

Vision and Mission of the Company

OUR VISION

*Dream of every woman:
“To have her own house”
Our vision is to help her realize this dream.*

OUR MISSION

*To finance access to decent housing and sound living environments
for and with participation of poor women and their families in the
informal sector.*

Forging ahead with a Human Touch: Sitara Narrative 2020-21

Since the beginning of FY 2020-21, India and the world at large have been facing unprecedented times. The pandemic, which was first reported in Wuhan, China, at the end of calendar 2019 spread rapidly across the globe, wreaking health, and economic hardships. Governments were coerced by the exigencies to declare lockdowns and mandate social distancing bringing life as we knew it come to a standstill. The crisis also forced enterprises and individuals to look within and question their beliefs. People started to introspect on the way they led their lives, earned their livelihoods, made choices with respect to using natural resources. Businesses too began to revisit the way they worked, their approach to stakeholders and how they achieved their core goals.

At Sitara too, we experience the change. While our core intention and business goals of social impact remained unshaken, the manner with which our objectives were being met were revisited. It took a while to adapt to the evolving situation, but both our teams and customers stood up valiantly to the challenge. We were also pleasantly surprised by the immense encouragement and empathy our stakeholders demonstrated – right from our directors and investors to bankers, regulators, and policy makers. Even our support functions, such as auditors and lawyers, all came together to assist the company, by going above and beyond their professional duties.

Stakeholder Support

This crisis brought out the best in all our stakeholders, showcasing a testimony to the best of human nature in the face of unprecedented challenges.

The board and directors stretched themselves to ensure that customers received a blanket moratorium, rather than an opt-in/opt-out facility, acknowledging that our customers had temporarily lost the ability to earn their incomes and were facing hardships on all fronts.

The management ensured that people's safety took priority over all else and kept lines of communication constantly open so that help could be rendered whenever needed. We ensured that all our branches followed a strict regime of sanitization, providing masks and sanitizers to all our employees whether they had field jobs or desk jobs. There were no cutbacks in salary or pandemic-related layoffs. In the current year, we have begun various employee engagement initiatives, providing them tele-consultancies with doctors, health kits, etc.

Our teams – comprising loan officers, collection officers, branch managers, area sales managers and others – were the real heroes behind Sitara. They worked with extraordinary will at all levels, right from the head office and regional levels to branches and on-the-ground, rising above themselves, standing by each other during the darkest times and reaching out to our customers to aid them in whatever way possible. During the early times, they reached out remotely and when the lockdowns began to lift, they would even pay physical visits to clients in need.

Even our investors and broader stakeholder universe demonstrated their confidence in the way the company is run and managed, by supporting us with capital and lines of credit.

Technology has played a crucial role in enabling us to stay connected through phones, SMS and digital mediums, like video conferencing platforms or through apps like WhatsApp, etc. But while technology has been a great enabler, ultimately it is the people behind the technology that were reaching out to each other, showing appreciation and solidarity. As perceptions changed, an element of gratitude towards everyone and everything began to unfold and was clearly visible and inspiring.

Customer outreach

- ***Constant communication with the main borrower and the entire family***

Our typical customers are women with no access to smart phones, but they do own basic phones with call and SMS facilities. Accordingly, we requested all our branches and regional employees to support our customers, stay in touch with them and communicate through messages and calls. When curfew guidelines were relaxed, they were able to meet customers in person and help them procure medicines or even access to any rations. Such support was extended on a case-to-case basis.

- ***Identify another means of livelihood***

This pandemic rendered many people jobless and without livelihood, this resulted in a sudden loss of income. Many of our clients are semi-skilled in professions beyond those they were pursuing. So, our people helped them identify other means of income or engaged them in other contractual profiles through their own network. For example, taxi drivers found work in logistics, delivery in e-commerce.

Human story 1

Protagonist: Bismilha W/O Nathu Khan (Main Applicant), and her sons

Challenge: Loss of Income and paralysis of main breadwinner

Support Provided: Help from local authorities as well as alternate job search



Bismillah and her son Imran worked as sales executives at Shahrukh Garment shop before the Covid-led lockdown, which led to unexpected layoffs as the business shut down. Shahrukh, Bismillah's younger son and another co-applicant also stopped earning due to the pandemic. Bismillah and Imran were the main breadwinners. With the sudden income void, the family faced a huge challenge managing basic household expenses for the next six months.

In April 2020, the Company representatives from the Jaipur branch reached out to inform them of the moratorium availability. While enquiring about the family's well-being, they recognized the dire economic straits of the household. Adding further misery, the principal applicant, Bismillah, had been paralyzed, and the family was facing a critical situation, with even food availability not secure.

The family requested the Company representative for assistance. They were ready to do any work to make ends meet. Recognizing the criticality, the team instantly went to work. They contacted the Municipal authorities and arranged for the family to receive 20kg wheat, 5kg rice, pulses, and oil. Furthermore, INR 2,000 was arranged for other essential expenses.

With the lockdown constantly extended, the month of May found the family again requesting the Company to waive off all future payments as no employment was available. Realizing the core problem was employment, the Company representatives of the Indore branch worked hard to help the younger son Shahrukh get a job. They tasted success when Shahrukh was placed with Angel Money in their Jaipur office through a reference from within the team along with the help of Jaipur branch colleagues.

With a monthly salary of INR 8,000, Shahrukh and the family finally regained their economic footing from the brink of a critical situation.

The applicants now regularly make all payments on time, with no need for collection reminders. Furthermore, and of much greater value, the entire family appreciates the timely support provided. The relationship has moved from just a lending relationship to a genuinely beneficial and trusted connection.

Customer resilience

Despite being from the LIG and EWS segments of society, our customers displayed strong resilience over the past year, in the face of dire adversities. Against all odds, they have risen above all else, worked hard and continued to repay us. We never saw incidences of grave willful defaults or faced undue impact to our non-performing assets. In fact, our GNPA levels remained well under control, thanks to the rectitude, and moral strength of our customers. It also showcases the value this segment places on having a home of their own and the aspirations associated with it.

To ameliorate the economic hardship of borrowers, the RBI announced two back-to-back moratoriums, which extended from March to May 2020 and June to August 2020, respectively. We formulated suitable

policies in consultation with our board and for the first three months, the moratorium was offered across the board. For the next three months, as the economy opened up and markets started functioning once more, our clients gradually resumed their livelihoods and voluntarily chose to repay us. They resolved to continue their repayment sooner rather than later also because our teams took the effort to educate them on the implications of this moratorium, clarifying that it was not a loan waiver but just a deferment or postponement of EMIs.

The number of infected cases began to decrease, and a general sense of optimism returned from September-October 2020 onwards. However, customers continued to be apprehensive about spending and repayments. They were still psychologically reeling from the adverse impact of the lockdown and influenced by rumors of a crisis that could follow.

Side by side, the nationwide debate on new Agricultural Reform Laws involving political parties and representatives of farmers' associations also took a toll on our customers' psyche. With income generation which is predominantly farm-based, i.e., from vending vegetables and fruit sellers, employment in dairy and animal husbandry and poultry farming, etc., they witnessed some stress from December 2020 to January 2021 onwards. Nevertheless, their intent and willingness to repay their loans continued to be positive.

Operations Philosophy and Performance

There was a clear dip in business during the initial lockdown and we did not initiate any fresh business. Even the loans that were sanctioned could not be disbursed till July-August 2020 and thereafter.

We began to see fresh onboarding of accounts only from early October 2020 onwards as demand for new loans witnessed some green shoots. Around the festival season of Diwali, followed by the marriage season, income generation prospects of our clients began to recover. Although their cash flows were not at par with pre-pandemic levels, income visibility had improved. While sanctioning and disbursing new loans, our teams focused on ensuring that the money disbursed was in fact being utilized for home construction, or repair or the reason for which they have taken the loan.

We were proactive to ensure that our borrowers did not get over-indebted as they had already taken loans from MFIs and moneylenders, during the lockdowns, to tide over their day-to-day expenses due to the loss of livelihoods. While loans from MFIs could be gauged through bureau checks, those from family, friends, kinas and other informal sources were more difficult to ascertain. Our teams were continuously in touch with customers and kept their eyes and ears to the ground for signs of such informal borrowings.

While we were cautious, we made a conscious decision to not become overly cautious while supporting new borrowers or existing borrowers in their times of need.

“We have disbursed added around INR 47 crore during 2020-21 compared to INR 100 crore in the

corresponding period of the previous year. Overall, we closed the year with a portfolio of Rs. 252 crores and approximately 9,650 active clients. Our asset quality stood strong too and as on 31st March 2021, our GNPA level was 0.31% as against 0.23% as on 31st March 2020. “

Capital and Liquidity Parameters

Having strong credit lines and adequate liquidity is crucial to the sustainability of our business. While we provided moratorium to our borrowers, as a company, we were able to ring-fence our financial parameters on the strength of two very positive developments that occurred just before this nationwide lockdown was announced. Firstly, we received an ECB loan of USD 30 million from the US Development Finance Corporation. This gave us the comfort that a line of sanction was available to us, as and when we needed to draw down on it. However, we remained mindful of the fact that if we utilized this credit, we would have to service it with all the due covenants. Accordingly, we tapped into this source of debt very judiciously. The second fortuitous development was a refinance sanction of INR 35 crore from NHB. Both these lines of credit provided a comfortable buffer, allowing us to manage our liquidity well.

At the same time, we requested the board to consider a rights issue so that we remained well capitalized and would be able to navigate uncertain times. With the support of our shareholders, we were able to raise a round of Compulsory Convertible Preference Shares (CCPS) of about Rs. 32 crore. We are also proud to have onboarded a new investor - Women's' World Banking, an organization that designs and invests in the financial solutions, institutions, and policy environments in emerging markets to create greater economic stability and prosperity for women, their families and their communities.

As a result of these lines of credit and fresh investment, we were quite safely positioned in terms of liquidity. While we did not actively pursue a moratorium from our existing lenders, we did take a moratorium from some creditors that came forward with offers. This was purely to manage our short-term liquidity risk since till 31st May 2020, 90% of our portfolio was under moratorium and we ourselves were faced with a monthly EMI bill of around INR 4.75 crore at that time. This enabled us to carry on our operations and meet all our disbursement commitments and demands without undue concerns about liquidity and capital.

Human Story 2

Protagonist: Pema Bai W/O Bala Ram

Challenge: Dealing with two different external shocks

Support Provided: Employment generation and moratorium extension



It was a case of déjà vu for the customer. They remembered how the Company representatives had previously helped them during the demonetisation period.

At that time, their son Ramesh was studying in college, and the parents had started appealing to him to begin working and assist in loan repayments. Ramesh decided it was his duty to help his parents and began looking for any meaningful work. However, due to the economic slowdown, it was not easy for a young college student to find a job.

Facing a difficult economic situation and with her son, Ramesh, struggling in the job market, Prema Bai approached the Company's team for assistance. Understanding the customer's need over and above just the lending relationship, the branch officials assured Prema Bai that they would try and find suitable work. As a result, Ramesh was employed in a collection agency with a monthly INR 6,000 salary shortly through the team's diligent effort.

With this vital income stream, the family quickly regained their financial balance and even resumed their repayments.

However, the family again fell into a difficult phase during the lockdown and reached out to the Company's team again. The main applicant, Prem Bai, and her husband Bala Ram were both employed in the building industry before the lockdown.

The three-month moratorium, along with other assistance, has helped them steady the ship, and they are now able to repay loan instalments.

Through all this time, the customer and family never fail to express their gratitude for having a relationship

that extends beyond lending with the Company.

Outlook: Staying Resilient, Relevant and Sustainable

The pandemic has changed the way we live and work. In the new normal, the home has evolved into a workplace. Interestingly, even before the outbreak of the pandemic, especially in the informal sector, women and families that engaged in micro-enterprise have been using their homes to produce and store goods. Essentially, for this segment of society, owning a pucca home has meant more than having shelter and a haven health. A secure dwelling unit is tied to the promise of enhanced productivity and therefore, an increase in income.

If anything, the ongoing pandemic has highlighted the importance of a safe dwelling unit, especially among the target audience that we cater to. Accordingly, the demand for housing finance from affordable housing finance institutions like ours, is likely to see an increase in the medium to long term.

Human Story 3

Protagonist: Anita Panchal W/O Bhawishya

Challenge: Loss of income source

Support Provided: Assisting with food provisions and moratorium



Anita and Bhawishya had been running a fabrication unit for quite some time. With a steady income source, they were able to support their household comfortably. However, due to the extended nature of the Covid-related lockdown, the family began facing a continuously worsening financial situation. It eventually snowballed into a crisis where even food availability became questionable for the family.

It has always been the Company's vision to support its customers through thick and thin. So when the going became tough for the family, the Company's team quickly reached out to them, understood the situation, and recognizing the gravity, assured them of both a moratorium and best efforts to find an alternate income source.

More importantly, from a humanitarian perspective, the Company's team decided to arrange for food provisions for the family through a local store. As a result, the family was provided with two month's food supplies and other necessities.

Furthermore, as it was evident that the family would take time to come out of the financial crisis, an extended moratorium was provided to them. With this critical support, the family was able to tide over the tough time and currently have returned to a somewhat stable though still challenging financial situation.

While they continue to repay partially, the family says that the relationship with the Company has quite literally saved their livelihood, for which they are forever obliged.

DIRECTORS' REPORT

Dear Members,

Your Company, SEWA Grih Rin Limited (SITARA) is a Housing Finance Company registered with National Housing Bank (“NHB”) and regulated & controlled by Reserve Bank of India (RBI) and supervised by NHB. SITARA is engaged in providing housing finance to lower income segment of the society. Your Directors are pleased to present the Tenth Annual Report and the Audited Financial Statements of the Company for the year ended 31st March, 2021.

1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY

PARTICULARS	2020-2021 (INR in Crore)	2019-2020 (INR in Crore)
Sales and Other Income	48.26	38.03
Operating Profit (PBIDT)	26.81	17.03
Interest Cost	16.75	15.33
Profit before Depreciation (PBDT)	10.06	1.70
Depreciation	0.77	0.67
Profit before Tax	9.30	1.04
Provision for Taxation	0.00	0.00
Profit after Tax	9.30	1.04

1.1. Financial Ratios

The main Financial Ratios of the Company are;

	FY 2020-21	FY 2019-20
Earning per share (EPS)	1.69	0.19
Capital to Risk Asset Ratio (CRAR)	66.2%	51.5%
Net Debt Equity Ratio (DE Ratio)	1.52	1.88
Net Owned Fund (NOF)	116.39	76.01

1.2. RATING UPGRADES

During the year, the Company's Credit Rating was upgraded from BBB- (Outlook Positive) from CARE to BBB (Outlook Stable) from CRISIL. The Instruments with this rating are considered to have moderate credit risks w.r.t. timely servicing of financial obligation.

1.3. NET WORTH

As of March 31, 2021, the net worth of your Company stood at INR 116.39 crore compared to INR 76.01 crore on March 31, 2020 on account of Series C round of fund raised by way of issuance of Compulsory Convertible Preference Shares (CCPS) amounting to around INR 32 crore during the year. Increase in PAT, from INR 1.04 crore in 2019-20 to INR 9.30 crore in 2020-21, has also

increased the net worth.

1.4. STABLE ASSET QUALITY

- Gross non-performing loans as on March 31, 2021 amounted to INR 0.77 crore. This is equivalent to 0.31 % of the portfolio
- Net non-performing loans as on March 31, 2021 amounted to INR 0.62 crore. This is equivalent to 0.25% of the portfolio
- The Company has a prudent approach to creating loan provisions and carries total provisions across standard assets, sub-standard asset and restructured assets of INR 0.95 crore
- The Company has made additional provision of around INR 0.80 crore for Covid-19 impact during the first quarter of the FY 21 in line with RBI circular on “Asset Classification and Provisioning” dated April 17, 2020. The same was written back at the year end as mandated by the RBI circular
- Total provision for NPA to gross NPAs is around 20%
- An experienced underwriting team and the in-house sourcing and collection teams ensure control over loan sourcing, credit appraisal and portfolio quality.

1.5. BORROWINGS

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

The Company was successful in obtaining sanction of ECB of USD 30 million from prestigious global lender United States International Development Finance Corporation. The ECB loan is very competitively priced (fixed RoI of 4.38%) with a 15 year tenure. 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.

As on March 31, 2021, the Company's outstanding bank loans stood at INR 177.7 crore (including INR 18.8 crore of NHB refinance and INR 13.6 crore under NHB LIFT Scheme) vis-à-vis INR 144.70 crore (including INR 5.40 crore of NHB refinance) as on March 31, 2020.

The Company's Credit Rating was upgraded from BBB- (Outlook Positive) from CARE to BBB (Outlook Stable) from CRISIL. The Instruments with this rating are considered to have moderate credit risks w.r.t. timely servicing of financial obligation. CRISIL's rating on the long-term bank loan facility of Sewa Grih Rin Limited (SGRL) has centrally factored in adequate capitalisation and funding profile of the company, as well as its experienced management team.

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

1.6 UPDATE ON MORATORIUM

The Company had put in place a Board approved policy for extending moratorium benefits, in line with RBIs notifications/circulars issued from time to time to all its customers whose cash flows are impacted due to lockdown situation in 2020. Customer were guided/educated through SMSs, calling by branches staff and through other digital media on the impact of moratorium so that informed decision can be taken by customer.

Though the lockdown was lifted during the second week of June'20 in most parts of the country, the economic fallout on account of the Covid-19 pandemic had led to significant financial stress for borrowers across the board. As a part of measures for combating the effect of COVID-19 on the economy, the Reserve Bank of India (RBI), on August 6, 2020, introduced Resolution Framework for COVID-19 related stress. The framework allowed financial institutions a special one-time dispensation to restructure loans which were facing financial stability risks due to the Covid-19 pandemic. The Resolution Framework for Covid-19 related stress had been formed as a special window under the June 7, 2019 RBI guidelines for restructuring and allowed financial institutions to give borrowers more time to pay back without classifying a loan as an NPA.

Thus, with a view to provide relief to the borrowers facing financial distress and renegotiate their debt to avoid risk of default, the Company came up with a "Loan Restructuring Policy" within the framework provided by RBI. Nine accounts were restructured during the year 2020-21 based on the provisions of Loan Restructuring Policy. The Company is making provision @ 10% on such restructured loans.

Also, necessary provisions have been made as per applicable accounting standards and regulations.

1.7 Additional Provision Due to Covid-19 Moratorium

To provide for any stress in asset quality due to loss of jobs or livelihood the Company had made a special provision of INR 79.60 lakhs in the year 2019-20. Also, additional provision of INR 80 lakhs was made in the month of April, 2020. The special provisions have been written back on March 31, 2021 in line with RBI circular on "Asset Classification and Provisioning" dated April 17, 2020.

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

3. STATE OF COMPANY'S AFFAIRS

SEWA Grih Rin Limited ended FY 2020-21 with cumulative Portfolio outstanding of INR 251.53 crore

and around 9650 loans. The business was impacted on account of COVID-19 pandemic. The Company sanctioned around 1850 loans aggregating to INR 58 crore during the FY 21. The total disbursement during the FY 21 is around INR 47 crore including around 1620 new loans. The company posted a modest 16% growth in the loan book but a significant 798% growth in the Net profit in FY 21.

During the year under reporting, initially the focus of the Company was to help its customers face the challenges imposed by the pandemic. Branch officials were engaged in educating the customers regarding the safety precautions and if necessary help them with basic ration supplies. Later on, the customers were informed about the Company's policies of granting moratorium and restructuring benefits. Once the lockdown was lifted, the focus shifted to collection of dues to ensure that the financial implication on interest capitalisation was reduced to the maximum possible extent. During the second half of the FY 21, the focus shifted back to advancing loans to worthy customers and collection of dues.

4. PUBLIC DEPOSITS

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

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

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

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

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

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

During the year under review your Company has complied with all regulatory notifications,

guidelines, circulars, rules and directions laid down by the Reserve Bank of India (RBI) with respect to the Foreign Direct Investment through the Automatic Route. No Fines/Penalties has been levied by the RBI during the year 2020-21. During the FY 2020-21 the Company has duly filed/submitted Foreign Liabilities and Assets Annual Return with RBI in the month of August, 2020, within the stipulated time-limit.

The Company is also registered with RBI Firms portal and has duly submitted/ reported Form FC-GPR with respect to Foreign Direct Investment received by the Company pursuant to series C round of fund raise by issue and allotment of Compulsorily Convertible Preference Shares (CCPS).

6. NATIONAL HOUSING BANK REGULATIONS

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

As per the NHB Directions, 2010 and various Circulars/ Guidelines/ Notifications issued thereunder your Company has duly complied and submitted all the required monthly/ quarterly/ half yearly NHB reports/ returns, intimation of opening/closing (shifting/relocation) within prescribed time-limit during the FY 2020-21.

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 2nd September, 2020.

8. DIVIDEND

In view of insufficient profits, your Directors do not recommend payment of any dividend for the year ended 31st March 2021.

9. CAPITAL ADEQUACY AND TRANSFER TO RESERVES

During the financial year, the Company has earned the profit of INR 9.30 crore and around INR 0.98 crore was transferred to Statutory Reserve as created under section 29C of National Bank Act, 1987. The total reserves as on 31st March, 2021 stood at INR.1.26 crore.

The Capital Adequacy (CRAR) as on 31st March, 2021 stood at 66.2%.

10. SHARE CAPITAL OF THE COMPANY

Your Company's capital structure as at March 31, 2021 is given in the below table:

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

10.1 Changes in Capital Structure and Shareholding position:

During the year under review, the Authorized share capital of the Company was increased from INR 80 Crore to INR 104 Crore by creation of 2,40,00,000 Preference Shares to facilitate the increase in the issued and paid-up capital by way of Compulsory Convertible Preference Shares.

During the Financial year 2020-2021, the issued and paid-up share capital of the Company was increased from INR 55.15 Crore consisting of 5,51,53,217 Equity shares of INR 10 each to INR 78.01 Crore consisting of 5,51,53,217 Equity shares and 2,28,57,140 Compulsory Convertible Preference Shares (CCPS) of INR 10 each. The said increase in the issued and paid-up share capital was pursuant to Series C round of fund raise by way of Compulsory Convertible Preference Shares (CCPS) to an incoming investor i.e. WWB and certain other existing investors. The terms of issuance and conversion of CCPS are defined in the Share Subscription and Shareholders' Agreement dated 31st August, 2020. Further, the CCPS issuance was approved by the Board vide its meeting dated 5th October 2020 to the following mentioned shareholders:

Name of Subscribers / offerees	No. of Shares allotted
WWBCP II Non-SSA, LLC	1,60,71,428
Oikocredit Ecumenical Development Cooperative Society U.A	14,28,571
AHI Capital Gateway Inc.	7,14,285
Omidyar Network Fund INC.	28,57,142
HDFC Life Insurance Company Limited	17,85,714
Total	2,28,57,140

10.2 Issue of Employee Stock Options

Under "SGRL ESOP 2018", during the year under review, an aggregate of 18,000 stock options which were cancelled due to resignation of an employee, were reallocated to other employee basis the approval of the Nomination & Remuneration Committee.

In addition to the above, additional 9,89,513 ESOPs were granted to identified and eligible employees including the MD & CEO of the Company on 21st Sep, 2020:

Details as per Rule 12(9) of Companies (Share Capital and Debentures) rules, 2014 are as follows:

Details of ESOP's	FY20-21
(a) Options granted	10,07,513
(b) Options vested	15,49,000
(c) Options exercised	-
(d) The total number of shares arising as a result of exercise of options	-
(e) Options lapsed	-
(f) The exercise price	INR 18.56 per option
(g) Variation of terms of options	-
(h) Money realized by exercise of options;	-
(i) Total number of options in force;	25,71,513
(j) Employee wise details of options granted to:	
(k) Key Managerial Personnel;	
1. Ms. Shruti Gonsalves, MD & CEO	5,53,883
2. Mr. Nagendra Saxena, CFO	0
3. Ms. Preeti Singh, CS	0
(l) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year;	Mr. Somesh Tewari, COO: 3,95,630 Nos. of ESOP
(m) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital, excluding outstanding warrants and conversions, of the Company at the time of grant.	-

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

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

10.4 Issue of Equity Share Capital

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

10.5 Transfer of Shares

There were no share transfers during the current financial year.

10.6 Duplicate Share Certificate

During the year under review, on request of AHI Capital Gateway, Inc, a duplicate share certificate for 19,71,250 Equity Shares covering the distinctive numbers from 7481211 to 9452460 bearing certificate no. 20 was issued in lieu of the original share certificate as the original share certificate was lost/misplaced.

10.7 Dematerialisation of Shares

The Equity Shares and Compulsorily Convertible Preference Shares (CCPS) of the Company are available for dematerialization with both depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with ISIN No: INE772R01010 and ISIN No: INE772R03016. As on 31st March, 2021, All the Equity shares and Compulsorily Convertible Preference Shares (CCPS) of the Company representing of a total of 5,51,53,217 Equity Shares and 2,28,57,140 Compulsorily Convertible Preference Shares (CCPS) were held in dematerialized form. The Company has filed prescribed report in this regard with the Registrar of Companies.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

A) Retirement by rotation

In accordance with the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. David Smith (DIN: 07071450) and Mr. Manish Thakkar (DIN: 03233206), retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. Your Directors recommend their re-appointment as Director of your Company. The Independent Directors of your Company are not liable to retire by rotation.

B) Changes in Directors

In view of the revised Share Subscription and Shareholders' Agreement dated 31st August, 2020, the Board of directors of the Company vide their meeting held on November 25, 2020 and the Shareholders vide their meeting held on 23rd December 2020 had appointed Ms. Elisabeth Ballreich (DIN: 08943060) as a non-executive Director liable to retire by rotation representing WWBCP II Non SSA LLC on the Board.

There was no other change in the Directors during the year.

The shareholding of Directors as on 31st March 2021 is as follows:

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

C) Appointment of Key Managerial Person

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

D) Remuneration to Directors

During the year, the Company has not paid any remuneration to Non-executive Directors. However, sitting fees of INR 3,65,150 has been paid to the Independent Director during the year as per the provisions of Companies Act, 2013.

E) Fit & Proper Declarations

During the FY 2020-21 as per NHB Corporate Governance Directions / applicable RBI directions, the Company has obtained Fit & Proper declarations, Deed of Covenants and various other Declarations duly signed by all the Directors of the Company.

12. PARTICULARS OF EMPLOYEES

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

13. BOARD MEETINGS

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

During the period, 10 (Ten) Board Meetings were duly conducted as per the provisions of the Companies Act, 2013. Details of Board Meeting convened are given below:

S. No.	Quarter	Meeting held on
1.	April, 2020 to June, 2020	6 th April, 2020, 24 th April, 2020 & 3 rd June, 2020
2.	July, 2020 to September, 2020	17 th July, 2020, 18 th August, 2020 & 2 nd September, 2020
3.	October, 2020 to December, 2020	5 th October, 2020 & 25 th November, 2020
4.	January, 2021 to March, 2021	21 st January, 2021 & 16 th February, 2021

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

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

15. AUDITOR'S & AUDITORS REPORT

At the eighth AGM held on September 27, 2019, the Members approved appointment of M/s se & Associates, Chartered Accountants (Firm Registration No. 105047W) (a member firm of BDO International) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Thirteenth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act..

M/s MSKA & Associates- existing Statutory Auditors have communicated their intention to resign as the Statutory Auditors as they reached the maximum limit for the number of audits to be undertaken in terms of Reserve Bank of India (RBI) Circular No. RBI/2021-22 dated 27th April 2021 on "Guidelines for appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs).

Hence, in order to fill this causal vacancy caused due to the resignation of existing Statutory Auditors, the Board of Directors of the Company vide circular resolution passed on 6th September 2021 and on recommendation of its Audit Committee has approved the appointment of M/s S.S. Kothari Mehta & Company, Chartered Accountants (Firm Registration No. 000756N) as Statutory Auditors of the Company subject to the approval of the shareholders at the ensuing Annual general Meeting for a period of 1 (one) year commencing from the conclusion of the ensuing 10th AGM till the conclusion of 11th AGM of the Company.

The Report given by M/s MSKA & Associates, Chartered Accountants, Statutory Auditors on the financial statement of the Company for the year 2020-21 is part of the Annual Report.

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

16. SECRETARIAL AUDIT COMPLIANCE

The Board of Directors of the Company, at its meeting held on 27th April, 2021, reappointed M/s Neelam Gupta & Associates, Company Secretaries, Delhi, (having Membership Number– FCS 3135 and Certificate of Practice Number 6950) as Secretarial Auditor, pursuant to section 204(1) of Companies Act, 2013. The Secretarial audit report for FY 2020-21 is annexed to this report as Annexure-B. There are no qualifications or adverse remarks in the Secretarial Audit Report for the F.Y. 2020-21.

17. COST RECORDS

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

18. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE

COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Management believes that it has fully considered all the possible impact of known events arising from Covid-19 pandemic in the preparation of the financial results. However, the impact assessment of Covid-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

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

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

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

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

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

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

21. RELATED PARTY TRANSACTIONS

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

Apart from payment of sitting fees to Independent Directors, there is no pecuniary relationship or transactions of the Independent/Non-Executive Directors. The details with respect to the related party transactions are mentioned in the notes to the audited financial statements for the financial year ended March 31, 2021.

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

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

22.1 Conservation of energy

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

22.2 Technology absorption, adoption and innovation

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

22.3 Foreign exchange earnings and outgo

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

Foreign Exchange Earning	Nil
Foreign Exchange Outgo	INR 1.80 crore

23. CORPORATE SOCIAL RESPONSIBILITY

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

24. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

25. HUMAN RESOURCE MANAGEMENT

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

The health and well-being of our employees is a priority for us. We have launched SITARA – We Care Programme that caters to our employees and their families. Employees were periodically notified on health and safety measures to be taken to avoid contracting the virus, and tips to build

their immunity. Staff that could work from home have been enabled to do so, without any compromise on branch operations.

As on 31st March 2021, the Company had 327 on roll employees at various locations. Your Board would like to make a special mention about the competence, hard work, solidarity, co-operation, support and commitment of the employees at all levels, who caused achievement of several milestones in the growth of the Company.

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

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

The Company ensures prevention, prohibition and Redressal of Sexual Harassment complaints at workplace, as per the policy and procedure with the approval of Nomination & Remuneration Committee (NRC) pursuant to provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has duly implemented the NRC approved Anti-Sexual harassment Policy. The Company has set up an Internal Complaints Committee with a majority Women Employees for looking into any such complaints or reports. This Committee will conduct the inquiry and determine the sanctions, if any, and report to the NRC. No complaints were received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in FY 2020-21.

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

As on the date of this Report, the Committee comprises of three Directors namely Ms. Renana Jhabvala, Mr. Sanjay Kaul and Mr. Anirudh Sarda. Mr. Sanjay Kaul are Independent Directors. The Committee meets periodically as and when required.

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

Sr. No.	Date of Meeting
1.	19 th June 2020
2.	2 nd September 2020 and adjourned meeting held on 21 st September 2020

28. BOARD EVALUATION

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

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

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

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

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

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

29. AUDIT COMMITTEE

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

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

Sr. No.	Date of Meeting
1.	24 th July 2020
2.	17 th August 2020
3.	24 th September 2020
4.	23 rd December 2020
5.	31 st March 2021

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

30. ASSETS & LIABILITIES MANAGEMENT COMMITTEE

The Company has duly implemented the NHB's Asset Liability Management (ALM) Guidelines applicable to HFCs. The ALCO Committee ensures that the liquidity and interest-rate risks are contained within the limits laid down by the NHB. During the Financial Year 2020-21, nine meetings of the Committee were held on following dates:

Sr. No.	Date of Meeting
1.	26 th May 2020
2.	26 th June 2020
3.	27 th August 2020
4.	29 th September 2020
5.	27 th October 2020
6.	23 rd November 2020
7.	30 th December 2020
8.	29 th January 2021
9.	27 th March 2021

31. STATEMENT ON RISK MANAGEMENT OF THE COMPANY

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

As on the date of this Report, Risk Management Committee comprises of Six Directors of the Company: Ms. Renana Jhabvala, Mr. Srinivasan Sridhar, Ms. Manjiree Jaitly, Mr. David Smith, Mr. Anirudh Sarada and Ms. Shreya Deb. This Committee reports to the Board of Directors of the Company.

During the Financial Year 2020-21, Three meetings of the Committee were held on following dates:

Sr. No.	Date of Meeting
1.	18 th May 2020
2.	11 th November 2020
3.	22 nd February 2021

32. COMPOSITION OF IT STRATEGY COMMITTEE

The Company has duly constituted IT Strategy Committee as per the NHB guidelines/RBI Directions, which consists of Mr. Sanjay Kaul, Independent Director as Chairperson of the Committee, Mr. Anirudh Sarada- Director, Mr. Manish Thakkar- Director, Ms. Shreya Deb-Director, Ms. Shruti Gonsalves- MD & CEO, Mr. Somesh Tewari-COO and designated Chief Technical Officer (CTO), Mr. Nagendra Nath Saxena- CFO and designated Chief Information Officer (CIO), Mr. Vimal Kant Arora- (GM-MIS, IT & Operations) are members as on 31st March, 2021. Further, during the period under review 3 (three) meetings of IT Strategy Committee were held on 2nd November, 2020, 24th September 2020 and 24th July 2020 which was attended by Members of the Committee as

aforesaid.

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

Company's Philosophy on Code of Governance

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

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

During the year 2020-21, Annual General Meeting (AGM) for the financial year 2019-20 was duly held on 30th September, 2020, and Annual Return filing was done within prescribed time limit.

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

b) Director's Responsibility Statement

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

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

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

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

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

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

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

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

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

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

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

g) Independent Director

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

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

i) Payment of Remuneration:

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

ii) Payment of Sitting Fees:

All the independent directors and Non-Executive Directors shall be entitled to receive sitting fees for attending Board Meetings and/ or Committee Meetings as may be decided by the Board from time to time within the limits as per Companies Act 2013. At present, the Board has approved the payment of sitting fee to Independent Directors for Board and Committee meetings. The amount of sitting fee for Board and Committee meetings is INR 20,000 and INR 15,000/- 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 2019-20, there were no adverse qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors & Secretarial Auditor of the Company, during the course of their audits, as per their Auditors' Report and Secretarial Audit Report respectively, hence there is no clarification required to be provided by the Company.
- i) In terms of section 134(3)(g) of the Companies Act, 2013, Company has not made any Investment through two or more layers of Investment Companies, pursuant to provisions of section 186(1) of the Companies Act, 2013. Further, the Company being Housing Finance Company, all loans & guarantees are in the ordinary course of business and details of the same along with the Investment made by the Company are disclosed in Financial Statements and Notes to Accounts, thereto, which is forming part of Annual Report.
- j) Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year, in terms of rule 8 (5) (iiia) of Companies (Accounts) rules, 2014 as amended:-**

The Independent Directors are selected as per the applicable provisions of Companies Act, 2013, NHB Directions and Housing Finance Companies – Corporate Governance (National Housing Bank), Directions, 2016 read with Non-Banking Financial Company – Housing Finance

Company (Reserve Bank) Directions, 2021 based upon the qualification, expertise, track record, integrity and other “fit and proper” criteria and Company obtains the necessary information and declaration from the Directors. All the Independent Directors of the Company have strong academic background and having long stint experience with renowned Government and private Organizations/Corporates. The integrity/ expertise of the Directors have been evaluated by the Board and NRC at the time of appointment and every year evaluated at the respective meetings.

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

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

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

l) Internal Financial Controls and their Adequacy

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

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

The Audit scope is regularly reviewed by the Audit Committee for enhancement/modification of scope and coverage of specific areas.

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

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

m) Statement on compliance with Secretarial Standards

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

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

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

34. ACKNOWLEDGEMENTS

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF

SEWA GRIH RIN LIMITED

SD/-

Renana Jhabvala

Chairperson

DIN:0110625

Address: B-9/9 Sterling, Bopal,
Ahmedabad, Gujarat-380058

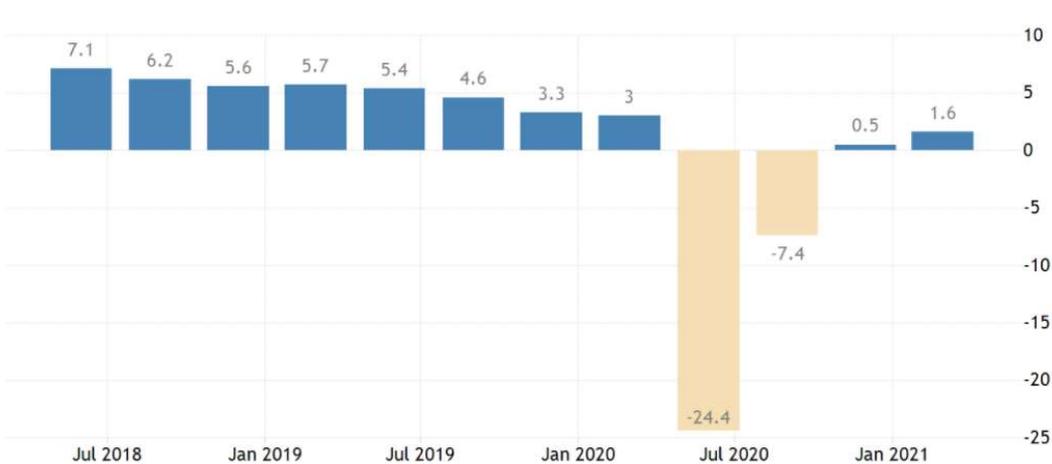
Date: 13th August 2021

Management Discussion and Analysis 2020-21

1. ECONOMIC OVERVIEW

During FY 2020-21, the Indian economy contracted by 7.3%, according to the Ministry of Statistics and Programme Implementation (MoSPI), compared to a growth of 4.0% in FY 2019-20. After plummeting 24.4% and 7.4% in the first and second quarter of the fiscal year, it turned around in the third and fourth quarter, posting growth of 0.5% and 1.6%, respectively.

India's Quarterly GDP Growth



SOURCE: TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

Agriculture and Forestry & Fishing led the growth in the third quarter, which expanded by 3.9%. In addition, Manufacturing, Electricity, Gas, Water Supply & Other Utility Services, Construction and Financial, Real Estate & Professional Services also demonstrated growth in various magnitudes between September and December 2020.

As the financial year came to a close, the prospects for FY 2021-22 appeared to strengthen with the progress of the vaccination programme. Gauging the situation, India's central bank, the Reserve Bank of India (RBI), in its Monetary Policy Committee meeting in April 2021, projected that real GDP could be expected to grow at 10.5% in FY 2021-22. However, India's escalating second wave of Covid-19 infections with new mutant spread is posing serious downside risks to the economy and heighten the possibility of business disruptions, in addition to the substantial loss of life and significant humanitarian concerns.

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

Fiscal Stimulus

During the year, the Government announced various stimulus packages, including the AatmaNirbhar Bharat Abhiyaan (May 2020) and other measures to boost liquidity in the financial sector, such as the Rs 450 billion partial credit guarantee scheme for NBFCs, the Rs 300 billion special liquidity scheme for NBFCs, HFCs, and MFIs. Later, in November 2020, the Government announced another stimulus package with measures to boost employment in the formal and informal economy, help housing infrastructure, enhance the ease of doing business, etc. In addition, it also announced new production-linked incentives (PLIs) under another Rs 2 trillion PLI scheme for ten major manufacturing sectors.

The Union Budget 2021-22, presented by the Finance Minister on February 1, also proposed far-reaching reforms. It planned largescale spending over the next five years and announced no significant new taxes or levies. The macro-economic policies announced in the Budget focused on stabilising growth, boosting public infrastructure and capital expenditure.

Inflation and Monetary Policy

In the light of the health crisis and the fiscal measures announced during the year, inflation targets were relaxed to 4%, with the lower and upper tolerance levels of 2% and 6%, respectively, for the next five years (April 2021-March 2026).

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

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

2. INDUSTRY OVERVIEW

NBFCs and HFCs in India

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

To enable borrowers to tide over the pandemic-led economic hardships, the RBI appealed to lenders to extend the moratorium on loans until August 31, 2020. However, this posed a liquidity challenge for most NBFCs/ HFCs as they were sandwiched between meeting their commitments

to their lenders while they facilitated their borrowers with the moratorium. The second challenge was keeping their asset quality under control in this situation.

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

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

Housing Finance

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

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

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

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

3. AFFORDABLE HOUSING FINANCE: OPPORTUNITIES AND CHALLENGES

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

Opportunities

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

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

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

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

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

Challenges

Higher returns always come with higher risks.

OR

Opportunities and challenges go hand in hand. It's only those who can overcome challenges and

seek opportunities that make a true impact.

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

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

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

4. BUSINESS REVIEW

Macro Environment

Total income for the Company grew at a healthy 27% YoY to INR 48.26 crores for FY2020-21, compared to INR 38.0 crores in the previous fiscal year. With robust growth, operational efficiency gains, and expansion in Net Interest Margin, the Company's profit rose to INR 9.30 crores in FY20-21.

The AUM rose by 16% YoY to INR 251.53 crores at the end of FY2020-21, from INR 216.6 crores at the end of FY2019-20, as affordable housing finance growth remained at higher levels, proving itself to be a safe haven, despite economic headwinds affecting the broader economy and the housing finance sector. As a result, total disbursements for the year ended March 31, 2021, was INR 47.60 crores, with a continued focus on prudent lending in the target segment, in the relatively more challenging environment post the extended COVID-19 pandemic induces lockdowns and economic crisis after that.

The average ticket size was INR 2.61 lakhs for the loan book as of March 31, 2021. The Company continued to see strong demand in both the low-ticket Housing Finance and Loan Against Property products. With a unique, completely organic sourcing model, the supporting infrastructure and processes were significantly streamlined to increase the Loan Officers' productivity.

Robust Financial Performance

During FY2020-21, NIMs increased 11.7% from 10.3% in FY2019-20 because of increased yields due to a higher mix of LAP and low-cost funds obtained from US IDFC.

The interest yields for the Company have also shown a steady increase despite the pandemic, rising 17.9% in FY 2017-18 to 21.8% in FY 2020-21.

The Company has achieved an 800% increase in PAT of Rs 9.3 crores in the year under review over Rs 1.1 crore in the previous fiscal, FY 2019-20.

The cost of borrowings for the Company has steadily reduced from 12.9% last year to 10.5% in the year of reporting.

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

Healthy Operational Performance

As economies of scale came into effect and the benefits of initiatives in operational streamlining and a comprehensive IT infrastructure began to accrue, the Opex to Total Income ratio declined to 42% for FY2020-21, from 50.9% in FY2019-20. On the other hand, operating expenses were up ~5% to INR 21 crores in FY2020-21 from INR 20 crores in FY2019-20.

Stable Credit Quality

On the credit quality front, GNPA's stood at 0.31% on March 31, 2021, rising from 0.23% at the end of FY2019-20 due to the impact of the economic slowdown in the year also due to the Covid pandemic.

The Company remains adequately capitalized with a Tier 1 CRAR of ~65.8% as of the end of FY2020-21.

Significant Funding Secured for Ensuring Growth and Stability

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

In Feb 2020, NHB had sanctioned a regular refinance line of INR 15 crores at an RoI of 6.10% for ten years in Feb 2020. Additionally, the Company availed another sanction under the LIFT scheme of NHB for INR 20 crores at competitive pricing for five years. The LIFT scheme was announced as a liquidity support scheme by the regulator during the pandemic. Both these lines were utilised throughout the fiscal FY2020-21 and helped maintain suitable liquidity buffers.

Having such low costs and large credit lines available to us, especially during the pandemic,

helped us have comfortable liquidity positions throughout the year. Furthermore, though the disbursement was slow, it enabled us to maintain good operational margins and NIMs.

5. INTERNAL CONTROL SYSTEMS

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

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

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

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

6. HUMAN RESOURCES

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

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

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

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

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

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

As of March 31, 2021, the Company had 327 rolls employees at various locations. Your Board would like to make a special mention about the competence, hard work, solidarity, co-operation, support and commitment of the employees at all levels, who caused achievement of several milestones in the growth of the Company.

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

ANNEXURES TO DIRECTORS' REPORT

Annexure A

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

Particulars of employees (Year ended at 31.03.2021)	
Name	
(a) Designation of the employee.	NIL
(b) Remuneration received (Yearly CTC)	NIL
(c) Nature of employment, whether contractual or otherwise.	NIL
(d) Other terms and conditions.	NIL
(e) Nature of duties of the employee.	NIL
(f) Qualifications and experience of the employee.	NIL
(g) Date of commencement of employment.	NIL
(h) The age of such employee.	NIL
(i) The last employment held by such employee before joining the company.	NIL

Notes:

1. No employee of the company was employed for part of the financial year and was in receipt of remuneration, at a rate which, in the aggregate, was not less than INR 8.50 lakh per month.
2. No employee of the Company was employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees
3. Pursuant to the Companies, (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list containing names of the top ten employees in terms of remuneration drawn is being maintained at the Registered Office of the Company.

The Report and Accounts as set out therein are being sent to all Members of the Company, excluding the aforesaid information. Any Member, who is interested in obtaining these, may write to the Company Secretary at the Registered Office of the Company.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SD/-

Renana Jhabvala

Chairperson

DIN: 01106825

Address: B-9/9 Sterling,

Bopal, Ahmedabad, Gujarat-380058

Date: 13th August 2021

NEELAM GUPTA & ASSOCIATES
COMPANY SECRETARIES

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
(For the Financial Year ended 31st March, 2021)

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

To,

The Members
Sewa Grih Rin Limited
206-207, 2nd Floor, Vikram Tower,
Rajendra Place,
New Delhi -110008

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

Based on my verification of the books, papers, minute books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

A. I have examined the books, papers, minute books, forms and returns filed and other records maintained by SGRL for the year ended on 31st March, 2021 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not Applicable to the Company as the equity shares of the Company are not listed on any stock exchange);

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



Page 1 of 6

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings.

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

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

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

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

1. In response to the query raised by the Company in relation to approval requirement for issuance of Compulsory Convertible Preference Shares ("CCPS") in case of change in the shareholding of the Company, including progressive increases over time, would result in acquisition / transfer of shareholding of 26 per cent or more of the paid up equity capital of the Company, the RBI, after several rounds of correspondence, vide its email dated 26th March, 2021, has advised the Company that the transaction for issuance of 22,857,140 CCPS to one new foreign investor, namely WWBCP II Non-SSA, LLC (WWB), and certain existing shareholders, may require its prior approval at the time of conversion of CCPS, in terms of applicable RBI Guidelines.
2. The filing of RBI return FCGPR in respect of allotment of CCPS was delayed for technical reasons due to non receipt of requisite information and declarations from the foreign remitting bank.

B. I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Company is holding Board and Committee meetings at shorter notice (in case of urgency) with requisite compliance for holding Meeting at shorter notice, as applicable.
- c. As per the minutes of meetings duly recorded and signed by the Chairman, majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that, based on the information provided and the representation made by the Company and also on the review of compliance reports / certificates taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- i. In the Extraordinary General Meeting held on 2nd September, 2020, the Shareholders of the Company approved:
 - (a) increase in authorised Share Capital from Rs. 80,00,00,000/- divided into 8,00,00,000 equity shares of Rs. 10/- each to Rs. 104,00,00,000 /- divided into 8,00,00,000 Equity shares of Rs. 10/- each and 2,40,00,000 Preference Shares of Rs. 10/- each by creation of additional 2,40,00,000 Preference shares of Rs. 10/- each.
 - (b) To issue 2,28,57,140 (Two Crore Twenty-Eight Lac Fifty-Seven Thousand One Hundred Forty Only), 0.01% dividend coupon bearing, Non-Participating, Non- Cumulative, Non-Redeemable, Series C Compulsory Convertible Preference Shares of face value of Rs. 10/- (Rupees Ten only) each at a premium of Rs. 4/- (Rupees Four Only) per share i.e. at Rs. 14/- (Rupees Fourteen Only) on Private Placement basis.
- ii. In the Extraordinary General Meeting held on 12th October, 2020, the Shareholders of the Company approved amendment in the Articles of Association of the Company to align the same with the Revised and executed Share Subscription & Shareholders' Agreement dated 31st August 2020.
- iii. The Company made allotment of 28,57,140 (Two Crore Twenty-Eight Lac Fifty-Seven Thousand One Hundred Forty Only), 0.01% dividend coupon bearing, Non-Participating, Non- Cumulative, Non-Redeemable, Series C Compulsory Convertible Preference Shares of face value of Rs. 10/- (Rupees Ten only) each at a premium of Rs. 4/- (Rupees Four Only) per share i.e. at Rs. 14/- (Rupees Fourteen Only) in the Board Meeting held on 5th October, 2020.

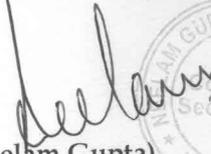


NEELAM GUPTA & ASSOCIATES
Company Secretaries

- iv. In the Extraordinary General Meeting held on 2^{3rd} December, 2020, the Shareholders of the Company approved the remuneration of the Managing Director and Chief Executive Officer revised during the year under review as per the policy of the Company for its employees / based on the approval of the Nomination and Remuneration Committee of the Board of Directors..

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

For **Neelam Gupta and Associates**


(Neelam Gupta)
Practicing Company Secretary
FCS : 3135
CP : 6950
PR No. : 747/2020
UDIN: F003135C000742401



Place :New Delhi

Date : 05/08/2021

NEELAM GUPTA & ASSOCIATES
COMPANY SECRETARIES

Annexure to Secretarial Audit Report of SGRL for financial year ended 31st March, 2021

To,
The Members
Sewa Grih Rin Limited

Sub. : Management Responsibility for Compliances

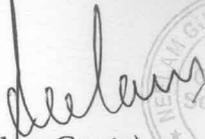
1. The maintenance and compliance of the provisions of Corporate and other applicable laws, rules, regulations, secretarial standards is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for my opinion.
3. The review of original registers, records and documents of the Company has been hampered during the audit and certain audit procedures cannot be performed due to government restrictions of lock down and social distancing in view of COVID 19 Global pandemic. I have relied upon the books, records and documents made available by the Company to us through electronic means and in digital format.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. We have not verified the correctness and appropriateness of the information furnished by the Company in its NHB / RBI filings and records maintained under the applicable provisions of law.
6. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.



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

For **Neelam Gupta and Associates**




(Neelam Gupta)
Practicing Company Secretary
FCS : 3135
CP : 6950
PR No. : 747/2020
UDIN: F003135C000742401
Place : New Delhi
Date : 05/08/2021

FORM NO. AOC-2

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

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

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

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

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

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SEWA GRIH RIN LIMITED

SD/-

Renana Jhabvala

Chairperson

DIN: 01106825

Address: B-9/9 Sterling, Bopal,
Ahmedabad, Gujarat-380058

Date: 13th August 2021

ANNEXURE D



POLICY ON RELATED PARTY TRANSACTION

SEWA GRIH RIN LIMITED

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

PART-A

1. REGULATORY FRAMEWORK

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

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

2. THE POLICY

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

3. DEFINITIONS

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

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

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

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

“Board” means Board of Directors of the Company.

“Company” means SEWA Grih Rin Limited.

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

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



Policy on Related Party Transaction

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

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

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

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

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

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

“Policy” means Related Party Transaction Policy.

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

Related Party with reference to a company means –

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

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

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

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

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

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

PART-B

TERMS OF THE POLICY

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

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

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

PART-C

GOVERNANCE STRUCTURE

Dealing with Related Party Transactions

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

a. Identification of Potential Related Party Transactions

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

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

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

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

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

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



4. While considering any transaction, the Committee / Board shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. No member of the Committee / Board shall be present during discussion, if he/she is a related party.

5. Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board shall record the disclosure of interest and /Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

6. Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Board/ Audit Committee of the Company.

7. The Related Party list shall be updated periodically and shall be reviewed by the Audit Committee/ Board at least once a year, in its first meeting after closing of the previous financial year.

8. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Board/ Audit Committee has adequate time to obtain and review information about the proposed transaction.

9. The Audit Committee shall confirm to the Board whether the Related Party Transactions entered into by the Company during the period under consideration were on an arm's length basis and in the ordinary course of its business.

b. Related Party Transactions that shall not require Approval

1. All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- (i) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company.
- (ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

Such omnibus approval shall specify:

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

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

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

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

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

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

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

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

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

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

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

c. Review and Approval of Related Party Transactions

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

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

d. Material Related Party Transaction

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

e. Amendments to the Policy

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

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

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



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A SEWA INITIATIVE

AUDITED FINANCIALS

2020 – 21

SEWA GRIH RIN LIMITED

Auditor's Additional Report

To,
The Board of Directors,
Sewa Grih Rin Limited
206-207, 11nd Floor, Vikram Tower,
Rajendra Place,
New Delhi-110008

1. This report is issued in accordance with the requirements of Master Direction Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 vide Ref. No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (hereinafter referred to as the "Mater Directions") issued by the Reserve Bank of India ("RBI").
2. We have audited the accompanying financial statements of Sewa Grih Rin Limited (hereinafter referred to as the "Company") comprising the Balance Sheet as at March 31, 2021, the related Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, on which we have issued our report dated August 13, 2021.

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 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 of 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, the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

4. The Management of the Company is also responsible for compliance with the National Housing Bank Act, 1987 and other relevant National Housing Bank (hereinafter referred to as the "NHB") Directions, Circulars, Notifications, Guidelines applicable to Housing Financial Companies, as amended from time to time, and for providing all the required information to the NHB/RBI.



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, 2021 and report on the matters specified in paragraph 70.1 of Chapter XII - Auditor's Report of the Master 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 the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements".

Opinion

8. Based on our examination of the audited books and records of the Company for the year ended March 31, 2021 as produced for our examination and the information and explanations given to us, we report that:
 - 8.1 The Company is engaged in the business of Housing finance and has obtained a certificate of registration No. 01.0118.15 dated January 24, 2015 from the NHB. Further, the Company is not meeting the Principal Business Criteria as specified in paragraph 4.1.17 as on March 31, 2021 and March 31, 2020. However, the Board of directors of the Company has approved a detailed roadmap to fulfil the criteria within the timeline for transition in its Board meeting held on January 21, 2021 for submission to Reserve Bank. Refer note 34 and 35 of the financial statements.
 - 8.2 The Company is meeting the required net owned fund requirement as prescribed under Section 29A of The National Housing Bank Act, 1987.
 - 8.3 The Company is in compliance with the provisions of Section 29C of National Housing Bank Act, 1987.
 - 8.4 The total borrowings of the Company are within the limits prescribed under paragraph 27.2 of the Master Directions.
 - 8.5 The Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Master Directions.
 - 8.6 The capital adequacy ratio as disclosed in the half-yearly statutory return submitted to the NHB in terms of the 'Master Circular - Returns to be submitted by Housing Finance Companies (HFCs)' vide Ref. No. NHB(ND)/DOS/Susp. Circular No. 5/2020-21 dated April 13, 2021 has been correctly determined and it is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein.
 - 8.7 The Company has furnished to the NHB within the stipulated period the half-yearly statutory return as specified in the 'Master Circular - Returns to be submitted by Housing Finance Companies (HFCs)' vide Ref. No. NHB(ND)/DOS/Susp. Circular No. 5/2020-21 dated April 13, 2021.



- 8.8 The Company has furnished to the NHB within stipulated period the quarterly statutory return as specified in the 'Master Circular - Returns to be submitted by Housing Finance Companies (HFCs)' vide Ref. No. NHB(ND)/DOS/Susp. Circular No. 5/2020-21 dated April 13, 2021.
- 8.9 The Company has complied with the requirements contained in the Master Directions in the case of opening of new branches / offices or in the case of closure of existing branches / offices.
- 8.10 The Company has complied with the provisions contained in paragraph 3.1.3, paragraph 3.1.4 and paragraph 18 of the Master Directions.
- 8.11 The Board of Directors of the Company has passed a resolution on June 21, 2014 for non-acceptance of public deposits.
- 8.12 The Company has not accepted any public deposits during the year ended March 31, 2021.

Restriction on Use

9. This report is addressed to Board of Directors and provided to the Management of the Company solely for the purpose of compliance with requirement of the Directions. It should not be used by any other person or for any other purpose. MSKA & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.
10. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W


Nipun Gupta
Partner
Membership Number: 502896
UDIN: 21502896AAAACU1877



Place: Gurugram
Date: August 13, 2021

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 financial statements of Sewa Grih Rin Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 40 to the financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has considered the impact which is required, the financial statements.

Our opinion is not modified in respect of this matter.

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

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

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

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



Responsibilities of Management and Those charged with Governance for 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 of 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, the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



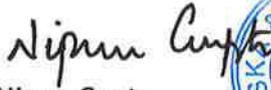
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& Associates

Chartered Accountants

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses except as mentioned in Note 30.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Nipun Gupta
Partner
Membership No. 502896
UDIN: 21502896AAAACV8109



Place: Gurugram
Date: August 13, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF SEWA GRIH RIN LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Nipun Gupta
Partner
Membership No. 502896
UDIN: 21502896AAAACV8109



Place: Gurugram
Date: August 13, 2021

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SEWA GRIH RIN LIMITED FOR THE YEAR ENDED MARCH 31, 2021
[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i.
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
 - (b) Fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii.
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of tax deducted at source, provident fund and professional tax.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.



- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of fully convertible preference shares during the year and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. The Company has obtained a registration certificate from the National Housing Bank since it is a Housing Finance Company. Therefore, the Company is not required a registration under section 45 IA of the Reserve Bank of India Act, 1934.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Nipun Gupta
Partner
Membership No. 502896
UDIN: 21502896AAAACV8109



Place: Gurugram
Date: August 13, 2021

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SEWA GRIH RIN LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sewa Grih Rin Limited on the Financial Statements for the year ended March 31, 2021]

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

We have audited the internal financial controls with reference to financial statements of Sewa Grih Rin Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 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.

Meaning of Internal Financial Controls With reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W


Nipun Gupta
Partner
Membership No. 502896
UDIN: 21502896AAAACV8109



Place: Gurugram
Date: August 13, 2021

Sewa Grih Rin Limited
Balance Sheet as at March 31, 2021
(All amounts are in Indian rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	780,103,570	551,532,170
Reserves and surplus	3	391,382,952	217,002,926
		1,171,486,522	768,535,096
Non current liabilities			
Long term borrowings	4	1,441,573,221	1,158,813,741
Long term provisions	5	15,797,544	11,889,091
		1,457,370,765	1,170,702,832
Current Liabilities			
Trade payables	6		
- Micro, small & medium Enterprises		342,000	1,661,325
- Other than micro, small & medium enterprises		8,122,971	8,547,060
Other current liabilities	7	352,725,658	306,264,329
Short term provisions	8	1,776,639	9,341,422
		362,967,268	325,814,136
TOTAL		2,991,824,555	2,265,052,064
ASSETS			
Non-current assets			
Property plant and equipment	9	8,961,018	8,257,048
Intangible assets	9	4,674,137	8,416,368
Intangible assets under development	9	2,943,000	
Long term loans and advances			
Long Term loans and advances	10	2,376,905,262	2,064,242,533
Other non-current assets	11	20,040,397	5,215,923
		2,413,523,814	2,086,131,872
Current Assets			
Cash and bank balances	12	364,564,586	50,690,690
Bank balances other than above	13	48,782,893	1,000,000
Short Term loans and advances	14	152,410,273	108,251,394
Other Current Assets	15	12,542,989	18,978,108
		578,300,741	178,920,192
TOTAL		2,991,824,555	2,265,052,064
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 MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

Nipun Gupta
Partner
Membership Number: 502896



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

Renana Jhabvala

Renana Jhabvala
Director
DIN: 01106825

Nagendra Saxena
Chief Financial Officer

Place: DELHI
Date: 13-08-2021



Shruti Savio Gonsalves

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

Preeti Singh
Company Secretary
Membership No: A29633

Place: GURGAON
Date: 13-08-2021

Sewa Grih Rin Limited**Statement of Profit and Loss for the period ended March 31, 2021**

(All amounts are in Indian rupees, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	16	460,974,278	376,319,666
Other income	17	21,603,974	4,025,800
Total revenue		482,578,252	380,345,466
Expenses			
Employee benefits expense	18	148,862,988	124,559,312
Depreciation and amortisation expense	9	7,671,365	6,659,419
Finance cost	19	179,705,501	169,944,991
Other expenses	20	53,363,286	68,822,716
Total expenses		389,603,140	369,986,438
Profit before tax		92,975,112	10,359,028
Tax expenses			
-Current Tax (Under MAT)		-	1,326,052
-MAT Credit entitlement		-	(1,326,052)
-Reversal of MAT Credit Entitlement		1,326,052	-
-Deferred Tax	32	-	-
-Earlier year tax adjustment		(1,326,052)	-
Profit after tax		92,975,112	10,359,028

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

Basic	24	1.69	0.19
Diluted		1.40	0.19

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 MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

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

Nipun Gupta
Nipun Gupta
Partner
Membership Number: 502896



Renana Jhabvala
Renana Jhabvala
Director
DIN: 01106825

Nagendra Saxena
Nagendra Saxena
Chief Financial Officer

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

Preeti Singh
Preeti Singh
Company Secretary
Membership No: A29633

Place: GURGAON
Date: 13-08-2021

Place: DELHI
Date: 13-08-2021



Sewa Grih Rin Limited

Cash Flow Statement for the period ended 31st March, 2021

(All amounts are in Indian rupees, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Net profit before taxation	92,975,112	10,359,028
Provision on loan assets & Gratuity	(3,291,488)	13,377,921
Depreciation of fixed assets	7,671,365	6,659,419
Loss on sale of fixed assets	-	14,430
Interest expense	179,692,001	155,738,678
ESOP expense	5,993,051	966,932
Operating profit before working capital changes	283,040,041	187,116,408
- Increase in loans and advances	(356,821,608)	(785,263,549)
- Increase in other current assets / Non-Current Assets	(8,024,503)	(17,225,346)
- Increase in trade payable	(1,743,414)	2,677,691
- Increase in other current liabilities and provisions	(113,277)	5,397,345
Cash used in operations	(83,662,761)	(607,297,450)
Tax paid / recoverable Tax Deducted at Source	(364,849)	364,849
Net cash used in operating activities (A)	(84,027,610)	(606,932,601)
Cash flow from investing activities		
Purchase of fixed assets	(7,576,103)	(5,898,127)
Adjustment of fixed assets	-	2,196
Issue of Compulsorily Convertible preference shares	228,571,400	-
Investment in bank deposits (having original maturity of more than 3 months)	(47,782,893)	(1,000,000)
Net cash flow generated from/ (used in) investing activities (B)	173,212,404	(6,895,931)
Cash flows from financing activities		
Security premium on Compulsorily Convertible preference shares	91,428,560	-
Share issue expenses on account of issue of 0.01% Compulsorily Convertible Preference Shares	(16,682,060)	-
Proceeds from borrowings	576,860,000	537,687,500
Repayment of borrowings	(247,328,363)	(249,673,337)
Amount transferred to/ from foreign currency translation reserve	665,364	(9,792,708)
Interest paid	(180,254,399)	(153,753,388)
Net cash flow generated from financing activities (C)	224,689,102	124,468,067
Net increase/(decrease) in cash and cash equivalents (A+B+C)	313,873,896	(489,360,463)
Cash and cash equivalents at the beginning of the year	50,690,690	540,051,153
Cash and cash equivalents at the end of the year	364,564,586	50,690,690
Components of cash and cash equivalents		
Balance with scheduled banks :		
- In current account	80,271,807	49,241,904
-Cash-in-hand & collection with branches	3,354,057	948,786
-Cheques/DD in hand	-	500,000
Fixed deposits with banks	280,938,722	-
	364,564,586	50,690,690

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

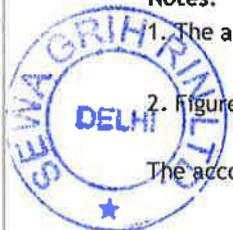
The accompanying notes are an integral part of the financial statements



Renana Jhabwala

Sgansalakes

Chakraborty
Pruthi



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

For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

Nipun Gupta
Nipun Gupta
Partner
Membership Number: 502896



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

Renana Jhabvala
Renana Jhabvala
Director
DIN: 01106825

Nagendra Saxena
Nagendra Saxena
Chief Financial Officer

Place: DELHI
Date: 13-08-2021

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

Preeti Singh
Preeti Singh
Company Secretary
Membership No: A29633



Place: GURGAON
Date: 13-08-2021

1 Corporate information and Significant accounting policies

a) Corporate information

Sewa Grih Rin Limited ("The Company") is a company incorporated on July 18, 2011 under the provisions of the Companies Act, 1956, and obtained a fresh Certificate of Incorporation on April 07, 2014 upon change of name on conversion to a Public Limited Company. It is a Housing Finance Company registered under section 29 A of The National Housing Bank Act, 1987 vide Registration Certificate No. 01.0118.15 dated January 24, 2015. The Company is engaged in providing secured retail home loans, home equity loans and loans against property to women borrowers for a period up to twenty years. The Company operates in India through 28 branches spread across seven Indian States viz. Delhi, Rajasthan, Madhya Pradesh, Uttar Pradesh, Maharashtra, Bihar 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

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.



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Renana Thabwala

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 is recognised on accrual basis. In respect of 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.



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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.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognised in Statement of profit or 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 of current tax, deferred tax and minimum alternate tax credit

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.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.



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Renema Thabwala

Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

J) Employee Benefits

Defined contribution plan

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

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

Defined Benefit Plan- Gratuity

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

Other short-term benefit

There is no obligation in respect of leave encashment.

k) Employee stock option scheme

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

l) Leases (as a lessee)

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

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.



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Chakraborty

Chakraborty

Renana Thakral



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. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

q) Derivative activities

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

r) Provision for standard assets, non performing assets

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

s) Special Reserve/ Statutory reserve

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



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Renanci Thakwala

Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

2 Share capital

	As at March 31, 2021	As at March 31, 2020
Authorised		
80,000,000 equity shares of Rs.10 each (Previous Year 80,000,000 equity shares)	800,000,000	800,000,000
24,000,000, 0.01% Compulsorily Convertible Preference Shares of Rs.10 each (Previous Year Nil preference shares)	240,000,000	-
Issued, subscribed and fully paid up		
55,153,217 equity shares of Rs.10 each (Previous Year 55,153,217 equity shares)	551,532,170	551,532,170
22,857,140 0.01% Compulsorily Convertible Preference Shares of Rs.10 each (Previous Year Nil preference shares)	228,571,400	-
	780,103,570	551,532,170

a) Reconciliation of the shares outstanding at

	Year ended March 31, 2021		Year ended March 31, 2020	
	Number	Amount	Number	Amount
Equity shares				
Outstanding at the beginning of the year	55,153,217	551,532,170	55,153,217	551,532,170
Issued during the year	-	-	-	-
Outstanding at the end of the year	55,153,217	551,532,170	55,153,217	551,532,170
Compulsorily convertible preference shares				
Outstanding at the beginning of the year	-	-	-	-
Issued during the year	22,857,140	228,571,400	-	-
Outstanding at the end of the year	22,857,140	228,571,400	-	-
	78,010,357	780,103,570	55,153,217	551,532,170

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

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Equity shares of Rs.10 each fully paid up held by				
Sewa Mutual Benefit Trust	20,813,558	37.74	20,813,558	37.74
AHI Capital Gateway, Inc	4,056,462	7.35	4,056,462	7.35
HDFC Holdings Limited	5,490,410	9.95	5,490,410	9.95
Oikocredit Ecumenical Development Cooperative Society U.A	13,495,277	24.47	13,495,277	24.47
Omidyar Network Fund Inc.	6,297,796	11.42	6,297,796	11.42
Total	50,153,503	90.93	50,153,503	90.93
0.01% Compulsorily Convertible Preference shares of Rs.10 each fully paid up held by				
WWB CP II Non SSA, LLC	16,071,428	70.31	-	-
HDFC Standard Life Insurance Co Ltd	1,785,714	7.81	-	-
Oikocredit Ecumenical Development Coop Society U.A	1,428,571	6.25	-	-
Omidyar Network Fund Inc.	2,857,142	12.50	-	-
	22,142,855	96.87	-	-

c) Rights, preferences and restrictions attached to equity shares

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

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

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

Conversion terms:

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

Compulsory Conversion: Earlier of:

a) the completion of the next round of equity infusion by third party investors in the Company of at least USD 5 million

b) the expiry of 18 months of the Closing Date, in which case the CCPS will convert to the Conversion Shares within the next Business Day following completion of 18 months from the Closing Date



Renuka Thabral

Ajossalves

Caroline

Pruthi

Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

3 Reserves & surplus

a) Securities premium account

Balance at the beginning of the year

Addition during the year on account of issue of 0.01% Compulsorily Convertible Preference Shares

Less: Share issue expenses on account of issue of 0.01% Compulsorily Convertible Preference Shares

b) Statutory reserve (special reserve)*

Balance at the beginning of the year

Add: Transferred from Statement of profit and loss

Balance at the end of the year

c) Share option outstanding account

Balance at the beginning of the year

Add: Provision for the year

Balance at the end of the year

d) Deficit in the statement of profit and loss

Balance at the beginning of the year

Add: Profit transferred from Statement of profit and loss

Less: Transfer to statutory reserve

Balance at the end of the year

e) Foreign Currency Monetary Item Translation Difference Account

Balance at the beginning of the year

Add: Created on foreign currency loan taken

Charged to Statement of profit or loss during the year

Balance at the end of the year

	As at March 31, 2021	As at March 31, 2020
a) Securities premium account		
Balance at the beginning of the year	378,539,182	378,539,182
Addition during the year on account of issue of 0.01% Compulsorily Convertible Preference Shares	91,428,560	-
Less: Share issue expenses on account of issue of 0.01% Compulsorily Convertible Preference Shares	(16,682,060)	-
	<u>453,285,682</u>	<u>378,539,182</u>
b) Statutory reserve (special reserve)*		
Balance at the beginning of the year	2,741,900	-
Add: Transferred from Statement of profit and loss	9,861,803	2,741,900
Balance at the end of the year	<u>12,603,703</u>	<u>2,741,900</u>
c) Share option outstanding account		
Balance at the beginning of the year	1,044,948	78,016
Add: Provision for the year	5,993,051	966,932
Balance at the end of the year	<u>7,037,999</u>	<u>1,044,948</u>
d) Deficit in the statement of profit and loss		
Balance at the beginning of the year	(155,530,397)	(163,147,525)
Add: Profit transferred from Statement of profit and loss	92,975,112	10,359,028
Less: Transfer to statutory reserve	(9,861,803)	(2,741,900)
Balance at the end of the year	<u>(72,417,087)</u>	<u>(155,530,397)</u>
e) Foreign Currency Monetary Item Translation Difference Account		
Balance at the beginning of the year	(9,792,709)	-
Add: Created on foreign currency loan taken	-	(9,792,708)
Charged to Statement of profit or loss during the year	665,365	-
Balance at the end of the year	<u>(9,127,344)</u>	<u>(9,792,708)</u>
	<u>391,382,952</u>	<u>217,002,926</u>



Signature



Renuka Jha

Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

4 Long Term Borrowings

Term Loans (Secured)

a) From Banks

i) Loan from Jana Small Finance Bank Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

As at March 31, 2021	As at March 31, 2020
20,871,958	35,988,541
17,192,676	15,116,583
3,679,282	20,871,958

ii) Loan from Utkarsh Small Finance Bank Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

62,396,913	75,694,137
17,017,320	16,666,656
45,379,593	59,027,481

iii) Loan from IDFC First Bank Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

156,495,343	150,000,000
11,178,234	-
145,317,109	150,000,000

Sub Total (a)

194,375,984	229,899,439
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b) From Others

iv) Loan from Housing Development Finance Corporation Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

66,650,845	84,423,321
20,154,890	17,481,686
46,495,955	66,941,635

v) Loan from National Housing Bank

Less: Current maturities transferred to "Other Current Liabilities"

324,074,490	53,990,000
50,988,462	7,650,000
273,086,028	46,340,000

vi) Loan from Northern Arc Capital Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

56,356,744	200,831,295
20,816,812	57,536,648
35,539,932	143,294,647

vii) Loan from Avanse Financial Services Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

32,730,022	37,837,061
7,947,683	7,241,501
24,782,339	30,595,560

viii) Loan from Reliance Commercial Finance Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

-	27,011,460
-	7,172,634
-	19,838,826

ix) Loan from Mass Rural Housing & Mortgage Finance Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

39,500,000	50,500,000
12,000,000	12,000,000
27,500,000	38,500,000

x) Loan from Hinduja Housing Finance Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

101,140,350	134,192,982
33,052,632	33,052,632
68,087,718	101,140,350

xi) Loan from Mass Financial Services Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

284,083,329	370,166,663
93,000,000	93,000,000
191,083,329	277,166,663

xii) Loan from Manappuram Finance Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

32,992,455	41,728,003
9,941,338	8,735,548
23,051,117	32,992,455

xiii) Loan from Overseas Private Investment Corp.

Less: Current maturities transferred to "Other Current Liabilities"

599,223,483	184,620,834
41,652,664	12,516,667
557,570,819	172,104,167

Sub Total (b)

1,247,197,237	928,914,303
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Gross term loans

1,776,515,932	1,446,984,297
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Less: Current maturities transferred to "Other Current Liabilities"

334,942,711	288,170,556
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1,441,573,221	1,158,813,741
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Ravana Thabwala

Gonsalves

Chakraborty

Bhush

Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

Terms of repayment, security and Interest rate

Sl. no.	Banks	Sanction Amount	Disbursement Amount	Roi	Balance tenure (in months)	Opening Principal outstanding	Closing Principal outstanding	Loans Hypothecated	Loans Hypothecated ratio
1	Jana Small Finance Bank Ltd.	70,000,000	20,000,000	13.00%	12	9,566,005	5,089,905	22,961,201	1.1
2	Jana Small Finance Bank Ltd.		10,000,000	13.00%	13	4,953,856	2,740,831		1.1
3	Jana Small Finance Bank Ltd.		40,000,000	13.00%	16	21,468,680	13,041,222		1.1
4	IDFC First Bank Ltd.	100,000,000	100,000,000	12.75%	87	100,000,000	104,330,229	114,775,442	1.1
5	IDFC First Bank Ltd.	50,000,000	50,000,000	12.75%	88	50,000,000	52,165,114	57,390,440	1.1
6	Utkarsh Small Finance Bank Ltd.	100,000,000	50,000,000	12.50%	42	36,110,964	29,779,026	62,867,332	1.0
7	Utkarsh Small Finance Bank Ltd.		50,000,000	12.50%	46	39,583,172	32,617,890		1.0
Total of Banks (A)		320,000,000	320,000,000			261,682,677	239,764,217	257,994,415	

Sl. no.	Financial Institutions	Sanction Amount	Disbursement Amount	Roi	Balance tenure (in months)	Opening Principal outstanding	Closing Principal outstanding	Loans Hypothecated	Loans Hypothecated ratio
1	Northern Arc Capital Ltd.	200,000,000	50,000,000	13.80%	-	31,074,584	-	-	NA*
2	Northern Arc Capital Ltd.		70,000,000	13.80%	-	45,717,969	-	-	NA*
3	Northern Arc Capital Ltd.		60,000,000	13.80%	-	40,126,684	-	-	NA*
4	Northern Arc Capital Ltd.		20,000,000	13.80%	-	13,730,477	-	-	NA*
5	Reliance Commercial Finance Ltd.	40,000,000	40,000,000	13.00%	-	27,011,460	-	-	NA*
6	Avanse Financial Services Ltd.	50,000,000	50,000,000	13.20%	42	37,837,061	32,730,022	32,737,033	1.0
7	Northern Arc Capital Ltd.	100,000,000	60,000,000	13.80%	27	41,923,755	33,671,449	62,044,252	1.1
8	Northern Arc Capital Ltd.		40,000,000	13.80%	28	28,257,827	22,685,295	-	1.1
9	HDFC Ltd. - II		50,000,000	50,000,000	11.75%	30	38,144,874	28,742,113	31,633,456
10	Mas Rural Housing & Mortgage Finance Ltd. - I	30,000,000	30,000,000	13.25%	32	21,500,000	16,000,000	17,644,253	1.1
11	Mas Financial Services Ltd. - I	40,000,000	40,000,000	13.25%	34	29,999,995	22,666,658	24,962,598	1.1
12	Mas Financial Services Ltd. - II	40,000,000	40,000,000	13.25%	34	29,999,995	22,666,658	24,992,879	1.1
13	Mas Financial Services Ltd. - III	40,000,000	40,000,000	13.25%	34	29,999,995	22,666,658	24,952,138	1.1

* NA refers to not applicable as the Closing Principal outstanding of the loans is Nil as on March 31, 2021



Jansalves

Chakraborty

Pruthi



Renuka Jhalwala

Sewa Grih Rin Limited
Notes to the Financial Statements for the year ended March 31, 2021
(All amounts are in Indian rupees, unless otherwise stated)

Terms of repayment, security and interest rate

Sl. no.	Financial Institutions	Sanction Amount	Disbursement Amount	RoI	Balance tenure (in months)	Opening Principal outstanding	Closing Principal outstanding	Loans Hypothecated	Loans Hypothecated ratio
14	Hinduja Housing Finance Ltd.-I	100,000,000	100,000,000	11.80%	35	77,192,982	56,140,350	61,767,358	1.1
15	Manappuram Finance Ltd.	50,000,000	50,000,000	13.00%	35	41,728,003	32,992,455	36,310,370	1.1
16	Mas Financial Services Ltd. - IV	50,000,000	50,000,000	13.15%	37	40,000,004	30,833,341	33,936,582	1.1
17	Mas Financial Services Ltd. - V	50,000,000	50,000,000	13.15%	37	40,000,004	30,833,341	33,943,230	1.1
18	Mas Financial Services Ltd. - VI	50,000,000	25,000,000	13.15%	31	21,875,002	16,145,839	35,574,030	1.1
19	Mas Financial Services Ltd. - VI	50,000,000	25,000,000	13.15%	31	21,875,002	16,145,839	35,574,030	1.1
20	Mas Financial Services Ltd. - VII	50,000,000	25,000,000	13.15%	31	21,875,002	16,145,839	35,549,309	1.1
21	Mas Financial Services Ltd. - VII	50,000,000	25,000,000	13.15%	31	21,875,002	16,145,839	35,549,309	1.1
22	Mas Financial Services Ltd. - VIII	50,000,000	25,000,000	13.15%	44	22,916,665	18,333,328	40,334,520	1.1
23	Mas Financial Services Ltd. - VIII	50,000,000	25,000,000	13.15%	44	22,916,665	18,333,328	40,334,520	1.1
24	Mas Financial Services Ltd. - IX	70,000,000	25,000,000	13.15%	44	23,749,999	18,749,995	58,483,327	1.1
25	Mas Financial Services Ltd. - IX	70,000,000	25,000,000	13.15%	44	23,749,999	18,749,995	58,483,327	1.1
26	Mas Financial Services Ltd. - IX	70,000,000	20,000,000	13.15%	46	19,333,334	15,656,671	35,574,030	1.1
27	HDFC Ltd. -III	50,000,000	50,000,000	12.10%	41	46,278,447	37,908,732	41,760,370	1.1
28	Hinduja Housing Finance Ltd.-II	60,000,000	60,000,000	12.70%	45	57,000,000	45,000,000	49,518,684	1.1
29	Mas Rural Housing & Mortgage Finance Ltd.-II	30,000,000	30,000,000	13.15%	47	29,000,000	23,500,000	25,879,129	1.1
30	United States International Development Finance Corporation (DFC)	2,250,000,000	177,687,500	4.38%	55 quarters	184,620,834	172,387,083	389,069,638	1.05
			226,860,000	4.38%	55 quarters	-	212,179,500	389,069,638	1.05
			218,309,400	4.38%	55 quarters	-	214,656,900	389,069,638	1.05
	Total of Financial Institutions (B)	3,450,000,000	1,822,856,900			1,131,311,620	1,212,677,225	1,061,093,157	

S. no.	National Housing Bank (NHB)	Sanction Amount	Disbursement Amount	RoI	Balance tenure (in quarters)	Opening Principal outstanding	Closing Principal outstanding	Loans Hypothecated	Loans Hypothecated ratio
1	NHB - Regular I	33,400,000	33,400,000	6.15%	4	17,250,000	5,000,000	21,841,761	1.20
2	NHB - Regular II	50,000,000	50,000,000	6.10%	25	36,740,000	32,840,000	51,591,083	1.20
3	NHB - Regular III	150,000,000	150,000,000	6.10%	39	-	150,000,000	195,333,274	1.35
4	NHB - LIFT scheme	200,000,000	110,000,000	8.10%	10	-	60,634,490	306,287,330	1.35
5	NHB - LIFT scheme	200,000,000	90,000,000	6.90%	16	-	75,600,000	306,287,330	1.35
	Total of NHB (C)	433,400,000	433,400,000			53,990,000	324,074,490	575,053,448	
	Total (A+B+C)	4,203,400,000	2,576,256,900			1,446,984,297	1,776,515,932	1,894,141,021	

Note: Charge has been created with ROC in respect of all the loans.



Agaswal

Consequence

Pooja

Ravani Jhalwala



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

5 Long Term Provisions

Provision for Loans:

For standard assets

For sub-standard assets

For re-structured assets

For Doubtful assets

Provision for Employees benefits:

For Gratuity

	As at March 31, 2021	As at March 31, 2020
For standard assets	7,383,785	6,470,786
For sub-standard assets	654,967	712,924
For re-structured assets	167,139	-
For Doubtful assets	848,295	35,180
Provision for Employees benefits:		
For Gratuity	6,743,358	4,670,201
	15,797,544	11,889,091

6 Trade Payables

Total outstanding dues of micro enterprises and small enterprise

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

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprise	342,000	1,661,325
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,122,971	8,547,060
	8,464,971	10,208,385

7 Other Current Liabilities

Current maturities of long term loans

Interest accrued but not due

Advance EMI's collected from customers

Amount refundable to borrowers

Statutory dues (including provident fund and TDS)

Employee related payables

	As at March 31, 2021	As at March 31, 2020
Current maturities of long term loans	334,942,711	288,170,555
Interest accrued but not due	3,083,113	3,645,512
Advance EMI's collected from customers	2,715,092	6,291,545
Amount refundable to borrowers	2,207,646	1,339,344
Statutory dues (including provident fund and TDS)	4,969,537	3,623,443
Employee related payables	4,807,559	3,193,930
	352,725,658	306,264,329

8 Short Term Provisions

Provision for Loans:

For standard assets

Provision for Employees benefits:

For Gratuity

Provision for Income Tax (under MAT) (Net of TDS Receivable)

	As at March 31, 2021	As at March 31, 2020
For standard assets	471,080	8,253,901
Provision for Employees benefits:		
For Gratuity	1,305,559	722,672
Provision for Income Tax (under MAT) (Net of TDS Receivable)	-	364,849
	1,776,639	9,341,422



Agosales *Chandana* *Beeti*



Renana Thabwalq

Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

9 Property plant and equipment

Particulars	Tangible asset (A)				Intangible asset (B)	Intangible asset under development (C)	Total (A+B+C)
	Furniture and fixtures	Office equipment	Computers accessories and server hardware	Total	Computer software	Software under development	
(i) Gross Block							
Balance as at March 31, 2019	2,352,961	1,583,990	7,436,562	11,373,513	19,560,515	-	30,934,028
Additions	894,101	407,021	3,785,023	5,086,145	811,982	-	5,898,127
Disposals / Adjusted	-	128,196	6,998	135,194	-	-	135,194
Balance as at March 31, 2020	3,247,062	1,862,815	11,214,587	16,324,464	20,372,497	-	36,696,961
Additions	102,761	227,856	3,288,277	3,618,893	1,014,210	2,943,000	7,576,103
Disposals / Adjusted	-	-	-	-	-	-	-
Balance as at March 31, 2021	3,349,823	2,090,671	14,502,864	19,943,357	21,386,707	2,943,000	44,273,064
(ii) Accumulated Depreciation							
Balance as at March 31, 2019	558,982	662,401	4,366,263	5,587,646	7,895,048	-	13,482,694
For the year	275,245	337,010	1,986,083	2,598,338	4,061,081	-	6,659,419
Disposals	-	111,570	6,998	118,568	-	-	118,568
Balance as at March 31, 2020	834,227	887,841	6,345,348	8,067,416	11,956,129	-	20,023,545
For the year	310,170	318,308	2,286,445	2,914,923	4,756,441	-	7,671,365
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	1,144,397	1,206,149	8,631,793	10,982,339	16,712,570	-	27,694,910
(iii) Net Block							
Balance as at March 31, 2020	2,412,835	974,974	4,869,239	8,257,048	8,416,368	-	16,673,416
Balance as at March 31, 2021	2,205,426	884,522	5,871,071	8,961,018	4,674,137	2,943,000	16,578,154



Apasakhee *Chandana* *Pruthi*
Renana Thabvala



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

13 Other bank balances

Deposits with original maturity of more than 3 months

As at March 31, 2021	As at March 31, 2020
48,782,893	1,000,000
48,782,893	1,000,000

14 Short term loans and advances

Housing and property loans

a) Secured by mortgageable securities

- Housing Loans

- Loan against House Property

As at March 31, 2021	As at March 31, 2020
64,631,275	49,667,306
62,516,659	41,274,787

b) Secured by other securities

- Housing Loans

- Loan against House Property

As at March 31, 2021	As at March 31, 2020
14,737,563	10,357,674
7,008,130	3,846,220

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

Current portion of housing and property loans

As at March 31, 2021	As at March 31, 2020
148,893,627	105,145,987

Advances recoverable in cash or kind

Advance to Employees

Balance with Government Authorities

GST credit

MAT Credit entitlement

As at March 31, 2021	As at March 31, 2020
240,246	165,154
1,128,889	1,032,668
2,147,511	581,533
-	1,326,052

As at March 31, 2021	As at March 31, 2020
152,410,273	108,251,394

15 Other Current Assets

(Unsecured-considered good)

EMI and interest accrued but not due

Initial money and processing fees receivable

Deferred Interest for Moratorium period

Prepaid expenses and advances given

Accrued interest on fixed deposit

As at March 31, 2021	As at March 31, 2020
11,191,207	105,909
43,453	1,224,428
47,282	16,247,903
1,256,399	1,289,704
4,648	110,164
12,542,989	18,978,108



Ajensakus

Carboxene

bruh

Renana Jhabwal



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

16 Revenue from operations

Interest on loans
Loan processing fees / prepayment charges
Initial money deposit
Other operating Revenue
Interest on fixed deposits
Collection charges recovered

Year ended March 31, 2021	Year ended March 31, 2020
433,423,587	335,442,568
10,382,262	20,525,868
3,000,729	6,306,805
9,071,014	9,330,305
5,096,686	4,714,120
460,974,278	376,319,666

17 Other income

Foreign exchange gain (net)
Provision on standard assets*
Provision on sub-standard assets
Interest on income tax refund

Year ended March 31, 2021	Year ended March 31, 2020
14,606,284	4,025,800
6,869,822	-
57,957	-
69,911	-
21,603,974	4,025,800

* This includes the reversal of Provision for Covid-19. Refer note 33T.

18 Employee benefits expense

Salary, allowances and incentives
Contribution to provident fund and other funds*
Gratuity expense (refer note 21)
Staff welfare & Insurance expenses
Employee share option expense

Year ended March 31, 2021	Year ended March 31, 2020
130,710,731	112,641,619
7,073,992	4,303,186
2,656,044	2,300,740
2,429,170	4,346,835
5,993,051	966,932
148,862,988	124,559,312

* Net of Rs. 110,013 subsidy received under PMRPY (previous year - Rs. 94,536)

19 Finance Cost

Interest expense on term loans*
Other borrowing cost

Year ended March 31, 2021	Year ended March 31, 2020
179,692,001	155,738,678
13,500	14,206,313
179,705,501	169,944,991

* The Company has net foreign exchange gain on reinstatement of the foreign currency borrowings, therefore, the impact of para 4(e) of Accounting Standard-16 in the current year is not disclosed.

20 Other Expenses

Electricity and water charges
Rent
Advances written off
Repair and maintenance-Others
Advertisement and marketing expenses
Software maintenance charges
Staff recruitment and training
Office expenses
Printing and stationery
Director's sitting fees
Professional and consultancy expenses
Legal expenses
Cash Collection & Bank charges
Telephone, mobile and internet
Postage and courier
Travelling and conveyance
Rates and Taxes
Late Filing Fees & Interest
Remuneration to auditors:
-Audit fees
-Tax audit fees
-Certification & Other Services
Festival expenses
Provision on standard assets
Provision on sub-standard assets
Provision on re-structured assets
Provision on doubtful assets
Loss on sale of fixed assets
Miscellaneous expenses

Year ended March 31, 2021	Year ended March 31, 2020
1,727,265	2,129,796
9,813,061	9,305,590
-	121,447
3,069,212	3,154,352
73,400	300,366
5,054,469	3,302,994
2,092,310	958,402
2,811,154	2,694,044
533,051	1,031,661
365,150	267,050
13,040,659	15,502,693
5,415,744	6,067,604
968,954	1,035,902
1,345,429	1,279,963
820,424	968,117
3,023,583	6,139,855
897,265	1,964,448
161,103	125,155
440,000	400,000
50,000	50,000
427,900	90,000
90,385	678,144
-	10,446,626
-	595,375
167,139	-
813,115	35,180
-	14,430
162,514	163,523
53,363,286	68,822,716



Renuka Thakur

Associates

Book

21 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, 2021	Year ended March 31, 2020
Employers contribution to provident fund (Refer note 18)	7,073,992	4,303,186
Total	7,073,992	4,303,186

(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

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate (per annum)	6.76%	5.04%
Expected rate of future salary increase	7.00%	7.00%
Retirement age (years)	60	60
Mortality table	IALM (2012 - 14)	IALM (2012 - 14)
Withdrawal rate		
Up to 30 Years	45.84%	56.24%
From 31 to 44 years	30.87%	39.00%
Above 44 years	8.68%	14.24%

The discount rate assumed is 6.76% (previous year: 5.04%) 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, 2021	Year ended March 31, 2020
Opening present value of obligation	5,392,873	3,092,133
Interest cost	271,801	236,857
Current service cost	1,659,318	1,217,125
Benefits paid	-	-
Actuarial gain/ (loss) on obligation	724,925	846,758
Closing present value of obligation	8,048,917	5,392,873

C. Expense recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	1,659,318	1,217,125
Interest cost	271,801	236,857
Net actuarial loss/(gain) to be recognized	724,925	846,758
Expense recognised in the Statement of Profit and Loss (Refer note below)	2,656,043	2,300,740

Note:

Expense recognised in employee benefit expenses (Refer note 18)	2,656,043	2,300,740
---	-----------	-----------

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Present value of defined benefit obligation	8,048,917	5,392,873
Fair value of plan assets	-	-
Net funded status	8,048,917	5,392,873

Recognised under:

Short term provision (Refer note 8)	1,305,559	722,672
Long term provision (Refer note 4)	6,743,358	4,670,201



Ravara Jhabwala

Signature



Signature

Signature

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

Particulars	As at				
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
PBO	8,048,917	5,392,873	3,092,133	1,832,345	1,013,287
Plan assets	-	-	-	-	-
Net assets/(liability)	(8,048,917)	(5,392,873)	(3,092,133)	(1,832,345)	(1,013,287)
Experience (gain)/loss on PBO	640,709	(4,257,836)	3,627	120,234	115,907
Experience (gain)/loss on plan assets	-	-	-	-	-

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

Particulars	Year ended	Year ended
	March 31, 2021	March 31, 2020
Gratuity	2,308,835	1,620,826

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

a. Contingent Liability

Bank Guarantee

	As at	As at
	March 31, 2021	March 31, 2020
Bank Guarantee	15,000,000	-

Commitment

The Company has sanctioned loans which are still to be disbursed amounting to Rs. 161,885,921 (Previous year Rs. 115,089,400)

Particulars

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

	As at	As at
	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for	-	2,020,750

23 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.

24 Earning Per Share

Particulars

	As at	As at
	March 31, 2021	March 31, 2020
Net profit attributable to equity shareholders for basic and diluted EPS (a)	92,975,112	10,359,028
Weighted average of number of equity shares outstanding during the year (b)	55,153,217	55,153,217
Weighted average of diluted number of equity shares outstanding during the year (c)*	66,299,987	55,153,217
Nominal value of shares	10	10
Basic earnings per equity share (a/b)	1.69	0.19
Diluted earnings per equity share (a/c)	1.40	0.19

*Since conversion ratio is dependent on future events and is not defined as on March 31, 2021, the conversion ratio for the sake of computing diluted earnings per share has been assumed at 1:1.



Operational. Consistent. Books



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Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

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

The required disclosure under the MSMED Act are given below:

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
The principal amount	342,000	1,661,325
The interest due thereon	-	-
(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.	-	-

26 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

Key Management Personnel (KMP)

Name	Designation
Shruti Savio Gonsalves	Managing Director & Chief Executive Officer
Nagendra Nath Saxena	Chief Financial Officer
Preeti Singh	Company Secretary

B. Transaction with related parties

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Issue of 0.01% CCPS (including security premium)		
Oikocredit Ecumenical Development Cooperative Society U.A	19,999,994	-
Remuneration (Including Incentives)*		
Shruti Savio Gonsalves	7,996,648	7,205,761
Nagendra Nath Saxena	3,190,106	2,876,130
Preeti Singh	1,868,731	1,679,706
Reimbursement expenses		
Shruti Savio Gonsalves	44,432	43,182

C. Balance outstanding as at year end:

Particulars	As at March 31, 2021	As at March 31, 2020
Incentive Payable		
Shruti Savio Gonsalves	656,800	289,792
Nagendra Nath Saxena	253,434	181,033
Preeti Singh	58,512	22,905

*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.



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Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

27 Employee Stock Option Plan - "SGRL ESOP 2018"

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

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

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

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

Date of Grant	March 28, 2019	June 19, 2020	September 21, 2020
Number of ESOPs granted	1,582,000	18,000	989,513
Fair value of equity shares	Rs. 22.18	Rs. 13.68	Rs. 13.68
Grant price	Rs. 17.68	Rs. 18.56	Rs. 18.56
Exercise Period	Options are exercisable on expiry of 24 months from the date of grant	50% Options are exercisable on expiry of 15 months and 50% are exercisable on expiry of 24 months from the date of grant	Options are exercisable on expiry of 24 months from the date of grant

Vesting Condition:-

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

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

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Number of Options	Amount (Rs)	Number of Options	Amount (Rs)
Outstanding at the beginning of the year	1,564,000	34,689,520	1,582,000	35,088,760
Granted during the year	1,007,513	18,699,441	-	-
Relinquished during the year	-	-	18,000	399,240
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the Year	2,571,513	53,388,961	1,564,000	34,689,520

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 18) includes Rs. 5,993,051 (Previous year Rs. 966,332) being the amortisation of deferred employee compensation.

28 Segment Information

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



Agarwal *Chakraborty* *Bhat*

Renana Thakral



29 Expenditure In Foreign Currency

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Agent Fees (Cogency Global INC)	-	192,730
Facility Fees / Maintenance Fees	569,447	6,783,343
Interest expense	17,403,481	-
Foreign Travelling expenses Reimbursement	-	158,127

Earnings In Foreign Currency

There are no foreign currency earnings during the year ended March 31, 2021 and March 31, 2020.

30 Derivative Instruments and Unhedged foreign currency exposure

a. Derivative outstanding at the reporting date

Particulars	Purpose	Strike price	As at March 31, 2021 (in USD)	As at March 31, 2020 (in USD)
		71.26	265,678	538,757
		72.73	1,286,180	-
Option/ call spread option contracts to buy/ sell USD	Hedge of external commercial borrowing	73.57	140,394	-
		73.60	283,800	-
		75.75	462,760	-
			<u>2,438,812</u>	<u>538,757</u>

b. Mark-to-market

Particulars	As at March 31, 2021	As at March 31, 2020
Mark-to-market gain provided for	18,722,353	4,109,576

c. The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2021

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Foreign Currency loan	USD	8,786,806	1,907,409

31 The Company has entered into lease transactions mainly for leases of office, branch and storage for a period between 1 and 3 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. 9,813,061 (previous year Rs. 9,302,050).

32 Deferred tax asset

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation of fixed assets	124,073	(724,094)
Disallowance under Income tax Act	226,512	546,534
Carry forward loss and unabsorbed depreciation	3,588,340	38,062,346
Provision for gratuity	2,025,751	1,542,362
Provision on loan assets	2,397,318	4,425,218
	<u>8,361,994</u>	<u>43,852,366</u>

Since there is no virtual certainty that carry forward losses would be set off in the near future, the deferred tax asset has not been recognised as a matter of prudence.



Agonvales *Condone* *Pruthi*

Renana Jhabra



Sewa Grih Rin Limited
Notes to the Financial Statements for the year ended March 31, 2021
(All amounts are in Indian rupees, unless otherwise stated)

33 Disclosures required by NHB

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

B Capital to Risk Assets Ratio (CRAR)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
(i) CRAR (%)	66.21%	51.50%
(ii) CRAR - Tier I Capital (%)	65.76%	50.52%
(iii) CRAR - Tier II Capital (%)	0.45%	0.98%
(iv) Amount of subordinated debt raised as Tier - II Capital	0.00%	0.00%
(v) Amount raised by issue of Perpetual Debt Instruments	0.00%	0.00%

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

Particulars	Year Ended	Year Ended
	March 31, 2021	March 31, 2020
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	2,741,900	-
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
	2,741,900	-
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	9,861,803	2,741,900
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act,	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	12,603,703	2,741,900
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into Account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
Total	12,603,703	2,741,900

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

D Investments

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Value of Investments		
Gross value of investments		
(i) In India	-	-
(ii) Outside India	-	-
Provisions for Depreciation		
(i) In India	-	-
(ii) Outside India	-	-
Net value of investments		
(i) In India	-	-
(ii) Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	-	-
Add: Provisions made during the year	-	-
Less: Write-off / Written-back of excess provisions during the year	-	-
Closing balance	-	-

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Ruchi

Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

E Derivatives

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)		
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-
Exchange Traded Interest Rate (IR) Derivative		
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-
Disclosures on Risk Exposure in Derivatives		
A. Qualitative Disclosure: The Company does not have any Exchange Traded Interest Rate (IR) Derivative and Forward Rate Agreement (FRA) / Interest Rate Swap (IRS). The Company has option contracts/ Call Spread Options for the External Commercial Borrowings, as mentioned in Note 30.		
B. Quantitative Disclosure		
(i) Derivatives (Notional Principal Amount):	-	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

F Area and Country of operations

Sewa Grih Rin Limited is a Housing Finance Company registered under section 29 A of The National Housing Bank Act, 1987 vide Registration Certificate No. 01.0118.15 dated January 24, 2015. The Company is engaged in providing secured retail home loans, home equity loans and loans against property to women borrowers for a period up to twenty years. The Company operates in India through 28 branches spread across seven Indian States viz. Delhi, Rajasthan, Madhya Pradesh, Uttar Pradesh, Maharashtra, Bihar and Gujarat.

G Securitization/ Assignment during the year:

Particulars	As at	As at
	March 31, 2021	March 31, 2020
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	-	-
Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction		
(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	-	-
Details of Assignment transactions undertaken by HFCs		
(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	-	-
Details of non-performing financial assets purchased / sold		
A. Details of non-performing financial assets purchased:		
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. Details of Non-performing Financial Assets sold:		
1. No. of accounts sold	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-

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Agonsalwa *Chakraborty* *Bhat*



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

H. Asset Liability management:

Maturity pattern of certain items of assets and liabilities as on March 31, 2021 and March 31, 2020*

Description	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities:											
Borrowing from Banks/ NBFCs	10,880,521	10,973,095	10,971,026	78,203,087	150,262,317	563,107,301	150,132,167	68,717,856	102,045,079	-	1,177,292,449
Foreign Currency Liabilities	-	-	10,413,190	10,413,190	20,826,284	91,428,930	83,305,523	83,305,523	124,958,284	174,571,559	599,223,483
(Previous Year)	(21,146,608)	(21,977,537)	(25,098,182)	(72,229,893)	(147,718,336)	(638,857,603)	(289,450,557)	(64,004,958)	(107,047,456)	(59,453,168)	(1,446,984,298)
Total	18,880,521	18,973,095	29,384,216	88,616,277	179,088,601	654,536,231	233,437,690	152,023,379	227,003,363	174,571,559	1,776,515,932
(Previous Year)	(21,146,608)	(21,977,537)	(25,098,182)	(72,229,893)	(147,718,336)	(638,857,603)	(289,450,557)	(64,004,958)	(107,047,456)	(59,453,168)	(1,446,984,298)
Assets:											
Advances# (Housing & Property Loans)	10,647,645	10,520,866	10,632,159	33,688,972	83,403,985	340,669,095	419,241,874	489,820,407	758,514,117	358,195,467	2,515,334,587
(Previous Year)	(308,895)	(313,722)	(8,651,355)	(26,783,613)	(69,088,402)	(277,213,400)	(355,486,173)	(420,740,840)	(716,815,987)	(291,168,840)	(2,166,571,227)
Total	10,647,645	10,520,866	10,632,159	33,688,972	83,403,985	340,669,095	419,241,874	489,820,407	758,514,117	358,195,467	2,515,334,587
(Previous Year)	(308,895)	(313,722)	(8,651,355)	(26,783,613)	(69,088,402)	(277,213,400)	(355,486,173)	(420,740,840)	(716,815,987)	(291,168,840)	(2,166,571,227)

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



Signature

Consent

Books

Renana Thabral



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

I Exposure

a. Exposure to Real Estate Sector

Category	As at March 31, 2021	As at March 31, 2020
(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	1,450,994,912	1,258,083,687
- Individual housing loans above Rs.15 lakh		
- Loans mortgaged against housing property	1,064,339,675	908,487,540

(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, 2021 and March 31, 2020.

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 (SGL)/ 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

The Company has not given any unsecured advances during the year and as on March 31, 2021 and March 31, 2020

J Registration obtained from financial sector regulators

a. From NHB - vide registration number - 01.0118.15

b. From Ministry of Corporate Affairs - CIN-U65923DL2011PLC222491

The company has not obtained registration from any other financial sector regulator.

K Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010.

During the current year:-

a. No penalty has been imposed by NHB or other regulators during the year on the Company except below:

- Late submission fee (LSF) of Rs. 147,083 (Previous Year Rs.110,000) to RBI has been paid during the year on account of late submission of Form FC-GPR.

b. NHB has carried out inspection for FY 2018-19 and has not reported any adverse comment having material impact on the financials of the Company. For FY 2020-

21, credit inspection has been carried out and NHB has not reported any adverse comment having material impact on the financials of the Company.

L Rating assigned by Credit Rating Agencies and migration of rating

March 31, 2021: Bank loan - CRISIL BBB/Stable (Reaffirmed)

March 31, 2020: Bank term loan - CARE BBB-; Positive (Triple B minus; Outlook Positive); Outlook has improved from Stable to Positive

M Related party transactions

Related party transactions are disclosed in Note No. 26



Sgansulhas *Constance* *Chudh*



Renana Thabrala

Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

N Remuneration of Directors and auditors

Remuneration of Directors has been disclosed in Note No. 26 and Remuneration of auditor has been disclosed in Note No. 20.

O Management

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

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

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

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

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

T Provisions and Contingencies

a. Summary of movement in provisions:

Particulars	As at March 31, 2020	Provision made during the Year	Provision Reversed /Adjusted during the Year	As at March 31, 2021
Provision for depreciation on Investment	-	-	-	-
Provision for income tax	1,326,052	-	(1,326,052)	-
Provisions against standard assets	6,764,296	1,090,569	-	7,854,865
Provisions against sub standard assets	712,924	-	(57,957)	654,967
Provisions against doubtful assets	35,180	813,115	-	848,295
Other Provision and Contingencies				
- Gratuity	5,392,873	2,656,044	-	8,048,917
- Provision on account of COVID-19	7,960,391	8,000,000	(15,960,391)	-
- Provision for Restructured Loan assets	-	167,139	-	167,139

b. Break up of loans and advances and provision thereon

Particulars	Housing		Non-Housing	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Standard Assets				
Total outstanding amount	1,446,058,542	1,254,943,505	1,059,929,479	906,734,185
Provision made	3,615,147	7,999,524	4,239,718	6,725,164
Sub - Standard Assets				
Total outstanding amount	1,797,091	2,999,465	2,569,348	1,753,355
Provision made	269,564	449,921	385,403	263,003
Doubtful Assets - Category - I				
Total outstanding amount	2,169,639	140,717	998,390	-
Provision made	542,410	35,180	249,598	-
Doubtful Assets - Category - II				
Total outstanding amount	140,717	-	-	-
Provision made	56,287	-	-	-
Doubtful Assets - Category - III				
Total outstanding amount	-	-	-	-
Provision made	-	-	-	-
Loss assets				
Total outstanding amount	-	-	-	-
Provision made	-	-	-	-
Re-structured assets				
Total outstanding amount	828,922	-	842,459	-
Provision made	82,893	-	84,246	-
Total Amount				
Total outstanding amount	1,450,994,912	1,258,083,687	1,064,339,675	908,487,540
Provision made	4,566,301	8,484,625	4,958,965	6,988,167



Renana Thabwala

Agonshues

Carshene

Bruck



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

c. Draw Down from Reserves

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

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

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

ii. Concentration of loans and advances -

Particulars	As at March 31, 2021	As at March 31, 2020
Total loans and advances to twenty largest borrowers	20,120,671	18,053,062
Percentage of loans and advances to twenty largest borrowers to total Advances of the HFC	0.80%	0.83%

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

Particulars	As at March 31, 2021	As at March 31, 2020
Total loans and advances to twenty largest borrowers	20,120,671	18,053,062
Percentage of loans and advances to twenty largest borrowers to total Advances of the HFC	0.75%	0.79%

iv. Concentration of NPAs

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to top ten NPA accounts	4,407,818	3,418,271

v. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2021	As at March 31, 2020
A Housing Loans :		
1 Individuals	0.16%	0.14%
2 Builders / Project Loans	-	-
3 Corporates	-	-
4 Others	-	-
B Non- Housing Loans :		
1 Individuals	0.14%	0.08%
2 Builders / Project Loans	-	-
3 Corporates	-	-
4 Others	-	-



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Renana Thabwala



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

vi. Movement of NPAs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Net NPAs to Net Advances (%)	0.25%	0.19%
(ii) Movement of NPAs (Gross)		
a) Opening balance	4,893,537	783,661
b) Additions during the year	4,827,095	7,187,298
c) Reductions during the year	2,045,446	3,077,423
d) Closing balance	7,675,185	4,893,537
(iii) Movement of NPAs (Net)		
a) Opening balance	4,145,432	666,112
b) Additions during the year	3,702,560	6,095,129
c) Reductions during the year	1,676,069	2,615,809
d) Closing balance	6,171,923	4,145,432
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	748,104	117,549
b) Additions during the year	1,124,535	1,092,169
c) Reductions during the year	369,377	461,613
d) Closing balance	1,503,262	748,104

e. Overseas Assets

The Company did not have overseas assets for the year ended March 31, 2021 and March 31, 2020.

f. The Company do not have any Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) as at March 31, 2021 and March 31, 2020.

U The Company has not purchased or sold any non-performing financial assets from any other HFCs during the year ended March 31, 2021 and March 31, 2020.

V Exposure to group companies engaged in real estate business

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

W Group Structure

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

X Disclosure of customer complaints

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) No of complaints pending at the beginning of the year	-	1
b) No of complaints received during the year	11	18
c) No of complaints redressed during the year	11	19
d) No of complaints pending at the end of the year	-	-



Handwritten signatures: Jyotsna, Carina, Prachi

Handwritten signature: Renana Thabvala



Sewa Grih Rin Limited
Notes to the Financial Statements for the year ended March 31, 2021
(All amounts are in Indian rupees, unless otherwise stated)

Y. Schedule to the Balance Sheet of an HFC

Particulars	Amount outstanding	Amount overdue
Liabilities side		
I Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
a) Debentures : Secured	-	-
Unsecured	-	-
b) Deferred Credits	-	-
c) Term Loans	1,779,599,045	-
d) Inter-corporate loans and borrowing	-	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans (specify nature)	-	-
II Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
a) In the form of Unsecured debentures	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
c) Other public deposits	-	-
Assets side		
III Break-up of Loans and Advances including bills receivables [other than those included in (IV) below]:		Amount outstanding
a) Secured		2,515,334,587
b) Unsecured		-
IV Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
i) Lease assets including lease rentals under sundry debtors		
a) Financial lease		-
b) Operating lease		-
ii) Stock on hire including hire charges under sundry debtors		
a) Assets on hire		-
b) Repossessed Assets		-
iii) Other loans counting towards asset financing activities		
a) Loans where assets have been repossessed		-
b) Loans other than (a) above		-
V Break-up of Investments		
Current Investments		
Quoted		
i) Shares		
a) Equity		-
b) Preference		-
ii) Debentures and Bonds		-
iii) Units of mutual funds		-
iv) Government Securities		-
v) Others (please specify)		-
Unquoted		
i) Shares		
a) Equity		-
b) Preference		-
ii) Debentures and Bonds		-
iii) Units of mutual funds		-
iv) Government Securities		-
v) Others (please specify)		-



Agarwal

Chakraborty

Chakraborty

Renana Thakral



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

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	2,505,809,321	-	2,505,809,321

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	7,675,185
ii) Net Non-Performing Assets	
a) Related parties	-
b) Other than related parties	6,171,923
ii) Assets acquired in satisfaction of debt	-



Agarwal

Chakraborty

Chakraborty

Renana Thakral



Z Disclosure on Liquidity risk

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

Number of significant counterparties	Amount	% of Total deposits	% of Total liabilities
12	1,776,515,932	NA	98%

ii. Top 20 large deposits

Particulars	As at March 31, 2021
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, 2021
Total amount of top 10 borrowings	1,722,913,952
Percentage of amount of top 10 borrowings to total borrowings	95%

iv. Funding concentration based on significant instrument/product

Particulars	Amount	% of Total liabilities
Term loans (including NHB refinance)	1,177,292,449	65%
External Commercial Borrowing	599,223,483	33%

v. Stock Ratios:

Particulars	% of Total public funds	% of Total liabilities	% of Total assets
a) Commercial papers	NA	NA	NA
b) Non-convertible debentures (original maturity of less than one year)	NA	NA	NA
c) Other short-term liabilities, if any	NA	20%	12%

vi. Institutional set-up for liquidity risk management

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

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

34 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, 2021	As at March 31, 2020
Principal Business Criteria		
Total assets	2,991,824,555	2,265,052,064
Less: Intangible assets	(7,617,137)	(8,416,368)
Total assets (netted off by intangible assets)	2,984,207,418	2,256,635,696
Total Housing loans	1,450,994,912	1,258,083,687
Total Housing loans as a % of total assets (netted off by intangible assets)	49%	56%
Total Individual Housing loans	1,450,994,912	1,258,083,687
Total Individual Housing loans as a % of total assets (netted off by intangible assets)	49%	56%

35 As per RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020, Housing finance company shall mean a company incorporated under the Companies Act, 2013 that fulfil the following conditions:

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

Registered HFCs which do not currently fulfil the criteria as specified above, but wish to continue as HFCs, shall be provided with the timeline upto March 31, 2024 for transition.

Such HFCs shall be required to submit to the Reserve Bank, a Board approved plan including a roadmap to fulfil the above-mentioned criteria and timeline for transition.

The Board of directors of the Company has approved a detailed roadmap to fulfil the above-mentioned criteria and timeline for transition in its Board meeting held on January 21, 2021 for submission to Reserve Bank.

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

37 The Company had credited an ex-gratia amount of Rs. 8,228,825 for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 Issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.



Jaganath
Chandana
Preethi
Renana Thabwala



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees, unless otherwise stated)

- 38 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr.) vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. The company has complied with the provisions as per paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection.
- 39 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, 2021, as it does not meet the conditions mentioned under section 135(1) of the Companies Act, 2013.
- 40 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day 1.0 lockdown across the country to contain the spread of the virus, which was further extended till May 3, 2020, May 17, 2020, May 31, 2020 and June 8, 2020. This pandemic and response thereon created disruption in global supply chain and adversely impacted most of the industries which resulted in global slowdown.

Pursuant to Reserve Bank of India (RBI) Circulars dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 - Regulatory Package', Company granted moratorium of three months on payments of all instalments falling due between March 1, 2020 and May 31, 2020 to all willing borrowers. For all such accounts where the moratorium was granted, the days past due status for the period of moratorium was based on the days past due status as on February 29, 2020. The Company continued to recognize interest income during the moratorium period.

In wake of continued disruption and extension of lockdown, RBI vide its circular dated May 23, 2020, permitted to extend the moratorium period by another three months, from June 1, 2020 to August 31, 2020 on payment of all instalments. The Company passed on the benefit to its borrowers to ease out the financial burden. But due to partial lifting of the lockdown from around third week of May 2020 onwards, many of the Company's borrowers resumed their income activities and opted out of the moratorium scheme.

To provide for any stress in asset quality due to loss of jobs or livelihood the Company had made a special provision of Rs. 79.60 lakhs in the year 2019-20. Also, additional provision of Rs. 80 lakhs was made in the month of April, 2020. The special provision has been written back on March 31, 2021. This is in line with RBI circular on "Asset Classification and Provisioning" dated April 17, 2020.

Though the lockdown was lifted during the second week of June'20 in most parts of the country, the economic fallout on account of the Covid-19 pandemic had led to significant financial stress for borrowers across the board. As a part of measures for combating the effect of COVID-19 on the economy, the Reserve Bank of India (RBI), on August 6, 2020, introduced Resolution Framework for COVID-19 related stress. The framework allowed financial institutions a special one-time dispensation to restructure loans which were facing financial stability risks due to the Covid-19 pandemic. The Resolution Framework for Covid-19 related stress had been formed as a special window under the June 7, 2019 RBI guidelines for restructuring and allowed financial institutions to give borrowers more time to pay back without classifying a loan as an NPA.

Thus, with a view to provide relief to the borrowers facing financial distress and renegotiate their debt to avoid risk of default, the Company came up with a "Loan Restructuring Policy" within the framework provided by RBI. Nine accounts were restructured during the year 2020-21 based on the provisions of Loan Restructuring Policy. The Company is making provision @ 10% on such restructured loans.

The quantitative disclosures as required by the above referred RBI circular dated April 17, 2020 are given below:

Particulars	Amount as at 31-03-2021
a) Respective amounts, where amounts in loan asset categories, where the moratorium/ deferment was extended in terms of paragraph 2 and 3 of the circular	
- Moratorium availed in April 2020	2,104,378,599
- Moratorium availed in May 2020	2,105,948,853
- Moratorium availed in June 2020	1,524,363,756
- Moratorium availed in July 2020	1,034,315,150
- Moratorium availed in August 2020	643,895,530
b) Respective amount where asset classification benefits is extended	As mentioned above
c) Provisions made during the quarter ended in terms of para 5 of the circular (INR)	8,000,000
d) Provisions adjusted during the respective accounting periods against slippages in terms of paragraph 6 of the circular	Not applicable
e) Residual provisions as of March 31, 2021 in terms of paragraph 6 of the circular	



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Chandra
Pruthi
 Renana Thabvala

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

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution
Personal Loan	9	2,156,288	-	-	167,139
Corporate persons *	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	9	2,156,288	-	-	167,139

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

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

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

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

43 The Company has decided to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly the Company has recognised provision for Income tax for the year ended 31 March 2021 and re-measured its Deferred Tax Asset basis the rate prescribed in the said section.

44 On account of RBI Circulars, RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 and RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20, the Company has offered moratorium to many of its borrowers and is in process of sharing the addendum letters to borrowers for the revised repayment schedule and other terms, which is just procedural and no significant change is expected by the management.

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

For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

Nipun Gupta
Partner
Membership Number: 502896



Place: GURGAON
Date: 13-08-2021

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

Renana Jhabvala
Director
DIN: 01106825

Nagendra Saxena
Chief Financial Officer

Place: DELHI
Date: 13-08-2021

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

Preeti Singh
Company Secretary
Membership No: A29633

