

## **DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present the Ninth Annual Report and the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020.

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

#### **1.1 KEY PARAMETERS**

<b>PARTICULARS</b>	<b>2019-2020 (INR in Crore)</b>	<b>2018-2019 (INR in Crore)</b>
Sales and Other Income	38.03	21.18
Operating Profit (PBIDT)	17.03	6.26
Interest Cost	15.33	9.47
Profit before Depreciation (PBDT)	1.70	-3.21
Depreciation	0.67	0.60
Profit before Tax	1.03	-3.81
Provision for Taxation	-	-
Profit after Tax	1.03	-3.81

#### **1.2 RATING UPGRADES**

During the year the rating agency CARE has reaffirmed the rating and has improved the outlook from "Stable" to "Positive". The Company's rating is CARE BBB- (Positive).

#### **1.3 NET WORTH**

As of March 31, 2020, the net worth of your Company stood at INR 76.85 crore compared to INR 76.70 crore on March 31, 2019 on account of equity raise during the year.

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

- Gross non-performing loans as at March 31, 2020 amounted to INR 0.49 crore. This is equivalent to 0.23 % of the portfolio
- Net non-performing loans as at March 31, 2019 amounted to INR 0.41 crore. This is equivalent to 0.19% of the portfolio
- The Company has a prudent approach to creating loan provisions and carries total provisions across standard assets and sub-standard asset of INR 0.75 crore
- The Company has made additional provision of around INR 0.80 crore for Covid-19 in line with RBI circular on "Asset Classification and Provisioning" dated April 17, 2020



- Total provision for NPA to gross NPAs is in excess of 15%
- 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 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 shall help the Company in not only reducing its cost of debt and but also in improve the ALM profile. The sanction validates the Company's strength and augur well for a long term pipeline of funds.

As on March 31, 2020, the Company's outstanding bank loans stood at INR 144.70 crore (including INR 5.40 crore of NHB refinance) vis-à-vis INR 115.90 crore (including 8.40 crore of NHB refinance) as on March 31, 2019. The Company's bank borrowings have a rating of BBB-; Positive. The Instruments with this rating are considered to have moderate degree of safety regarding timely servicing.

## 1.6 UPDATE ON MORATORIUM

The Company has 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 current lockdown situation. Customer were guided/educated through SMSs, calling by call centres and branches staff and through other digital media on the impact of moratorium so that informed decision can be taken by customer. Also, necessary provisions have been made as per applicable accounting standards and regulations.

## 1.7 Additional Provision Due to Covid-19 Moratorium

The Covid-19 pandemic has resulted in a significant decrease in the economic activities across the country, on account of Lockdown that was announced on 24 March 2020. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and the Board approved policy in this regard, the Company has offered moratorium to its customers. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company policy).

On May 22, 2020, the RBI has announced extension of the moratorium period by further three months. The extent to which Covid-19 pandemic will impact the Company's provision on financial assets will depend on future developments, which are highly uncertain. The impact of Covid-19 pandemic may be different from that estimated as at the date of approval of these Financial Results and the Company will continue to closely monitor any material changes to future economic conditions.



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## 2. STATE OF COMPANY'S AFFAIRS

SEWA Grih Rin Limited ended FY 2019-20 with cumulative Portfolio outstanding of INR 216.66 crore and total 8558 loans. Overall sanctioned loans as on 31st March 2020, are 9513 amounting to around INR 255 crore. Annual disbursal for FY 20 is around INR 100 crore through 3209 loans. Thus, the company posted 57% growth in loan book in FY 20.

During the year under reporting, the focus of the Company was to make best utilization of funds received from the new investors during the last week of the previous financial year to achieve the business projections with consistently good portfolio quality. At the same time, the goal was to achieve breakeven by maintaining certain debt to equity ratio.

## 3. PUBLIC DEPOSITS

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

During the year, your Company did not 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.

## 4. 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.

Also pursuant to the latest amendments circulated by Reserve Bank of India vide Circular No. RBI/2019-20/235, DOR.NBFC(HFC).CC.No.111/03.10.136/2019-20 dated May 19, 2020 and RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated April 20, 2020-Master Direction-Know Your Customer (KYC) Direction, 2016, both the KYC and Anti-Money Laundering (AML) policy of the Company shall be amended/modified accordingly.

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 2019-20. During the FY 2019-20 the Company has duly filed/submitted Foreign Liabilities and Assets Annual Return with RBI in the month of July, 2019, 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 B round of fund raise by issue and allotment of fully paid up-Equity Shares through Private Allotment.

## 5. 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 2019-20.

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.

## 6. CODES AND STANDARDS

The Company adheres to the Fair Practices Code (FPC) recommended by National Housing Bank (NHB), to promote good and fair practices by setting minimum standards in dealing with customers.

## 7. DIVIDEND

In view of inadequate profits, your Directors do not recommend payment of any dividend for the year ended 31st March 2020.

## 8. TRANSFER TO RESERVES

During the financial year, the Company has earned the profit of INR 1.03 crore and around INR 0.27 crore was transferred to Statutory Reserve as created under section 29C of National Bank Act, 1987 and Section 36(1)(viii) of Income Tax Act, 1961. The total reserves as on 31st March, 2020 stood at INR. 21.70 crore.

## 9. SHARE CAPITAL OF THE COMPANY

### A) Authorized Share Capital

During the year under report, the Company has increased its authorized share capital from existing INR 70 crore to INR 80 crore.



### B) Issue of equity shares with differential rights

Your Company has not issued any equity shares with differential rights during the current financial year.

### C) Issue of sweat equity shares

Your Company has not issued any sweat equity shares during the current financial year.

### D) Issue of employee stock options

Under "SGRL ESOP 2018", during the year under review, an aggregate of 15,000 stock options at an exercise price of INR 17.68 per option were cancelled due to resignation of an employee. These 15,000 cancelled options were reallocated to other employees basis the approval of the Nomination & Remuneration Committee. The exercise price was approved by the Nomination & Remuneration Committee of the Company in accordance with the terms of "SGRL ESOP 2018".

In addition to the same, one more employee holding 18,000 stock options ceased to be the employee of the Company and hence total number of stock options in force as on 31<sup>st</sup> March 2020 are 15,64,000. These options are exercisable on expiry of 24 months from the date of vesting and none of the options granted as aforesaid have vested during the year and consequently, no options have been exercised. There has been no variation in the terms of the options granted under "SGRL ESOP 2018" and this scheme is in compliance with the provisions of Companies Act 2013.

#### Employee wise details of the options granted to:

- a. Key/ Senior Managerial Personnel: Nil
- b. Employees who were granted Options amounting to 5% or more of the Options granted during the year 2019-20: Nil
- c. Employees who were granted Options in any one year equal to or exceeding 1% of the issued capital of the Company.

Sr. no.	Name & Designation	Options granted during FY 2018-19
1.	Ms. Shruti Gonsalves: Managing Director Cum Chief Executive Officer	4,90,000
2.	Mr. Somesh Tewari: Chief Operating Officer	3,50,000

### E) 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.



#### **F) Issue of Equity Share Capital With Equal Rights**

During the year, the Company came out with a Rights Issue offer for 1,12,46,118 equity shares of face value of INR 10/- each at the premium of INR 12.23/- per share, however the Rights Issue was not subscribed by any other shareholder of the company and the issue lapsed.

#### **G) Transfer of Shares**

There were no share transfers during the current financial year.

#### **H) Duplicate Share Certificate**

No duplicate shares were issued during the year.

#### **I) Dematerialisation Of Shares**

The equity shares of the Company are available for dematerialization under both depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with ISIN No: INE772R01010. As on 31st March, 2020, 92.65% Equity shares of the Company representing 5,10,96,755 out of a total of 5,51,53,217 Equity Shares were held in dematerialized form and 40,56,462 Equity Shares were held in physical form. The Company obtained from a Company Secretary in practice, half yearly audit report required under the provision of regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (erst. Reg. 55A of SEBI) and has filed a copy of the report to the Registrar of Companies.

### **10. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

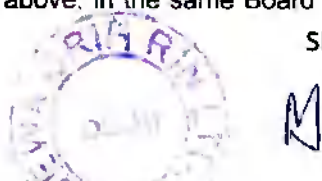
#### **A) Retirement by Rotation**

In accordance with the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Renana Jhabvala (DIN: 01106825) and Mr. Anirudh Sarda (DIN: 06453012), 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 11th March, 2019, the Board of directors of the Company vide their meeting held on May 21, 2019 had appointed Ms. Shreya Deb as a non-executive Additional Director on the Board, in the capacity of the Nominee Director of Omidyar Network Fund INC.

In addition to the above, in the same Board meeting held on 21st May 2019, Mr. David Smith (DIN:



07071450) was inducted as non-executive Additional Director.

Thereafter, as per the requirement of Companies Act 2013, appointment of Ms. Shreya Deb and Mr. David Smith was regularized by the shareholders in the Annual General Meeting held on 27<sup>th</sup> September 2019 as non-executive directors liable to retire by rotation.

During the year under review, Shri Srinivasan Sridhar (DIN: 00004272), was re-appointed an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 26th November 2019. The appointment was approved by the Shareholders of the Company in the Annual General meeting held on 27th September 2019.

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

S.No.	Name of Directors	Effective date of resignation
1.	Mr. Vishal Goyal	06/04/2019
2.	Dr. D. Subrahmanyam	06/04/2019

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

The shareholding pattern of the director as on 31st March 2020 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 appointment of 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 has been paid to the Independent Director as per the provisions of Companies Act, 2013.

#### E) Fit & Proper Declarations

During the FY 2019-20 as per NHB Corporate Governance Directions, the Company has obtained Fit & Proper declarations, Deed of Covenants and various other Declarations duly signed by all the Directors of the Company.

### 11. 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.

## 12. BOARD MEETINGS

During the period under review, 9 (Nine) 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 2019 to June 2019	21st May 2019
2.	July 2019 to September 2019	10 <sup>th</sup> July 2019, 30 <sup>th</sup> August 2019 & 23 <sup>rd</sup> September 2019
3.	October 2019 to December 2019	11 <sup>th</sup> November 2019 & 20 <sup>th</sup> December 2019
4.	January 2020 to March 2020	30 <sup>th</sup> January 2020, 6 <sup>th</sup> March 2020 & 27 <sup>th</sup> March 2020

## 13. 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.

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

No disclosures are required for the Company to be made as the Company has no Subsidiaries, Associates and Joint Ventures.

## 15. AUDITOR'S & AUDITORS REPORT

At the eighth AGM held on September 27, 2019, the Members approved appointment of M/s MSKA & 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. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ninth AGM.

The Report given by M/s MSKA & Associates, Chartered Accountants, Statutory Auditors on the



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financial statement of the Company for the year 2019-20 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 AUDITOR'S REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, the Board of Directors has, in its meeting held on 17<sup>th</sup> July 2020, reappointed M/s Neelam Gupta & Associates, a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the FY 2019-20. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2019-20, is annexed as "Annexure- B" and forming part of this Report. The Report is self – explanatory and therefore do not call for any further explanation.

#### **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. ANNUAL RETURN OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 MARCH, 2020**

The Annual Return of the Company in MGT-9 for the Financial Year ending 31<sup>st</sup> March, 2020 has been placed on the website (<https://www.sgrlimited.in/>) and attached as Annexure-C.

#### **19. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

World Health Organization has declared outbreak of the Novel Coronavirus ("Covid-19") as a pandemic. Consequent to this, the Government of India declared a nation-wide lockdown on March 23, 2020 and the Company temporarily closed its operations in compliance with the lockdown instructions issued by the Central and State Governments.

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.

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

The relevant particulars and details of the company in respect of the Loans, guarantees and/ or investments under section 186 of the Act are stated below:

S. No.	Details	Amount (Rs.)	Period	Remarks
1.	Loans	NIL		
2.	Guarantees	NIL		
3.	Investment	NIL		
<b>Total</b>				

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

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

## 22. RELATED PARTY TRANSACTIONS

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

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

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

### A) Conservation of Energy

Disclosures regarding conservation of energy are not required.

### B) Technology Absorption, Adoption and Innovation

Particulars required under Rule 8(1) (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, being a service company.

### C) Foreign Exchange Earnings and Outgo

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

Foreign Exchange Earning	Nil
Foreign Exchange Outgo	Rs. 71.34 lacs

#### **24. CORPORATE SOCIAL RESPONSIBILITY**

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

#### **25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

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

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

#### **26. HUMAN RESOURCE MANAGEMENT**

While the Company maintains cordial and harmonious relationship with its employees, continuous training programs are conducted by the Company to enhance their efficiency. The Company has adopted a Robust Process of learning and development for its employees which comprises of specific training related to product and services by the Company along with management and administration training which enables the Company to deliver required support to the employees with proper motivation for improved quality of service.

Human Resources are cornerstone of Company's growth and progress. As on 31st March 2020, the Company had 302 on 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.

The Company continues to take new initiatives to further align its HR policies to meet the growing needs of its business.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and



Redressal) Act, 2013 and the Rules thereunder. During the financial year 2019-20, no cases of sexual harassment were reported.

## 28. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a) 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;
- b) 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;
- c) 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;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) 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;
- f) 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;

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

In terms of the requirements of the Share Subscription & Shareholder's Agreement dated 11th March 2019, the Nomination and Remuneration Committee of the Company was reconstituted during the year and Mr. Anirudh Sarda was appointed as the member of the Committee w.e.f. 21st May 2019 in place of Ms. Manjiree Jaitly.

As on the date of this Report, the Committee comprises of four Directors namely Ms. Renana Jhabvala, Mr. Srinivasan Sridhar, Mr. Sanjay Kaul and Mr. Anirudh Sarda. Mr. Srinivasan Sridhar and Mr. Sanjay Kaul are Independent Directors. The Committee meets periodically as and when required. None of the Directors, except Ms. Shruti Gonsalves, Managing Director Cum CEO draws remuneration from the Company.

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.	21 <sup>st</sup> May 2019



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### 30. 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.

### 31. CORPORATE GOVERNANCE

#### 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.

### 32. 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.	28 <sup>th</sup> June 2019
2.	29 <sup>th</sup> July 2019
3.	30 <sup>th</sup> August 2019
4.	30 <sup>th</sup> December 2019
5.	31 <sup>st</sup> March 2020

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.

### 33. ASSETS & LIABILITIES MANAGEMENT COMMITTEE

As per the guidelines issued by National Housing Bank, all Housing Finance Companies are required to constitute an Assets & liabilities management committee, therefore the Company has constituted an Assets & liabilities management committee on 26<sup>th</sup> November, 2014. During the Financial Year 2019-20, ten meetings of the Committee were held on following dates:

Sr. No.	Date of Meeting
1.	13 <sup>th</sup> June 2019
2.	16 <sup>th</sup> July 2019
3.	17 <sup>th</sup> August 2019
4.	17 <sup>th</sup> September 2019
5.	17 <sup>th</sup> October 2019
6.	29 <sup>th</sup> November 2019
7.	16 <sup>th</sup> December 2019
8.	21 <sup>st</sup> January 2020
9.	18 <sup>th</sup> February 2020
10.	30 <sup>th</sup> March 2020

### 34. 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.

The Risk Management Committee of the Company was reconstituted during the year. Mr. Anirudh Sarda, Ms. Shreya Deb and Mr. David Smith were appointed as the members of the Committee w.e.f. 21<sup>st</sup> May 2019 and Mr. Manish Thakkar had ceased to be the member of the Committee w.e.f. 21<sup>st</sup> May



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2019.

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 Sarda and Ms. Shreya Deb. This Committee reports to the Board of Directors of the Company.

During the Financial Year 2019-20, Seven meetings of the Committee were held on following dates:

Sr. No.	Date of Meeting
1.	4 <sup>th</sup> October 2019 and adjourned meeting held on 15 <sup>th</sup> October 2019
2.	5 <sup>th</sup> November 2019
3.	27 <sup>th</sup> November 2019
4.	13 <sup>th</sup> December 2019
5.	23 <sup>rd</sup> December 2019
6.	30 <sup>th</sup> December 2019
7.	3 <sup>rd</sup> March 2020

### 35. COMPOSITION OF IT STRATEGY COMMITTEE

The Company has duly constituted IT Strategy Committee as per the NHB guidelines/Directions, which consists of Mr. Sanjay Kaul, Independent Director as Chairperson of the Committee, 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 & Admin) are members as on 31st March, 2020. Further, during the period under review 2 (two) meetings of IT Strategy Committee were held on 13th November, 2019 and 3rd March 2020 which was attended by Members of the Committee as aforesaid.

### 36. DETAILS OF FRAUD REPORTING TO NHB & AS PER PROVISIONS OF SECTION 134(3) (CA), READ WITH SECTION 143 (12) OF THE COMPANIES ACT, 2013

- (a) 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.
- (b) Further, there were no frauds detected during the Financial year under review as per Circular(s)/Guidelines, issued by National Housing Bank.

### 37. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Board shall have minimum 3 and maximum 12 directors, unless otherwise approved. No person of



age less than 21 years shall be appointed as a Director on the Board. 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.

#### **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:

#### **A) 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 Companies Act, 2013.

#### **B) Payment of sitting fees:**

All the independent 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, sitting fee for Board and Committee meetings are INR 20,000 and INR 15,000/- respectively.

#### **C) 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.

### **38. 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 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.

### **39. ACKNOWLEDGEMENTS**

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

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

**SEWA GRIH RIN LIMITED**

*Renana Jhabvala*



**Renana Jhabvala**

Chairperson

DIN:01106825

Address: B-9/9 Sterling, Bopal,

Ahmedabad, Gujarat-380058

Date: 2<sup>nd</sup> September 2020

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **1. HOUSING SECTOR OVERVIEW AND KEY DEVELOPMENTS**

The Indian housing finance market grew 13% YoY to ~INR20.7 lakh crore as on 31st December 2019, with the number of registered housing finance companies with National Housing Bank at 101 as of March 2020.

As a result of the prolonged NBFC crisis and consequent stress in liquidity and demand for Housing Finance companies, a sharp deceleration in growth was recorded in the industry for the fiscal year ended 31st March 2020. Total advances of all housing finance companies grew at a relatively lower 7% YoY rate to ~INR 11.1 lakh crore as on 31st December 2019. The growth was skewed away from demand in the home loan portfolio, which recorded a 6% YoY increase while the segment catering to non-housing (mainly Loan Against Property) had more robust demand and grew at the higher clip of 11% YoY. The affordable housing finance segment continued to burnish its credentials as a safe haven. The total portfolio stood at INR 52,350 crores as of end-December 2019, registering a lower but still robust 18% YoY growth rate.

With the challenges faced due to excessive reliance on short-term funding, larger HFCs saw pressure on margins as the borrowing mix shifted back towards term loans from banks and reduced capital market borrowings. This is evident in the share of bank borrowings in total borrowings grew to 26% as of end-December 2019, as against 19% as of 31st March 2018.

The sector saw a deterioration in asset quality post the substantial credit expansion of earlier years, a higher share of growth in non-housing loan products in the more recent past, along with a broader global and domestic economic slowdown. Consequently, HFC GNPA levels increased to 2.2% as of 31st December 2019 from 1.1% at the end of March 2018. For the affordable housing segment, GNPA was at 4.1% as of end-December 2019, although when adjusted for the riskier books of two AHFCs, the GNPA level was at a much lower 1.4%.

With regulatory guidance and return to prudence, HFCs decreased their gearing to 5.6 in December 2019 from a relatively high level of 7.2 as of 31st March 2019. Lower growth and compression in margins, along with an increase in credit costs, led to subdued profitability growth for housing finance companies.

(Source: ICRA reports)

#### **1.1 Constructive Regulatory Changes and Strong Fiscal Support**

**Norms on Leverage:** As per NHB regulations to promote sustainable leverage in the sector, HFCs have to reduce total borrowings to 12 times the Net Owned Funds (NOF), and deposit-accepting HFCs may only accept public deposits which amount to less than three times their NOF. Balance sheet strengthening has also been encouraged by increasing the Capital Adequacy Requirement (CAR) to 15%.

**Liquidity Support:** Continuing to provide necessary liquidity support to the sector, NHB initiated the Liquidity Infusion Facility (LIF) scheme. The scheme was launched with an allocation of up to ~INR 30,000, substantially higher than the previous such scheme. The HFCs were allowed up till June of 2020 to avail of funds at 50bps cost of interest lower than the rate already applicable as per the Liberalised Refinance Scheme allocation of up to ~INR 30,000 crore. The special liquidity window is available to HFCs till June 2020.

**Further Boost for LIG and MIG:** A ~INR 20,000 crore fund has been proposed with 50% equity contribution from the GoI and the balance from private investors, with a focus on supporting on-lending to non-NPA and non-NCLT housing projects in the LIG and MIG categories

**Encouraging risk underwriting for HFCs:** The Government has encouraged investments into HFCs through the ~INR1 lakh crore partial credit guarantee scheme given to PSBs. The Government would provide risk cover on the first losses up to 10%.

**Housing Finance Infrastructure Growth Impetus:** The Government allocation was almost 40% higher from the previous year allocation, ~INR13,750 crore for the Smart Cities Mission and Atal Mission for Rejuvenation

and Urban Transformation (AMRUT) for FY2020-21

## 1.2 Affordable Housing Finance Segment Outlook

Given these various developments and macroeconomic and structural tailwinds, the affordable housing finance sector can be expected to return to 20%+ annual growth after the post-COVID situation normalizes, and the economy resumes the long term growth trend. A safe haven of demand, the sector can sustain double the rate at which the broader housing finance sector grows over the next few years. In the immediate period, with larger financial institutions remaining risk-averse, RBI and NHB support would remain crucial in supporting the segment though all the key players are adequately capitalized. With the target segment being hit severely by the lockdown, credit quality in the overall affordable housing finance sector can deteriorate by 50-100bps in FY2020-21 before normalizing.

## 2. AFFORDABLE HOUSING FINANCE: OPPORTUNITIES AND CHALLENGES

The affordable housing market can be expected to grow strongly, 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:

1. Supported by favorable demographics who are set to see an improvement in their per capita income and living conditions, demand for low-cost housing will remain strong in the market. Nominal per-capita net national income during FY20 was ~INR135,050, 6.8% higher than ~INR126, 406 in FY19 according to MoSPI
2. While the previous decades have seen the evolution of credit models for salaried individuals and corporates, credit assessment and on-lending to self-employed individuals with lack of formal documented income proof and credit history remains an under-penetrated area, where a successful proprietary assessment model can partake significantly in the market expansion opportunity
3. As India continues growth towards a developed nation, peri-urban areas of Tier 2 and 3 cities will see continuous inward migration and hence generating demand for housing
4. The Government's focus on affordable housing through the PMAY initiative, regulatory mechanisms, and liquidity schemes will lead to further growth of safe and hygienic low-cost housing communities.
5. While the larger ticket size HFCs face increasing competition from banks, affordable housing finance companies are relatively insulated from that competition due to uniqueness of their underwriting and business model structure

### Higher returns always come with higher risk, and thus, the following are some challenges faced by the sector:

1. As the business model is relatively new and untested, funding conditions remain challenging for affordable HFCs as larger lending institutions slowly build their credit risk comfort with the sector
2. Leverage ratios have been rising; however, they are still much lower than bigger HFCs
3. Due to relatively tighter funding availability, with alternate sources such as securitization/ CP/ NCDs still a small part of overall sector funding sources, the sector remains more vulnerable to liquidity and credit shocks in the overall financial system
4. 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

## 3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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 Audit Committee of the Board. The internal control process and mechanisms are judged by the Committee on the parameters of adequacy and effectiveness. Furthermore, actions taken on audit recommendations are monitored by the Committee.

The Company regularly monitors and internal control system to ensure that it is 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.

#### **4. BUSINESS REVIEW: Healthy Financial Performance Against Challenging Macroenvironment**

Total income for the Company grew at a healthy 80% YoY to INR 38.0 crores for FY19-20, compared to INR 21.2 crores in the previous fiscal year. With robust growth, operational efficiency gains, and expansion in Net Interest Margin, the Company turned profitable in FY19-20, reporting a Profit After Tax of INR 1.03 crores.

AUM rose by a robust 57% YoY to INR 216.7 crores at the end of FY2019-20, from INR 138.3 crores at the end of FY2018-19, 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. Total disbursements for the year ended 31st March 2020 grew by 23% YoY to INR 99.4 crores, with a continued focus on prudent lending in the target segment, in the relatively more challenging environment post the extended NBFC crisis.

The average ticket size was 3.1 lakhs for the loan book as of 31st March 2020. 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.

**Healthy Operational Performance:** As economies of scale came into effect and the benefits of initiatives in operational streamlining and a comprehensive IT infrastructure, the Cost to Net Interest Income ratio declined a healthy 558bps to 95.3% for FY2019-20, from 139.5% in FY2018-19. Operating expenses were up 32% to INR 36.6 crores in FY2019-20 from INR 25.0 crores in FY2018-19.

**Stable Credit Quality:** On the credit quality front, GNPA's stood at 0.23% on 31st March 2020, rising from 0.06% at the end of FY2018-19 due to the impact of the economic slowdown in the second half coupled with an extended period of flooding in target geographies. However, an improving trend was seen towards the end of the 4th quarter due to strengthening the collections team, before the lockdown period began.

The Company remains adequately capitalized with a CRAR ~Tier 1 of 47.2% as at the end of FY2019-20.

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

During the year, the Company significantly strengthened its liabilities side and ALM profit by receiving sanction from the United States International Development Finance Corporation, an agency of the US Government, of a long-term \$30 million ECB. The first disbursement of \$2.5 million was availed at the beginning of February.

In domestic funding, the Company received further INR 30 crores of sanction from the National Housing Bank under the subsidized schemes for affordable housing and Lower Income Groups. An additional INR 36 crores of sanctions and funds were taken from existing lending partners, as the Company maintained its healthy relationships and credit behavior. During the year, there was significant progress in the sanctioning process from scheduled commercial banks to reduce the cost of finance further.

The Company recorded an expansion in Net Interest Margin to 9.2% for FY2019-20, increasing 152bps from 7.7% in FY2018-19.



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## 5. Headcount Expansion Around Stable Core Team and Congenial Work Environment

During the year, employee count increased to 303 as of the end of FY2019-20 from 232 as of 31st March 2019. The focus on promoting a motivating work culture and providing continuous upskilling opportunities has resulted in an increasingly congenial environment. The core team continues to work towards the larger goal and inspire new colleagues as we grow in the years ahead.



# 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 31.03.2020)	
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**

*Renana Jhabvala*

**Renana Jhabvala**

Chairperson

DIN: 01106825

Address: B-9/9 Sterling,

Bopal, Ahmedabad, Gujarat-380058

Date: 2<sup>nd</sup> September 2020



**NEELAM GUPTA & ASSOCIATES**  
COMPANY SECRETARIES  
COMPANY SECRETARIESFORM NO. MR 3  
FORM NO. MR-3**SECRETARIAL AUDIT REPORT**  
(For the Financial Year ended 31st March, 2020)

[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 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

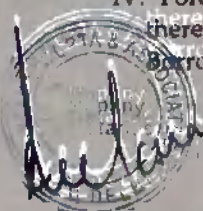
A. I have examined the books, papers, minute books, forms and returns filed and other records maintained by SGRL for the year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

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

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

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

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

Page 1 of 4  
Page 1 of 4

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) The Housing Finance Companies (NHB) Directions, 2010.

I have also examined compliance with the applicable clauses of following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016.

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 2,29,41,970 Equity shares allotted on 28th March, 2019 at Rs. 22.23 per share (including premium of Rs. 12.23 per share) aggregating to Rs. 50,99,99,993.10 by way of Private Placement to existing and new investors were credited to the demat accounts of the respective allottees after considerable delay as the corporate action was initiated but could only be completed in December, 2019 due to technical factors beyond control of the Company.

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 (or with requisite compliances for holding of a Board Meeting at a shorter notice in case of urgency, wherever applicable), 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.
- 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 maintain and ensure compliance with applicable laws, rules, regulations and guidelines.



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

- i. The Shareholders of the Company approved to increase the borrowings limits of the Company under Section 180(1)(c) of the Companies Act 2013 to Rs. 400 crores.
- ii. The Shareholders of the Company gave authority to the Board of Directors to create mortgage and/ or charge and/ or hypothecation on all or any of the properties of the Company under Section 180(1) (A) upto Rs. 400 crores.
- iii. The remuneration of the Managing Director and Chief Executive Officer has been 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 and these revisions in the managerial remuneration were also confirmed by the Shareholders of the Company.
- iv. The Shareholders of the Company approved increase in authorised Share Capital from Rs. 70,00,00,000/- divided into 7,00,00,000 equity shares of Rs. 10/- each to Rs. 80,00,00,000/- divided into 8,00,00,000 equity shares of Rs. 10/- each.
- v. During the year, the Company has executed a Loan Agreement with OPIC to avail External Commercial Borrowings ("ECB facility") of principal amount not exceeded USD 30,000,000 (USD Thirty Million).

This report is to be read with my letter of even date which is annexed as Annexure 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: F003135B000639430

Place : New Delhi  
Date : 31/08/2020



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**NEELAM GUPTA & ASSOCIATES**  
COMPANY SECRETARIES

Annexure to Secretarial Audit Report of SGRL for financial year ended 31st March, 2020

To,  
The Members  
Sewa Grih Rin Limited

**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 filings and records maintained under the applicable provisions of law.
6. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Neelam Gupta and Associates

(Neelam Gupta)

Practicing Company Secretary

FCS : 3135

CP : 6950

PR No. : 747/2020

UDIN: EU03135B000639430

Place : New Delhi

Date : 31/08/2020



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D-2/16, Darya Ganj, New Delhi - 110 002

Phones : 23282925, 23263436, 43656568, 935078082 | Email : neelamr@gmail.com

**Annexure C**

Form No. MGT-9 EXTRACT OF ANNUAL RETURN AS ON 31<sup>st</sup> March 2020 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**1. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U65923DL2011PLG222491
ii.	Registration Date	18/07/2011
iii.	Name of the Company	SEWA GRIH RIN LIMITED
iv.	Category / Sub-Category of the Company	Company Limited by Shares
v.	Address of the Registered office and contact details	206-207, 2 <sup>nd</sup> Floor, Vikram Tower, Rajendra Place, Delhi -110008, India
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Registrar- Bigshare Services Private Limited, Add: E2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072

**2 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	(a) Housing Finance- Sewa Grih Rin Limited is a housing finance company incorporated to provide affordable housing finance to low income household working in informal segment of economy with following object: "To advance money to any person or persons of lower and middle income group or economically weaker section of the society or co-operative society or A.O.P., Company or Corporation, jointly or individually, either at interest or without and/or with or without any security for the purpose of enabling the person borrowing the same to erect or purchase, any house or building or any part or portion thereof for residential purpose in India upon such terms and conditions as the Company may think fit."	64920	88.2%
	(b) Processing Fees		4.9%



### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	NIL				
2.					
3.					
4.					

### 4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A. Promoter</b>								
<b>1) Indian</b>								
a) Individual/ HUF	502		502	.0009	502		502	.0009 -
b) Central Govt.								
c) State Govt(s)								
d) Bodies Corp								
e) Banks / FI								
f) Any Other - Private Mutual Benefit Trust	20813558		20813558	37.74	20813558		20813558	37.74 -
<b>Sub-total(A)(1):</b>	<b>20814060</b>		<b>20814060</b>	<b>37.74</b>	<b>20814060</b>		<b>20814060</b>	<b>37.74 -</b>
<b>2) Foreign</b>								
g) NRIs-Individuals								
h) Other-Individuals								
i) Bodies Corp.								
j) Banks / FI								
k) Any Other....								
<b>Sub-total (A)(2):</b>								
<b>B. Public Shareholding</b>								
<b>1. Institutions</b>								
a) Mutual Funds								
b) Banks / FI	1000000		1000000	1.81	1000000		1000000	1.81 -
c) Central Govt.								

d) State Govt. (s)									
e) Venture Capital Funds									
f) Insurance Companies	2249212		2249212	4.08	2249212		2249212	4.08	-
g) FIs	8047796	4056462	12104258	21.94	8047796	4056462	12104258	21.94	-
h) Foreign Venture Capital Funds									
i) Others (specify)	5490410		5490410	9.95	5490410		5490410	9.95	-
Sub-total (B)(1):	16787418	4056462	20843880	37.79	16787418	4056462	20843880	37.79	-
<b>2. Non-Institutions</b>									
a) Bodies Corp. (i) Indian (ii) Overseas-Cooperative Society	13495277		13495277	24.47	13495277		13495277	24.47	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (Specify)									
Non-Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies-DR									
Sub-total (B)(2):									

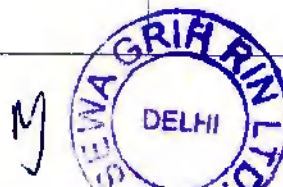
Total Public Shareholding (B)=(B)(1) +(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	51096755	40564625	55153217	100	51096755	40564625	55153217	100	-

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	SEWA Mutual Benefit Trust	20813558	37.74	NA	20813558	37.74	NA	-
2.	Renana Jhabvaley	502	.0009	NA	502	.0009	NA	-
	<b>Total</b>	<b>20814060</b>	<b>37.74</b>		<b>20814060</b>	<b>37.74</b>		-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	20814060	37.74	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer/ bonus/ sweat equity etc):	There was no change during the year.			



	At the End of the year	20814060	37.74	20814060	37.74

- iv. Shareholding pattern of top ten shareholders (Other than Directors, Promoters, and Holders of GDRs and ADRs)

Sr. no	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Name of the shareholder</b>					
<b>1. Oikocredit Ecumenical Development Cooperative Society U.A.</b>					
	At the beginning of the year	13495277	24.47	-	-
	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There was no change during the year.			
	At the End of the year	13495277	24.47	13495277	24.47
<b>2. Omidyar Network Fund, Inc</b>					
	At the beginning of the year	6297796	11.42	-	-
	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There was no change during the year.			
	At the End of the year	6297796	11.42	6297796	11.42



<b>3. HDFC Holdings Limited</b>				
At the beginning of the year	5490410	9.95	-	-
Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There was no change during the year.			
At the End of the year	5490410	9.95	5490410	9.95
<b>4. AHI Capital Gateway, Inc</b>				
At the beginning of the year	4056462	7.35	-	-
Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There was no change during the year.			
At the End of the year	4056462	7.35	4056462	7.35
<b>5. HDFC Life Insurance Company Limited</b>				
At the beginning of the year	2249212	4.08	-	-
Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There was no change during the year.			
At the End of the year	2249212	4.08	2249212	4.08
<b>6. ACUMEN Fund Inc</b>				
At the beginning of the year	1750000	3.17	-	-



Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There was no change during the year.			
At the End of the year	1750000	3.17	1750000	3.17

#### 7. Axis Bank Limited

At the beginning of the year	1000000	1.81	-	-
Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There was no change during the year.			
At the End of the year	1000000	1.81	1000000	1.81

#### v. Shareholding of Directors and Key Managerial Personnel

Sr. no	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Name of the Director/Key Managerial Personnel</b>					
1.	Ms. Renana Jhabvala- Chairperson & Director	502	.0009	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the End of the year	502	.0009	502	.0009



**INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount INR

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	115,89,70,132	-	-	115,89,70,132
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16,60,222	-	-	16,60,222
<b>Total (i+ii+iii)</b>	<b>116,06,30,354</b>	<b>-</b>	<b>-</b>	<b>116,06,30,354</b>
Change in Indebtedness during the financial year				
- Addition	54,46,20,834	-	-	54,46,20,834
- Reduction	25,66,06,668	-	-	25,66,06,668
<b>Net Change</b>	<b>80,12,27,502</b>	<b>-</b>	<b>-</b>	<b>80,12,27,502</b>
Indebtedness at the end of the financial year				
i) Principal Amount	144,69,84,297	-	-	144,69,84,297
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	36,45,512	-	-	36,45,512
<b>Total (i+ii+iii)</b>	<b>145,06,29,809</b>	<b>-</b>	<b>-</b>	<b>145,06,29,809</b>

**5. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

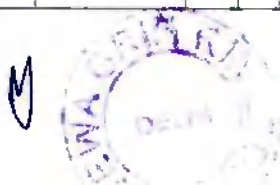
## i. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (INR)
1.	Gross salary *	Ms. Shruti Gonsalves-Managing Director & CEO	72,05,761
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		72,05,761
	(b) Value of perquisites u/s		

	17(2) Income-tax Act, 1961 (Reimbursements) (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		Nil
2.	Stock Option		Nil
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		Nil
5.	Others, please specify		43,182
6.	Total (A)		72,48,943
	Ceiling as per the Act		
	Since there is no profit, part II, section II (A) of schedule V is applicable		

ii. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount (INR)
	<u>Independent Directors</u>	Mr. Srinivasan Sridhar			
		245,000			
	Fee for attending board committee meetings	0			2,45,000
	· Commission	0			0
	· Others, please specify				0
	Total (1)	2,45,000			2,45,000
	<u>Other Non-Executive Directors</u>	0			0
	· Fee for attending board committee meetings				
	· Commission				
	· Others, please specify				
	Total (2)	0			0
	Total (B)= (1+2)	2,45,000			2,45,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				
	Since there is no profit, part II, section II (A) of schedule V is applicable				



iii. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total (INR)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (Reimbursements) (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	16,79,706	28,76,130	117,61,597
		0	0	0
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	0	0	0
4.	Commission as % of profit - others, specify...	0	0	0
5.	Others, please specify	0	0	0
6.	Total	16,79,706	28,76,130	117,61,597

iv. Penalties / Punishment/ Compounding of Offences:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					



C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF

SEWA GRIH RIN LIMITED

*Renana Jhabvala*

Renana Jhabvala

Chairperson

DIN: 01106825

Address: B-9/9 Sterling,

Bopal, Ahmedabad, Gujarat-380058

Date: 2<sup>nd</sup> September 2020



(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

*Renana Jhabvala*

Renana Jhabvala  
Chairperson  
DIN: 01106825  
Address: B-9/9 Sterling, Bopal,  
Ahmedabad, Gujarat-380058  
Date: 2<sup>nd</sup> September 2020



**ANNEXURE E**



**Sitara<sup>®</sup>**  
**A SEWA INITIATIVE**

**POLICY ON RELATED PARTY  
TRANSACTION**

SEWA GRIH RIN LIMITED

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



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**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.



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## 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.



## Policy on Related Party Transaction

- (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.



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**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
4. 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.
5. 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.



## Policy on Related Party Transaction

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;



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7 | SEWA Grih Rin Limited

- (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
  - (f) 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:

## Policy on Related Party Transaction

- (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.



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**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.





**AUDITED FINANCIALS**

**2019-20**

**SEWA GRIH RIN LIMITED**

**Auditor's Additional Report**

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

1. This report is issued in accordance with the requirements of Master Direction - Housing Finance Companies - Auditor's Report (NHB) Directions, 2016 vide Ref. No. NHB(ND)/DRS/REG/MC-05/2019 dated July 1, 2019 (the "Directions") issued by the National Housing Bank ("NHB").
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, 2020, 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 September 2, 2020.

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

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
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 "Bank") 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.

**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, 2020 and report on the matters specified in Para 3(A) and Para 3(C) of the Directions to the extent applicable to the Company.



6. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by 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, 2020 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.
  - 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 During the financial year, the Company has transferred amounts to the Statutory Reserve under Section 29C of National Housing Bank Act, 1987.
  - 8.4 The Board of Directors of the Company has passed a resolution on June 21, 2014 for non acceptance of public deposits.
  - 8.5 The Company has not accepted any public deposits during the year ended March 31, 2020.
  - 8.6 The total borrowings of the Company are within the limits prescribed under paragraph 3(2) of the Housing Finance Companies (NHB) Directions, 2010.
  - 8.7 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. There were no investment in real estate or exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Housing Finance Companies (NHB) Directions, 2010 during the year.
  - 8.8 The capital adequacy ratio as disclosed in the Schedule-II return is being submitted to the National Housing Bank in terms of the Housing Finance Companies (NHB) Directions, 2010 has been correctly determined and it is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein.
  - 8.9 The Company has furnished to the Bank within the stipulated period the Schedule-II return as specified in the Housing Finance Companies (NHB) Directions, 2010.
  - 8.10 The Company has filed the Schedule-III return on Statutory Liquid Assets as specified in the Housing Finance Companies (NHB) Directions, 2010, as per paragraph 44(1) (ii) of the NHB Directions, 2010.



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8.11 The Company has complied with the requirements contained in the Housing Finance Companies (NHB) Directions, 2010 in the case of opening of new branches / offices or in the case of closure of existing branches / offices.


8.12 The Company has complied with the provisions contained in paragraph 38 and 38A of the Housing Finance Companies (NHB) Directions, 2010.

### 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 and its submission to NHB. 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 writing.

For MSKA & Associates

Chartered Accountants  
ICAI Firm Registration No. 105047W

  
Amit Mitra  
Partner

Membership No.: 094518  
UDIN: 20094518AAAAED1956

Place: Gurugram

Date: September 2, 2020

**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 comprises the Balance Sheet as at March 31, 2020, 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, 2020, 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 37 to the financial statements which states that the 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, 2020 and has considered the impact which is required, in the financial statements. No further, adjustments are expected to be made in 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 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.

### **Other Matter**

The financial statements of the Company for the year ended March 31, 2019, were audited by another auditor whose report was dated July 10, 2019 and expressed an unmodified opinion on those 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 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial 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:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses except as mentioned in Note 30.
    - iii. 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 prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**

Chartered Accountants  
ICAI Firm Registration No. 105047W

  
**Amit Mitra**  
Partner  
Membership No.: 094518  
UDIN: 20094518AAAAEC9804

Place: Gurugram  
Date: September 2, 2020

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF SEWA GRIH RIN LIMITED FOR THE YEAR ENDED MARCH 31, 2020****Auditor's Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with the Standards of Auditing ('SAs') issued by the Institute of Chartered Accountants of India ('ICAI'), 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.





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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



**Amit Mitra**

Partner

Membership No. 094518

UDIN: 20094518AAAAEC9804

Place: Gurugram

Date: September 2, 2020

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SEWA GRIH RIN LIMITED FOR THE YEAR ENDED MARCH 31, 2020**

[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.
  - (b) Fixed assets 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-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.

Sales-tax, service tax, duty of custom, duty of excise, value added tax are currently not applicable to the Company.

- (b) 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.

Sales-tax, service tax, duty of custom, duty of excise, value added tax are currently not applicable to the Company.

- 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 and banks. The Company has not taken any loans or borrowings from Government and has not issued any debentures.

- ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

- 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.



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- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- 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 them. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

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


Amit Mitra  
Partner  
Membership No. 094518  
UDIN: 20094518AAAAEC9804

Place: Gurugram  
Date: September 2, 2020

**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, 2020]

**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, 2020 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, 2020, 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

  
Amit Mitra  
Partner  
Membership No. 094518  
UDIN: 20094518AAAAEC9804



Place: Gurugram  
Date: September 2, 2020

**Sewa Grih Rin Limited**  
**Balance Sheet as at 31st March, 2020**  
(All amounts are in Indian rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	55,15,32,170	55,15,32,170
Reserves and surplus	3	21,70,02,926	21,54,69,673
		<b>76,85,35,096</b>	<b>76,70,01,843</b>
<b>Non current liabilities</b>			
Long term borrowings	4	1,15,88,13,741	96,22,11,134
Long term provisions	5	1,18,89,091	72,24,443
		<b>1,17,07,02,832</b>	<b>96,94,35,577</b>
<b>Current Liabilities</b>			
Trade payables			
- Micro, small & medium Enterprises		16,61,325	4,58,500
- Other than micro, small & medium enterprises	6	85,47,060	70,72,194
Other current liabilities	7	30,62,64,329	20,78,34,985
Short term provisions	8	93,41,422	2,63,301
		<b>32,58,14,136</b>	<b>21,56,28,980</b>
<b>TOTAL</b>		<b>2,26,50,52,064</b>	<b>1,95,20,66,400</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and equipment	9	82,57,048	57,85,867
Other intangible assets	9	84,16,368	1,16,65,467
<b>Long term loans and advances</b>			
Long Term loans and advances	10	2,06,42,42,533	1,30,70,44,322
Other non-current assets	11	52,15,923	1,09,567
		<b>2,08,61,31,872</b>	<b>1,32,46,05,223</b>
<b>Current Assets</b>			
Cash and bank balances	12	5,06,90,690	54,00,51,153
Bank balances other than above	13	10,00,000	-
Short Term loans and advances	14	10,82,51,394	8,01,86,056
Other Current Assets	15	1,89,78,108	72,23,968
		<b>17,89,20,192</b>	<b>62,74,61,177</b>
<b>TOTAL</b>		<b>2,26,50,52,064</b>	<b>1,95,20,66,400</b>

**Summary of significant accounting policies** 1  
The accompanying notes form an integral part of these financial statements.

As per our report of even date

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

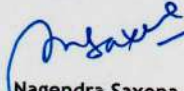
  
Amit Mitra  
Partner  
Membership Number: 094518





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

  
Renana Jhabvala  
Director  
DIN :- 011106825

  
Shrutti Savio Gonsalves  
Managing Director &  
Chief Executive Officer  
DIN :- 07160748

  
Nagendra Saxena  
Chief Financial Officer

  
Preeti Singh  
Company Secretary



Place: Gurugram  
Date: 2/09/2020

Place: New Delhi  
Date: 2/09/2020

Sewa Grih Rin Limited  
**Statement of Profit and Loss for the year ended March 31, 2020**  
 (All amounts are in Indian rupees, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income</b>			
Revenue from operations	16	37,63,19,666	20,75,32,052
Other income	17	40,25,800	42,39,450
<b>Total revenue</b>		<b>38,03,45,466</b>	<b>21,17,71,502</b>
<b>Expenses</b>			
Employee benefits expense	18	12,45,59,312	9,45,15,595
Depreciation and amortisation expense	9	66,59,419	60,46,654
Finance cost	19	16,99,44,991	10,02,53,113
Other expenses	20	6,88,22,716	4,91,01,291
<b>Total expenses</b>		<b>36,99,86,438</b>	<b>24,99,16,653</b>
<b>Profit/ (Loss) before tax</b>			
Tax expenses		1,03,59,028	(3,81,45,151)
-Current Tax (Under MAT)		13,26,052	-
-MAT Credit entitlement		(13,26,052)	-
-Deferred Tax		-	-
<b>Profit/ (Loss) after tax</b>		<b>1,03,59,028</b>	<b>(3,81,45,151)</b>
<b>Earnings per equity share [nominal value per share INR 10 (Previous year INR 10)]</b>			
Basic	23	0.19	(1.18)
Diluted		0.19	(1.18)
Weighted number of equity shares		5,51,53,217	3,24,62,666

**Summary of significant accounting policies**

1

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

As per our report of even date

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number: 105047W

Amit Mitra

Partner

Membership Number: 094518



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: New Delhi

Date: 2/09/2020



Shruti Savio Gonsalves

Shruti Savio Gonsalves

Managing Director &

Chief Executive Officer

DIN :- 07160748

Preeti Singh

Preeti Singh

Company Secretary

Place: Gurugram

Date: 2/09/2020



**Sewa Grih Rin Limited**  
Cash Flow Statement for the year ended 31st March, 2020  
(All amounts are in Indian rupees, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
Net profit/ (loss) before taxation		
Provision / written off	1,03,59,028	(3,81,45,151)
Depreciation of fixed assets	1,33,77,921	36,09,426
Loss on sale of fixed assets	66,59,419	60,46,654
Interest expense	14,430	-
ESOP expense	15,57,38,678	9,46,66,863
	9,66,932	78,016
<b>Operating profit/(loss) before working capital changes</b>	<b>18,71,16,408</b>	<b>6,62,55,808</b>
- Increase in loans and advances	(78,52,63,549)	(70,58,63,959)
- Increase in other current assets / Non-Current Assets	(1,72,25,345)	(48,80,006)
- Increase in trade payable	26,77,691	20,96,081
- Increase in other current liabilities and provisions	53,97,345	43,88,640
<b>Cash used in operations</b>	<b>(60,72,97,450)</b>	<b>(63,80,03,436)</b>
Direct Tax paid / recoverable (TDS)	3,64,849	(5,25,115)
<b>Net cash used in operating activities (A)</b>	<b>(60,69,32,601)</b>	<b>(63,85,28,551)</b>
<b>Cash flow from investing activities</b>		
Addition to fixed assets	(58,98,127)	(32,34,611)
Adjustment of fixed assets	2,196	-
Investment in bank deposits (having original maturity of more than 3 months)	(10,00,000)	-
<b>Net cash used in investing activities (B)</b>	<b>(68,95,931)</b>	<b>(32,34,611)</b>
<b>Cash flows from financing activities</b>		
Proceed from issue of equity shares at premium	-	50,99,99,993
Share issue expenses	-	(2,32,03,667)
Proceeds from borrowings	53,76,87,500	85,00,00,000
Repayment of borrowings	(24,96,73,337)	(10,99,88,370)
Amount transferred to foreign currency translation reserve	(97,92,708)	-
Interest paid	(15,37,53,388)	(9,39,58,032)
<b>Net cash flow generated from financing activities (C)</b>	<b>12,44,68,067</b>	<b>1,13,28,49,924</b>
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(48,93,60,463)	49,10,86,762
Cash and cash equivalents at the beginning of the year	54,00,51,153	4,89,64,391
<b>Cash and cash equivalents at the end of the year</b>	<b>5,06,90,690</b>	<b>54,00,51,153</b>
<b>Components of cash and cash equivalents</b>		
Balance with scheduled banks :		
- In current account		
-Cash-in-hand & collection with branches	4,92,41,904	3,21,21,797
-Cheques/DD in hand	9,48,786	38,58,606
Fixed deposits with banks	5,00,000	70,750
	-	50,40,00,000
	<b>5,06,90,690</b>	<b>54,00,51,153</b>

Note: The above statement of cash flow has been prepared under the indirect method set out in AS-3-statement of cash flow.

As per our report of even date

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

Amit Mitra  
Partner  
Membership Number: 094518



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: New Delhi  
Date: 2/09/2020



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

Preeti Singh  
Company Secretary

Place: Gurugram  
Date: 2/09/2020

## Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2020

### 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. These loans are primarily to be used by the women borrowers for home purchase, home improvements, home extension and for construction of dwelling units on plots owned by borrowers. Under the registration certificate by NHB, the Company is not allowed to accept/ hold public deposits.

#### b) Basis of preparation

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

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

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

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

#### c) Use of estimates

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

#### d) Revenue recognition

(i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured as provided in the Housing Finance Companies (NHB) Directions, 2010.

(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.



*Renana Thabwal*

*S. Goswami*

*Chakraverty*

*Preethi*



**Sewa Grih Rin Limited**

**Notes to the Financial Statements for the year ended March 31, 2020**

**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.

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

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

**g) Foreign Currency Transactions**

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

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

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.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and 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**

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantively enacted tax rates.

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.



*Renana Thabwala*

*Byasakhe*

*Consent*

*Pruthi*



**Sewa Grih Rin Limited**

**Notes to the Financial Statements for the year ended March 31, 2020**

**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 two 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**

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

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

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

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

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

**n) Earnings per share**

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

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



*Ramesh Thakur*

*Consent*  
*Brut.*



**Sewa Grih Rin Limited**

**Notes to the Financial Statements for the year ended March 31, 2020**

**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 cost**

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

*Renana Thabwala*  
*Agarwal*

*Chakraborty*



*Arora*



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2020

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

2 Share capital

Authorised

80,000,000 equity shares of Rs.10 each (Previous Year 70,000,000 equity shares)

Issued, subscribed and fully paid up

551,53,217 equity shares of Rs.10 each

	As at March 31, 2020	As at March 31, 2019
Authorised		
80,000,000 equity shares of Rs.10 each (Previous Year 70,000,000 equity shares)	80,00,00,000	70,00,00,000
Issued, subscribed and fully paid up		
551,53,217 equity shares of Rs.10 each	55,15,32,170	55,15,32,170

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

	Year ended March 31, 2020		Year ended March 31, 2019	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	5,51,53,217	55,15,32,170	3,22,11,247	32,21,12,470
Issued during the year	-	-	2,29,41,970	22,94,19,700
Outstanding at the end of the year	5,51,53,217	55,15,32,170	5,51,53,217	55,15,32,170

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

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	Number	% holding	Number	% holding
Sewa Mutual Benefit Trust	2,08,13,558	37.74	2,08,13,558	37.74
AHI Capital Gateway, Inc	40,56,462	7.35	40,56,462	7.35
HDFC Holdings Limited	54,90,410	9.95	54,90,410	9.95
Oikocredit Ecumenical Development Cooperative Society U.A	1,34,95,277	24.47	1,34,95,277	24.47
Omidyar Network Fund Inc.	62,97,796	11.42	62,97,796	11.42
Total	5,01,53,503	90.93	5,01,53,503	90.93

c) Terms / rights attached to ordinary shares

The Company has issued only one class of ordinary 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.

3 Reserves & surplus

a) Securities premium account

Balance at the beginning of the year

Addition during the year

Less: Share issue expenses

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	37,85,39,182	12,11,62,556
Addition during the year	-	28,05,80,293
Less: Share issue expenses	-	(2,32,03,667)
	37,85,39,182	37,85,39,182

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

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	-	-
Add: Transferred from Statement of profit and loss	27,41,900	-
Balance at the end of the year	27,41,900	-

\* 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

c) Share option outstanding account

10,44,948 78,016

d) Deficit in the statement of profit and loss

Balance at the beginning of the year

Add: Profit/ (loss) transferred from Statement of profit and loss

Less: Transfer to statutory reserve

Balance at the end of the year

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	(16,31,47,525)	(12,50,02,374)
Add: Profit/ (loss) transferred from Statement of profit and loss	1,03,59,028	(3,81,45,151)
Less: Transfer to statutory reserve	(27,41,900)	-
Balance at the end of the year	(15,55,30,397)	(16,31,47,525)

e) Foreign Currency Monetary Item Translation Difference Account

Balance at the beginning of the year

Add: Created on foreign currency loan taken

Balance at the end of the year

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	-	-
Add: Created on foreign currency loan taken	(97,92,708)	-
Balance at the end of the year	(97,92,708)	-
	21,70,02,926	21,54,69,673



Renanci Thabwala

*[Signature]*

*[Signature]*



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2020

(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"

ii) Loan from Utkarsh Small Finance Bank Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

iii) Loan from IDFC First Bank Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

Sub Total (a)

b) From Others

iv) Loan from Housing Development Finance Corporation Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

v) Loan from National Housing Bank

Less: Current maturities transferred to "Other Current Liabilities"

vi) Loan from Northern Arc Capital Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

vii) Loan from Avanse Financial Services Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

viii) Loan from Reliance Commercial Finance Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

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

Less: Current maturities transferred to "Other Current Liabilities"

x) Loan from Hinduja Housing Finance Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

xi) Loan from Mass Financial Services Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

xii) Loan from Manappuram Finance Ltd.

Less: Current maturities transferred to "Other Current Liabilities"

xiii) Loan from Overseas Private Investment Corp.

Less: Current maturities transferred to "Other Current Liabilities"

Sub Total (b)

Gross term loans

Less: Current maturities transferred to "Other Current Liabilities"

	As at March 31, 2020	As at March 31, 2019
	3,59,88,541	4,92,53,677
	1,51,16,583	1,32,65,136
	2,08,71,958	3,59,88,541
	7,56,94,137	9,23,61,116
	1,66,66,656	1,66,66,656
	5,90,27,481	7,56,94,460
	15,00,00,000	15,00,00,000
	-	-
	15,00,00,000	15,00,00,000
	22,98,99,439	26,16,83,001
	8,44,23,321	6,49,67,863
	1,74,81,686	1,49,37,543
	6,69,41,635	5,00,30,320
	5,39,90,000	8,39,50,000
	76,50,000	95,10,000
	4,63,40,000	7,44,40,000
	20,08,31,295	25,11,75,188
	5,75,36,648	5,09,97,755
	14,32,94,647	20,01,77,433
	3,78,37,061	4,41,87,661
	72,41,501	63,50,600
	3,05,95,560	3,78,37,061
	2,70,11,460	3,39,25,003
	71,72,634	63,02,662
	1,98,38,826	2,76,22,341
	5,05,00,000	2,75,00,000
	1,20,00,000	60,00,000
	3,85,00,000	2,15,00,000
	13,41,92,982	9,82,45,614
	3,30,52,632	2,10,52,632
	10,11,40,350	7,71,92,982
	37,01,66,663	21,39,99,997
	9,30,00,000	4,40,00,004
	27,71,66,663	16,99,99,993
	4,17,28,003	4,94,04,013
	87,35,548	76,76,010
	3,29,92,455	4,17,28,003
	18,46,20,834	-
	1,25,16,667	-
	17,21,04,167	-
	92,89,14,303	70,05,28,133
	1,44,69,84,297	1,15,89,70,132
	28,81,70,556	19,67,58,998
	1,15,88,13,741	96,22,11,134



Renana Thabvala  
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**Sewa Grih Rin Limited**

**Notes to the Financial Statements for the year ended March 31, 2020**

(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.	7,00,00,000	2,00,00,000	13.00%	24	1,34,94,494	95,66,005	3,96,29,845	1.1
2	Jana Small Finance Bank Ltd.		1,00,00,000	13.00%	25	68,96,041	49,53,856		1.1
3	Jana Small Finance Bank Ltd.		4,00,00,000	13.00%	28	2,88,63,142	2,14,68,680		1.1
4	IDFC First Bank Ltd.*	10,00,00,000	10,00,00,000	12.75%	84*	10,00,00,000	10,00,00,000	11,07,27,666	1.1
5	IDFC First Bank Ltd.**	5,00,00,000	5,00,00,000	12.75%	99**	5,00,00,000	5,00,00,000	5,54,55,372	1.1
6	Utkarsh Small Finance Bank Ltd.	10,00,00,000	5,00,00,000	12.50%	52	4,44,44,448	3,61,10,964	7,64,01,418	1.0
7	Utkarsh Small Finance Bank Ltd.		5,00,00,000	12.50%	57	4,79,16,668	3,95,83,173		1.0
	<b>Total of Banks (A)</b>	<b>32,00,00,000</b>	<b>32,00,00,000</b>			<b>29,16,14,793</b>	<b>26,16,82,678</b>	<b>28,22,14,301</b>	

\* The term loan of Rs 10 crore borrowed from IDFC first bank is repayable in 84 monthly instalments starting from July 01, 2021

\*\* The term loan of Rs 5 crore borrowed from IDFC first bank is wholly repayable at the end of 120th month in July 2028.

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	HDFC Ltd. - I	3,00,00,000	3,00,00,000	14.05%	0	1,86,69,545	-		1.1
2	Northern Arc Capital Ltd.	20,00,00,000	5,00,00,000	13.95%	32	3,97,14,802	3,10,74,583	14,37,34,264	1.1
3	Northern Arc Capital Ltd.		7,00,00,000	13.95%	34	5,75,78,371	4,57,17,969		1.1
4	Northern Arc Capital Ltd.		6,00,00,000	13.95%	35	5,01,48,401	4,01,26,684		1.1
5	Northern Arc Capital Ltd.		2,00,00,000	13.95%	36	1,70,15,361	1,37,30,477		1.1
6	Reliance Commercial Finance Ltd.	4,00,00,000	4,00,00,000	13.00%	37	3,39,25,003	2,70,11,460	2,70,46,542	1.0
7	Avanse Financial Services Ltd.	5,00,00,000	5,00,00,000	13.20%	51	4,41,87,661	3,78,37,061	3,84,07,629	1.0
8	Northern Arc Capital Ltd.	10,00,00,000	6,00,00,000	13.95%	37	5,17,95,637	4,19,23,755	7,72,34,215	1.1
9	Northern Arc Capital Ltd.		4,00,00,000	13.95%	37	3,49,22,616	2,82,57,827		1.1
10	HDFC Ltd. - II	5,00,00,000	5,00,00,000	12.25%	43	4,62,98,318	3,81,44,874	4,19,60,401	1.1
11	Mass Rural Housing & Mortgage Finance Ltd.-I	3,00,00,000	3,00,00,000	13.25%	43	2,75,00,000	2,15,00,000	2,36,90,731	1.1
12	Mass Financial Services Ltd. - I	4,00,00,000	4,00,00,000	13.25%	45	3,79,99,999	2,99,99,995	9,90,57,676	1.1
13	Mass Financial Services Ltd. - II	4,00,00,000	4,00,00,000	13.25%	45	3,79,99,999	2,99,99,995		1.1
14	Mass Financial Services Ltd. - III	4,00,00,000	4,00,00,000	13.25%	45	3,79,99,999	2,99,99,995		1.1



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**Sewa Grih Rin Limited**  
**Notes to the Financial Statements for the year ended March 31, 2020**  
 (All amounts are in Indian rupees, unless otherwise stated)

**5 Long Term Provisions**

**Provision for Loans:**  
 For standard assets  
 For sub-standard assets  
 For Doubtful assets  
**Provision for Employees benefits:**  
 For Gratuity

As at March 31, 2020	As at March 31, 2019
64,70,786	40,35,459
7,12,924	1,17,549
35,180	-
46,70,201	30,71,435
<b>1,18,89,091</b>	<b>72,24,443</b>

**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, 2020	As at March 31, 2019
16,61,325	4,58,500
85,47,060	70,72,194
<b>1,02,08,385</b>	<b>75,30,694</b>

**7 Other Current Liabilities**

Current maturities of long term loans  
 Interest accrued but not due  
 Amount collected from customer  
 Amount refundable to borrowers  
 Statutory dues  
 Expenses payable

As at March 31, 2020	As at March 31, 2019
28,81,70,555	19,67,58,998
36,45,512	16,60,222
62,91,545	15,20,988
13,39,344	2,16,870
36,23,443	54,07,497
31,93,930	22,70,410
<b>30,62,64,329</b>	<b>20,78,34,985</b>

**8 Short Term Provisions**

**Provision for Loans:**  
 For standard assets  
 For sub-standard assets  
**Provision for Employees benefits:**  
 For Gratuity  
 Provision for Income Tax (under MAT) (net of TDS receivable)

As at March 31, 2020	As at March 31, 2019
82,53,901	2,42,603
-	-
7,22,672	20,698
3,64,849	-
<b>93,41,422</b>	<b>2,63,301</b>

*Ranana Thabwala*

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## 9 Property plant and equipment

Particulars	Tangible asset (A)				Intangible asset (B)			Total (A+B)
	Furniture and fixtures	Office equipment	Computers accessories and server hardware	Total	Computer software	Software under development	Total	
<b>(i) Gross Block</b>								
Balance as at April 01, 2018	21,56,483	12,32,910	61,48,821	95,38,214	1,72,61,953	8,99,250	1,81,61,203	2,76,99,417
Additions	1,96,478	3,51,080	12,87,741	18,35,299	22,98,562	-	22,98,562	41,33,861
Disposals / Adjusted	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	23,52,961	15,83,990	74,36,562	1,13,73,513	1,95,60,515	8,99,250	1,95,60,515	3,09,34,028
Additions	8,94,101	4,07,021	37,85,023	50,86,145	8,11,982	-	8,11,982	58,98,127
Disposals / Adjusted	-	1,28,196	6,998	1,35,194	-	-	-	-
Balance as at March 31, 2020	32,47,062	18,62,815	1,12,14,587	1,63,24,464	2,03,72,497	-	2,03,72,497	3,66,96,961
<b>(ii) Accumulated Depreciation</b>								
Balance as at April 01, 2018	3,44,647	3,81,894	26,19,998	33,46,539	40,89,501	-	40,89,501	74,36,040
For the year	2,14,335	2,80,507	17,46,265	22,41,107	38,05,547	-	38,05,547	60,46,654
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	5,58,982	6,62,401	43,66,263	55,87,646	78,95,048	-	78,95,048	1,34,82,694
For the year	2,75,245	3,37,010	19,86,083	25,98,338	40,61,081	-	40,61,081	66,59,419
Disposals	-	1,11,570	6,998	1,18,568	-	-	-	-
Balance as at March 31, 2020	8,34,227	8,87,841	63,45,348	80,67,416	1,19,56,129	-	1,19,56,129	2,00,23,545
<b>(iii) Net Block</b>								
Balance as at March 31, 2019	17,93,979	9,21,589	30,70,299	57,85,867	1,16,65,467	-	1,16,65,467	1,74,51,334
Balance as at March 31, 2020	24,12,835	9,74,974	48,69,239	82,57,048	84,16,368	-	84,16,368	1,66,73,416

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Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2020

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

10 Long-term loans and advances

(Secured, considered good unless stated otherwise)

Housing and property loans

a) Secured by mortgageable securities

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

b) Secured by other securities

- Housing Loans
- Loan against House Property

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

Less: Current portion of Housing and property loans

Non-Current portion of housing and property loans

Security deposits

Tax deducted at source, recoverable (net off of Provision of tax under MAT)

	As at March 31, 2020	As at March 31, 2019
	1,16,42,44,778	76,61,40,202
	29,99,465	7,83,661
	1,40,717	-
	86,79,55,586	52,21,52,064
	17,53,355	-
	9,06,98,727	6,70,72,592
	3,87,78,599	2,66,05,455
	2,16,65,71,227	1,38,27,53,974
	10,51,45,987	7,82,63,694
	2,06,14,25,240	1,30,44,90,280
	17,76,810	15,13,559
	10,40,483	10,40,483
	2,06,42,42,533	1,30,70,44,322

\* As certified by management, loans given by the Company are secured by equitable mortgage/ registered mortgage of the property to create a security and /or hypothecation of asset and are considered appropriate and good.

11 Other non-current assets

Mark-to-market gain on derivatives

Prepaid Expenses

	As at March 31, 2020	As at March 31, 2019
	41,09,576	-
	11,06,347	1,09,567
	52,15,923	1,09,567

12 Cash and bank balances

Cash-in-hand

Cheques/ Demand draft in hand

Balance with Banks

-in current Account

-Deposits with original maturity of less than 3 months

	As at March 31, 2020	As at March 31, 2019
	9,48,786	38,58,606
	5,00,000	70,750
	4,92,41,904	3,21,21,797
	-	50,40,00,000
	5,06,90,690	54,00,51,153

13 Other bank balances

-Deposits with original maturity of more than 3 months\*

	As at March 31, 2020	As at March 31, 2019
	10,00,000	-
	10,00,000	-

\*The above deposits are issued to M/s IDBI Trusteeship Services Ltd on account of loan taken from OPIC

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Chakraborty  
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Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2020

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

14 Short term loans and advances

Housing and property loans

a) Secured by mortgageable securities

- Housing Loans

- Loan against House Property

b) Secured by other securities

- Housing Loans

- Loan against House Property

(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

Advance to Employees

Balance with Government Authorities

GST credit

MAT Credit entitlement

Advances recoverable in cash or kind

	As at March 31, 2020	As at March 31, 2019
	4,96,67,306	4,01,04,256
	4,12,74,787	2,86,69,334
	1,03,57,674	68,63,597
	38,46,220	26,26,507
	10,51,45,987	7,82,63,694
	10,32,668	6,25,114
	5,81,533	12,71,075
	13,26,052	-
	1,65,154	26,173
	10,82,51,394	8,01,86,056

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, 2020	As at March 31, 2019
	1,05,909	52,75,573
	12,24,428	-
	1,62,47,903	-
	12,89,704	15,04,887
	1,10,164	4,43,508
	1,89,78,108	72,23,968

Ronana Thabwala  
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**Sewa Grih Rin Limited**  
**Notes to the Financial Statements for the year ended March 31, 2020**  
 (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, 2020	Year ended March 31, 2019
33,54,42,568	17,19,03,013
2,05,25,868	2,18,53,320
63,06,805	60,08,747
93,30,305	52,51,132
47,14,120	25,15,840
<b>37,63,19,666</b>	<b>20,75,32,052</b>

**17 Other income**

Grant from international finance corporation

Foreign exchange gain

Year ended March 31, 2020	Year ended March 31, 2019
-	42,39,450
40,25,800	-
<b>40,25,800</b>	<b>42,39,450</b>

**18 Employee benefits expense**

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

Year ended March 31, 2020	Year ended March 31, 2019
11,26,41,619	8,80,60,815
43,03,186	28,42,927
23,00,740	12,59,788
43,46,835	22,74,049
9,66,932	78,016
<b>12,45,59,312</b>	<b>9,45,15,595</b>

\* Net of Rs. 94,536/- subsidy received under PMRPY (previous year - Rs. 414,578)

**19 Finance Cost**

Interest expense on term loans\*  
 Other borrowing cost

Year ended March 31, 2020	Year ended March 31, 2019
15,57,38,678	9,46,66,863
1,42,06,313	55,86,250
<b>16,99,44,991</b>	<b>10,02,53,113</b>

\* Includes the impact of para 4(e) of Accounting Standard-16

**20 Other Expenses**

Electricity and water charges  
 Rent  
 Security deposit 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  
 Bank charges  
 Telephone, mobile and internet  
 Meeting expenses  
 Postage and courier  
 Travelling and conveyance  
 Rates and Taxes  
 Remuneration to auditors (including taxes) :  
 -Audit fees  
 -Tax audit fees  
 -Certification  
 Festival expenses  
 Provision on standard assets\*  
 Provision on sub-standard assets  
 Provision on doubtful assets  
 Foreign exchange Loss  
 Loss on sale of fixed assets  
 Miscellaneous expenses

Year ended March 31, 2020	Year Ended on 31-03-2019
21,29,796	13,92,276
93,02,050	70,83,160
1,21,447	-
31,54,352	25,02,839
3,00,366	13,29,614
33,02,994	16,64,091
9,58,402	3,90,360
26,94,044	21,97,758
10,31,661	9,47,769
2,67,050	7,19,400
1,55,02,693	1,20,06,532
60,67,604	62,03,069
10,35,902	8,70,672
12,79,963	11,82,269
1,14,950	1,08,644
9,68,117	8,79,045
61,39,855	50,92,290
20,89,603	8,66,244
4,00,000	6,40,500
50,000	65,400
90,000	1,22,080
6,78,144	3,44,845
1,04,46,625	22,32,089
5,95,375	1,17,549
35,180	-
-	84,837
14,430	-
52,113	57,959
<b>6,88,22,716</b>	<b>4,91,01,291</b>



\*Additional Provision for Covid-19 made in line with RBI circular on "Asset Classification and Provisioning" dated April 17, 2020.

*Ravina Thabwala*

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*Arshad*

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**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, 2020	Year ended March 31, 2019
Employers contribution to provident fund (Refer note 18)		
<b>Total</b>	<b>43,03,186</b>	<b>28,42,927</b>
	<b>43,03,186</b>	<b>28,42,927</b>

**(b). Defined benefit plan**

The present value obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarized position of defined benefit plan is as under:

**A. Actuarial assumptions**

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate (per annum)	5.04%	7.66%
Expected rate of future salary increase	7.00%	5.50%
Retirement age (years)	60	65
Mortality table	IALM (2012 - 14)	IALM (2006 - 08)
<b>Withdrawal rate</b>		
Up to 30 Years	56.24%	3.00%
From 31 to 44 years	39.00%	2.00%
Above 44 years	14.24%	1.00%

The discount rate assumed is 5.04% (previous year: 7.66%) 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, 2020	Year ended March 31, 2019
Opening present value of obligation		
Interest cost	30,92,133	18,32,345
Current service cost	2,36,857	1,42,923
Benefits paid	12,17,125	10,42,255
Actuarial gain/ (loss) on obligation	-	-
<b>Closing present value of obligation</b>	<b>8,46,758</b>	<b>74,610</b>
	<b>53,92,873</b>	<b>30,92,133</b>

**C. Expense recognised in the Statement of Profit and Loss**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost		
Interest cost	12,17,125	10,42,255
Net actuarial loss/(gain) to be recognized	2,36,857	1,42,923
<b>Expense recognised in the Statement of Profit and Loss (Refer note below)</b>	<b>8,46,758</b>	<b>74,610</b>
	<b>23,00,740</b>	<b>12,59,788</b>

**Note:**

Expense recognised in employee benefit expenses (Refer note 18)	23,00,740	12,59,788
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**D. Reconciliation of present value of defined benefit obligation and fair value of assets**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Present value of defined benefit obligation		
Fair value of plan assets	53,92,873	30,92,133
<b>Net funded status</b>	<b>-</b>	<b>-</b>
	<b>53,92,873</b>	<b>30,92,133</b>

**Recognised under:**

Short term provision (Refer note 8)	7,22,672	20,698
Long term provision (Refer note 5)	46,70,201	30,71,435



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Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2020  
(All amounts are in Indian rupees, unless otherwise stated)

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

Particulars	As at	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
PBO	53,92,873	30,92,133	18,32,345	10,13,287	2,66,097
Plan assets	-	-	-	-	-
Net assets/(liability)	(53,92,873)	(30,92,133)	(18,32,345)	(10,13,287)	(2,66,097)
Experience (gain)/loss on PBO	(42,57,836)	3,627	1,20,234	1,15,907	95,037
Experience (gain)/loss on plan assets	-	-	-	-	-

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

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
Gratuity	16,20,826	17,58,206

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

**a. Contingent Liability**

Claims against the company not acknowledged, as debts

As at	As at
March 31, 2020	March 31, 2019
-	-

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

**Other money for which the Company is contingently liable**

The Ministry of Housing and Urban Affairs (MoHUA), Government of India, under a scheme known as Credit Linked Subsidy Scheme (PMAY-CLSS) grant interest subsidy to economically weaker section of the society through the central nodal agency viz. National Housing Bank, the Company acting as an intermediary. The Company has provided total CLSS subsidy of Rs. 4,680,070 to its borrowers. SGRL has the liability to collect the subsidy amount from the respective beneficiary and refund the same to the Nodal Agency if the money is not utilised for housing purpose. The amount of subsidy received and passed on to the credit of beneficiaries amount to Rs. Nil (previous year: Rs. Nil) including processing fee of Rs. Nil (previous year: Rs. Nil).

**Commitment**

The Company has sanctioned loans which are still to be disbursed amounting to Rs. 115,089,400 (Previous year Rs. 114,652,856)

**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, 2020	March 31, 2019
20,20,750	20,20,750

**23 Earning Per Share**

**Particulars**

Net profit/ (loss) attributable to equity shareholders for basic and diluted EPS (a)  
Weighted average of number of equity shares outstanding during the year (b)  
Nominal value of shares  
Basic and diluted earnings/ (loss) per equity share (a/b)

As at	As at
March 31, 2020	March 31, 2019
1,03,59,028	(3,81,45,151)
5,51,53,217	3,24,62,666
10	10
0.19	(1.18)



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Renana Thabwala



24 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, 2020	As at March 31, 2019
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
The principal amount		
The interest due thereon	16,61,325	4,58,500
(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	-	-
FY 2019-20	-	-
(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.	-	-

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

A. Name of related parties and nature of relationship

Related parties with whom transactions have taken place during the year

Name of related parties

Sewa Mutual Benefit Trust

Oikocredit Ecumenical Development Cooperative Society U.A

Relationship

Enterprises having significant influence over the Company

Enterprises having significant influence over the Company

Key Management Personnel (KMP)

Shruti Savio Gonsalves

Nagendra Nath Saxena

Preeti Singh

Managing Director & Chief Executive Officer

Chief Financial Officer

Company Secretary

B. Transaction with related parties

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Issue of Share Capital</b>		
Sewa Mutual Benefit Trust	-	-
Oikocredit Ecumenical Development Cooperative Society U.A	-	13,49,52,770
<b>Proceeds from Security Premium</b>		
Sewa Mutual Benefit Trust	-	-
Oikocredit Ecumenical Development Cooperative Society U.A	-	16,50,47,238
<b>Remuneration (Including Incentives)*</b>		
Shruti Savio Gonsalves	72,05,761	60,53,895
Nagendra Nath Saxena	28,76,130	21,78,348
Preeti Singh	16,79,706	14,55,430
<b>Reimbursement expenses</b>		
Shruti Savio Gonsalves	43,182	-

Reneena Thabwala

*[Signature]*

*[Signature]*

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Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2020

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

C. Balance outstanding as at year end:

Particulars	As at	
	March 31, 2020	March 31, 2019
Incentive Payable		
Shruti Savio Gonsalves		
Nagendra Nath Saxena	2,89,792	-
Preeti Singh	1,81,033	-
	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.

26 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.

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

Date of Grant	March 28, 2019
Exercise Period	Options are exercisable on expiry of 24 months from the date of grant
Vesting dates	Upon completion 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.

Total Options granted : 1,564,000 (Previous Year 1,582,000)

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

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of Options	Amount (Rs)	Number of Options	Amount (Rs)
Outstanding at the beginning of the year	15,82,000	3,50,88,760	-	-
Granted during the year	-	-	15,82,000	3,50,88,760
Relinquished during the year	18,000	3,99,240	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the Year	15,64,000	2,97,16,000	15,82,000	3,50,88,760

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. 966,332/- (Previous year Rs. 78,016) being the amortisation of deferred employee compensation.

27 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.

*Renana Thabvala*  
*S. Gonsalves*

*Consulter*  
*Preeti*



Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2020

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

28 Expenditure in Foreign Currency

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Agent Fees (Cogency Global INC)	1,92,730	-
Facility Fees (Opic)	67,83,343	-
Foreign Travelling expenses Reimbursement	1,58,127	1,80,376
Conference Registration Fees to IFC	-	68,450

29 Earnings in Foreign Currency

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Grant from International Finance Corporation (Net of GST)	-	42,39,450

30 Derivative instruments and Unhedged foreign currency exposure

a. Derivative outstanding at the reporting date

Particulars	Purpose	As at March 31, 2020	As at March 31, 2019
Forward contracts to buy USD	Hedge of external commercial borrowing	USD 538,757, Rs. 71.26	-

b. Mark-to-market

Particulars	As at March 31, 2020	As at March 31, 2019
Mark-to-market gain provided for	41,09,576	-

c. The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2020

Particulars	Currency	As at March 31, 2020	As at March 31, 2019
Foreign Currency loan	USD	19,07,409	-

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. 9,302,050 (previous year Rs. 7,083,160).

32 Deferred tax asset / (liability)

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation of fixed assets	(7,24,094)	(12,51,898)
Disallowance under Income tax Act	65,14,113	29,92,605
Carry forward loss and unabsorbed depreciation	3,80,62,346	4,51,63,615
	<u>4,38,52,366</u>	<u>4,69,04,322</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.



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*Signature*

Renuka Thabwala



**Sewa Grih Rin Limited**

**Notes to the Financial Statements for the year ended March 31, 2020**

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

33 The Company has entered into a performance based grant agreement dated July 9, 2013 with International Finance Corporation (IFC). The agreement provides for a grant of USD 125,000 with a matching contribution by the company, equivalent of USD 145,000. The objectives of the grant, inter alia, are to achieve capacity building and scale up of operations and reach, incorporate risk management and responsible finance principles in operations and developing and launching new housing finance products, subject to fulfilment of conditions. An additional grant of USD 110,000 was approved by IFC and the same was intimated to the Company vide letter dated April 12, 2016. The Company has received USD Nil equivalent to Rs. Nil in the current year (previous year - USD 59,995 equivalent to Rs. 4,239,450).

**34 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, 2020	March 31, 2019
(i) CRAR (%)		
(ii) CRAR - Tier I Capital (%)	51.50%	79.25%
(iii) CRAR - Tier II Capital (%)	50.52%	78.79%
(iv) Amount of subordinated debt raised as Tier - II Capital	0.98%	0.46%
(v) Amount raised by Issue of Perpetual Debt Instruments	0.00%	0.00%
	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, 2020	March 31, 2019
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
<b>Addition / Appropriation / Withdrawal during the year</b>		
<b>Add:</b>		
a) Amount transferred u/s 29C of the NHB Act, 1987	27,41,900	-
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	-	-
<b>Less:</b>		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act,	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	27,41,900	-
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	-	-
<b>Total</b>	<b>27,41,900</b>	<b>-</b>

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

D The Company do not have any investments as on March 31, 2020 and March 31, 2019.

E The Company has entered into derivative transactions during the year. Refer in Note No. 30.

F The Company has not entered any Forward rate/ Interest rate swap agreement during the year.

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

a. There are no SPVs sponsored by the Company.

b. The Company has not sold any Financial Assets to Securitization/ Reconstruction Company for Asset Reconstruction during the current year as well as previous year.

c. The Company has not entered into any assignment transactions during the current year as well as previous year.

d. The company has neither purchased nor sold any non-performing financial assets from/ to any other housing finance companies during the current year as well as previous year.



*Renuka Thabvala*

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Sewa Srih Rin Limited  
Notes to the Financial Statements for the year ended March 31, 2020  
(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, 2020 and March 31, 2019\*

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	Total
<b>Liabilities:</b>										
Borrowing from Banks/ NBFCs	2,11,46,608	2,19,77,537	2,19,68,990	6,91,00,701	14,14,59,728	61,38,24,294	26,44,17,023	3,89,71,424	6,94,97,156	1,26,23,63,461
Foreign Currency Liabilities (Previous Year)	(1,45,62,949)	(1,52,66,506)	(1,53,25,222)	(4,96,07,981)	(10,19,96,339)	(45,12,96,367)	(36,37,10,121)	(5,01,84,970)	(9,70,19,676)	18,46,20,834
<b>Total (Previous Year)</b>	<b>(1,45,62,949)</b>	<b>(1,52,66,506)</b>	<b>(1,53,25,222)</b>	<b>(4,96,07,981)</b>	<b>(10,19,96,339)</b>	<b>(45,12,96,367)</b>	<b>(36,37,10,121)</b>	<b>(5,01,84,970)</b>	<b>(9,70,19,676)</b>	<b>(1,15,89,70,131)</b>
<b>Assets:</b>										
Advances# (Housing & Property Loans) (Previous Year)	3,08,895	3,13,722	86,51,355	2,67,83,613	6,90,88,402	27,72,13,400	35,54,86,173	42,07,40,840	71,68,15,987	2,16,65,71,227
<b>Total (Previous Year)</b>	<b>(85,85,540)</b>	<b>(58,79,596)</b>	<b>(59,71,515)</b>	<b>(1,84,25,205)</b>	<b>(3,94,01,835)</b>	<b>(19,26,96,600)</b>	<b>(24,67,26,089)</b>	<b>(29,56,81,411)</b>	<b>(43,55,83,140)</b>	<b>(1,38,19,70,311)</b>
	3,08,895	3,13,722	86,51,355	2,67,83,613	6,90,88,402	27,72,13,400	35,54,86,173	42,07,40,840	71,68,15,987	2,16,65,71,227
	(85,85,540)	(58,79,596)	(59,71,515)	(1,84,25,205)	(3,94,01,835)	(19,26,96,600)	(24,67,26,089)	(29,56,81,411)	(43,55,83,140)	(1,38,19,70,311)

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



Renuka Thabrala

*Signature*

I Exposure  
a. Exposure to Real Estate Sector

Category	As at March 31, 2020	As at March 31, 2019
(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	1,25,80,83,687	83,39,96,454
- Individual housing loans above Rs.15 lakh	-	-
(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 during the year as well as at the year end.

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, 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. 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.

L Rating assigned by Credit Rating Agencies and migration of rating during the year

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. 25



*Handwritten signatures and initials in blue ink.*



*Handwritten signature: Renana Thabvala*

*Handwritten signature: Kaur*

**Sewa Grih Rin Limited**  
**Notes to the Financial Statements for the year ended March 31, 2020**  
 (All amounts are in Indian rupees, unless otherwise stated)

**N Remuneration of Directors**

Remuneration of Directors has been disclosed in Note No. 25

**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 through prescribed returns.

**T Provisions and Contingencies**

a. Summary of movement in provisions:

Particulars	As at March 31, 2019	Provision made during the Year	Provision Reversed / Adjusted during the Year	As at March 31, 2020
Gratuity	30,92,133	23,00,740	-	53,92,873
Provision for income tax	-	13,26,052	-	13,26,052
Provisions against standard assets	42,78,062	1,04,46,625	-	1,47,24,687
Provisions against sub standard assets	1,17,549	5,95,375	-	7,12,924
Provisions against doubtful assets	-	35,180	-	35,180

b. Break up of loans and advances and provision thereon

Particulars	Housing		Non-Housing	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Standard Assets</b>				
Total outstanding amount	1,25,49,43,505	83,32,12,793	90,67,34,185	54,87,57,519
Provision made	79,99,524	20,83,032	67,25,164	21,95,030
<b>Sub - Standard Assets</b>				
Total outstanding amount	29,99,465	7,83,661	17,53,355	-
Provision made	4,49,921	1,17,549	2,63,003	-
<b>Doubtful Assets - Category - I</b>				
Total outstanding amount	1,40,717	-	-	-
Provision made	35,180	-	-	-
<b>Doubtful Assets - Category - II</b>				
Total outstanding amount	-	-	-	-
Provision made	-	-	-	-
<b>Doubtful Assets - Category - III</b>				
Total outstanding amount	-	-	-	-
Provision made	-	-	-	-
<b>Loss Assets</b>				
Total outstanding amount	-	-	-	-
Provision made	-	-	-	-
<b>Total Amount</b>				
Total outstanding amount	1,25,80,83,687	83,39,96,454	90,84,87,540	54,87,57,519
Provision made	84,84,625	22,00,581	69,88,167	21,95,030

Renana Thabwala  
 Director

Consent

Bruti



**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, 2020	As at March 31, 2019
Total loans and advances to twenty largest borrowers	1,80,53,062	1,58,80,622
Percentage of loans and advances to twenty largest borrowers to total Advances of the HFC	0.83%	1.15%

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

Particulars	As at March 31, 2020	As at March 31, 2019
Total loans and advances to twenty largest borrowers	1,80,53,062	1,58,80,622
Percentage of loans and advances to twenty largest borrowers to total	0.83%	1.15%

**iv. Concentration of NPAs**

Particulars	As at March 31, 2020	As at March 31, 2019
Total exposure to top ten NPA accounts	34,18,271	7,83,661

**v. Sector-wise NPAs**

Sector	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2020	As at March 31, 2019
<b>A Housing Loans :</b>		
1 Individuals		
2 Builders / Project Loans	0.14%	0.06%
3 Corporates	-	-
4 Others	-	-
<b>B Non- Housing Loans :</b>		
1 Individuals		
2 Builders / Project Loans	0.08%	-
3 Corporates	-	-
4 Others	-	-

*Renana Thabvala*



*Gonsalves*

*Carbox*

*Pruthi*





Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31, 2020

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

vi. Movement of NPAs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(I) Net NPAs to Net Advances (%)	0.19%	0.05%
(II) Movement of NPAs (Gross)		
a) Opening balance		
b) Additions during the year	7,83,661	-
c) Reductions during the year	71,87,298	13,35,740
d) Closing balance	30,77,423	5,52,079
(III) Movement of NPAs (Net)		
a) Opening balance		
b) Additions during the year	6,66,112	-
c) Reductions during the year	61,09,203	11,35,379
d) Closing balance	26,15,809	4,69,267
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance		
b) Additions during the year	1,17,549	-
c) Reductions during the year	10,78,095	2,00,361
d) Closing balance	4,61,613	82,812
	7,34,031	1,17,549

e. Overseas Assets

The Company does not have overseas assets during March 31, 2020 and March 31, 2019.

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, 2020 and March 31, 2019.

U Disclosure of customer complaints

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) No of complaints pending at the beginning of the year		
b) No of complaints received during the year	1	2
c) No of complaints redressed during the year	18	50
d) No of complaints pending at the end of the year	19	51
	-	1

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

36 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, 2020, as it does not meet the conditions mentioned under section 135(1) of the Companies Act, 2013.



*gossalves*

*Car Saxena*



*Ronana Thabwala*

*kruti*

**Notes to the Financial Statements for the year ended March 31, 2020**

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

37 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 and May 31, 2020. This pandemic and response thereon are creating disruption in global supply chain and adversely impacting most of the industries which has 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 is granted, the days past due status as at March 31, 2020 is based on the days past due status as on February 29, 2020. The Company continues 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 has 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 have resumed their income activities and are opting out of the moratorium scheme.

The Company is hopeful that economic activities will gradually crawl back to normalcy but to provide for any stress in asset quality due to loss of jobs or livelihood it has made an additional provision of Rs. 79 lakhs in the financial statements. This is in line with RBI circular on "Asset Classification and Provisioning" dated April 17, 2020.

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

Particulars	Amount
a) Respective amounts, where amounts in loan asset categories, where the moratorium/ deferral was extended in terms of paragraph 2 and 3 of the circular*	29,73,82,052
b) Respective amount where asset classification benefits is extended	15,72,17,054
c) Provisions made during the quarter ended March 31, 2020 in terms of para 5 of the circular	79,60,391
d) Provisions adjusted during the respective accounting periods against slippages in terms of paragraph 6 of the circular	-
e) Residual provisions as of March 31, 2020 in terms of paragraph 6 of the circular	79,60,391

\*Represents amounts to whom moratorium is granted for the month of March 2020.

38 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

Amit Mitra  
Partner

Membership Number: 094518



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

Renana Jhabvala  
Director  
DIN :- 01106825

Nagendra Saxena  
Chief Financial Officer

Place: New Delhi  
Date: 21/09/2020



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

Preeti Singh  
Company Secretary

Place: Gurugram  
Date: 21/09/2020