 2022, October 6, 2022 and October 12, 2022) on such terms and conditions as specified in the 'Revised and Restated Share Subscription & Shareholders' Agreement', dated May 26, 2022; and
- (d) The Shareholders of the Company at their Extra-ordinary General Meeting held on July 15, 2023 approved the amendment in the Article of Association of the Company to align the same with the amended and restated Share Subscription & Shareholders' Agreement dated May 26, 2022.

For M/s. MAKS & Co.,  
Company Secretaries  
[FRN P2018UP067700]

Ankush Agarwal  
Partner  
Membership No.: F9719  
COP No.: 14486



Peer View No.: 2064/2022  
UDIN: F009719E000663724

Place: Noida, U.P.  
Date: 24-07-2023

**MAKS & CO., Company Secretaries**  
(Firm Regn. No.: P2018UP067700)

Address: 516 | Wave Silver Tower | Sector-18 | Noida -201301 (U.P.)  
Tel. : +120 5178033 | E: services@forecoreprofessionals.com



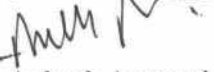
**Annexure –A to Secretarial Audit Report dated July 24, 2023**

To,  
**The Members,**  
**Sewa Grih Rin Limited**  
Regd. Office: 1st Floor, 216/C-12,  
Old No. C-12, Plot No. 13-B,  
Guru Nanak Pura, Laxmi Nagar  
Delhi – 110 092  
[CIN: U65923DL2011PLC222491]

The Secretarial Audit Report dated July 24, 2023 is to be read with this Letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to Sewa Grih Rin Limited [hereinafter referred as 'the **Company**'] is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes 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 processes and practices followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit process.
5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. This 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 M/s. MAKS & Co.,  
Company Secretaries  
[FRN P2018UP067700]



**Ankush Agarwal**  
Partner

Membership No.: F9719  
COP No.: 14486  
Peer View No.: 2064/2022  
UDIN: F009719E000663724



Place: Noida, U.P.  
Date: 24-07-2023

**MAKS & CO., Company Secretaries**  
(Firm Regn. No.: P2018UP067700)

**FORM NO. AOC -2**

**Annexure D**

**(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 arms length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

**FOR AND ON BEHALF OF BOARD OF DIRECTORS  
SEWA GRIH RIN LIMITED**

*Renana Jhabvala*

**Renana Jhabvala  
Chairperson**

**DIN: 01106825**

**Address: B-9/9 Sterling,**

**Bopal, Ahmedabad, Gujarat-380058**

**Date: July 24, 2023**



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

**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, 2023, the statement of profit and loss, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and the profit and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, does not include the financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after signing of this Auditor's Report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



# SS KOTHARI MEHTA & COMPANY

CHARTERED ACCOUNTANTS

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

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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.

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

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

## **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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



# SS KOTHARI MEHTA & COMPANY

CHARTERED ACCOUNTANTS

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has an 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 the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, 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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our report, 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 of the aforesaid financial statements.



# SS KOTHARI MEHTA & COMPANY

CHARTERED ACCOUNTANTS

- 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 relevant 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 Rules made thereunder.
- e) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 directors 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, as amended 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 as on March 31, 2023.
  - 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 to us 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





# S S KOTHARI MEHTA & COMPANY

CHARTERED ACCOUNTANTS

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented to us 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 our audit procedures conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause 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. In our opinion, and according to the information and explanations given to us, the company has neither declared nor paid any dividend during the year, hence, provisions of section 123 to the Act are not applicable to the Company and has not been commented upon.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **S S Kothari Mehta & Company**

Chartered Accountants

Firm's Registration No. 000756N

*Naveen*

**Naveen Aggarwal**

Partner

Membership No. 094380

UDIN : 23094380BGUNBT4953

Place : Gurugram

Date : July 24, 2023



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

**Annexure A” to the Independent Auditors’ Report**

The Annexure as referred in paragraph (1) ‘Report on Other Legal and Regulatory Requirements’ of our independent Auditors’ Report to the members of Sewa Grih Rin Limited on the financial statements for the year ended March 31, 2023, we report that :

- i. In respect of the Company's property, plant and equipment (PPE) and intangible assets:
  - (a) A. The Company has maintained proper records showing full particulars, including quantitative details other than situation of property plant and equipment & particulars related to identification numbers affixed on the property plant and equipment.  
  
B. The Company has maintained proper records showing full particulars of intangible assets.
  - (b) PPE have been physically verified by the management during the year according to designated process to cover all the items on annual basis. No material discrepancies were noticed on such physical verification and the same have been properly dealt with in the books of accounts.
  - (c) According to the information and explanation given to us and based on our examination of records, no immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order 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 PPE 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, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder.
- ii. (a) According to the information and explanation given to us and based on our examination of records, 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 crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets, accordingly, reporting under 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanation given to us and based on our examination of records, the Company has made investments in, companies (i.e. Commercial Papers), provided security and granted loans or advances in the nature of secured loans to other parties, during the year, in respect of which:



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

- a) Reporting under clause 3(iii)(a) of the Order is not applicable as the Company is a Non-Banking Financial Company – Housing Finance Company (“NBFC-HFC”);
- b) In our opinion, the investments made, and security given and the terms and conditions of the grant of all loans, during the year are, prima facie, not prejudicial to the company’s interest;
- c) According to the information and explanation given to us and based on our examination of records, 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 have generally been regular as per stipulation. Since the Company is NBFC-HFC 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: -

(INR in millions)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue*	Total Overdue
Home Loan	86	22.77	5.30	28.07
Loan Against Property (LAP)	93	23.21	5.66	28.87
<b>Total</b>	<b>179</b>	<b>45.98</b>	<b>10.96</b>	<b>56.94</b>

\* pursuant to prudential norms of RBI, such overdue interest has been derecognised in the books of accounts for the preparation of financial statements as at reporting date.

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 NBFC-HFC, whose principal business is to give loans.
- f) According to the information and explanation given to us and based on our examination of records, 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, reporting under clause 3(iii)(f) is not applicable.
- iv. According to the information and explanations given to us, provisions of Section 185 are not applicable to the Company. However, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans granted, investments made and security provided, to the extent applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act



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

and the Rules framed there under. Accordingly, reporting under clause 3 (v) of the Order is 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 Act for the business activities carried by the Company. Accordingly, reporting under clause 3(vi) of the Order are 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. 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, except employee provident fund where the amount involved is Rs. 0.12 million.
- (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)** According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3 (viii) of the Order is not applicable to the Company.
- (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 except as reported hereunder:

Nature of Borrowings	Name of Lenders	Amount not paid on due date (in millions)	Whether principal or Interest	Nos of Days delay or unpaid	Remarks, if any
Term loan	IDFC first Bank	2.06	Interest	1	Delay due to technical reasons
Term loan	IDFC first Bank	4.17	Principal	1	

# SS KOTHARI MEHTA & COMPANY

CHARTERED ACCOUNTANTS

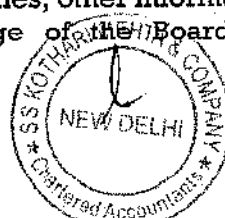
- b) Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term 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, the Company is not having any subsidiary, associate or joint venture. Accordingly, the reporting under this clause 3(ix)(e) of the Order is not applicable.
- f) 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)(f) of the Order is not applicable.
- (x) (a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanation given to us and based on our examination of records, during the year, the company has complied with the requirements of Section 42 of the Act for the private placement of Compulsory Convertible Preference Shares (CCPS) and Equity Shares. However, the Company has not made any preferential allotment as per Section 62 of the Act read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 during the year.
- (xi) (a) As per the information and explanation given to us and on the basis of our examination of the records, no fraud by the company has been noticed or reported during the period covered by our audit, however there is one case where a fraud has been noticed on the Company. The same fraud is reported to the RBI by the Company and 100% provision is made on the same loan as at March 31, 2023. Further, the Company has taken necessary actions against the party.
- (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 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) We have been informed that there are no whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures. Accordingly, the reporting under the clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company. Accordingly, Clause (xii)(a), (xii)(b) and (xii)(c) of Para 3 of the order is not applicable to the Company.



# S S KOTHARI MEHTA & COMPANY

CHARTERED ACCOUNTANTS

- (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 Act where applicable and details of such transactions have been disclosed in Note No. 30 to the financial statements as required by the applicable accounting standards. The provision of Section 177 of the Act is not applicable to the company and accordingly reporting under this clause insofar it relates to Section 177 of Act is not applicable to the Company.
- (xiv) (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, 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 as referred to in Section 192 of the Act. Accordingly, clause 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 the 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 made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and based on our examination of the records, the Company does not have more than one core investment company ("CIC") within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, 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 in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and



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

Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) According to the information and explanation given to us and based on our examination of the record of the company, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3 (xx) (a) and (b) of the Order is not applicable to the Company.
- (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's Registration No. 000756



**Naveen Aggarwal**  
Partner

Membership No. 094380  
UDIN : 23094380BGUNBT4953  
Place : Gurugram  
Date : July 24, 2023



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

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Sewa Grih Rin Limited.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’**

We have audited the internal financial controls with reference to the financial statements of **Sewa Grih Rin Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Management and Board of Directors of the Company is responsible for establishing and maintaining internal financial controls 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to 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”) issued by the ICAI and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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





# SS KOTHARI MEHTA & COMPANY

CHARTERED ACCOUNTANTS

## Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statement 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial control with reference to the financial statements were operating effectively as at March 31, 2023, based on the internal controls with reference to the financial statements established by the Company considering the essential components of internal controls stated in guidance note on audit of internal financial controls over financial reporting issued by the ICAI.

For S S Kothari Mehta & Company

Chartered Accountants

Firm's Registration No. 000766

Naveen

**Naveen Aggarwal**

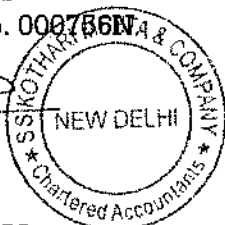
Partner

Membership No. 094380

UDIN : 23094380BGUNBT4953

Place : Gurugram

Date : July 24, 2023



**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 as updated (hereinafter referred to as “the Directions”) issued by the ‘Reserve Bank of India (hereinafter referred to as “the RBI”).
2. We have audited the financial statements of **Sewa Grih Rin Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2023, 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 July 24, 2023.

**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, 2023 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 (hereinafter referred to as “the ICAI”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
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 July 24, 2023, we report that:
- a. 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.
  - b. The Company is meeting the required Net Owned Fund (NOF) requirement as prescribed under Section 29A of the National Housing Bank Act, 1987 including paid up preference shares which are compulsorily convertible into equity.
  - c. The Company has complied with the provisions of Section 29C of the National Housing Bank Act, 1987.
  - d. The board of directors of the Company vide a circular resolution dated February 02, 2022 passed the resolution for non-acceptance of any public deposits for the financial year 2022-23.
  - e. 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.
  - f. 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.
  - g. The capital adequacy ratio as disclosed in the Schedule-II return based on unaudited financial statements for the half year ended March 31, 2023 submitted to the National Housing Bank in terms of the Housing Finance Companies (NHB) Directions, 2021, as amended, 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 March 31, 2023 is pending for finalization as on date of this report.
  - h. 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, 2023 as specified in the NHB(ND)/DOS/SUP. Circular No. 7/2021-22 dated December 31, 2021. The Final Schedule-II return for the half year ended March 31, 2023 is pending for finalization as on date of this report.
  - i. 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, 2023. So, Schedule-III return on Statutory Liquid Assets is not applicable.

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

- j. Based on information made available for our review of CRaMIS Portal of NHB, 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.
- k. 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.

**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: 23094380BGUNBX5532  
Place : Gurugram  
Date : July 24, 2023

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	2	894.41	780.10
(b) Reserves and surplus	3	1,324.37	442.04
		<b>2,218.78</b>	<b>1,222.14</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	4	4,588.32	1,945.35
(b) Other Long term liabilities	5	17.79	1.40
(c) Long term provisions	6	36.94	33.25
		<b>4,643.05</b>	<b>1,980.00</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	7	781.02	401.92
(b) Trade payables :-			
(i) Total outstanding dues of micro enterprises and small enterprises	8	2.51	0.78
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	13.86	5.65
(c) Other current liabilities	9	68.00	39.80
(d) Short term provisions	10	18.11	12.31
		<b>883.50</b>	<b>460.46</b>
<b>Total</b>		<b>7,745.33</b>	<b>3,662.60</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment and intangible assets			
(i) Property plant and equipment	11	71.74	25.09
(ii) Intangible assets		1.54	0.54
(iii) Intangible assets under development		21.97	8.28
(b) Deferred tax assets (net)	12	15.91	10.88
(c) Long term loans and advances	13	6,050.27	2,945.88
(d) Other non-current assets	14	126.03	33.72
		<b>6,287.46</b>	<b>3,024.39</b>
<b>(2) Current assets</b>			
(a) Current investments	15	99.78	-
(b) Cash and cash equivalents	16	803.99	342.22
(c) Short-term loans and advances	17	434.57	220.96
(d) Other current assets	18	119.53	75.03
		<b>1,457.87</b>	<b>638.21</b>
<b>Total</b>		<b>7,745.33</b>	<b>3,662.60</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: 001388

Naveen Aggarwal  
Partner

Membership Number: 094380



For and on behalf of the Board of Directors of

Sewa Grih Rin Limited

Renana Jhabvala

Renana Jhabvala

Director

DIN: 01106825

Jhumi Mantri

Chief Financial Officer

Membership Number: 098680

Shruti Savio Gonsalves

Shruti Savio Gonsalves  
Managing Director & Chief Executive Officer

DIN: 07160748

Kashu Malhotra

Company Secretary

Membership Number: A23213

Place: Gurugram

Date: 24/07/2023



## Sewa Grih Rin Limited

CIN: U65923DL2011PLC222491

## Statement of Profit and Loss for the year ended March 31, 2023

(Rupees in millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I. Income</b>			
Revenue from operations	19	900.86	543.35
Other income	20	41.35	0.07
<b>Total Income</b>		<b>942.21</b>	<b>543.42</b>
<b>II. Expenses</b>			
Employee benefits expense	21	332.00	189.42
Finance costs	22	358.11	189.66
Depreciation and amortisation expense	23	13.38	8.82
Other expenses	24	198.53	77.66
Provisions and write off	25	13.64	20.97
<b>Total expenses</b>		<b>915.66</b>	<b>486.53</b>
<b>III. Profit before tax (I-II)</b>		<b>26.55</b>	<b>56.89</b>
<b>IV. Tax expense</b>			
-Current Tax		9.56	13.02
-Deferred Tax		-5.03	-10.88
<b>V. Profit after tax (III-IV)</b>		<b>22.02</b>	<b>54.75</b>

## Earnings per equity share [nominal value per share INR 10 (Previous year INR 10)]

Basic	33	0.34	0.99
Diluted		0.30	0.83

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 &amp; Company

Chartered Accountants

Firm Registration Number: 009769N

*Naveen Aggarwal*  
Naveen Aggarwal  
Partner

Membership Number: 094380



For and on behalf of the Board of Directors of

Sewa Grih Rin Limited

*Renana Jhabvala*  
Renana Jhabvala

Director

DIN: 01106825

*Shruti Savio Gonsalves*  
Shruti Savio Gonsalves

Managing Director &amp; Chief Executive Officer

DIN: 07160748

*Jhumi Mantri*  
Jhumi Mantri

Chief Financial Officer

Membership Number: 098680

*Kashvi Malhotra*  
Kashvi Malhotra

Company Secretary

Membership Number: A23213

Place: Gurugram

Date: 24/07/2023



Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I. Cash flow from operating activities</b>		
Profit before taxation	26.55	56.89
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of PPE	13.38	8.84
Loss on sale of PPE	0.05	-
ESOP expense	0.12	-
Forex expense written off	0.67	0.67
<b>Operating profit before working capital changes</b>	<b>40.77</b>	<b>66.40</b>
<b>Working Capital Changes</b>		
- Increase in loans and advances	-3,314.30	-658.51
- Increase in other current assets / non-current assets	-136.81	-113.39
- Increase/(decrease) in trade payable	9.94	4.22
- Increase in other current liabilities and provisions	37.69	48.64
<b>Cash used in operations</b>	<b>-3,362.71</b>	<b>-652.64</b>
Income tax paid (net)	-13.26	-8.28
<b>Net cash used in operating activities (A)</b>	<b>-3,375.97</b>	<b>-660.92</b>
<b>II. Cash flow from investing activities</b>		
Purchase of PPE	-74.81	-26.16
Proceeds from sale of PPE	0.05	-
Sale-Purchase of investment (Net)	-99.78	-
Investment in Bank deposits	-244.69	-84.26
<b>Net cash flow generated from/ (used in) investing activities (B)</b>	<b>-419.23</b>	<b>-110.42</b>
<b>III. Cash flows from financing activities</b>		
Issue of compulsorily convertible preference shares	8.45	-
Issue of equity shares	105.86	-
Security premium on compulsorily convertible preference shares	886.63	-
Share issue expenses on account of issue of 0.01% CCPS	-27.10	-4.79
Proceeds from borrowings	3,576.84	1,121.77
Repayment of borrowings	-554.78	-546.92
Payable for forward contract	16.39	45.88
<b>Net cash flow generated from financing activities (C)</b>	<b>4,012.29</b>	<b>615.95</b>
Net (decrease)/increase in cash and cash equivalents (A+B+C)	217.08	-155.39
Cash and cash equivalents at the beginning of the year	209.17	364.57
<b>Cash and cash equivalents at the end of the year (refer note 15)</b>	<b>426.25</b>	<b>209.17</b>
<b>Components of cash and cash equivalents</b>		
Balance with scheduled banks :		
- in current, collection & OD accounts	186.01	154.32
-Cash-in-hand & collection with branches	5.24	2.89
-Cheques/DD in hand	-	1.96
Fixed deposits with banks	235.00	50.00
	<b>426.25</b>	<b>209.17</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

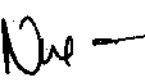
The accompanying notes are an integral part of the financial statements

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: 000756

  
Naveen Aggarwal  
Partner

Membership Number: 094380

Place: Gurugram

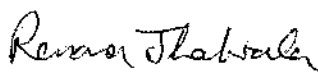
Date: 24/07/2023



For and on behalf of the Board of Directors of

Sewa Grih Rin Limited


CIN: U65923DL2011PLC222491

  
Renana Jhabvala  
Director

DIN: 01106825

  
Jhummi Mantri  
Chief Financial Officer  
Membership Number: 098680

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

  
Kashvi Malhotra  
Company Secretary  
Membership Number: A23213

**1 Corporate information and Significant accounting policies**

**a) Corporate information**

Seva 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 49 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.





**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

**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.

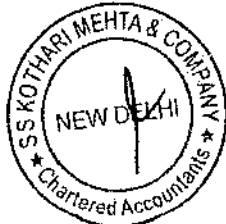
Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts, and there is an intention to settle the asset and the liability on a net basis.

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.

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.



**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 benefit-Leave encashment**

Leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment the liability is recognised on the basis of an independent actuarial valuation.

**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.



**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.

**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. However to meet LIC housing finance limited covenant minimum provision on Non Performing Assets of 25% has to be maintained. Hence provision is made @25% or IRAC norms whichever is higher.

**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.



**2 Share capital****Authorised**

	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	800.00	800.00
Add: Addition during the year	130.21	-
9,30,21,000 equity shares of Rs. 10 each (previous year 80,000,000 equity shares)	930.21	800.00
24,000,000 0.01% Non - Cumulative Compulsorily Convertible Preference Shares of Rs. 10 each (previous year 24,000,000 Non- Cumulative Compulsorily Convertible Preference Shares)	240.00	240.00

**Issued, subscribed and fully paid up**

6,57,39,342 equity shares of Rs.10 each (previous year 5,51,53,217 equity shares)	657.39	551.53
2,37,01,872 0.01% Non Cumulative Compulsorily Convertible Preference Shares of Rs.10 each (previous year 2,28,57,140 Non-Cumulative Compulsorily Convertible Preference Shares)	237.02	228.57
	<b>894.41</b>	<b>780.10</b>

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

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Outstanding at the beginning of the year	5,51,53,217	551.53	5,51,53,217	551.53
Add: Issued during the year	100	0.00	-	-
Add: CCPS converted during the year	1,05,86,025	105.86	-	-
<b>Outstanding at the end of the year:</b>	<b>6,57,39,342</b>	<b>657.39</b>	<b>5,51,53,217</b>	<b>551.53</b>
<b>Non- Cumulative Compulsorily convertible preference shares*</b>				
Outstanding at the beginning of the year	2,28,57,140	228.57	2,28,57,140	228.57
Add: Issued during the year	2,37,01,872	237.02	-	-
Less: Converted into Equity during the year	2,28,57,140	228.57	-	-
<b>Outstanding at the end of the year</b>	<b>2,37,01,872</b>	<b>237.02</b>	<b>2,28,57,140</b>	<b>228.57</b>
	<b>8,94,41,214</b>	<b>894.41</b>	<b>7,80,10,357</b>	<b>780.10</b>

\*The Company vide Board Resolution dated 30th May, 2022, approved the conversion of 2,28,57,140 Series C Non- Cumulative Compulsorily Convertible Preference Shares (Series C CCPS) into 1,05,86,025 Equity Shares. The Equity Shares were allotted upon conversion of Series C CCPS 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, 2023		As at March 31, 2022	
	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	31.66	2,08,13,558	37.74
Oikocredit Ecumenical Development Cooperative Society U.A	1,59,06,903	24.20	1,34,95,277	24.47
WWBCP II Non-SSA, LLC	84,43,300	12.84	-	-
Omidyar Network Fund Inc	76,21,049	11.59	62,97,796	11.42
HDFC Holdings Limited	54,90,410	8.35	54,90,410	9.95
AH Capital Gateway, Inc	43,87,275	6.67	40,56,462	7.35
<b>Total</b>	<b>6,26,62,495</b>	<b>95.32</b>	<b>5,01,53,503</b>	<b>90.93</b>

**0.01% Non- Cumulative Compulsorily Convertible Preference shares of Rs.10 each fully paid up held by**

NMI Fund IV KS	1,42,06,889	59.94	-	0.00
WWB CP II Non SSA, LLC	35,51,747	14.99	1,60,71,428	70.31
Omidyar Network Fund Inc.	35,04,370	14.79	28,57,142	12.50
Oikocredit Ecumenical Development Coop Society U.A	19,65,500	8.29	14,28,571	6.25
HDFC Standard Life Insurance Co Ltd	-	0.00	17,85,714	7.81
<b>Total</b>	<b>2,32,28,306</b>	<b>98.00</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% Non-Cumulative Compulsorily Convertible preference shares**

The Company has issued Non- Cumulative compulsorily convertible preference shares in Series D funding round with face value of INR 10 each.

The Series D Investors shall be entitled to receive on their respective Series D CCPS, non-cumulative dividend in preference to any dividend on Equity Shares at the rate of 0.01% per annum, until converted into Equity Shares.

The Series D CCPS shall carry voting rights in accordance with the provisions of the Act and as agreed under the Agreement.

The Series D Investors shall have the right, by providing a written notice to the Company, to require the Company to convert the Series D-CCPS into equity shares at any time until the conversion trigger event in accordance with the manner provided under Amended & Restated Share Subscription & Shareholders' Agreement dated May 26, 2022.

Any Series D CCPS that have not been converted into equity shares shall compulsorily convert into equity shares on the immediately preceding business day of the date of expiry of twenty (20) years from the date of allotment of the Series D CCPS by the Company.

Series D CCPS shall be subject to transfer restrictions as set forth under Amended & Restated Share Subscription & Shareholders' Agreement dated May 26, 2022.

The Allotment of 73,96,514 CCPS was approved by the Board of Directors in its meeting held on October 6, 2022 and 13,14,126 CCPS was approved by the Board of Directors vide circular resolution dated October 12, 2022.



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

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% of total shares	% Change	No. of Shares	% of total shares	% Change
Sewa Mutual Benefit Trust	2,08,13,558	31.66	NIL	2,08,13,558	37.74	NIL

## 3 Reserves &amp; surplus

## a) Securities premium account

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	448.50	453.29
Addition during the year on account of issue of 0.01% Compulsorily Convertible Preference Shares	886.63	-
Less: Share issue expenses**	-27.10	-4.79
	<u>1,308.03</u>	<u>448.50</u>

\*\* Share issue expenses have been incurred during the year to formalise Series D fund raise

## b) Statutory reserve (special reserve)\*

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	32.29	12.60
Add: Shortfall in funds transferred in FY 2021 #	-	8.73
Add: Transferred from statement of profit and loss	4.40	10.95
Balance at the end of the year	<u>36.69</u>	<u>32.29</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 been transferred to statutory reserve in addition to 20% of profit of the year.

## c) Share options outstanding account

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	7.04	7.04
Add: Provision for the year (refer note 37)	0.12	-
Balance at the end of the year	<u>7.16</u>	<u>7.04</u>

## d) Deficit in the statement of profit and loss

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	-37.34	-72.42
Add: Profit transferred from statement of profit and loss	22.02	54.77
Less: Transfer to statutory reserve	-4.40	-19.69
Balance at the end of the year	<u>-19.72</u>	<u>-37.34</u>

## e) Foreign currency monetary translation reserve account

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	-8.46	-9.13
Add: created on foreign currency loan taken	-	-
Less: Charged to statement of profit or loss during the year	0.67	0.67
Balance at the end of the year	<u>-7.79</u>	<u>-8.46</u>
	<u>1,324.37</u>	<u>442.04</u>

## 4 Long term borrowings-Secured

## a) From banks

	As at March 31, 2023	As at March 31, 2022
Gross term loans	1,468.99	945.71
Less: Current maturities transferred to "Short Term Borrowings"	312.20	186.88
	<u>1,156.79</u>	<u>758.83</u>

## b) From others

	As at March 31, 2023	As at March 31, 2022
Gross term loans *	3,900.35	1,401.57
Less: Current maturities transferred to "Short Term Borrowings"	468.82	215.05
	<u>3,431.53</u>	<u>1,186.52</u>

## Gross term loans

	As at March 31, 2023	As at March 31, 2022
Gross term loans	5,369.34	2,347.28
Less: Current maturities transferred to "Short Term Borrowings" (Refer Note 7)	781.02	401.93
<b>Total (a+b)</b>	<u><b>4,588.32</b></u>	<u><b>1,945.35</b></u>

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

**Term loan from banks :** Term loans from bank are secured against loan assets carrying interest rates in the range of 10% to 13.20%. The loans are having tenures ranging from 3 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 11.85%. The loans are having tenure of 3 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.

Borrowings includes Loan Disbursed in Multiple Tranches and All the Loans are secured.



	As at	As at
	March 31, 2023	March 31, 2022
<b>5 Other long term liability</b>		
Payable -forward contract (net)	6.21	0.59
Payable for CAPEX	11.58	0.81
	<b>17.79</b>	<b>1.40</b>
<b>6 Long term provisions</b>		
<b>Provision for Loans</b>		
For standard assets	30.00	24.43
<b>Provision for Employee Benefits</b>		
Provision for gratuity	5.73	8.82
Provision for leave encashment	1.21	-
	<b>36.94</b>	<b>33.25</b>
<b>7 Short term borrowings</b>		
Current maturities of long term loans (refer note 4)	781.02	401.92
	<b>781.02</b>	<b>401.92</b>
<b>8 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprise (refer note 36)	2.51	0.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	13.86	5.65
	<b>16.37</b>	<b>6.43</b>

Trade payables ageing schedule as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2.49	-	-	-	2.49
(ii) Others	-	13.81	0.00	-	0.05	13.86
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Capex - Others	-	11.58	-	-	-	11.58
	-	<b>27.88</b>	<b>0.00</b>	-	<b>0.05</b>	<b>27.93</b>

Trade payables ageing schedule as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	0.16	-	-	0.62	0.78
(ii) Others	-	5.59	-	-	0.06	5.65
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	<b>5.75</b>	-	-	<b>0.68</b>	<b>6.43</b>

	As at	As at
	March 31, 2023	March 31, 2022
<b>9 Other current liabilities</b>		
Interest accrued but not due	10.23	6.93
Advance EMI collected from customers	3.00	1.93
Amount refundable to borrowers	2.42	0.71
Amount payable to insurance company	2.37	2.18
Rent equalisation reserve	12.74	6.43
Statutory dues	10.22	5.46
Employee related payables	5.89	7.03
Expense payable	21.15	9.13
	<b>68.00</b>	<b>39.80</b>
<b>10 Short term provisions</b>		
<b>Provision for loans:</b>		
For standard assets	1.30	0.54
For sub-standard assets	6.16	3.16
For Doubtful assets	6.59	2.34
<b>Provision for Employee Benefit:</b>		
Provision for gratuity	3.29	2.22
Provision for leave encashment	0.77	-
<b>Others :</b>		
Provision of income tax ( net of advance tax and TDS)	-	4.05
	<b>18.11</b>	<b>12.31</b>



11 Property plant and equipment

Particulars	Property Plant & Equipment (A)							Intangible asset (B)	Intangible asset under development (C)	Total (A+B+C)
	Furniture and fixtures	Office equipment	Computer equipment	Leasehold Improvements	Total	Amount in Intangible asset under development for a period of				
						Less than 1 Year	1 Year - 2 Year			
<b>(i) Gross Block</b>										
Balance as at March 31, 2021	3.35		2.09		19.94			2.94		44.27
Additions	1.48		4.05		20.75			5.34		26.16
Disposals / Adjusted	-		-		-			-		-
Balance as at March 31, 2022	4.83		6.14		40.69			8.28		70.43
Additions	13.89		5.21		59.68			1.44		74.81
Disposals / Adjusted	0.05		0.06		0.69			-		0.69
Balance as at March 31, 2023	18.67		11.29		99.68			22.89		144.55
<b>(ii) Accumulated Depreciation</b>										
Balance as at March 31, 2021	1.14		1.21		10.98			16.71		27.69
For the year	0.33		0.37		4.62			4.20		8.82
Disposals	-		-		-			-		-
Balance as at March 31, 2022	1.47		1.58		15.60			20.91		36.51
For the year	0.72		1.29		12.93			0.44		13.37
Disposals	0.02		0.02		0.59			-		0.59
Balance as at March 31, 2023	2.17		2.85		27.94			21.35		49.29
<b>(iii) Net Block</b>										
Balance as at March 31, 2022	3.36		4.56		25.09			8.28		33.92
Balance as at March 31, 2023	16.50		8.44		71.74			1.54		95.26

Ageing for intangible assets under development as at March 31, 2023 and March 31, 2022 is as follows :

Particulars	Amount in Intangible asset under development for a period of					Total
	Less than 1 Year	1 Year - 2 Year	2 Year - 3 Year	More than 3 Year	Total	
Projects in Progress						
As at March 31, 2023	13.69	8.28	-	-	21.97	
As at March 31, 2022	8.28	-	-	-	8.28	

(Rupees in millions, unless otherwise stated)



	As at March 31, 2023	As at March 31, 2022
<b>12 Deferred tax asset (Net)</b>		
Deferred tax asset	15.91	10.88
	<b>15.91</b>	<b>10.88</b>
<b>13 Long-term loans and advances</b>		
<b>Housing and property loans</b> (Secured, considered good unless stated otherwise)		
a) Secured by mortgageable securities	4,142.78	1,768.63
- Housing Loans - considered good	10.49	9.91
- Housing Loans - substandard	7.65	2.88
- Housing Loans - doubtful	1,893.68	1,172.66
- Loan against House Property- considered good	12.13	9.15
- Loan against House Property- substandard	8.87	2.86
- Loan against House Property- doubtful		
b) Secured by other securities*	249.11	121.59
- Housing Loans - considered good	2.96	1.51
- Housing Loans - substandard	1.66	0.94
- Housing Loans - doubtful	141.24	69.85
- Loan against House Property- considered good	1.34	0.47
- Loan against House Property- substandard	0.87	0.69
- Loan against House Property- doubtful		
*( In the absence of or pending legal formalities, document evidencing possession or allotment or any other relevant documents are being held in these cases)	6,472.78	3,161.14
Less: Current portion of housing and property loans (refer note 17)	426.91	216.07
<b>Non-Current portion of housing and property loans</b>	<b>6,045.87</b>	<b>2,945.07</b>
Advance to employees	0.70	0.81
Advance Income Tax (including TDS and TCS and net of Provision for Income Tax)	3.70	-
	<b>6,050.27</b>	<b>2,945.88</b>
As certified by management, loans given by the Company are secured by equitable mortgage/ registered mortgage of the property to create a security and for hypothecation of asset and are considered appropriate and good.		
<b>14 Other non-current assets</b>		
Mark-to-market gain on derivatives*	85.93	17.91
Prepaid expenses	16.85	1.46
Income tax (including TDS and TCS)	10.14	0.96
Security deposits for branches	13.11	13.39
	<b>126.03</b>	<b>33.72</b>
* The figure for the year ended March 31, 2023 pertains to mark-to-market gain on option contracts entered into for hedging foreign currency payments only		
<b>15 Current investments</b>		
Investment in commercial papers ( 100,00,00 commercial paper unquoted face value of Rs 100/- each with maturity date of 10/04/2023)	99.78	-
	<b>99.78</b>	<b>-</b>
<b>16 Cash and cash equivalents</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	5.24	2.89
Balances with banks		
- On current accounts	186.01	154.32
- Deposits with original maturity of less than 3 months	235.00	50.00
- Cheques/draft on hand	-	1.96
Other bank balances		
- Margin money deposits (with original maturity of 12 months)*	115.03	-
- Margin money deposits (with original maturity of more than 12 months)*	262.71	133.05
	<b>803.99</b>	<b>342.22</b>

\* represents Fixed Deposits held as margin money for the borrowings generated from India and outside India.





	As at March 31, 2023	As at March 31, 2022
<b>17 Short term loans and advances</b>		
<b>Housing and property loans</b> (Secured, considered good unless stated otherwise)		
a) Secured by mortgageable securities		
- Housing Loans	244.61	101.11
- Loan against House Property	135.98	83.10
b) Secured by other securities*		
- Housing Loans	29.51	21.19
- Loan against House Property	16.81	10.68
*(In the absence of or pending legal formalities, document evidencing possession or allotment or any other relevant documents are being held in these cases)		
<b>Current portion of housing and property loans</b>	<b>426.91</b>	<b>216.08</b>
Advance to employees	1.21	2.47
Other advances	4.38	0.19
<b>Balance with Government Authorities</b>		
GST input credit	2.07	2.22
	<b>434.57</b>	<b>220.96</b>
<b>18 Other Current Assets</b>		
(Unsecured-considered good)		
Advance EMI for Debts	24.80	23.50
Interest accrued but not due	11.46	1.18
Interest accrued and due	42.97	37.97
Advertisement fee receivable	11.73	-
Prepaid expenses and advances given	0.01	1.42
Accrued interest on fixed deposit	7.49	0.83
Security deposits for branches	3.86	1.49
Other fees and charges receivable	17.21	8.64
	<b>119.53</b>	<b>75.03</b>
<b>19 Revenue from operations</b>		
a. Interest Income		
Interest on loans	746.79	496.16
Interest on fixed deposits	27.21	13.85
	<b>774.00</b>	<b>510.01</b>
b. Other financial services		
Loan processing fees / prepayment charges	90.89	20.18
Initial money deposit	24.05	6.00
Collection charges	11.92	7.16
	<b>126.86</b>	<b>33.34</b>
	<b>900.86</b>	<b>543.35</b>
<b>20 Other income</b>		
Branding and marketing fee	19.28	-
Income from investments	21.58	-
Other income	0.49	0.07
	<b>41.35</b>	<b>0.07</b>
<b>21 Employee benefits expense</b>		
Salary, allowances and incentives	306.52	172.58
Contribution to provident fund and other funds*	13.53	7.22
Gratuity expense (refer note 28)	2.53	4.50
Staff welfare & insurance expenses	9.30	5.12
Employee share option expense (refer note 37)	0.12	-
	<b>332.00</b>	<b>189.42</b>
<b>22 Finance Cost</b>		
Interest expense on term loans	241.70	153.86
Other borrowing cost	30.31	25.13
Premium on forward contract	39.29	0.35
Foreign exchange loss/(gain)*	46.81	10.32
	<b>358.11</b>	<b>189.66</b>

\* Net of Rs. 12,34,042/- subsidy received under PMBBY (previous year - Rs. 9,44,279/-).



\* The Company has net foreign exchange gain/loss on reinstatement of the foreign currency borrowings pursuant to the requirement of Accounting Standard 11.

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>23 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	12.94	4.62
Amortization of intangible assets	0.44	4.20
	<b>13.38</b>	<b>8.82</b>
<b>24 Other Expenses</b>		
Electricity and water charges	4.08	2.25
Rent	36.64	18.10
Repair and maintenance-others	11.62	4.38
Advertisement and marketing expenses	1.24	0.38
Software maintenance charges	13.54	3.42
Staff recruitment and training	11.97	6.44
Office expenses	26.22	9.80
Director's sitting fees	1.09	0.66
Legal professional & consultancy expenses	60.30	20.60
Cash collection & bank charges	3.88	1.63
Meeting expenses	3.09	0.68
Travelling and conveyance	21.52	6.77
Rates fee and taxes	1.72	1.20
Remuneration to auditors*	1.50	1.21
Loss on sale of fixed assets	0.05	-
Miscellaneous expenses	0.07	0.14
	<b>198.53</b>	<b>77.66</b>
<b>*Remuneration to auditors:</b>		
--Audit fees	1.14	0.90
-Tax audit fees	0.18	0.13
-Certification & other services	0.18	0.18
	<b>1.50</b>	<b>1.21</b>
<b>25 Provisions and write off</b>		
Provision on standard assets	9.57	1.50
Provision on sub-standard assets	3.00	2.50
Provision on re-structured assets	-3.25	15.45
Provision on doubtful assets	4.25	1.49
Bad debts written off	0.07	0.03
	<b>13.64</b>	<b>20.97</b>



26 Contingent liabilities and Commitments (to the extent not provided for) ( as per AS-4)

Contingent liabilities

There are no contingent liabilities as at March 31, 2023 and March 31, 2022 in accordance with the Accounting Standard-AS 4 - "Contingencies and Events Occurring After Balance Sheet Date"

Commitment

The Company has sanctioned loans which are still to be disbursed amounting to Rs. 46,38,40,129 (previous year Rs.20,06,03,445).

Particulars

Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for

	As at March 31, 2023	As at March 31, 2022
	-	-

27 Prior period items ( as per AS-5)

There are no material prior period items, except to the extent disclosed, included in Profit & Loss A/c required to be disclosed as per Accounting Standard-5 issued by the ICAI read with RBI guidelines.

28 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, 2023	Year ended March 31, 2022
Employers contribution to provident fund (refer note 21)	13.44	7.19
<b>Total</b>	<b>13.44</b>	<b>7.19</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, 2023	As at March 31, 2022
Discount rate (per annum)	7.13%	7.26%
Expected rate of future salary increase	7.00%	7.00%
Retirement age (years)	58	60
Mortality table	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
<b>Withdrawal rate</b>		
Up to 30 Years	71.00%	39.14%
From 31 to 44 years	66.00%	32.44%
Above 44 years	27.00%	9.80%

The discount rate assumed is 7.13% (previous year: 7.26%) 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, 2023	Year ended March 31, 2022
Opening present value of obligation	11.04	8.05
Interest cost	0.80	0.54
Current service cost	1.37	2.14
Benefits paid	-4.55	-1.51
Actuarial gain/(loss) on obligation	0.36	1.82
Closing present value of obligation	<b>9.02</b>	<b>11.04</b>

C. Expense recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	1.37	2.14
Interest cost	0.80	0.54
Net actuarial loss/(gain) to be recognized	0.36	1.82
Expense recognised in the Statement of Profit and Loss (refer note below)	<b>2.53</b>	<b>4.50</b>

Note:

Expense recognised in employee benefit expenses (refer note 21)

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present value of defined benefit obligation	9.02	11.04
Fair value of plan assets	-	-
Net funded status	<b>9.02</b>	<b>11.04</b>

Recognised under:

Short term provision (refer note 10)	3.29	2.22
Long term provision (refer note 6)	5.73	8.82

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

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
PBO	9.02	11.04	8.05	5.39	3.09
Plan assets	-	-	-	-	-
Net assets/(liability)	-9.02	-11.04	-8.05	-5.39	-3.09
Experience (gain)/loss on PBO	0.99	2.03	0.64	-4.26	0.00
Experience (gain)/loss on plan assets	-	-	-	-	-



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

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Gratuity	2.20	3.18

**Compensated absences**

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the Statement of profit and loss for compensated absences is as under-

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Amount recognised in statement of profit and loss	1.98	-
Amount recognized in the balance sheet:		
	As at	As at
	March 31, 2023	March 31, 2022
Present value of obligation as at the end	1.98	-
Current portion of the above	0.77	-
Non-current portion of the above	1.21	-

**29 Segment Information ( as per AS-17)**

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.

**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	Relationship
Sewa Mutual Benefit Trust	Enterprises having significant influence over the Company
Oikocredit Ecumenical Development Cooperative Society U A	Enterprises having significant influence over the Company
NMI Fund IV KS	Enterprises having significant influence over the Company
WWB CP II Non SSA, LLC	Enterprises having significant influence over the Company

**Key Management Personnel (KMP)**

Name	Relationship
Shruti Savio Gonsalves	Managing Director & Chief Executive Officer
Jhummi Mantri	Chief Financial Officer w.e.f. 06/10/2023
Kashvi Malhotra	Company Secretary w.e.f. 06/10/2023
Nagendra Nath Saxena	Chief Financial Officer upto 05/10/2023
Preeti Singh	Company Secretary upto 18/09/2022

**B. Transaction with related parties**

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
<b>Remuneration (including incentives)*</b>		
Shruti Savio Gonsalves	8.55	8.51
Nagendra Nath Saxena	3.47	3.37
Preeti Singh	1.22	2.22
Jhummi Mantri	3.17	-
Kashvi Malhotra	2.03	-
<b>Reimbursement of expenses</b>		
Shruti Savio Gonsalves	0.40	0.05

**C. Balance outstanding as at year end:**

Particulars	Nature of balance	As at	As at
		March 31, 2023	March 31, 2022
Shruti Savio Gonsalves	Incentive payable	-	0.73
Nagendra Nath Saxena	Incentive payable	-	0.28
Preeti Singh	Incentive payable	-	0.18
Shruti Savio Gonsalves	Travelling advances	0.16	0.33

\*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** 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.

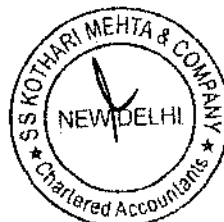
**32 Leases ( as per AS-19)**

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. 3,61,80,172/- (previous year Rs. 1,80,97,972/-).

**33 Earning Per Share ( as per AS-20)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Net profit attributable to equity shareholders for basic and diluted EPS (a)	22.02	54.77
Weighted average of number of equity shares outstanding during the year (b)	64.00	55.15
Weighted average of diluted number of equity shares outstanding during the year (c)*	72.71	65.74
Nominal value of shares	10.00	10.00
Basic earnings per equity share (a/b)	0.34	0.99
Diluted earnings per equity share (a/c)	0.30	0.83

\* The Company has, vide Board Resolution dated 30th May, 2023, converted Series-C Compulsorily convertible preference shares into equity shares at a conversion ratio of 0.4631 equity share for every CCPS.



34 **Deferred tax asset (as per AS-22)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Depreciation of fixed assets	-1.15	0.39
Disallowance under Income tax Act	-	0.05
Provision for gratuity	2.77	2.78
Provision on loan assets	11.09	7.67
Rent equalisation reserve	3.21	1.62
	<b>15.91</b>	<b>12.50</b>

35 **Impairment of Assets (as per AS-28)**

Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2023, there were no events or changes in circumstances which indicate any impairment in the assets.

36 **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 MSMEID Act are given below:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
The principal amount	2.51	0.51
The interest due thereon	0.02	0.27
(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;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(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.	-	-

37 **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 30,79,513 stock options (refer point b below). 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.

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

Date of Grant	Number of ESOPs granted	Fair value	Grant price	Exercise Period
March 28, 2019	15,82,000	Rs. 22.18	Rs. 17.68	As per the Employees Stock Option Plan "SGRL ESOP 2018" of the Company.
June 19, 2020	18,000	Rs. 13.68	Rs. 18.56	
September 21, 2020	9,89,513	Rs. 13.68	Rs. 18.56	
June 24, 2022	3,40,000	Rs. 37.97	Rs. 37.13	
August 16, 2022	70,000	Rs. 37.97	Rs. 37.13	
October 01, 2022	30,000	Rs. 37.97	Rs. 37.13	
December 06, 2022	30,000	Rs. 37.97	Rs. 37.13	
December 20, 2022	20,000	Rs. 37.97	Rs. 37.13	

**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, 2023		Year ended March 31, 2022	
	Number of Options	Amount (Rs)	Number of Options	Amount (Rs)
Outstanding at the beginning of the year	25,71,513	53.39	25,71,513	53.39
Granted during the year	4,90,000	18.19	-	-
Relinquished during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	4,05,620	7.53	-	-
Outstanding at the end of the Year	<b>26,55,893</b>	<b>64.05</b>	<b>25,71,513</b>	<b>53.39</b>

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 21) includes Rs. 1,18,208/- (Previous year Rs. Nil) being the amortisation of deferred employee compensation.

38 **Expenditure in Foreign Currency**

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Interest expense	72.32	33.32
Other borrowing cost	10.99	0.78
Foreign travelling expenses reimbursement	-	-

**Earnings in Foreign Currency**

There are no foreign currency earnings during the year ended March 31, 2023 and March 31, 2022



39 Derivative instruments and Unhedged foreign currency exposure  
Risk Management

The Company's business activities are exposed to a variety of financial risks, namely Financial risk, market risk, credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk and controls.

This Forex & Interest Rate Risk Management Policy ('RMP' or 'The Policy') approved by the Board provides broad guidelines for management of foreign exchange and interest rate risk for the company. Designed in accordance with internal risk management requirements, RBI guidelines, and lender as well as AD bank requirements, as may be the case time to time. The objective is to provide a framework for risk identification, risk measurement, risk mitigation, risk monitoring and ensuring regulatory as well as internal compliance. While a balance has to be achieved between risk and return, the primary objective will be to contain the risk pertaining to currency and interest rate fluctuation. RMC will ensure implementation and monitoring of this.

## a. Derivative outstanding at the reporting date

Particulars	Purpose	As at	
		March 31, 2023	March 31, 2022
Option/ call spread option contracts to buy/ sell USD (in USD)		1.30	2.72
Option/ call spread option contracts to buy/ sell USD (in INR)	Hedge of external commercial borrowing	100.49	
Forward Contracts (in USD)		29.67	0.61
Forward Contracts (equivalent INR)		2,426.59	50.38

## b. Mark-to-market

Particulars	As at	
	March 31, 2023	March 31, 2022
Mark-to-market gain provided for	68.02	7.31

## c. The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2023

Particulars	Currency	As at	
		March 31, 2023	March 31, 2022
Foreign Currency loan	USD	4.46	11.55

40 Ratios to be disclosed as per revised schedule 3	As at		% Variance	Reason for Variance
	March 31, 2023	March 31, 2022		
(a) Current ratio	1.65	1.37	20.82%	Variance is less than 25% hence not required
(b) Debt-equity ratio	2.42	1.92	25.78%	Increase in borrowed funds
(c) Debt service coverage ratio	0.43	0.36	20.51%	Variance is less than 25% hence not required
(d) Return on equity ratio	1.28%	4.58%	-72.03%	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	2.44%	10.08%	-75.75%	Decrease in profits
(j) Return on capital employed	3.54%	5.90%	-40.06%	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)

41 Disclosures required by NHB-Disclosures in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 read with disclosures in Financial Statements- Notes to Accounts of NBFCs vide reference number RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022

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	
	March 31, 2023	March 31, 2022
(i) CRAR (%)	41.72%	53.41%
(ii) CRAR - Tier I Capital (%)	41.13%	52.33%
(iii) CRAR - Tier II Capital (%)	0.59%	1.08%
(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	
	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	32.29	12.60
b) Amount of Special Reserve u/s 36(1)(vii) 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	4.40	19.69
b) Amount of Special Reserve u/s 36(1)(vii) 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)(vii) 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	36.69	32.29
b) Amount of Special Reserve u/s 36(1)(vii) of Income Tax Act, 1961 taken into Account for the purpose of Statutory Reserve u/s 29c of the NHB	-	-
<b>Total</b>	<b>36.69</b>	<b>32.29</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	As at	As at
Particulars	March 31, 2023	March 31, 2022
<b>Value of Investments</b>		
Gross value of investments	99.78	-
(i) In India	-	-
(ii) Outside India	-	-
Provisions for Depreciation	-	-
(i) In India	-	-
(ii) Outside India	-	-
Net value of investments	99.78	-
(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-back of excess provisions during the year	-	-
Closing balance	-	-
<b>E Derivatives</b>		
Particulars	As at	As at
Particulars	March 31, 2023	March 31, 2022
<b>Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)</b>		
(i) The notional principal of Forward rate agreements/Interest Rate Swap	2,426.59	50.38
(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.		
<b>Exchange Traded Interest Rate (IR) Derivative</b>		
(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 traded IR derivatives outstanding and not "highly effective"	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-
<b>Disclosures on Risk Exposure in Derivatives</b>		
<b>A. Qualitative Disclosure:</b> 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 39.		
<b>B. Quantitative Disclosure</b>		
(i) Derivatives (Notional Principal Amount):	2,544.91	205.27
(ii) Marked to Market Positions	26.42	8.49
(a) Assets (+)	-0.15	-1.18
(b) Liability (-)	2,243.24	815.51
(iii) Credit Exposure	366.49	872.46
(iv) Unhedged Exposures	-	-
<b>F Area and Country of Operations</b>		
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 49 branches spread across eight Indian States viz. Delhi, Rajasthan, Madhya Pradesh, Uttar Pradesh, Maharashtra, Bihar, Gujarat and Haryana.		
<b>G Securitization/ Assignment during the year:</b>		
Particulars	As at	As at
Particulars	March 31, 2023	March 31, 2022
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 securitizations	-	-
(ii) On-balance sheet exposures towards Credit Enhancements	-	-
(a) Exposure to own securitizations	-	-
(b) Exposure to third party securitizations	-	-
<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	-	-



Sewa Grid Rim Limited  
Notes to the Financial Statements for the year ended March 31, 2023

H. Asset liability management:

Maturity pattern of certain items of assets and liabilities as on March 31, 2023 and March 31, 2022\*

(Rupees in millions, unless otherwise stated)

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	37.31	-	25.02	41.21	41.32	159.32	312.50	1,170.19	849.34	489.88	3,126.09
Foreign Currency Borrowings	-	-	-	-	41.09	41.09	82.17	328.58	328.68	1,421.54	2,243.25
<b>Total</b>	<b>37.31</b>	<b>-</b>	<b>25.02</b>	<b>41.21</b>	<b>82.41</b>	<b>200.41</b>	<b>394.67</b>	<b>1,498.87</b>	<b>1,178.02</b>	<b>1,911.42</b>	<b>5,369.34</b>
(Previous Year)	24.60	0.22	14.00	22.30	37.60	101.65	201.55	688.62	458.90	797.84	2,347.28
<b>Assets:</b>											
Investment	-	99.78	-	-	-	-	-	-	-	-	99.78
Advances (Housing & Property Loans) <sup>v</sup>	-	-	36.37	36.80	37.22	114.17	232.33	929.84	1,120.60	4,025.44	6,532.77
<b>Total</b>	<b>-</b>	<b>99.78</b>	<b>36.37</b>	<b>36.80</b>	<b>37.22</b>	<b>114.17</b>	<b>232.33</b>	<b>929.84</b>	<b>1,120.60</b>	<b>4,025.44</b>	<b>6,632.55</b>
(Previous Year)	-	-	24.66	24.85	27.96	61.83	123.36	502.76	600.59	1,841.72	3,207.73

Lenders	No. of due instalment	Amount
Bank	567	1,468.99
Others	597	1,657.11
DFC-ECB	47	2,243.24
<b>Totals</b>	<b>1211</b>	<b>5,369.34</b>

\* The Company do not have any deposits, investments and foreign currency assets  
v Advances includes Principal outstanding (Refer Note 13), Interest & Other charges due but not received (Refer Note 18) and excludes Advances to Employees, Advance Income Tax.





1 Exposure

a. Exposure to Real Estate Sector

Category	As at March 31, 2023	As at March 31, 2022
----------	-------------------------	-------------------------

(a) Direct exposure

(i) Residential mortgages

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	3,991.61	1,929.89
- Individual housing loans above Rs.15 lakh	455.58	-
- Loans mortgaged against housing property	2,085.60	1,277.85

(ii) Commercial real estate

Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.

(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures

A Residential

B Commercial Real Estate

(b) Indirect exposure

Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).

b. Exposure to Capital Market

The Company does not have exposure to capital market at the year ended March 31, 2023 and March 31, 2022.

c. Details of financing of parent company products

The Company has not finance any of the parent Company product.

d. Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL)

The Company has not exceeded the prudential exposure limit for single borrower or group borrower during the year.

e. Unsecured Advances

Unsecured advances to employees

	FY ended March 31, 2023	FY ended March 31, 2022
Unsecured advances to employees	2.09	1.71

J Registration obtained from financial sector regulators

a. From NHB - vide registration number - 01.0118.15

b. From Ministry of Corporate Affairs - CIN-U65923DL2011PLC322491

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.

b. No inspection was carried out by NHB during FY 22-23

L Rating assigned by Credit Rating Agencies and migration of rating:

March 31, 2023: Bank loan - Long term CRISIL BBB/Stable (Reaffirmed), Short term A3+

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. 30

N Remuneration of Directors

Remuneration of Directors has been disclosed in note no. 30

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

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

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

R The company has reported 1 fraud cases during the year and no cases were reported in the previous year, based on management reporting to risk committee and to the NHB/ RBI through prescribed returns.

S Provisions and Contingencies

a. Summary of movement in provisions: (as per AS 29)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for depreciation on investment	4.05	9.56
Provision for income tax	9.35	18.92
Provisions against standard assets	3.16	6.16
Provisions against sub standard assets	2.34	6.59
Other Provision and Contingencies:-		
- Gratuity	11.04	9.02
- Leave encashment	-	1.98
- Provision for restructured loan assets	15.62	12.37



b. Break up of loans and advances and provision thereon

Particulars	Housing		Non-Housing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Standard Assets</b>				
Total outstanding amount	4,353.11	1,828.23	2,009.96	1,194.90
Provision made	10.88	4.57	8.04	4.78
<b>Sub - Standard Assets</b>				
Total outstanding amount	13.45	11.41	13.20	9.62
Provision made	2.02	1.71	4.14	1.44
<b>Doubtful Assets - Category - I</b>				
Total outstanding amount	6.32	1.51	6.52	2.56
Provision made	1.58	0.38	1.63	0.64
<b>Doubtful Assets - Category - II</b>				
Total outstanding amount	2.85	2.31	2.32	0.99
Provision made	1.14	0.92	0.93	0.40
<b>Doubtful Assets - Category - III</b>				
Total outstanding amount	-	-	-	-
Provision made	-	-	-	-
<b>Loss assets</b>				
Total outstanding amount	0.14	-	1.17	-
Provision made	0.14	-	1.17	-
<b>Re-structured assets</b>				
Total outstanding amount	71.32	86.43	52.43	69.77
Provision made	7.13	8.64	5.24	6.98
<b>Total Amount</b>				
Total outstanding amount*	4,447.19	1,929.89	2,085.60	1,277.84
Provision made	22.89	16.22	21.15	14.24

\* 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 NHF 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	As at March 31, 2022
	March 31, 2023	
Total loans and advances to twenty largest borrowers	58.05	21.33
Percentage of loans and advances to twenty largest borrowers to total Advances of the HFC	0.90%	0.67%

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

Particulars	As at	As at March 31, 2022
	March 31, 2023	
Total loans and advances to twenty largest borrowers	58.05	21.33
Percentage of loans and advances to twenty largest borrowers to total Advances of the HFC	0.84%	0.63%

iv. Concentration of NPAs

Particulars	As at	As at March 31, 2022
	March 31, 2023	
Total exposure to top ten NPA accounts	6.31	6.00

v. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2023	As at March 31, 2022
<b>A. Housing Loans :</b>		
1 Individuals	0.51%	0.79%
2 Builders / Project Loans	-	-
3 Corporates	-	-
4 Others	-	-
<b>B Non- Housing Loans :</b>		
1 Individuals	1.11%	1.03%
2 Builders / Project Loans	-	-
3 Corporates	-	-
4 Others	-	-

vi. Movement of NPAs

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
(I) Net NPAs to Net Advances (%)	0.51%	0.72%
(II) Movement of NPAs (Gross)		
a) Opening balance	28.41	7.68
b) Additions during the year	79.46	34.35
c) Reductions during the year	61.90	13.62
d) Closing balance	45.97	28.41
(III) Movement of NPAs (Net)		
a) Opening balance	22.92	6.17
b) Additions during the year	60.06	29.20
c) Reductions during the year	49.75	12.46
d) Closing balance	33.23	22.92



## (IV) Movement of provisions for NPAs (excluding provisions on standard assets)

a) Opening balance	5.49	1.50
b) Additions during the year	19.40	5.15
c) Reductions during the year	12.15	1.16
d) Closing balance	12.74	5.49

## e. Overseas Assets

The Company does not have overseas assets for the year ended March 31, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

T The Company has not purchased or sold any non-performing financial assets from/to any other HFCs during the year ended March 31, 2023 and March 31, 2022.

## U 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	-	-

## V Group Structure

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

## W Disclosure of customer complaints

## i) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>a) Complaints received from customers</b>		
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	37	28
c) No. of complaints redressed during the year	35	28
-Of which, number of complaints rejected	-	-
d) No. of complaints pending at the end of the year	2	-
<b>b) Maintainable complaints from Office of Ombudsman</b>		
Number of maintainable complaints received from Office of Ombudsman	Nil	Nil
Of 1, number of complaints resolved in favour of the HFC by Office of Ombudsman	Nil	Nil
Of 1, number of complaints resolved through conciliation/mediation/advisories issued by	Nil	Nil
Of 1, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	Nil	Nil
Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

## ii) Top five grounds of complaints received from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 1, number of complaints pending beyond 30 days
<b>For the year ended March 31, 2023</b>					
Ground - 1 (Service Related)	-	11.00	120%	-	NA
Ground - 2 (DISBURSEMENT/ TERMS AND CONDITIONS)	-	6.00	100%	-	NA
Ground - 3 (LOAN REJECTION/PROCESSING FEES)	-	-	0%	-	NA
Ground - 4 (RECOVERY ACTION/ UNFAIR PRACTICES)	-	-	0%	-	NA
Ground - 5 (ADMIN. HARASSMENT ETC)	-	-	0%	-	NA
Ground - 6 (Others)	-	25.00	9%	-	NA
<b>For the year ended March 31, 2022</b>					
Ground - 1 (Service Related)	-	5.00	150%	-	NA
Ground - 2 (DISBURSEMENT/ TERMS AND CONDITIONS)	-	-	0%	-	NA
Ground - 3 (LOAN REJECTION/PROCESSING FEES)	-	-	0%	-	NA
Ground - 4 (RECOVERY ACTION/ UNFAIR PRACTICES)	-	-	0%	-	NA
Ground - 5 (ADMIN. HARASSMENT ETC)	-	-	0%	-	NA
Ground - 6 (Others)	-	23.00	156%	-	NA



Y 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
15	5,369.34	NA	97%

\*This does not include interest accrued

ii. Top 20 large deposits

Particulars	As at March 31, 2023
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, 2023
Total amount of top 10 borrowings	4,881.63
Percentage of amount of top 10 borrowings to total borrowings	91%

iv. Funding concentration based on significant instrument/product

Particulars	Amount	% of Total liabilities
Term loans (including NHB refinance)	3,126.10	57%
External Commercial Borrowing	2,243.24	41%

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	16%	11%

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" and "Contingency funding plan". 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 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.

Z The Company has not any instance of breach of covenant of loan availed except mentioned below

S.No.	Nature of borrowing	Name of Lender	Amount not paid on due date	Whether Principal or interest	No. of days delay or unpaid	Remarks, if any
1	Term loan	IDFC first Bank	2.06	Interest	1	Delay due to technical glitch
2	Term loan	IDFC first Bank	4.17	Principal	1	

AA The Company does not have any joint ventures and overseas subsidiaries

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

	As at March 31, 2023	As at March 31, 2022
Principal Business Criteria		
Total assets	7,745.33	3,720.14
Less: Intangible assets	-39.42	-8.82
Total assets (netted off by intangible assets)	7,705.91	3,711.32
Total Housing loans	4,447.19	1,929.89
Total Housing loans as a % of total assets (netted off by intangible assets)	57.71%	52.00%
Total Individual Housing loans	4,447.19	1,929.89
Total Individual Housing loans as a % of total assets (netted off by intangible assets)	57.71%	52.00%

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

44 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, 2023, as it does not meet the conditions mentioned under section 135(1) of the Companies Act, 2013.



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	5,369.34	-
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)	-	-
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>Amount outstanding</b>
<b>Assets side</b>		
<b>III Break-up of Loans and Advances including bills receivables (other than those included in (IV) below):</b>		
a) Secured		6,532.79
b) Unsecured		2.09
<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) - Commercial paper		99.78
Unquoted		
i) Shares		-
a) Equity		-



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	6,489	-	6,489

**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	45.97
ii) Net Non-Performing Assets	-
a) Related parties	-
b) Other than related parties	33.22
ii) Assets acquired in satisfaction of debt	-



- 45 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 wilful 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.

- 46 Details of resolution plan implemented in FY 2022-23 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	-	-	-	-	-
Corporate persons *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	-	-	-	-	-



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	157.28	-	-	16.32
Corporate persons *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>543</b>	<b>157.28</b>	<b>-</b>	<b>-</b>	<b>16.32</b>

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

Equity shares of Rs. 10 each fully paid up held by

47. 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.
Nil	Nil

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

- 48 All the borrowings of the company are used for the specific purpose for which it was taken
- 49 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.
- 50 The company is not a wilful defaulter as declared by any bank or financial institution or any other lender.
- 51 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.
- 52 There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- 53 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.
- 54 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).
- 55 The Company has not traded or invested in Crypto-currency or Virtual Currency during the year.
- 56 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
- 57 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.





58 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: 098756N

*Naveen*  
Naveen Aggarwal  
Partner  
Membership Number: 094388



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

*Ranana Jhabvala*  
Ranana Jhabvala  
Director  
DIN: 01106825

*Shruti Gousalves*  
Shruti Gousalves  
Managing Director & Chief Executive Officer  
DIN: 07160748

Place: Gurugram  
Date: 24/07/2023



*Jhazshi Mantri*  
Jhazshi Mantri  
Chief Financial Officer  
Membership Number: 098680

*Kashvi Mulhota*  
Kashvi Mulhota  
Company Secretary  
Membership Number: A23213