

## **NOTICE**

**SHORTER NOTICE IS HEREBY GIVEN THAT THE 13<sup>TH</sup> (THIRTEENTH) ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF SEWA GRIH RIN LIMITED (SGRL) WILL BE HELD ON FRIDAY, SEPTEMBER 27, 2024 AT 03:00 PM (IST) AT OUR CORPORATE OFFICE AT BUILDING NO 8C 8TH FLOOR TOWER-C, DLF CYBER CITY GURUGRAM, HARYANA, INDIA, 122002 THROUGH VIDEO CONFERENCING/ OTHER AUDIO-VISUAL MEANS (“VC/OAVM”) TO TRANSACT THE FOLLOWING BUSINESSES:**

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### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2024, the Reports of the Directors and the Auditors thereon and to pass the following resolution:**

**“RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended March 31, 2024, and the report of Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

- 2. To appoint a director in place of Mr. Rajat Arora (DIN: 07201387), who retires by rotation and being eligible, offers himself for re-appointment and to pass the following resolution:**

**“RESOLVED THAT** pursuant to the provision of Section 152(6) of the Companies Act 2013 and rules made thereunder, Mr. Rajat Arora (DIN: 07201387), who retires by rotation, and being eligible, offers himself for the re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

- 3. To appoint a director in place of Ms. Shilpa Naval Kumar (DIN: 02404667), who retires by rotation and being eligible, offers herself for re-appointment and to pass the following resolution:**

**“RESOLVED THAT** pursuant to the provision of Section 152(6) of the Companies Act 2013 and rules made thereunder, Ms. Shilpa Naval Kumar (DIN: 02404667), who retires by rotation, and being eligible, offers herself for the re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

- 4. To appoint M/S S.N. Dhawan & Co. LLP, Chartered Accountants (Firm Registration Number: 000050N/N500045) as a statutory auditor of the company and to fix their remuneration.**

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under and applicable provisions of Reserve Bank of India (RBI) Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, M/s S.N. Dhawan & Co (Firm Registration Number- 000050N/N500045), be and are hereby appointed as Statutory Auditors of the Company to hold office for next three financial years i.e., FY 2024-25, 2025-26 and 2026-27 (from the conclusion of 13th Annual General Meeting till the conclusion of 16th Annual General Meeting), as per the provisions of the Companies Act, 2013 at an annual remuneration of INR 37,50,000

(including forensic audit, tax audit and certifications) plus taxes and out of pocket expenses with an annual increment of INR 2,50,000 every year till their tenure.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 144 and other applicable provisions if any, of the Companies Act, 2013, read with rules made there under, the auditors shall also provide the relevant certificates at a price agreed in writing along with statutory audit fees as may be required under various statutory or regulatory requirements.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and hereby severally authorize any Director, Chief Compliance Officer or Company Secretary of the Company to take all actions and to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable or expedient to give effect including but not limited to intimating the Reserve Bank of India (RBI)/ National Housing Bank (NHB) or any other regulatory authority as applicable for such appointment and to do all acts, deeds and things in connection therewith and incidental thereto as they in their absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end.

**RESOLVED FURTHER THAT** a certified copy of this resolution is provided to all concerns as and when required under the hand of any Director, Chief Compliance Officer or Company Secretary of the Company, be furnished to the necessary authorities and they be requested to act thereon."

**SPECIAL BUSINESS:**

**5. To remove Ms. Shruti Savio Gonsalves from the position of Director of the Company.**

To considerer, and if thought fit, to pass the following resolution as **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, Ms. Shruti Savio Gonsalves (DIN: 07160748) be and is hereby removed from the office of Director of SEWA Grih Rin Limited with immediate effect and cease to hold all powers granted to her by the Company.

**RESOLVED FURTHER THAT** any of the directors of the Company be and are hereby severally authorized to file relevant forms with the Registrar of Companies, update the Company's register of directors, and to do all such acts, deeds, matters and things as deem necessary, proper or desirable for the purpose of giving effect to the aforesaid resolution."

**Date: September 11, 2024**

**Place: Gurugram**

**By Order of the Board of Director  
For SEWA Grih Rin Limited**

KASHVI  
MALHOTRA

Digitally signed by  
KASHVI MALHOTRA  
Date: 2024.09.11  
17:42:20 +05'30'

**Kashvi Malhotra**  
**Head Company Secretary & Compliance**  
**Membership No. ACS 23213**  
**Add: H-7 West Patel Nagar**  
**New Delhi – 110008**



**NOTES:**

1. The Ministry of Corporate Affairs ("MCA") inter-alia vide its General Circular nos. 14/2020 dated April 8, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020; 02/2021 dated January 13, 2021; 02/2022 dated May 5, 2022; 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 issued by MCA (hereinafter collectively referred as "MCA Circulars") has permitted the holding of the Annual General Meeting/Extra-ordinary General Meeting through Video Conferencing ("VC") or through other audio-visual means ("OAVM"), without the physical presence of the Members at a common venue.
2. The Explanatory Statement pursuant to Section 102 and other applicable provisions of the Companies Act, 2013 as amended, read with relevant rules made thereunder, the Secretarial Standard No. 2 on General Meetings issued by the Institute of Company Secretaries of India, setting out the material facts and reasons, in respect of Item No. 4 & 5 of this Notice to be transacted at Annual General Meeting (the "Meeting") is annexed herewith.
3. Relevant documents referred to in the Notice and the Explanatory Statement and the other Statutory Records (Registers) shall be open for inspection at the Registered Office of the Company up to the date of the Annual General Meeting of the Company.
4. **GENERAL INSTRUCTION FOR ACCESSING AND PARTICIPATING IN THE AGM THROUGH VIDEO CONFERENCING (VC)/ OTHER AUDIOVISUAL MEANS (OVAM) FACILITY:**
  - A. Since the AGM is conducting through Video Conferencing/ Other Audio-Visual Means (VC/OAVM), there is no requirement for the appointment of proxies. Accordingly, the facility to appoint proxies to attend and cast vote for the Members is not available for this AGM.
  - B. As the meeting will be held through VC/ OAVM, the Route Map of the venue of the meeting is not annexed to this Notice.
  - C. Pursuant to Section 113 of the Act, Corporate members intending to send their authorized representative(s) to attend the AGM through VC / OAVM on its behalf and to vote are requested to send in advance a scanned copy (PDF/JPG Format) of a duly certified copy of the relevant Board Resolution / Letter of Authority / Power of Attorney of those representative(s), to the Company through e-mail to [compliance@sgrlimited.in](mailto:compliance@sgrlimited.in).
  - D. The Company has made arrangement of attending the AGM through VC/ OAVM and members desirous of attending the AGM through VC/ OAVM may note the following step for connectivity:

<b>MS Teams</b>
<b>Meeting ID: 413 610 155 039</b>
<b>Passcode: *****1</b>
<a href="#"><b>Join the meeting now</b></a>

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<sup>1</sup> Passcode will be shared separately to the shareholders.



- E. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- F. Pursuant to the provision of the Companies Act 2013, voting on all matters considered at the AGM shall be by way of show of hands, unless a demand for poll is made by any member in accordance with Section 109 of the Act. Members attending the AGM through VC/OAVM are requested to convey their assent or dissent by sending the duly filled and signed polling paper, on items considered in the meeting by sending e-mails to the designated e-mails addressed of the Company i.e. [compliance@sgrlimited.in](mailto:compliance@sgrlimited.in).
- G. In compliance with the MCA Circulars, Notice of the AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company. If any shareholder wishes to change their registered email id or communicate otherwise may send an email to the Company Secretary at [compliance@sgrlimited.in](mailto:compliance@sgrlimited.in).
- H. The process for dial through video conference and password for the same is as mentioned herein above. The facility for joining the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time. In case of any difficulties or if you need assistance, please contact at [compliance@sgrlimited.in](mailto:compliance@sgrlimited.in) and Phone No. +91 124 4271750.
5. Appointment / Re-appointment of Directors At the ensuing Annual General Meeting, Ms. Shilpa Naval Kumar and Mr. Rajat Arora, retire by rotation and being eligible, offer themselves for re-appointment.
6. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the General Meeting.
7. All documents referred to in the accompanying Notice and Explanatory Statement are open and available for inspection at the Registered Office of the Company on all working days between 11:00 a.m. and 1:00 p.m., up to the date of this Meeting. The aforesaid documents will also available for inspection at the General Meeting.

**Date: September 11, 2024**  
**Place: Gurugram**

**By Order of the Board of Director**  
**For SEWA Grih Rin Limited**

KASHVI  
MALHOTRA

Digitally signed by  
KASHVI MALHOTRA  
Date: 2024.09.11  
17:42:47 +05'30'

**Kashvi Malhotra**  
**Head Company Secretary & Compliance**  
**Membership No. ACS 23213**  
**Add: H-7 West Patel Nagar**  
**New Delhi - 110008**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

### **ITEM NO. 4:**

The members are hereby informed that the Reserve Bank of India issued guidelines for appointment of statutory auditors of banks and non-banking finance companies (NBFCs), including housing finance companies. The circular RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 (Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) was issued on April 27, 2021, followed by 'Frequently Asked Questions' (FAQs) on the circular wherein it was clearly stated that the entities with asset size of more than Rs.1000 Crore will have to appoint the Statutory Auditor for a continuous period of three years. In view of the above RBI Guidelines, the Company has adopted a Policy for Appointment of Statutory Auditors ('Policy').

Since, SGRL has crossed Rs.1000 crore asset threshold in FY 2023- 2024 and in accordance with the aforesaid RBI Guidelines M/s S.S Kothari Mehta & Company, Chartered Accountants will not be eligible for re-appointment.

In compliance with the RBI guidelines, the existing Statutory Auditors of the Company M/s S.S Kothari Mehta & Company has expressed their inability to continue to hold the office of Statutory Auditors and has tendered their resignation on July 11, 2023 and their resignation will effect from the conclusion of 13<sup>th</sup> Annual General Meeting.

Further, on the basis of recommendation of the Audit Committee and the Board of directors in its meeting held on July 11, 2024, considering the profile, experience and specialization in the audit of banking and financial service sector, the Board of Directors proposes the appointment of M/s. S.N. Dhawan & Co. LLP, Chartered Accountants, (Firm Registration No. 000050N/N500045), as Statutory Auditors of the Company for the consecutive term of three financial years (2024-25 to 2026-27) to hold office from the conclusion of the 13<sup>th</sup> Annual General Meeting ('AGM') till the conclusion of the 16<sup>th</sup> AGM of the Company, subject to the fulfilment of the eligibility norms each year during its tenure at such remuneration plus taxes, out-of-pocket, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors, the auditors shall also provide the relevant certificates at a price agreed along with statutory audit fees as may be required under various statutory or regulatory requirements.

Further, the Company has also received an eligibility certificate from M/s. S.N. Dhawan & Co. LLP, Chartered Accountants, (Firm Registration No. 000050N/N500045), as Statutory Auditors in Form-B as prescribed under the aforesaid RBI Guidelines on Appointment of Statutory Auditors. The same is annexed in **Annexure-A**.

Accordingly, the Board of Directors recommends the resolution set out at item no. 4 for the approval of Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of this Notice.



**ITEM NO. 5:**

The Members are hereby informed that the Company has received a Special Notice dated September 9, 2024, from Sewa Mutual Benefit Trust, shareholder of the Company holding 19.41 % of the share capital in the Company, proposing the removal of Ms. Shruti Savio Gonsalves from her position as a Director of the Company, under section 169 and section 115 of the Companies Act, 2013 read with applicable rules, as shareholders of the Company have lost confidence in Ms. Shruti Savio Gonsalves continuing as a director of the Company.

Further, the Nomination and Remuneration Committee (**NRC**) in its meetings held on 30th August 2024 and 5th September 2024, based on its discussions of the findings of the Final Fact- Finding Report issued by KPMG dated 7th August 2024 and other facts discovered by the Company, has recommended to the board of directors to consider removal of Ms. Shruti Savio Gonsalves from the office of Director of the Company.

Based on the special notice received by the Company and the recommendations made by the Nomination and Remuneration Committee, the board in its meeting dated 9 September 2024 recommended to the shareholders that Ms. Shruti Savio Gonsalves be removed from her position as a Director of the Company under section 169 and section 115 of the Companies Act, 2013 read with applicable rules.

Accordingly, the Board of Directors recommends the resolution set out at item no. 5 for the approval of Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Ms. Shruti Gonsalves is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of this Notice.

**Date: September 11, 2024**

**Place: Gurugram**

**By Order of the Board of Director  
For SEWA Grih Rin Limited**

KASHVI  
MALHOTRA

Digitally signed by  
KASHVI MALHOTRA  
Date: 2024.09.11  
17:43:12 +05'30'

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**Kashvi Malhotra  
Head Company Secretary & Compliance  
Membership No. ACS 23213  
Add: H-7 West Patel Nagar  
New Delhi – 110008**



**ATTENDANCE SHEET**

**Company Name:** SEWA GRIH RIN LIMITED

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

**Phone:** +91-11-43521832

**Email:** Contact@sgrlimited.in

**Website:** www.sgrlimited.in

**CIN:** U65923DL2011PLC222491

Please fill attendance slip and hand it over at the entrance of the meeting hall  
Joint shareholders may obtain additional Slip at the venue of the meeting.

Name and address of the Shareholder/Proxy: \_\_\_\_\_

Folio No.: \_\_\_\_\_

ID & Client ID\*: \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

I/We hereby record my/our presence at the 13<sup>th</sup> Annual General Meeting of the SGRL at our Corporate office at Building No 8C 8th Floor Tower-C, DLF Cyber City Gurugram, Haryana, India, 122002 on Friday, September 27, 2024, at 03:00 PM IST onwards.

Signature of the Shareholder or Proxy\*\*:

\_\_\_\_\_  
\*Applicable for investors holding shares in electronic form.

\*\*Strike out whichever is not applicable



**FORM B****Eligibility Certificate from M/s S.N. Dhawan & CO LLP****Firm Registration No.: 000050N/N500045****A. Particulars of the firm: As at 31 March 2024**

<b>Asset size of Entity as on 31 March of previous year (i.e. financial year ending 31 March 2023)</b>	<b>Number of Full-Time Partners (FTP)s associated* with the firm for a period of three (3) years</b>	<b>Out of total FTPs, number of FCA Partners associated with the firm for a period of three (3) years</b>	<b>Number of full time Partners/ Paid CA's with CISA/ISA Qualification</b>	<b>Number of years of audit experience#</b>	<b>Number of professional staff</b>
Total assets of Sewa Grih Rin Limited as at 31 March 2023 – Rs. 7,745.33 million	11 (Eleven) We have 14 partners associated for more than 3 years, of which 3 are partner with another firm, hence not considered as full time partners as per RBI Regulations (see Part B(ii))	11 (Eleven)	3 (Three)	Date of establishment of Firm 1.1.1944  Total audit experience - 80 (Eighty years)  This includes experience of audit of commercial banks – 49 (Forty Nine years)	21 Partners and 124 Professional staff (Chartered Accountants)  Of the above, number of professional staff associated with the firm for continuous period of more than 1 year – 103 (One Hundred Three)

\*Exclusively associated in case of all Commercial Banks (excluding RRBs), and UCBs/NBFCs with asset size of more than Rs. 1,000 crores

#Details may be furnished separately for experience as SCAs/SAs and SBAs





**B. Additional Information:**

	<b>Particulars</b>	<b>Response</b>								
(i)	Copy of Constitution Certificate	Attached								
(ii)	Whether the firm is a member of any network of audit firm, or any partner of the firm is a partner in any other audit firm? If yes, details thereof	<p>Network of Mazars, France</p> <p>Following partners of firm are also partner/proprietor in another firm, detail is as under:</p> <table border="1"><thead><tr><th><b>Name of partner</b></th><th><b>Firm</b></th></tr></thead><tbody><tr><td>Vinesh Jain</td><td>S. Prashad &amp; Co. (a defunct firm)</td></tr><tr><td>Basantani Gul</td><td>M/s Sharma &amp; Mittal</td></tr><tr><td>Pankaj Walia</td><td>M/s Walia &amp; Associates</td></tr></tbody></table> <p>These partners are not considered as full-time partners as per RBI regulations, accordingly, excluded in Table in Part A</p>	<b>Name of partner</b>	<b>Firm</b>	Vinesh Jain	S. Prashad & Co. (a defunct firm)	Basantani Gul	M/s Sharma & Mittal	Pankaj Walia	M/s Walia & Associates
<b>Name of partner</b>	<b>Firm</b>									
Vinesh Jain	S. Prashad & Co. (a defunct firm)									
Basantani Gul	M/s Sharma & Mittal									
Pankaj Walia	M/s Walia & Associates									
(iii)	Whether the firm has been appointed as SCA/SA by any other Commercial Bank (excluding RRBs) and/or All India Financial Institution (AIFI)/RBI/NBFC/UCB in the present financial year? If yes, details thereof	<p>Central Statutory auditor of Shivalik Small Finance Bank</p> <p>We have not been appointed as statutory auditors of NBFCs for FY 2024-2025 as of the date of this declaration</p>								
(iv)	Whether the firm has been debarred from taking up audit assignments by any regulator/Government agency? If yes, details thereof.	No								
(v)	Details of disciplinary proceedings etc. against firm by any Financial Regulator/Government agency during last three years, both closed and pending.	Nil								



**C. Declaration from the firm:**

The firm complies with all eligibility norms prescribed by RBI regarding appointment of Statutory Auditors (SA) of Non-Banking Finance Companies (NBFCs). It is certified that neither I nor any of our partners / members of my / their families (family will include besides spouse, only children, parents, brothers, sisters or any of them who are wholly or mainly dependent on the Chartered Accountants) or the firm / company in which I am / they are partners / directors have been declared as willful defaulter by any bank / financial institution.

It is confirmed that the information provided above is true and correct.

**For S. N. Dhawan & Co LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045



**Rahul Singhal**

Partner

Membership No.: 096570

Place: Gurugram

Date: 06 May, 2024

9 September 2024

To  
The Board of Directors  
**SEWA Grih Rin Limited**  
1<sup>st</sup> Floor, 216/C-12, Old No. C-12 Plot  
No. 13-B, Guru Nanak Pura, Laxmi Nagar,  
East Delhi, Delhi, Delhi, India, 110092

Dear Sirs,

**Re: Issue of special notice under section 169(2) read with section 115 and other applicable provisions of the Companies Act, 2013.**

1. We, SEWA Mutual Benefit Trust (holding 19.41% of the paid-up share capital) are the shareholders of SEWA Grih Rin Limited (**Company**).
2. As per certain preliminary investigations carried out by the Company and external agencies engaged by the Company, we are given to understand that Ms. Shruti Savio Gonsalves has been found to be involved in certain financial irregularities concerning the funds of the Company. We would want the Company to follow a zero-tolerance policy towards such matters and have a leadership that can take the Company forward through these difficult times and be an inspiration to other employees. We as shareholders of the Company have lost confidence in Ms. Shruti Savio Gonsalves continuing as a director of the Company and therefore seek her removal as the director of the Company.
3. In this regard, please see below the draft resolutions for the consideration of the shareholders of the Company. We request the board that the same be presented to the shareholders at the general meeting of the Company. We further request the board to call for a general meeting at the soonest to transact this matter.

**ITEM NO. 1: REMOVAL OF MS. SHRUTI SAVIO GONSALVES AS DIRECTOR OF THE COMPANY**

To pass the following resolution as ordinary resolution:

***"RESOLVED THAT*** pursuant to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, Ms. Shruti Savio Gonsalves (**DIN: 07160748**) be and is hereby removed from the office of Director of SEWA Grih Rin Limited with immediate effect and cease to hold all powers granted to her by the Company.

***RESOLVED FURTHER THAT*** any of the directors of the Company be and are hereby severally authorized to file relevant forms with the Registrar of Companies, update the Company's register of directors, and to do all such acts, deeds, matters and things as deem necessary, proper or desirable for the purpose of giving effect to the aforesaid resolution."

4. Please treat the above as the special notice under section 169(2), read with section 115 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder for the aforesaid purpose.

5. We reserve our right to requisition a general meeting, should the Board fail to include the said resolution for consideration of the shareholders at the next general meeting called by it.

*Renana Jhabvala*

Thanking you,

Sincerely,

**Name:** Renana Jhabvala

**Director**

**DIN:** 01106825

**Address:**

## DIRECTOR'S REPORT FOR FY 2023-24

Dear Members,

It is our immense pleasure to present the Thirteenth (13th) Annual Report of SEWA Grih Rin Limited ("the Company/ SGRL/ SITARA") along with the Audited Accounts for Financial Year ended on March 31, 2024. This Report includes the Audited Financial Statements, Management Discussion and Analysis Report and other annexures, which form an integral part of this Report. It aims to provide stakeholders with a comprehensive insight into the Company's financial position and operational area, thereby enabling a clear understanding of its business and operational status.

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

The performance of the Company for the financial year ended March 31, 2024 is summarized below:

PARTICULARS	(In ₹ Crores)	
	2022-2023	2023-2024
Sales and Other Income	94.22	195.51
Operating Profit (PBIDT)	39.80	84.97
Interest Cost	35.81	77.61
Profit before Depreciation (PBDT)	3.99	7.36
Depreciation	1.34	3.13
Profit before Tax	2.66	4.23
Provision for Taxation	0.45	1.42
Profit after Tax	2.20	2.81

- Financial statements for the year under review have been prepared in accordance with the relevant provisions of the Companies Act, 2013.
- The financial results and revenue from operations, including major developments have been discussed in detail in the Management Discussion and Analysis Report attached to this Annual Report.
- The Financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles (IGAAP) applicable to the Company.

#### 1.1. FINANCIAL RATIOS

The main Financial Ratios of the Company are:

PARTICULARS	(In ₹ Crores)	
	FY 2022-23	FY 2023-24
Earnings per share (EPS)	INR 0.34	INR 0.43
Capital to Risk Asset Ratio (CRAR) %	41.72%	34.74%
Net Debt Equity Ratio (DE Ratio)	2.42	3.63
Net Owned Fund (NOF)	INR 217.94 Cr.	INR 262.94 Cr.

#### SEWA GRIH RIN LIMITED

Regd. off. :  
 1st Floor, 216/C-12, Old No. C-12, Plot No. 13-B,  
 Guru Nanak Pura, Laxmi Nagar, Delhi – 110092  
 Phone +91 11 4352 1832  
 GST 07AAQCS0870H1Z2

Corp. off. :  
 Building No. 8, Tower-C, 8th Floor,  
 DLF Cyber City, Gurugram - 122002  
 Phone +91 124 4271 750  
 GST 06AAQCS0870H1Z4

WEBSITE sgrlimited.in  
 TOLL FREE 1800 11 3909  
 EMAIL contact@sgrlimited.in

CIN U65923DL2011PLC222491



## 1.2. NET WORTH

As of March 31, 2024, the net worth of your Company stood at INR 270.66 Crores compared to INR 221.88 Crores on March 31, 2023.

## 1.3. PRINCIPAL BUSINESS CRITERIA

The Company is engaged in housing finance business and has obtained a certificate of registration bearing number 01.0118.15 dated January 24, 2015, issued by the National Housing Bank (NHB) through exercise of powers conferred on the NHB by Section 29A of the National Housing Bank Act, 1987 (the "NHB"). Further, the Company has complied the prescribed principal business criteria for Housing Financial Company.

## 1.4. RATING UPGRADES

During the year, Company's Credit Rating for long term bank facilities was reaffirmed as CRISIL BBB+/Stable (Reaffirmed). The amount was enhanced from INR 230 Crores to INR 494 Crores. Also, the Company's short-term rating of CRISIL A2+ (Reaffirmed). The Instruments with this rating are considered to have moderate credit risks w.r.t. timely servicing of financial obligation.

Further during the year, the Company has issued Unsecured, rated and Unlisted Non-Convertible Debentures (NCDs) amounting to INR 60 Crores and Company's Credit Rating for NCDs was reaffirmed as CRISIL BBB+/Stable (Assigned).

## 1.5. STABLE ASSET QUALITY

- Gross non-performing loans as on March 31, 2024 amounted to INR 20.35 Crores. This is equivalent to 1.86 % of the portfolio;
- Net non-performing loans as on March 31, 2024 amounted to INR 14.25 Crores. This is equivalent to 1.30 % of the portfolio;
- The Company has a prudent approach to create loan provisions and carries total provisions across standard assets, sub-standard asset and restructured assets of INR 10.14 Crores. The provision made for restructured assets is of around INR 0.91 Crores.
- Total provision for NPA to gross NPAs is around 30.00 %.

## 1.6. BORROWINGS

The Company has obtained approval for borrowings upto INR 2,000 Crores vide special resolution passed by shareholders at their Annual General Meeting held on September 28, 2023, under Sections 180(1)(c) read with 180(1)(a) of the Companies Act, 2013 or other applicable provisions.

As on March 31, 2024, the Company's outstanding loans stood at INR 985.52 Crores (including INR 55.64 Crores of total refinance received from NHB under various schemes and INR 261.06 Crores of outstanding ECB loan) vis-à-vis INR 536.93 Crores (including INR 42.14 Crores of NHB refinance and INR 224.32 Crores of outstanding ECB loan) as on March 31, 2023.

United States International Development Finance Corporation (erstwhile OPIC) sanctioned ECB facility of USD 30 million in 2019 which has helped improving the ALM profile of the Company.

### SEWA GRIH RIN LIMITED

Regd. off.  
1st Floor, 216/1C, 12, Old No. C-12, Plot No. 13-B,  
Guru Nanak Plaza, Laxmi Nagar, Delhi - 110092  
Phone +91 11 4352 1832  
GST 07AAGCS0870H1Z2

Corp. off.  
Building No. 8, Tower C, 8th Floor,  
DLF Cyber City, Gurgaon - 122002  
Phone +91 124 4271 750  
GST 06AAGCS0870H1Z4

WEBSITE  
TOLL FREE  
EMAIL

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CIN U69420DL2019PLC2224861



### 1.7. NON-CONVERTIBLE DEBENTURES

During the year under review, the Company has issued 600 Rated, Unlisted, Unsecured Redeemable Non-Convertible Debentures with a face value of INR 10,00,000 each aggregating up to INR 60,00,00,000 on a private placement basis as follows:

Number of Debentures	Particulars of Debentures	Coupon Rate	Tenure	Allottees
600	Rated, Unlisted, Unsecured, Redeemable Non-Convertible Debentures	10.90% PA	84 Months from deemed date of allotment	British International Investment PLC (BII)

#### Statutory Disclosure:

- The total number of non-convertible debentures which have not been claimed by the Investors or not paid by the housing finance Company after the date on which the non-convertible debentures became due for redemption- **NIL**
- The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date as aforesaid mentioned- **NIL**

The Company being Housing Finance Company is exempted from the requirement of creation of Debenture Redemption Reserve (DRR) in case of issue of Debentures on private placement basis. Hence no Debenture Redemption Reserve has been created by the Company.

After the review period, the Company has partially redeemed the face value of Non-Convertible Debentures (NCDs) from INR 10,00,000 to INR 9,28,600.

### 1.8. DEBENTURES TRUSTEE DETAILS

The detail of debenture trustee as follows:

<b>Name and Details of Debenture Trustees</b>	Catalyst Trusteeship Limited (Erstwhile GDA Trusteeship Limited) Address: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune, Maharashtra 411038 Email ID: <a href="mailto:dt.mumbai@ctltrustee.com">dt.mumbai@ctltrustee.com</a> ; Website: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>
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### 1.9. CHANGE IN THE NATURE OF BUSINESS

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

## 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

#### SEWA GRUH RIN LIMITED

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

The aggregate Assets under Management (AUM) of the Company stood at INR 1093.79 Crores as on March 31, 2024 and approx. 26,000 loans. The Company sanctioned loans aggregating to INR 794.59 Crores during FY 24. The total disbursement during FY 24 is around INR 664.31 Crores including new loans. The Company posted a growth of around 68.98% in the loan book. Further, during the financial year 2023-24 the percentage of shift of housing from Kaccha to Pucca is 43.50% and total number of live accounts is 23,976 as on March 31, 2024.

<b>Mission</b>	Our mission is to finance access to safe and secure shelter.
<b>Vision</b>	The dream of every home is to "have her own home" and our vision is to help realize her dream.
<b>Purpose</b>	To provide affordable housing finance for low-income households in India, especially women, with informal incomes & tenures.

During the year under review, the Company has opened 26 new branches taking the overall branch base to 75 spreads across Nine states (Bihar, Delhi, Gujarat, Haryana, Maharashtra, Madhya Pradesh, Rajasthan, Uttarakhand and Uttar Pradesh).

The Company as part of its growth plan and capital requirements has executed the following agreements a new investor named Arpwood Partners Fund I LLP (Arpwood) along with the existing investors namely - HDFC Bank Limited, HDFC Life Insurance Company Limited, AHI Capital Gateway, Inc, Abler Nordic Fund IV KS, WWBCP II Non-SSA, LLC, Omidyar Network Fund Inc. and ON Mauritius II.

- A. Share Subscription Agreement between the Company, Arpwood, HDFC Bank Limited and HDFC Life Insurance Company Limited;
- B. Share Purchase Agreement between the Company, Arpwood. and AHI Capital Gateway, Inc; and
- C. Shareholders' Agreement between, inter alia, the Company, Arpwood, HDFC Bank, HDFC Life, Abler Nordic, WWBCP, Omidyar, Oikocredit, ONM II and SEWA Mutual Benefit Trust.

Arpwood has had a long history of building ethically managed, profitable businesses of scale. Arpwood's leadership team has invested in several financial service businesses including Small Business FinCredit (SBFC), Shriram Transport and Shriram City Union.

#### Reserve Bank of India (RBI) Application for seeking prior approval under RBI Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021

The Company has made an application on May 27, 2024, with Reserve Bank of India (RBI), Department of Regulation, Mumbai, seeking prior approval for the proposed investment by Arpwood in the Company by way of primary and secondary investment, resulting in, the acquisition of control in the Company, the acquisition or transfer of more than 26% (twenty-six percent) of the paid-up share capital of the Company and the proposed change in management of the Company, which would result in the change of more than 30% (thirty percent) of the Directors of the Company, excluding independent directors and the same is under review by RBI.

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### 3.1 ASSIGNMENT OF LOANS

During the year under review, the Company has made the Direct Assignment transactions with the Avanse Financial Services Limited, which was duly approved by the Board of Directors. As on 31<sup>st</sup> March 2024 the Company assigned total portfolio of INR 59.83 Crores through direct assignment.

### 3.2 SECURITIZATION OF LOANS

During the year under review, the Company has made the pool buy out Direct Assignment transactions with the Mentor Home Loans India Limited. During the year the Company the pool of INR 71.41 Crores was bought through securitization.

## 4. PUBLIC DEPOSITS

In accordance with the National Housing Bank Act, 1987, your Company is a non-deposit taking Housing Finance Company and has resolved in the Board meeting held on April 12, 2023, that it shall not accept public deposits as per the license provided by National Housing Bank. The Board of Directors has passed the resolution that the Company will not accept or hold any public deposits in FY 2024-25.

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

#### Statutory Disclosure:

- A. the total number of accounts of public deposit of the Company which have not been claimed by the depositors or not paid by the Company after the date on which the deposit became due for repayment: - **NIL**.
- B. the total amount due under such accounts remaining unclaimed or unpaid beyond the date referred to in clause (a) as aforesaid: - **NIL**.

## 5. REGULATORY GUIDELINES

Your Company is having a valid License issued by National Housing Bank for carrying on business of Housing Finance Company, bearing registration certificate No. 01.0118.15, dated 24/01/2015.

The Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, Capital Adequacy, concentration norms and ALM requirements, among others, as in force from time to time are applicable to the Company.

The Company has been maintaining capital adequacy as prescribed by RBI. The Capital adequacy was 34.74 % (as against 15% prescribed by the RBI) as on March 31, 2024.

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

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## Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs

The Reserve Bank of India in 2021 has issued Scale Based Regulation (SBR) a revised regulatory framework for NBFC's which is applicable to your Company being an NBFC HFC category falling under middle layer. Further, as per Scale Based Regulation (SBR), Internal Capital Adequacy Assessment Process (ICAAP), Compensation Policy and Compliance & CCO Policy duly approved by the Board of Directors were adopted by the Company.

The SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., the RBI decided to first issue an integrated regulatory framework for NBFCs under SBR providing a holistic view of the SBR structure and set of fresh regulations was issued during the financial year 2023-24.

With respect to above, the RBI has issued various circulars/ guidelines in the Financial Year 2023-24 which were duly implemented by the Company including formation of policies, implementing procedures and to review their outcome on periodic basis.

During the year under review your Company has complied with applicable regulatory notifications, guidelines, circulars, rules and directions laid down by the Reserve Bank of India (RBI) with respect to the Foreign Direct Investment through automatic route. No fines/penalties has been levied by the RBI/NHB during the financial year 2023-24.

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

The Company continued to ensure that Fair Practice Code, KYC Norms and Anti Money Laundering (AML) Standards as per the guidelines issued by the NHB/RBI from time to time are invariably adhered to and duly complied by the Company. The Company has put in place Board approved robust KYC & AML policy.

The revised KYC & AML Policy was approved by the Board of Directors during the year.

## 7. DIVIDEND

During the year under review, the Company has declared an interim dividend @ 0.01% on nominal value of INR 10 each to Series D and Series E1 Compulsorily Convertible Preference Shares (CCPS) on March 26, 2024. The dividend was paid to those shareholders whose names were registered in the Register of Members as on March 22, 2024, being record date, for the financial year 2023-24. The dividend declared was INR 37,888 out of which INR 5,738 was transferred to Unpaid Unclaimed Dividend Account, which was subsequently paid on July 31, 2024.

The Board of Directors of the Company further declared an interim dividend @ 0.01% on nominal value of INR 10 each to Series D and Series E1 Compulsorily Convertible Preference Shares (CCPS) through Circular Resolution on June 24, 2024. The dividend was paid to those shareholders whose names were registered in the Register of Members as on June 24, 2024, being record date, for the financial year 2023-24. The total outgo towards payment of dividend was INR 37,888.

There was no dividend amount which remained unpaid or unclaimed by Shareholders of the Company as on date.

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## 8. CAPITAL ADEQUACY AND TRANSFER TO RESERVES

During the financial year, the Company has earned profit after tax of INR 2.81 Crores. The total amount transferred to Statutory Reserve created under Section 29C of National Bank Act, 1987 is INR 0.56 Crores. As on March 31, 2024, the said Reserves stood at INR 4.23 Crores. The balance in General Reserves stood at INR 2.70 Crores.

The Capital Adequacy (CRAR) as on March 31, 2024, stood at 34.74%.

## 9. SHARE CAPITAL OF THE COMPANY

### 9.1 Authorised Share Capital

As on March 31, 2024, Authorised Share Capital of the Company was INR 117,02,10,000 (Indian Rupees One Hundred Seventeen Crores and Two Lakhs Ten Thousand Only) divided into 7,80,21,000 (Seven Crores Eighty Lakhs and Twenty-One Thousand) Equity Shares of INR 10 each and 3,90,00,000 (Three Crores Ninety Lakhs) Compulsorily Convertible Preference Shares of INR10 each.

### 9.2 Paid-up Share Capital

The paid-up share capital of the Company as on March 31, 2024 is INR 103,83,70,090 (Indian Rupees One Hundred Three Crores and Eighty Three Lakhs Seventy Thousand and Ninety) divided into 6,59,49,342 (Six Crores and Fifty Nine Lakhs Forty Nine Thousand Three Hundred Forty Two) Equity Shares of INR 10 each and 3,78,87,667 (Three Crores Seventy Eight Lakhs Eighty Seven Thousand Six Hundred Sixty Seven) Compulsorily Convertible Preference Shares of INR10 each.

### 9.3 Changes in Issued, Subscribed and Paid – up Share Capital Structure and Shareholding position

During the year under review, the Board of Directors has decided to reclassify the share capital of the Company from INR 117,02,10,000/- (Rupees One Hundred Seventeen Crores Two Lacs and Ten Thousand only) divided into 9,30,21,000 (Nine Crores Thirty Lakh and Twenty-One Thousand) Equity shares of INR 10/- each and 2,40,00,000 (Two Crores Forty Lakh) Compulsorily Convertible Preference shares of INR. 10/- (Rupees Ten only) each to INR 117,02,10,000/- (Rupees One Hundred Seventeen Crores Two Lacs and Ten Thousand only) divided into 7,80,21,000 (Seven Crores Eighty Lakh Twenty-One Thousand) Equity shares of INR 10/- each and 3,90,00,000 (Three Crores Ninety Lacs) Compulsorily Convertible Preference shares of INR 10/- each.

Further, during the year under review, the Company has made the following allotments:

(In ₹ INR)			
Date of Allotment/ Conversion	Type of Securities allotted	Number of shares allotted	Total amount paid
August 04, 2023	Series E1 Compulsorily Convertible Preference shares by way of Preferential Allotment	1,41,85,795	64,90,00,121.25
November 27, 2023	Equity Shares by way of allotment of ESOP	2,10,000	37,12,800

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#### 9.4 Issue of Employee Stock Options

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

The disclosure pursuant to Sub rule 9 of Rule 12 of Companies (Share capital and Debentures) Rules, 2014, with respect to the Employees Stock Option Scheme is as under:

S. N.	Particulars	Total
I.	Options granted during the year	3,51,421
II.	Options vested during the year	1,47,000
III.	Options exercised during the year	2,10,000
IV.	The total number of shares arising as a result of exercise of option	2,10,000
V.	Options lapsed during the year	0
VI.	The exercise price	17.68 18.56 45.75 37.13
VII.	Variation of terms of options	During the financial year ending on March 31, 2024, amendments to the ESOP 2018 were approved by the shareholders during their meetings held on September 28, 2023. The purpose of these amendments was to provide immediate benefits to employees by reducing the post separation exercise period to 6 months with power to NRC to grant discretionary extensions on a case-to-case basis and giving powers to the Board to enforce cash settlement of vested options in its discretion for option holders whose employment with the Company is terminated.
VIII.	Money realized by exercise of options	INR 37,12,800
IX.	Total number of options in force	27,97,304
X.	Employee wise details of options granted to:- (i) key managerial personnel;	Ms. Shruti Savio Gonsalves, Co-Founder, Managing Director and Chief Executive Officer was granted 3,51,421 ESOPs during FY 2023-24. Ms. Jhummi Mantri, Chief Financial Officer, Ceased from the position of Chief Financial Officer w.e.f. June 26, 2024.
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	NA



(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant;	NA
--	----

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

During the year under review, your Company has not made any provisions or provided any scheme for its employees to purchase its own shares.

### 9.6 Transfer of Shares

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

Date of Transfer	Type of Securities	Number of shares transferred	Name of Transferor	Name of Transferee
December 29, 2023	Equity Shares	2,10,000	Ms. Shruti Savio Gonsalves	ON Mauritius II

### 9.7 Duplicate Share Certificate

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

### 9.8 Dematerialization of Shares and Non-Convertible Debentures

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's securities are:

S. No.	ISIN	Securities Type/Description
1.	INE772R01010	Equity shares
2.	INE772R03024	Compulsorily Convertible Preference Shares
3.	INE772R03040	Compulsorily Convertible Preference Shares
4.	INE772R03032	Compulsorily Convertible Preference Shares
5.	INE772R03057	Compulsorily Convertible Preference Shares
6.	INE772R08015	Non-Convertible Debentures

As on March 31, 2024, All the Equity shares and Compulsorily Convertible Preference Shares (CCPS) of the Company representing, a total of 6,59,49,342 Equity Shares and 3,78,87,667 Compulsorily Convertible Preference Shares (CCPS) were held in dematerialized form. The Company has filed prescribed report in this regard with the Registrar of Companies.

### 9.10 Non-Issuance of Sweat Equity Shares and Shares with Differential Rights

During the year under review, the Company confirms that no sweat equity shares were issued. Therefore, in compliance with Section 54(1)(d) of the Companies Act, 2013 read with Rule 8(13)

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of the Companies (Share Capital and Debenture) Rules, 2014, no information regarding sweat equity shares is provided in this report. Furthermore, the Company declares that no shares with differential rights were issued during the financial year under review. Consequently, in accordance with Section 43(a)(ii) read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014, no information pertaining to shares with differential rights is furnished in this report.

## 10. CORPORATE GOVERNANCE

During the year under review, the Company has diligently followed all internal guidelines on corporate governance, aligning with the Housing Finance Company (Reserve Bank) Directions, 2021. We have developed comprehensive internal guidelines on Corporate Governance, which are accessible on our website at <https://www.sgrlimited.in/Policies.aspx>

It is the goal of corporate governance to maintain the highest levels of accountability, openness, and integrity. Senior management sets the tone for the Company's governance norms, which then spread throughout the whole workforce. In order to guarantee consistency, every choice is made fairly, openly, and within the bounds of ethics. In order to reflect the highest ethical standards, the corporate governance structure, procedures, and practices are regularly reviewed and actively monitored.

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

### 10.1 BOARD

- Composition of the Board**

The composition of the Board and its Committee is in accordance with Section 149 of the Companies Act, 2013, read with Chapter IX: Corporate Governance under RBI' Master Directions on HFCs and Scale Based Regulation Framework with an appropriate combination of Executive, Non-executive and Independent Directors.

The composition of the board of directors as on March 31, 2024 are as follows:

Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	No. of other Directors	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Salary and other compensation	Sitting Fee	Commission	
Ms. Renana Jhabvala	July 18, 2011	Chairperson, Non-Executive Director	01106825	2	-	-	-	502
Mr. Sanjay Kaul	August 08, 2018	Independent Director, Non-Executive	01729695	1	-	0.044	-	0

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Mr. R.V. Verma	August 13, 2021	Independent Director, Non-Executive	03546341	2	-	0.048	-	0
Ms. Manjiree Jaitly	November 26, 2014	Nominee Director, Non-Executive	05222441	0	-	-	-	0
Mr. Anirudh Jagdish Sardar	March 28, 2019	Director, Non-Executive	06453012	1	-	-	-	0
Mr. Manish Thakkar	May 04, 2017	Director, Non-Executive	03233206	3	-	-	-	0
Mr. Rajat Arora	June 07, 2022	Director, Non-Executive	07201387	0	-	-	-	0
Ms. Shruti Savio Gonsalves	December 14, 2017	Co-founder, Managing Director & CEO, Executive	07160748	0	1.1	-	-	0
Ms. Shilpa Kumar	October 24, 2021	Nominee Director, Non-Executive	02404667	5	-	-	-	0
Ms. Lise Lindback	July 15, 2022	Director, Non-Executive	09655122	1	-	-	-	0

Further, during the year under review, below are the changes composition of Board during the current and previous financial year:

S. No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1.	Ms. Shruti Savio Gonsalves (DIN: 07160748)	Managing Director and Chief Executive Officer	Re-appointment	December 14, 2022
2.	Mr. Sanjay Kaul (DIN: 01729695)	Independent Director	Re-appointment	August 16, 2023
3.	Mr. David Alexander Smith (DIN: 07071450)	Director	Resignation	September 28, 2023

The shareholding of Directors as on March 31, 2024 is as follows:

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

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- **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.

- **Retirement by rotation**

In accordance with the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Rajat Arora (DIN: 07201387) and Ms. Shilpa Naval Kumar (DIN: 02404667), retire by rotation at the ensuing Annual General Meeting of the Company. Your Directors recommend the re-appointment of above-mentioned Directors.

- **Changes in Key Managerial Person (KMP)**

During the year under review, there has been no change in the Key Managerial Personnel of the Company.

The Key Managerial Personnel as on March 31, 2024 are as follows:

Sr. No.	Name	Designation	DIN/PAN	Date of Appointment	Date of Cessation
1	Ms. Shruti Savio Gonsalves	Co-Founder, Managing Director and Chief Executive Officer	07160748	14/12/2017	-
2	Ms. Jhummi Mantri	Chief Financial Officer	ADKPR3003P	06/10/2022	26/06/2024
3	Ms. Kashvi Malhotra	Company Secretary	ARJPM0910F	06/10/2022	-

Further, after the review period, Ms. Jhummi Mantri, Chief Financial Officer of the Company has resigned w.e.f. June 26, 2024.

- **Remuneration to Directors**

During the year under review, the Company has not paid any remuneration to Non-Executive Directors.

- **Fit & Proper Declarations**

During the FY 2023-24 as per NHB Directions / applicable RBI directions, the Company has obtained Fit & Proper declarations and various other declarations duly signed by all the Directors of the Company.

- **Board Meetings**

The Board conducts regular meetings to discuss and make decisions regarding business strategies, policies, and review the Company's financial performance. Prior to each Board Meeting, a notice is provided to all Directors. The agenda, along with relevant notes and other necessary information, is also shared separately in advance with each Director. In exceptional cases, these materials may be presented at the meeting. This approach ensures that the Board is equipped with timely and informed information to make effective decisions.

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During the year under review, 6 (Six) Board Meetings were duly conducted as per the provisions of the Companies Act, 2013. The maximum gap between any two consecutive Meetings was less than 120 days, as stipulated under Section 173 of Companies Act 2013 and Secretarial Standards - 1 as issued by the Institute of Company Secretaries of India (ICSI).

The Details of Board Meetings and attendance of directors are as follows:

S. No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Meetings		No. of shares held in the NBFC
			No. of Meetings which director was entitled to attend	No. of Meetings Attended	
1.	Ms. Renana Jhabvala	Chairperson, Non-Executive Director	6	3	502
2.	Mr. Sanjay Kaul	Independent Director, Non-Executive	6	6	0
3.	Mr. R.V. Verma	Independent Director, Non-Executive	6	6	0
4.	Ms. Manjiree Jaitly	Nominee Director, Non-Executive	6	5	0
5.	Mr. Anirudh Jagdish Sarda	Director, Non-Executive	6	5	0
6.	Mr. Manish Thakkar	Director, Non-Executive	6	5	0
7.	Mr. Rajat Arora	Director, Non-Executive	6	6	0
8.	Ms. Shruti Savio Gonsalves	Co-founder, Managing Director & CEO, Executive	6	6	0
9.	Ms. Shilpa Kumar	Nominee Director, Non-Executive	6	4	0
10.	Ms. Lise Lindback	Director, Non-Executive	6	5	0
11.	Mr. David Smith	Director, Non-Executive	4	0	0

## 10.2 AUDIT COMMITTEE

Pursuant to the requirement of the NBFC Regulations and the Act, the Company has constituted qualified and independent Audit Committee. The Audit Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013.

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.

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

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

During the year under review, the Committee met 3 (Three) times on July 24, 2023, December 22, 2023 and March 28, 2024. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

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

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### 10.3 NOMINATION & REMUNERATION COMMITTEE

Pursuant to the requirement of the NBFC-HFC Regulations and the Act, the Company has constituted a Nomination & Remuneration Committee. The Nomination and Remuneration Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013.

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

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

During the year under review, the Committee met 7 (Seven) times on May 08, 2023, May 18, 2023, June 09, 2023, August 07, 2023, September 27, 2023, February 28, 2024 and March 27, 2024. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

S. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Meetings		No. of shares held in the NBFC
				No. of Meetings which director was entitled to attend	No. of Meetings Attended	
1	Mr. Sanjay Kaul	March 13, 2019	Independent Director, Non-executive	7	6	0
2	Mr. Raj Vikash Verma	August 13, 2021	Independent Director, Non-executive	7	7	0
3	Ms. Renana Jhabvala	March 13, 2019	Director, Non-Executive	7	7	502
4	Mr. Rajat Arora	June 07, 2022	Director, Non-Executive	7	4	0

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#### 10.4 RISK MANAGEMENT COMMITTEE

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.

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

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

1. To consider the Company's risk management strategies.
2. To monitor and discuss the status and results of implemented asset/ liability management strategies and tactics.
3. To review the current and prospective liquidity positions and monitor alternative funding sources.
4. To review the measurement reports on various risks that can be measured with a reasonable degree of effort. Compare simulated exposures of these risks to policy limits. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.
5. To review the current and prospective capital levels risk based as well as net worth) to determine sufficiency in relation to: expected growth, interest rate risk, price risk and asset mix/quality.
6. To review outlook for interest rates and economy at local, regional and international levels.
7. To review the maturity/repricing schedules with particular attention to the maturity distribution of large amounts of assets and liabilities maturing (i.e. jumbo CD's, large investments, etc.).
8. To Coordinate with an ongoing appropriate education program on the subject of ALM for the ALCO members, senior management, and the Board of Directors.

During the year under review, the Committee met 7 (Seven) times on May 19, 2023, May 26, 2023, June 09, 2023, June 29, 2023, September 11, 2023, February 06, 2024 and March 20, 2024. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

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S. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Meetings		No. of shares held in the NBFC
				No. of Meetings which director was entitled to attend	No. of Meetings Attended	
1	Ms. Renana Jhabvala	November 26, 2014	Director, Non-Executive	7	4	502
2	Ms. Manjiree Sureshchandra Jaitly	November 26, 2014	Nominee Director, Non-executive	7	1	0
3	Mr. Anirudh Jagdish Sarda	May 21, 2019	Director, Non-executive	7	5	0
4	Mr. David Alexander Smith*	November 26, 2014	Director, Non-executive	5	4	0
5	Ms. Shruti Savio Gonsalves	August 13, 2021	Co-Founder, Managing Director & CEO, Executive	7	7	0
6	Ms. Lise Lindback	November 28, 2022	Director, Non-executive	7	6	0
7	Ms. Shilpa Naval Kumar	November 28, 2022	Nominee Director, Non-executive	7	4	0
8	Mr. Rajat Arora	February 09, 2023	Director, Non-executive	5	4	0
9	Mr. R.V. Verma	September 27, 2023	Independent Director, Non-executive	2	2	0

\* Mr. David Alexander Smith has resigned from the board of directors w.e.f. September 28, 2023. Hence, deemed to be ceased from the committee as well.

### 10.5 IT STRATEGY COMMITTEE

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

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

1. Approving IT Strategy and Policy Documents and ensuring that the management has put an effective strategic planning process in place.
2. Ascertaining that management has implemented processes and practices that ensure that IT delivers value to the business.

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3. Ensuring IT investments represent a balance of risks and benefits, and the budgets are acceptable.
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
5. Ensuring proper balance of IT investments for sustaining the Company's growth and becoming aware about exposure towards IT risks and controls.

During the year under review, the Committee met 2 (Two) times on August 10, 2023 and February 06, 2024. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

S. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Meetings		No. of shares held in the NBFC
				No. of Meetings which director was entitled to attend	No. of Meetings Attended	
1	Mr. Sanjay Kaul	May 21, 2019	Independent Director, Non-executive	2	1	0
2	Mr. Manish Purshottam Thakkar	October 05, 2020	Director, Non-Executive	2	1	0
3	Ms. Manjiree Sureshchandra Jaitly	August 13, 2021	Nominee Director, Non-executive	2	1	0
4	Ms. Shruti Savio Gonsalves#	March 21, 2019	Co-Founder, Managing Director, Executive	2	2	0
5	Mr. Vimal Kant Arora, CIO	August 13, 2021	Chief Information Officer	2	2	0
6	Mr. Rajesh Soi, CTO*	February 09, 2023	Chief Technology Officer	2	1	0
7	Mr. Steinar Saether	September 27, 2023	Digital Transformation Officer, Abler Nordic	1	1	0
8	Mr. Harshit Jain#	September 27, 2023	Independent IT Consultant	1	1	0

\* Mr. Rajesh Soi, Chief Technical Officer has resigned from Company w.e.f June 04, 2024. Hence, deemed to be ceased from the committee as well.

# Ceased to be the member of the Committee w.e.f. August 08, 2024.

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## 10.6 ASSET AND LIABILITY COMMITTEE

The Company has duly implemented the NHB's Asset Liability Management (ALM) Guidelines applicable to HFCs. The ALCO Committee ensures that the liquidity and interest-rate risks are contained within the limits laid down by the NHB.

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

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

1. To consider, review and make recommendations, at least annually, on the Investment Policy.
2. To monitor activity and controls underpinning the Investment Policy to ensure adherence to set policies and limits.
3. To review Company's balance sheet, including necessary changes and achievement of strategic objectives in relation to growth or shrinkage.
4. To recommend types of products and treasury instruments with an appropriate duration and interest rate to manage the overall balance sheet structure. Product recommendations are subject to Investment Policy.
5. To monitor, in accordance with the Investment Policy, the use of interest rate derivatives used in the management of interest rate risk including any periodic restructuring to the interest rate derivative portfolio.
6. To monitor compliance with limits in the Investment Policy for the management of market value risk and earning risk in relation to the agreed interest rate view.
7. To review on an annual basis the authorised list of treasury investment counterparties or more regularly where market conditions require.
8. To review sources of funding (funding includes short term debt, long term debt and equity), identify and assess the impact of new sources of funding, change in profile of sources of funding and review all funding limits for compliance with the Investment Policy.
9. To review and consider the impact on the Company's funding position of any "market news" or ratings agency action in relation to the Company.
10. To review changes in the profile of liquidity and compliance with all liquidity limits set out in the Investment Policy, ensuring that full consideration is given to items that may have become less liquid in more volatile treasury markets;

During the year under review, the Committee met 10 (Ten) times on April 21, 2023, June 30, 2023, July 21, 2023, September 30, 2023, October 25, 2023, November 24, 2023, December 27, 2023, January 25, 2024, February 23, 2024 and March 28, 2024. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

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S.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Meetings		No. of shares held in the NBFC
				No. of Meetings which director was entitled to attend	No. of Meetings Attended	
1	Ms. Shruti Savio Gonsalves	August 13, 2021	Co-Founder, Managing Director & CEO, Executive	10	9	0
2	Mr. Nagendra Nath Saxena	August 13, 2021	Chief Risk Officer	10	8	0
3	Mr. Shailendra Gupta	July 30, 2022	Chief Business Officer	10	7	0
4	Mr. Vimal Kant Arora	August 13, 2021	Chief Technology Officer	10	8	0
5	Ms. Purnima Banka	August 13, 2021	Head Treasury	10	10	0
6	Ms. Shweta Singh	August 13, 2021	Chief Human Resource Officer	10	9	0
7	Ms. Jhummi Mantri*	November 23, 2022	Chief Financial Officer	10	10	0
8	Rajan Kumar Dhakad	January 22, 2024	National Credit Manager	3	0	0

\* Ms. Jhummi Mantri, Chief Financial Officer has resigned w.e.f June 26, 2024. Hence, deemed to be ceased from the committee as well.

## 10.7 INDEPENDENT DIRECTORS MEETING

In compliance with Schedule IV of the Act, the Independent Directors held their separate meeting on February 02, 2024 inter alia, for the following:

1. To review the performance of Non-Independent Directors and the Board as a whole.
2. To assess the quality, quantity and timeliness of flow of information between the Company management and the Board.
3. To review the performance of the board as a whole and chairperson of the Company.
4. other subjects:
  - Progress on IT system.
  - Robust IT framework.
  - Risk Management framework.
  - Business development.

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

### **10.8 ENVIRONMENTAL SOCIAL AND GOVERNANCE COMMITTEE**

Pursuant to the Share Subscription and Shareholders Agreement "SS &SHA" dated May 26, 2022 and resolution passed by the Board of Directors of SEWA Grih Rin Limited in its meeting dated March 16, 2023 established the Environmental, Social and Governance ("ESG") Committee.

The ESG Committee ensures to protecting the Company's social mission, financial sustainability and contributing towards environmental goals. The Board reviews the terms of reference and working of the Committee from time to time.

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

1. The Environment, Social and Governance (ESG) Committee is created pursuant to the SS& SHA dated May 26, 2022 to assist the Board in protecting the Company's social mission, while ensuring financial sustainability and contributing towards environmental goals. The creation of the ESG Committee aims at formalizing the Company's social mission and environmental performance into governance.
2. Approve Company's ESG Strategy and provide oversight related to ESG strategy execution and activities.
3. Provide advice and direction to the management on implementation of ESG strategy, action plan, identification of ESG opportunities and risks vis-à-vis Sitara's mission and growth plans.
4. Monitor Sitara's ESG performance based on the metrics identified and reported internally by the management and based on the external rating reports received.
5. Monitor, review and consider stakeholder engagement in ESG activities and review key external disclosures, if any.
6. The ESG Committee shall be provided with sufficient resources to perform its duties and shall have access, at the Company's expense, to independent advice if necessary.
7. The Committee shall formulate, implement, and adopt the Gender Action Plan to better serve women in our society and improve gender diversity within the organization. The Committee shall on a continuous basis monitor the progress of the Gender Action Plan and undertake gap analysis to identify the progress.

During the year under review, the Committee met once in a year dated January 12, 2024. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

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S.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Meetings		No. of shares held in the NBFC
				No. of Meetings which director was entitled to attend	No. of Meetings Attended	
1	Ms. Renana Jhabvala	March 16, 2023	Chairperson and Director	1	1	502
2	Mr. Rajat Arora	March 16, 2023	Director	1	1	0
3	Ms. Lisa Lindback	March 16, 2023	Director	1	1	0

#### 10.9 GENERAL MEETINGS

S.No	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Resolutions passed in the General Meeting
1	Extra Ordinary General Meeting	June 21, 2023 through Video Conferencing	<ol style="list-style-type: none"> <li>1. Reclassification of Authorised Share Capital and Consequent alteration of the Memorandum of Association of the Company.</li> <li>2. To issue, offer and allot series E1 internal round compulsorily convertible preference shares (CCPS) on preferential basis in pursuance to section 42 and 62 of the companies act 2013.</li> <li>3. To approve the reappointment of Ms. Shruti Savio Gonsalves as Managing Director and Chief Executive Officer for 5 Years from December 14, 2022 to December 13, 2027.</li> <li>4. To approve the application for obtaining and registration as Corporate Agent with Insurance Regulatory and Development Authority of India (IRDAI) and consequent amendment in the Memorandum of Association of the Company.</li> </ol>
2	Extra Ordinary General Meeting	September 05, 2023 through Video Conferencing	<ol style="list-style-type: none"> <li>1. Amendment in the Articles of Association of the Company pursuant to the first addendum to amended and restated Share Subscription and Shareholders' Agreement date June 30 2023.</li> <li>2. To Reappointment of Mr. Sanjay Kaul (DIN: 01729695) as an Independent Director of the Company for 2nd term of 2 years.</li> </ol>

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3	Extra Ordinary General Meeting	September 28, 2023 through Video Conferencing	1. Issuance of Non- Convertible Debentures on Private Placement Basis.
4	Annual General Meeting	September 28, 2023 through Video Conferencing	<ol style="list-style-type: none"> <li>1. Adoption of the audited financial statements of the Company for the financial year ended March 31, 2023, the reports of the directors and the auditors thereon.</li> <li>2. Re-appointment of Mr. Anirudh Jagdish Sarma (DIN: 06453012), who retires by rotation and being eligible, offers himself for re-appointment.</li> <li>3. Re-appointment of Mr. Manish Purshottam Thakkar (DIN: 03233206), who retires by rotation and being eligible, offers himself for re-appointment.</li> <li>4. Increase in the borrowing limits.</li> <li>5. Creation of charge on the assets.</li> <li>6. Approval of modification in the existing ESOP Policy 2018 of the Company.</li> </ol>

## 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-B**.

The details as required under Section 197(12) of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to information of employees of the Company will be provided to Member upon request made

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

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

## 13. AUDITORS' REPORT

The Reports given by the Auditors on the financial statements of the Company form part of the Annual Report. The Auditors have given the qualified opinion w.r.t. Internal Financial Controls of the Company. The management response on the Statutory Auditors qualification on the Company's financial statements for the financial year ended March 31, 2024 is as below:

**Qualification pertaining to Internal Financial Controls of the Company:** The management acknowledged the qualified opinion issued by the Statutory Auditors concerning the Internal Financial Controls of the Company. The management recognizes that there is a requirement of strengthening the internal controls to ensure such material weaknesses can be avoided in future to ensure accuracy and reliability of financial reporting.

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#### 14. AUDITORS

The Reserve Bank of India issued guidelines for appointment of statutory auditors of banks and non-banking finance companies (NBFCs), including housing finance companies. The circular RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 (Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) was issued on April 27, 2021, followed by 'Frequently Asked Questions' (FAQs) on the circular. Accordingly, to the above Guidelines, entities with an asset size of more than Rs.1000 Crores will have to appoint the Statutory Auditor for a continuous period of three years. Since, our Company has crossed INR 1000 Crores asset threshold in FY 2023-24 and hence M/s S.S Kothari Mehta & Company will not be eligible for re-appointment considering the firm is completing 3 years as Statutory Auditors of the Company.

Based on recommendation of the Audit Committee, the Board of the Directors have recommended the appointment of the M/s. S N Dhawan as Statutory Auditors of the Company for the next three years starting from FY 2024-25 to FY 2026-27, subject to the approval of the shareholders at the ensuing AGM.

In this context, the Statutory Auditors (M/s. S N Dhawan) have submitted the consent letter dated May 06, 2024, showing their consent to act as statutory auditors of the Company.

The Report given by M/s S.S. Kothari Mehta & Company, Chartered Accountants, Statutory Auditors on the financial statement of the Company for the year 2023-24 is part of the Annual Report. The Statutory Auditors drew a qualified opinion on the Internal Financial Controls outlined in the Audit Report. In alignment with the internal control over financial reporting criteria set by the Company and based on the essential components of internal control as detailed in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI, the Company's internal financial controls were generally effective as of March 31, 2024.

However, there were material weaknesses identified in the Company's internal control w.r.t. processing of certain vendor invoices, issuance of advances to few employees and cash collection from borrowers (i.e. loan assets) were not operating effectively during the year which has resulted the suspected instance of fraud in the Company.

#### 15. SECRETARIAL AUDIT COMPLIANCE

The Board of Directors of the Company, appointed M/s MAK S & Co., Company Secretaries as Secretarial Auditor, pursuant to section 204(1) of Companies Act, 2013. The Secretarial audit report for FY 2023-24 is annexed to this report as **Annexure-C**. There are no qualifications or adverse remarks in the Secretarial Audit Report for the F.Y. 2023-24.

#### 16. COST RECORDS

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

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

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

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

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

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

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

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

## **20. 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 and the same is also available on the website of the Company <https://www.sgrlimited.in>.

Apart from payment of sitting fees to Independent Directors and reimbursement of expenses, if any as per the terms of appointment, there is no pecuniary relationship or transactions of the Independent/Non-Executive Directors with the Company. The details with respect to the related party transactions are mentioned in the notes to the audited financial statements for the financial year ended March 31, 2024.

## **21. 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:

### **20.1 Conservation of energy**

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

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## 20.2 Technology absorption, adoption and innovation

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

## 20.3 Foreign exchange earnings and outgo

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

	(In ₹ Crores)
Foreign Exchange Earning	NIL
Foreign Exchange Outgo	12.51

## 22. CORPORATE SOCIAL RESPONSIBILITY

As per the provision of Section 135 of Companies Act, 2013, Company was not required to make CSR expenditure, as provisions of this section is not applicable.

## 23. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

## 24. HUMAN RESOURCE MANAGEMENT

Investment in human capital is a crucial step in establishing the foundation for sustainable long-term development. As on March 31, 2024, the Company's total number of employees stands at 1,486 with a Female ratio of 16.3%. Sitara implemented several strategic initiatives aimed at enhancing employee engagement, fostering professional development, and creating a supportive workplace culture as stated:

1. Digitalization of HR Processes
2. Weekly Connect
3. Sitara Mudra (Customer Training)

The Company has successfully digitalized key HR processes through the implementation of end-to-end HR management system. The digital shift has not only optimized the HR function by way of reducing the processing time but also significantly enhanced the overall employee experience, mechanism of real time accessibility of HR services in turn supporting our commitment to innovation and operational excellence.

To foster a culture of transparency, learning and alignment with organizational goals; SGRL implemented Weekly Connect, interactive training session, webinar throughout the year. SGRL also introduced "Sitara Mudra" an innovative customer outreach program designed to foster a deep connection with our female borrowers across various locations.

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

The Company ensures prevention, prohibition and Redressal of Sexual Harassment complaints at workplace, as per the policy and procedure with the approval of Nomination & Remuneration Committee (NRC) pursuant to provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has duly implemented the NRC approved Anti-Sexual Harassment Policy. The Company has set up an Internal Complaints Committees with a majority Women Employees for looking into any such complaints or reports. These Committees will conduct the inquiry and determine the sanctions, if any, and report to the NRC. No complaints were received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in FY 2023-24.

## **26. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ACTIVITIES AND REPORTING**

In FY 23-24, the Company was actively engaged in a range of Environmental, Social, and Governance (ESG) activities to promote a sustainable and inclusive workplace. Conducting various training programs for employees on topics such as POSH (Prevention of Sexual Harassment), Road Safety, Gender Sensitization, HR policies, and Employee Code of Conduct. Additionally, Customer Outreach Programs focused on financial literacy have been a key initiative to empower both, our employees as well as our customers (women borrowers).

To further enhance our ESG framework, the Company undertook an ESG Due Diligence Assessment carried out by Indus Environmental Services Private Limited. This assessment included visits to branches and the head office, resulting in the development of a comprehensive Environmental & Social Management System (ESMS). Based on the observations, a detailed Environmental and Social Action Plan (ESAP) was provided, outlining steps for continuous improvement in ESG practices.

The Company also underwent a Social Rating by MFR (rating agency) and obtained a BB rating in October 2023. The Company is executing the detailed Environmental and Social Action Plan (ESAP) by integrating the recommendations into our daily operations. This includes regular monitoring and reporting of environmental and social performance metrics, ensuring compliance with regulatory requirements. The Company has also strengthened its stakeholder engagement processes, facilitating better communication and feedback from both employees and customers. These efforts aim to foster a more inclusive, safe, and environmentally responsible organization, aligning with global ESG standards and contributing positively to the community and environment.

## **27. 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:**

The 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, teamwork,

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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.

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

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

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

The Reserve Bank of India (RBI) vide its Notification No. RBI/2020-21/73 DOR.FIN.HFC.CC. No. 120/03.10.136/2020- 21 February 17, 2021 prescribed Master Direction – Non- Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions) for housing finance Companies. The RBI HFC Directions, inter alia, requires all the Housing Finance Companies to put in place Internal Guidelines on Corporate Governance. The Company has Internal Guidelines on Corporate Governance and the same is placed on the website of the Company.

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

As required under Section 92(3) of the Companies Act, 2013, and rules made thereunder and amended from time to time, the Annual Return of the Company in prescribed Form MGT-7 is available on the website of the Company at <https://www.sgrlimited.in>.

### **B. Director's Responsibility Statement**

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

- I. In the preparation of the annual accounts, the applicable accounting standards issued by Institute of Chartered Accountants of India had been followed along with proper explanation relating to material departures;
- II. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year

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and of the profit/ loss of the Company for that period under review;

- III. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The directors had prepared the annual accounts on a going concern basis;
- V. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively and;
- VI. During the financial year, material weaknesses has been identified in the internal financial controls of the Company and same were acknowledged by the Board of Directors.

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

During the financial year 2023-24, there was no fraud case detected and required to be reported as per the provisions of Section 134(3) (ca), read with section 143(12) of the Companies Act, 2013 to the regulatory authorities.

However, Audit Committee and the Board of Directors during its meeting held on 11 July 2024 noted the communication received from the Statutory Auditors under Section 143(12) seeking clarification and additional information on certain aspects relating financials of the Company to which the Audit Committee shared the response to the Statutory Auditors on August 06, 2024.

Thereafter the Board of Directors in its meeting held on August 08, 2024, took note of the Auditor's Report on the financials having qualifying opinion with respect to the internal financial controls of the Company for the financial year 2023-24.

As per the auditor's observation, there were instances of misappropriation of cash collected from customers and other forms of embezzlement of cash, totaling to INR 1.2 Crores related to following:

- (a) management of delinquent cases via payment of special incentives to collection agency, Urbanbulls Services Private Limited;
- (b) management of delinquent cases via conveyance advances to employees;
- (c) potential misuse of branch imprest, and advances for conveyances and training expenses; and
- (d) utilization of salary and travel advances potentially not in the normal course of business.

Given the nature of the above- mentioned findings, the Board of Directors shall undertake adequate course of action as per Company's policies.

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

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

**E. Pursuant to provisions of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016,**

The Company has obtained Fit & Proper declarations and various other declarations duly signed by all the Directors of the Company. The aforesaid policy is available on the website of the Company i.e. <https://www.sgrlimited.in>.

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

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

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

**G. Independent Director**

Independent Director is a director who has no direct or indirect material relationship with the Company or any of its officers. Independent Director shall meet all criteria specified in Section 149(7) of the Companies Act, 2013 and rules made thereunder. Remuneration to Independent Directors is mentioned below:

**i. Payment of Remuneration:**

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

**ii. Payment of Sitting Fees:**

All the Independent Directors 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.

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At present, the Board has approved the payment of a sitting fee to Independent Directors for Board and Committee meetings. The amount of sitting fee for Board and Committee meetings is INR 40,000 and INR 20,000/- respectively.

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

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

**H. As per section 134(3)(f) of the Companies Act, 2013, your management states that during the year under review and also during the previous year 2022-23.**

In accordance with Section 134(3)(f) of the Companies Act, 2013, the Board of Directors in its meeting dated August 08, 2024, acknowledged and accepted the qualifying opinion with respect to the internal financial controls of the Company for the financial year 2023-24 in the audit's report. The Board is committed to implementing the necessary measures to resolve the concerns highlighted in the qualified opinion.

**I. In terms of section 134(3)(g) of the Companies Act, 2013, Company has not made any Investment through two or more layers of Investment Companies, pursuant to provisions of section 186(1) of the Companies Act, 2013. Further, the Company being Housing Finance Company, all loans & guarantees are in the ordinary course of business and details of the same along with the Investment made by the Company are disclosed in Financial Statements and Notes to Accounts, thereto, which is forming part of Annual Report.**

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

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

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

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

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

#### **L. Internal Financial Controls and their Adequacy**

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. To fulfil the requirements of the Section 138 of the Companies, Act, 2013, other applicable provisions of Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the Board had approved the appointment of Mr. Navneet Gupta, as an Internal Auditor of the Company.

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.

During the financial year ended on March 31, 2024, the Statutory Auditors of the Company drew a qualified opinion on the Internal Financial Controls outlined in the Audit Report. In alignment with the internal control over financial reporting criteria set by the Company and based on the essential components of internal control as detailed in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI, the Company's internal financial controls were generally effective as of March 31, 2024.

However, there were material weaknesses identified in the Company's internal control w.r.t. processing of certain vendor invoices, issuance of advances to few employees and cash collection from borrowers (i.e. loan assets) were not operating effectively during the year.

#### **M. Statement on compliance with Secretarial Standards**

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

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

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

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

During FY2023-24, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.

**P. Details of Significant and material orders were passed by the regulators or courts or tribunals, impacting the going concern status and Company's operations in future.**

During the year review, 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. There are no penalties, fines, or strictures levied by any regulatory or statutory authority during the last financial year.

**Q. Details of non-compliance with requirements of Companies Act, 2013**

The Company has duly complied with the applicable provisions of the Companies Act, 2013. However, during the period under review, the Company has Suo-moto filed the Compounding Application with Regional Director, Northern Region under Section 441 of the Companies Act, 2013 on January 29, 2024 in e-form GNL-1 vide SRN: F91299255 for non-compliance of Section 128 of Companies Act, 2013.

The application was considered and heard by the Regional Director. Further, Ms. Shruti Savio Gonsalves, Co-founder, MD and CEO and Ms. Jhummi Mantri, Chief Financial Officer ("the applicant") were directed to deposit a compounding fee of INR 1,00,000/- (Rupees One Lakh only) each.

Pursuant to this Forum's Directions dated May 09, 2024, compounding fees have been paid by the applicants. Thereafter, the Company has received the compounding order and the same was reported to the Registrar of Company.

**R. Details of penalties and strictures**

During FY 2023-24, there was no penalty or strictures have been imposed on the Company by the RBI/ NHB ROC or any other statutory authority during the FY 2023-24.

**SEWA GRUH RIN LIMITED**

**Regd. off.**

1st Floor, 216/C-12, Old No. C-12, Plot No. 13-B,  
Guru Nanak Purā, Laxmi Nagar, Delhi - 110092  
**Phone** +91 11 4352 1832  
**GST** 07AAQC50870H122

**Corp. off.**

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DLF Cyber City, Gurugram - 122002  
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EMAIL**

sglimited.in  
1800 11 3908  
contact@sglimited.in

**CIN** U65923DL2019PL22249N

## 29. ACKNOWLEDGEMENTS

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

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

*Renana Jhabvala*

**Renana Jhabvala**

**Chairperson**

**DIN: 01106825**

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

**Near Sterling club, Bopal,**

**Ahmedabad, Gujarat 380058**



**Date: August 08, 2024**

**SEWA GRIH RIN LIMITED**

**Regd. off. :**

1st Floor, 216/C-12, Old No. C-12, Plot No. 13-B,

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**CIN**

U65902DL2018PLC222491

**CONTENTS**

1. Economic Overview
  - Indian Economy
2. Industry Overview
  - Housing scenario In India
3. AHFCs: a lucrative model
4. Business at a glance  
FY23-24
5. Our Growth Strategy



**Sitara**

**A SEWA INITIATIVE**

**Management Discussion & Analysis**

**FY23-24**



## Management Discussion and Analysis

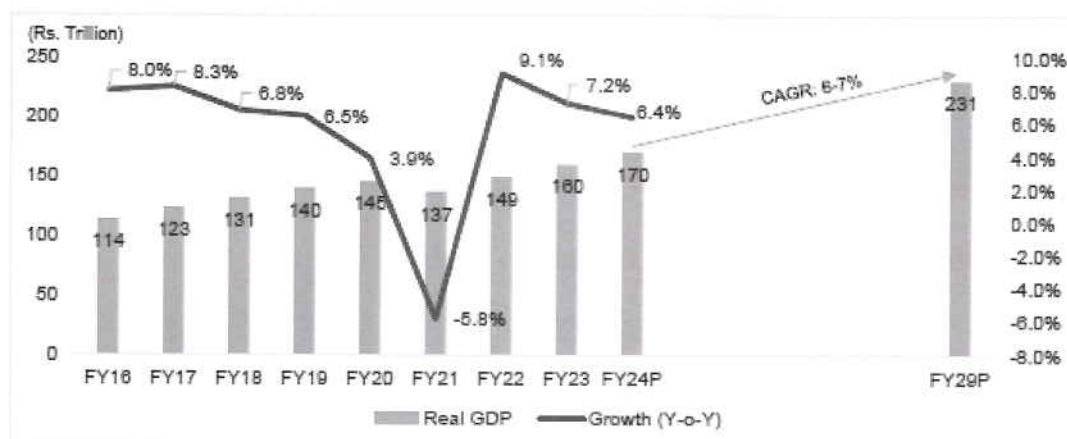
### Macroeconomic scenario

#### 1. Indian Economy

**India expected to remain the fastest growing economy in the world with GDP growth of 6.4% in Fiscal 2024**

India is anticipated to retain its position as the world's fastest-growing major economy, with a projected GDP growth rate of 6.4% for Fiscal Year 2024. Prior to the Covid-19 pandemic, India's economic performance was among the most robust globally, demonstrating consistent improvements in key economic indicators. The country succeeded in narrowing its twin deficits—current account and fiscal deficits—while achieving a favorable and sustainable growth-inflation balance. Despite the challenges posed by geopolitical instability, India has sustained its rapid economic expansion, driven by factors such as its demographic advantages, strong domestic demand, ongoing economic reforms, advancements in manufacturing and infrastructure, and significant strides in digitalization and technological innovation.

#### India's economy to grow at 6.4% in fiscal 2024



Note: P = Projected; GDP growth till fiscal 2023 is actuals. GDP Projections for fiscals 2023-2024 is projected based on CRISIL MI&A estimates and that for fiscals 2025-2029 based on IMF estimates.

Source: NSO, CRISIL MI&A, IMF (World Economic Outlook – October 2023 update)

#### 1.1 Credit penetration is lower in India compared to other countries

In terms of the credit to GDP ratio, India has a low credit penetration compared with other developing countries, such as China indicating the potential that can be tapped. Similarly, in terms of credit to households as a proportion of GDP as well, India lags other markets, with retail credit hovering at around 26% of GDP as of Fiscal 2023.

Source: Bank of International Settlements2, CRISIL MI&A

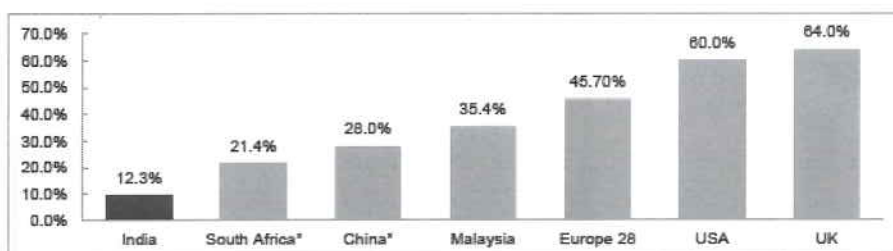




### ➤ Trend in mortgage-to-GDP ratio in India

In fiscal 2023, India's mortgage-to-GDP ratio stood at 12.3%. Though low compared with other developing countries, it has significantly improved from 6.5% in fiscal 2009. The factors that contributed to the improvement are rising incomes, improving affordability, growing urbanization and nuclearization of families, emergence of tier-II and tier-III cities, ease of financing, tax incentives, and widening reach of financiers. Given the expected steady growth from fiscal 2023, it is projected that the ratio will reach 14-15% by fiscal 2025.

### Mortgage-to-GDP ratio in India (FY23) compared with other countries

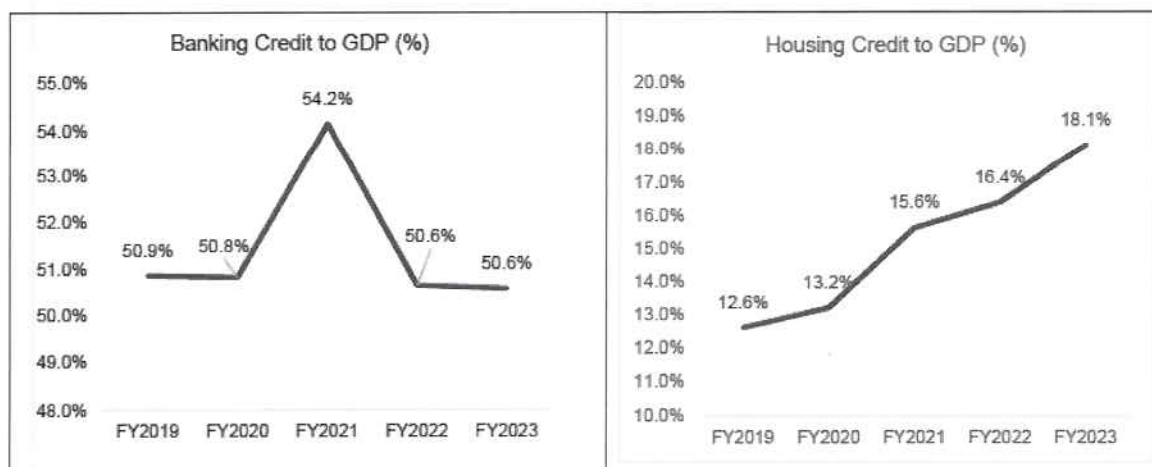


Note: (\*) – As of CY17, Indian mortgage to GDP is for Fiscal 2023 – 12.3%; Europe 28 includes the 28 European Union Member states as of December 2018; Source: HOFINET, European Mortgage Federation, NHB, CRISIL MI&A

### ➤ Trend in Banking Credit to GDP and Housing Credit to GDP during fiscals 2019 to 2023

In the fiscal 2022, with opening of the lockdown and improvement in economic activity, the GDP rose with overall banking credit to GDP coming back to ~50% of real GDP. While banking credit as proportion of GDP has remained stable, housing credit to GDP has increased from 12.6% in fiscal 2019 to 15.6% in fiscal 2021 which further increased to 18.1% in fiscal 2023.

**Overall banking credit to GDP ratio has remained stable; Housing credit to GDP has increased over the years**



Note: Outstanding credit of all scheduled banks taken for banking credit Source: CIBIL, CRISIL MI&A

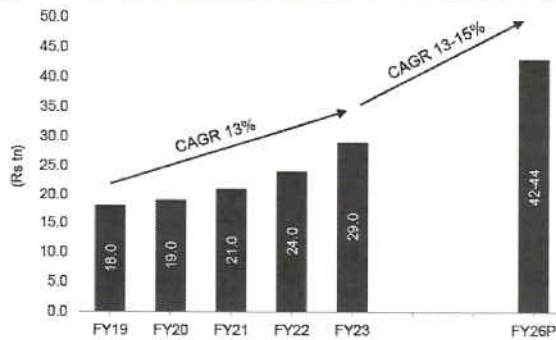
Source: RBI, NSO, CRISIL MI&A



## 2. Industry Overview

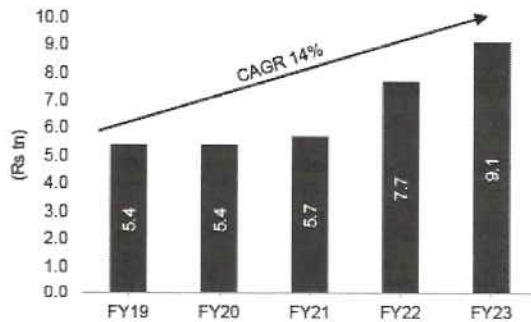
The Indian Home Loan market has expanded at a healthy ~13% CAGR (growth in loan outstanding) over FY19-FY23 to Rs 29 trillion on the back of rising disposable income, healthy demand from smaller cities, attractive interest rates and government’s impetus on housing. Of the total Housing market in FY23, Public Sector Banks (PSBs) dominated with a 40% market share followed by HFCs (34%), Private Banks (20%), Others (4%) and NBFCs (2%).

Exhibit 1: Home Loans outstanding projected to grow at 13-15% over FY23-FY26 (Rs trn)



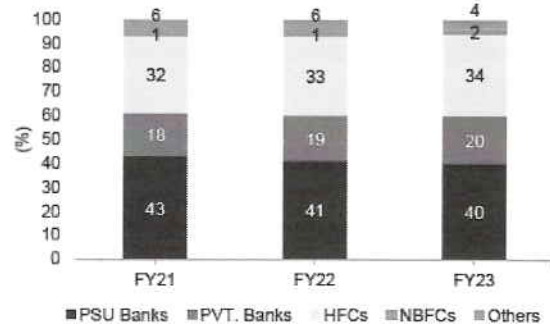
Note: P- Projected, Data includes only Housing loan excluding PMAY  
Source: CRIF Highmark, CRISIL MI&A

Exhibit 2: Home loans disbursements grew at ~14% CAGR over FY19-FY23



Note: Sanctioned amount has been taken for gauging disbursement trend for all the Financial Years (excludes PMAY)  
Source: CRIF Highmark, CRISIL MI&A

Exhibit 3: HFCs had 2<sup>nd</sup> highest market share in Home Loans in FY23



Note: Numbers are rounded off to show the market share  
Source: CRIF Highmark, CRISIL MI&A

While AUM growth for HFCs was marginally lower at 10%, disbursements remained healthy on the back of improving affordability, growing urbanization and expansion beyond Tier-I locations. While home loan affordability has improved over the past few years, led by sustained growth in incomes, there is an expectation to lower interest rates to reduce the EMI burden for households. Moreover, India has very low penetration in terms of housing finance (low Mortgage-to-GDP ratio) compared to peers, which shows increased potential for Indian HFCs to expand.

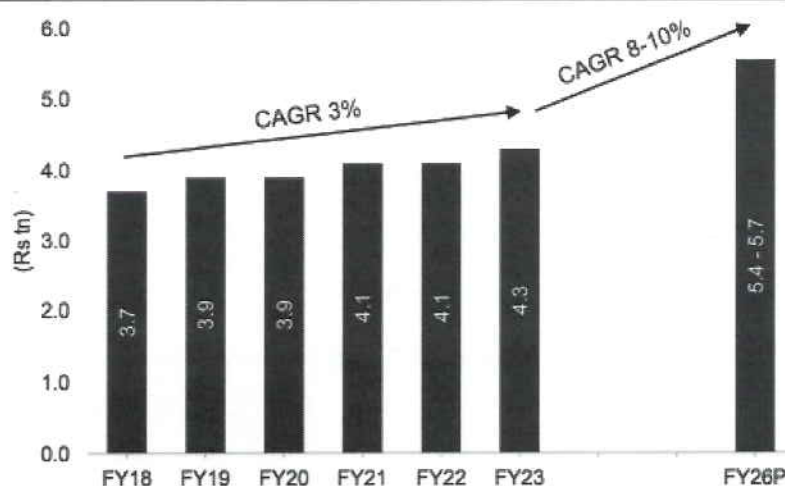


### 3. Homing in On Affordable Housing: A Sector Poised for Growth

#### ➤ What constitutes “Affordable Housing?”

Affordable Housing focused loans in India were ~Rs4.3trn as of March’23, constituting ~15% of the overall housing finance market, as per CIBIL data. With outstanding loans of Rs1.8trn as of March’23, PSBs have the highest market share of 41% in the Affordable Housing market. HFCs accounted for 28% of the market (outstanding loans of Rs1.2trn as of March’23) followed by Private Banks, which had a market share of 21% (outstanding loans of Rs0.9trn as of March’23). All other groups (MNCs and SFBs) had a cumulative market share of 7% in Affordable Housing.

**Exhibit 12: Expect healthy growth of 8-10% in the Affordable Housing segment**

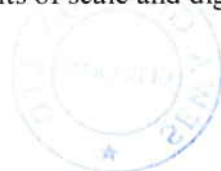


#### ➤ AHFCs: Capitalizing on a Smart Business Model

Affordable Housing Finance Companies (AHFCs) have emerged as high-growth, high-return-on-assets (RoA) businesses, driven by a robust demand for affordable housing and supportive regulatory policies. **This growth has been particularly pronounced following a series of successful IPOs in the housing sector.** Recent IPOs, such as those by Aadhar Housing, India Shelter, and Aptus Housing Finance Limited, underscore the sector’s increasing appeal to investors.

**High RoAs of HFCs focused on Affordable Housing segment (~3% in FY23) can be attributed to the relatively higher yields they enjoy despite a higher cost of funds.** The sector attracts higher yields as the customer segment is more vulnerable to economic shocks, adding to the risk premium for lenders. Moreover, AHFCs cater to a set of customers who are not very sensitive to interest rate changes, **unlike large HFCs, and do not find it difficult to pass on the rate hikes to customers.**

As the Indian economy revives, it is expected that the delinquencies shall normalize, resulting in a decrease in credit costs for HFCs. Additionally, for Affordable Housing players, operating expenses are expected to moderate, with the benefits of scale and digitalization kicking in.



**Exhibit 31: Despite high borrowing and opex costs, AHFCs earn RoAs of 3.5-4%**

Parameter	2019-20	2020-21	2021-22	2022-23
NIMs	5.2%	5.6%	5.7%	6.0%
Yield on advances	14.4%	12.9%	13.4%	13.8%
Cost of borrowings	8.9%	8.9%	7.3%	7.7%
Opex	3.5%	3.2%	3.3%	3.6%
Credit Costs	0.4%	1.0%	0.4%	0.3%
RoE	12.3%	11.1%	12.4%	13.1%
RoA	4.0%	3.4%	3.9%	4.0%

Source: ICRA, Nirmal Bang Institutional Equities Research

A factor that is favoring AHFCs is that priority sector lending by banks, which usually catered to the lower income segments, have been declining. Part of the reason is that loan thresholds have remained at low levels while house prices have risen. This, in turn, acts as an opportunity for AHFCs who can further build their portfolio through co-lending or direct assignment transactions with banks.

AHFCs are also diversifying their loan book in the non-housing segment such as loan against property especially for small and medium enterprises. The share of housing loans in their portfolio has slid to 74 per cent in FY23 from 79 per cent in FY19.

## Business Overview

### Sitara: Shaping the Future of Women's Housing—A Comprehensive Overview



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



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



## Annexure-A

### Strengths

**Market Penetration:** present in 75 branches and 9 states with 76% of our branches in Tier 2 and Tier 3 in underpenetrated credit markets like MP, UP and Bihar

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

**Robust returns from improving leverage ratios** i.e. D/E ratio is at 3.6:1

**Improving collection across buckets:** invested at a very early stage in strengthening the collection strategy and digitization to bring in strong collection efficiency.

### Opportunities

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

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

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

**Highly under-penetrated AHF market**

### Challenges

Rising interest rates and high inflation

Changing demand and employment market

Increased land acquisition cost

Maintaining healthy asset quality parameters

### Threats

Global economic slowdown and hikes in repo rates

Increased market competition pressuring yields & margins

Unfavorable statutory policies and regulations

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

## SITARA PERFORMANCE REVIEW FY23-24

### Our Growth Metrics & Program Highlights

- **Disbursements**

Weathering over the challenges of FY23-24 with our determined spirit, Sitara's performance has been very good. The total disbursements of the company grew by 2x YoY to appx 664 INR Crore in FY24 compared to INR 386 Crore in the previous fiscal year due to expansion of branches towards new geographic locations.

- **Market Penetration**

With the addition of 26 new branches, we are enhancing our market presence and expanding steadily. Our network now spans 75 branches across 9 states, with 76% of these located in Tier 2 and Tier 3 cities, which supports our efforts in broadening customer reach.

- **Empowering Women to realize their Dream home**

Catering to the dreams of every woman to own a home, 100% of Sitara's primary applicants have been women borrowers with 26,009 active loan cases.

- **Doubled Loan book**

The increase in AUM from INR 647 Crore in FY23 to 1094 Crore in FY24 strengthens our conviction in Sitara's values and potential growth.

- **Adequate Long-term Debt**

A healthy leverage ratio of 3.6:1 is also indicative of Sitara's sustainable growth over 2.4:1 ratio in the previous fiscal.



## Our Way Forward

### Strategic Investment and Ownership Structure

SEWA Grih Rin (Sitara) is poised to secure INR 680 Crore from Arpwood Partners, (*pending approval from the Reserve Bank of India RBI*). This investment will result in Arpwood Partners acquiring a majority stake in the Company. Following this transaction, Arpwood Partners will join SEWA Mutual Benefit Trust (SMBT) as co-promoters of the Company.

Arpwood Partners' involvement is anticipated to bring significant strategic advantages, particularly in the realm of affordable housing. Their investment is expected to enhance Company's operational efficiency and support its growth objectives with clear visibility of committed capital. This partnership aligns with Company's commitment to expanding impact and improving operational performance, setting a solid foundation for future success.



**ANNEXURES TO DIRECTORS' REPORT**  
**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 31.03.2024)	
Name	
(a) Designation of the employee.	
(b) Remuneration received (Yearly CTC)	
(c) Nature of employment, whether contractual or otherwise.	
Type equation here.(d) Other terms and conditions.	
(e) Nature of duties of the employee.	
(f) Qualifications and experience of the employee.	
(g) Date of commencement of employment.	
(h) The age of such employee.	
(i) The last employment held by such employee before joining the company.	

**Notes:**

- i. 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.
- ii. 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.
- iii. 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 OF  
SEWA GRIH RIN LIMITED**

*Renana Jhabvala*

**Renana Jhabvala**  
**Chairperson**  
**DIN: 01106825**  
**Address: B-9/9, Sterling City,**  
**Near Sterling club, Bopal,**  
**Ahmedabad, Gujarat 380058**



**Date: August 08, 2024**



**MAKS & CO.**  
Company Secretaries

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

For the Financial Year Ended March 31, 2024  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by SEWA Grih Rin Limited [hereinafter referred as "the Company" / "SGRL"] for the financial year 2023-24 (commencing from April 1, 2023 to March 31, 2024) ("Audit Period"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. It is also noted that the Company is registered with National Housing Bank ("NHB") under Section 29A of the National Housing Bank Act, 1987 to commence / carry on the business of a housing finance institution without accepting Public Deposit. Further, it is also been noted that, during the period under review, none of the securities of the Company is listed on any of the stock exchanges.

**Limitation of the Auditors**

- (i) Based on our verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder; and
- (ii) Based on the management representation letter/ confirmation and explanation wherever required by us, the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

**Auditors Responsibility**

- (i) Our responsibility is to express the opinion on the compliance with the applicable laws, as per prescribed format, and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit ("Guidance Note") and Auditing Standards issued by the Institute of Company Secretaries of India ("ICSI"). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
- (ii) Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

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

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







**MAKS & CO.**  
Company Secretaries

(iii) 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 Board processes and compliance mechanism.

The Members are requested to read Secretarial Audit Report ("Report") along with our letter dated July 11, 2024 enclosed herewith to this Report as Annexure - A.

- i. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on March 31, 2024 according to the applicable provisions of:
  - i) The Companies Act, 2013 (the "Act") and the Rules made thereunder read with notification issued by Ministry of Corporate Affairs ("MCA");
  - ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder (*Not applicable to the Company during the audit period*);
  - iii) The Depositories Act, 1996 and the regulations and byelaws framed there under;
  - iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings, as applicable;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (*Not applicable to the Company during the audit period*);
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (*Not applicable to the Company during the audit period*);
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*);
    - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*Not applicable to the Company during the audit period*);
    - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (*Not applicable to the Company during the audit period*);
    - f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with clients (*Not applicable since the Company is not registered as Registrar to Issue and Share Transfer Agent during the period*);
    - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (*Not applicable to the Company during the audit period*);
    - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not applicable to the Company during the audit period*); and
    - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Not applicable to the Company during the audit period*).

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

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





# MAKS & CO.

Company Secretaries

2. Based upon the Management Representation wherever required from the Company, its officers, and compliance reports from the management for systems and mechanism framed by the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the pertinent laws, rules, regulations and guidelines as specifically applicable to the Company relating to Rules, regulations, directions and guidelines issued by the National Housing Bank, as are applicable to the Company.
3. We have also examined compliance with the applicable clauses of the following:
  - i) Secretarial Standards issued by the Institute of Company Secretaries of India, with respect to board and general meetings (hereinafter referred as "Secretarial Standards"); and
  - ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges (Not applicable to the Company during the Audit period).
4. During the period under review, to the best of our knowledge and belief and according to the information and explanations provided to us by the management, the Company has been generally regular in compliance with the provisions of the Acts, Rules, Regulations and Secretarial Standards as mentioned above except below:
  - As per Section 128 of the Act read with proviso to sub-rule 1 of Rule 3 of Companies (Accounts) Rules, 2014, w.e.f. April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has following features:
    - (i) Recording audit trail of each and every transaction; and
    - (ii) Creating an edit log of each change made in the books of account, along with the date when such changes were made.

*It has been observed that the Company has not complied with the aforesaid provision during April 1, 2023 to September 28, 2023. Acknowledging the above non-compliance, the Company has filed such compounding application with the Regional Director, Northern Region, MCA ("RD") on January 29, 2024, which is pending as on date of this report.*
5. Based on the information provided to us by the Management, we further report that during the Audit Period, there was delay in filing of Form FC-GPR with Reserve Bank of India ("RBI") w.r.t allotment of shares by the Company to persons resident outside India due to delay in receipt of documents i.e. 'Foreign Inward Remittance Certificate' and 'Know Your Customer' from Bank. We have been informed that the Company has deposited Late Submission Fees as levied by RBI in all such cases.
6. We further report that compliance of applicable financial laws including direct and indirect tax laws and maintenance of financial records and books of accounts by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
7. We further report that:
  - i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

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

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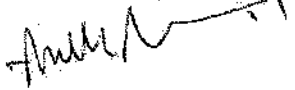




**MAKS & CO.**  
Company Secretaries

- ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice and Agenda with notes to Agenda of Board meetings were sent at least seven days in advance of the meeting except in certain cases where meeting was held at shorter notice and a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- iii) Decisions of Board/Committee were carried through majority. We have been informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- iv) Based on the information provided and the representation made by the Company and also on the review of Compliance Reports / Certificates taken on record by the Board of Directors of the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- v) We further report that during the period covered under the Audit Period, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:
- (a) On August 04 2023, the Company has allotted 1,41,85,795 Series E1 Round Compulsorily Convertible Preference Shares of face value of Rs. 10/- each at issue price of Rs. 45.75/- each including securities premium of Rs. 35.75/- each, aggregating to Rs. 64,90,00,121.25/-
- On November 27 2023, as per ESOP plan, the Company has allotted 2,10,000 Equity Shares of face value of Rs. 10/- each at issue price of Rs. 17.68/- each including securities premium of Rs. 7.68/- each aggregating to Rs. 37,12,800.
- (b) On December 14, 2023, the Company has allotted 600 Rated, Unlisted, Redeemable Non-Convertible Debentures of face value of Rs. 10,00,000/- each at par aggregating to Rs. 60,00,00,000/-.
- (c) The Shareholders of the Company at their Extra-ordinary General Meeting held on September 5, 2023 approved the amendment in the Article of Association of the Company in relation to the first addendum to amendment and restated share subscription and shareholders agreement dated June 30, 2023.

For M/s. MAKS & Co.,  
Company Secretaries  
[FRN P2018UP067700]  
Peer Review No.: 2064/2022

  
Ankush Agarwal  
Partner  
Membership No.: F9719  
COP No.: 14486  
UDIN: F009719F000715710



Place: Noida, U.P.  
Date: 11-07-2024

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

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



**MAKS & CO.**  
Company Secretaries

**Annexure –A to Secretarial Audit Report dated July 11, 2024**

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

The Secretarial Audit Report dated July 11, 2024 is to be read with this Letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to Sewa Grih Rin Limited [hereinafter referred as 'the Company'] is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit process.
5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M/s. MAKS & Co.,  
Company Secretaries  
[FRN P2018UP067700]  
Peer Review No.: 2064/2022

Ankush Agarwal  
Partner  
Membership No.: F9719  
COP No.: 14486  
UDIN: F009719F000715710



Place: Noida, U.P.  
Date: 11-07-2024

**MAKS & CO., Company Secretaries**

(Firm Regn. No.: P2018UP067700)

Address: 516 | Wave Silver Tower | Sector-18 | Noida -201301 (U.P.)

Tel. : +120 5178033 | E: services@forecoreprofessionals.com



**Annexure-D****FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

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

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

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

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

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

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

*Renana Jhabvala*

**Renana Jhabvala  
Chairperson**

**DIN: 01106825**

**Address: B-9/9, Sterling City,  
Near Sterling club, Bopal,  
Ahmedabad, Gujarat 380058**



**Date: August 08, 2024**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Sewa Grih Rin Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Sewa Grih Rin Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, the statement of profit and loss, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and the profit and its cash flows for the year ended on that date.

### Basis for Opinion

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

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

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

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

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

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



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

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

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to



modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rules made thereunder.
  - e) On the basis of the written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an modified opinion on the adequacy and operating

effectiveness of the Company's internal financial controls with reference to the financial statements.

- g)** With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h)** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i.** The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note No. 26 to the financial statements).
  - ii.** The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii.** There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv.**
    - a.** The Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b.** The Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - c.** Based on our audit procedures conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v.** The final dividend declared & paid by the Company on CCPS during the year and until the date of this report is in accordance with section 123 of the Act is applicable.
  - vi.** Based on our review, which included various test checks, we found that the company utilizes the Tally Prime Edit Log (EL) accounting software to manage its financial records. This software includes an audit trail (edit log) feature, which was partially operational for all relevant

# SS KOTHARI MEHTA & CO. LLP

CHARTERED ACCOUNTANTS

transactions during the year 2023-2024. Additionally, we observed that the edit log functionality was affected starting September 29, 2023 resulting in a delay. We were informed by the management of the Company that for this delay, application for compounding was filed with the Ministry of Corporate Affairs on January 24, 2024. The accounting software (Tally) is hosted at the NTT Data Center in the Delhi region, with scheduled backups being conducted in the data center in Mumbai region.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **S S Kothari Mehta & Co. LLP**

Chartered Accountants

Firm's Registration No. 000756N/ N500441



**Naveen Aggarwal**

Partner

Membership No. 094380

UDIN: 24094380BKBFAP7911

Place: New Delhi

Date: August 08, 2024

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

The Annexure as referred in paragraph (1) ‘Report on Other Legal and Regulatory Requirements’ of our independent Auditors’ Report to the members of **Sewa Grih Rin Limited** on the financial statements for the year ended March 31, 2024, we report that :

- i. In respect of the Company’s Property, plant and equipment (PPE) and Intangible assets:
- (a) **A.** The Company has maintained proper records showing full particulars, including quantitative details other than situation of property plant and equipment & particulars related to identification numbers affixed on the property plant and equipment.
- B.** The Company has maintained proper records showing full particulars of intangible assets.
- (b) PPE have been physically verified by the management during the year according to designated process to cover all the items on annual basis. However, reconciliation of physical verification with Fixed Asset Register is under process. We have been informed the differences, if any, would not be material.
- (c) According to the information and explanation given to us and based on our examination of records, no immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its PPE and intangible assets during the year.
- (e) According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder.
- ii. (a) According to the information and explanation given to us and based on our examination of records, the Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanation given to us and based on our examination of records, the Company has not been sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets, accordingly, reporting under 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanation given to us and based on our examination of records, the Company have not made investments in, provided any guarantee or provided security and, during the year. However, the Company has granted loans or advances in the nature of secured loans/ unsecured advances to other parties. in respect of which:
- a) Reporting under clause 3(iii)(a) of the Order is not applicable as the Company is a Non-Banking Financial Company – Housing Finance Company (“NBFC-HFC”);
- b) In our opinion, the security given and the terms and conditions of the grant of all loans, during the year are, prima facie, not prejudicial to the Company’s interest. Further, there is no investment made during the year by the Company;

- c) According to the information and explanation given to us and based on our examination of records, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation except the NPA cases flagged by the Company as per prudential norms issued by RBI/ NHB. Since the Company is NBFC-HFC and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.
- d) In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows: -

(INR in millions)				
Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
Home Loan	324	118.53	12.83	131.36
Loan Against Property (LAP)	283	84.99	12.58	97.57
<b>Total</b>	<b>607</b>	<b>203.52</b>	<b>25.41</b>	<b>228.93</b>

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

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

- e) Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a NBFC-HFC whose principal business is to give loans.
- f) According to the information and explanation given to us and based on our examination of records, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. According to the information and explanations given to us, provisions of Section 185 are not applicable to the Company. However, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans granted, investments made and security provided, to the extent applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder. Accordingly, reporting under clause 3 (v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Act for the business activities carried by the Company. Accordingly, reporting under clause 3(vi) of the Order are not applicable to the Company.
- vii. According to the information and explanations given to us and the records of the Company examined by us, in our opinion:

(a) the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax, service tax, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable, except employee Provident fund, Labour welfare fund & Professional tax where the amount involved is Rs. 0.197 million, Rs. 0.001 million & Rs. 0.027 million respectively.

(b) According to the information and explanations given to us and on the basis of examination of the records, there are no dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Service Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3 (viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender.

(b) Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company is not having any subsidiary, associate or joint venture. Accordingly, the reporting under this clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanation given to us and based on our examination of records, Company is not having any subsidiary, associate or joint venture. Accordingly, the reporting under this clause 3(ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, during the year, the Company has made preferential allotment of Compulsory Convertible Preference Shares ("CCPS"), which is in accordance with the requirements of section 42 and section 62 of the Act read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the funds raised have been used for the purposes for which the funds were raised. The Company has not issued any convertible debentures (fully, partially or optionally convertible) during the year.

- (xi) (a) According to the information and explanation given to us and based on our examination of records, management of the Company has noticed instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees of the Company, involving amount aggregating to Rs. 4.55 million apart from regularization of certain delinquent loan accounts through an agency involving an amount of Rs. 11.04 million, Branch imprest and advances to employees amounting to Rs. 3.30 million all collectively as mentioned in Note No. 41 to the financial statements. During the course of audit and based on the fact finding review report of a professional firm engaged by the Company, suspected instances of fraud involving advances to a Key Managerial Person (KMP) and some of the senior officers of the Company aggregating to Rs. 5.62 million and travel bills related to a KMP amounting to Rs. 7.11 million were also observed.

As informed to us, out of the amounts as specified above Rs. 15.56 million has been recovered by the Company and in addition to the recovery procedure, the Company has terminated the services/ in the process of termination of such employees and also initiated necessary actions against the parties.

(b) According to the information and explanation given to us and based on our examination of records, report under sub-section (12) of section 143 of the Act has been filed upto the date of this report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have been informed that there are no whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures. Accordingly, the reporting under the clause 3(xi)(c) of the Order is not applicable.

- (xii) The Company is not a Nidhi Company. Accordingly, Clause (xii)(a), (xii)(b) and (xii)(c) of Para 3 of the order is not applicable to the Company.

- (xiii) According to the information and explanations given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with section 188 of Act where applicable and details of such transactions have been disclosed in Note No. 29 to the financial statements as required by the applicable accounting standards. The provision of Section 177 of the Act is not applicable to the company and accordingly reporting under this clause insofar it relates to Section 177 of Act is not applicable to the Company.

- (xiv) (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act. Accordingly, clause 3(xv) of the Order is not applicable.

- (xvi) (a) The Company is a "Housing Finance Company" and is not required a Registration under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) as per the Circular "DOR NBFC (PD)CC.No.105/03.10.136/2019-20" dated November 11, 2019. The Company has obtained a Registration certificate from the National Housing bank ("NHB") under the provisions of the National Housing Bank Act, 1987.

(b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and based on our examination of the records, the Company does not have more than one core investment company ("CIC") within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanation given to us and based on our examination of the records, the provisions of section 135 of companies Act, 2013 are not applicable on company, accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the order is not applicable.

(xxi) According to the information and explanation given to us and based on our examination of the record of the company, the Company does not have any subsidiary or the joint venture. Accordingly, the clause 3(xxi) of the order is not applicable.

For **SS Kothari Mehta & Co. LLP**

Chartered Accountants

Firm's Registration No. 000756N/N500441



**Naveen Aggarwal**

Partner

Membership No. 094380

UDIN: 24094380BKBFAP7911

Place: New Delhi

Date: August 08, 2024





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

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

We have audited the internal financial controls with reference to the financial statements of **SEWA Grih Rin Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls with reference to Financial Reporting**

A company’s internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Reporting**

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 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.

#### **Qualified Opinion w.r.t. Internal Financial Controls**

In our opinion, to the best of our information and according to the explanations given to us, the following material weaknesses have been identified as at March 31, 2024:

- a. The Company's internal control w.r.t. processing of certain vendor invoices, issuance of advances to few employees and cash collection from borrowers (i.e. loan assets) were not operating effectively during the year which has resulted the instances of fraud/ suspected fraud on the Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2024, based on the internal control over financial reporting 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 ICAI, and except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2024.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company. However, the effects of weaknesses and result thereof is being reported under clause xi (a) of Annexure "A" to this report.

For **SS Kothari Mehta & Co. LLP**

Chartered Accountants

Firm's Registration No. 000756N/ N500441



**Naveen Aggarwal**

Partner

Membership No. 094380

UDIN: 24094380BKBFAP7911

Place: New Delhi

Date: August 08, 2024



Sewa Grih Rin Limited  
Balance Sheet as at March 31st, 2024

(Rupees in millions, unless otherwise stated)

Particulars	Note No.	As at March 31st, 2024	As at March 31, 2023
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	1,038.37	894.41
(b) Reserves and surplus	3	1,668.27	1,324.37
		<u>2,706.64</u>	<u>2,218.78</u>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	4	8,163.08	4,588.32
(b) Other Long term liabilities	5	5.07	6.21
(c) Long term provisions	6	49.43	36.94
		<u>8,217.58</u>	<u>4,631.47</u>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	7	1,660.76	781.02
(b) Trade payables :-			
(i) Total outstanding dues of micro enterprises and small enterprises	8	2.60	2.51
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	25.48	13.86
(c) Other current liabilities	9	282.43	79.58
(d) Short term provisions	10	69.56	18.11
		<u>2,040.83</u>	<u>895.08</u>
<b>Total</b>		<u><u>12,965.05</u></u>	<u><u>7,745.33</u></u>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment and intangible assets			
(i) Property plant and equipment	11	134.10	71.74
(ii) Intangible assets		0.90	1.54
(iii) Intangible assets under development		47.96	21.97
(b) Deferred tax assets (net)	12	4.31	15.91
(c) Long term loans and advances	13	10,370.56	6,077.26
(d) Other non-current assets	14	302.86	361.75
		<u>10,860.69</u>	<u>6,550.17</u>
<b>(2) Current assets</b>			
(a) Current Investments	15	0.00	99.78
(b) Cash and cash equivalents	16	1,177.34	541.28
(c) Short-term loans and advances	17	660.38	434.58
(d) Other Current assets	18	266.64	119.52
		<u>2,104.36</u>	<u>1,195.16</u>
<b>Total</b>		<u><u>12,965.05</u></u>	<u><u>7,745.33</u></u>
Summary of significant accounting policies	1		


The accompanying notes form an integral part of these financial statements

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

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm Registration Number: 000756N/201500114


  
Naveen Aggarwal  
Partner  
Membership Number: 094380

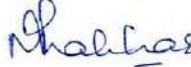


For and on behalf of the Board of Directors of

Sewa Grih Rin Limited

CIN: U65923DL2011PLC222491

  
Renana Jhabvala  
Director  
DIN: 01106825



Manish Purshottam Thakkar  
Director  
DIN: 03233206

  
Kashvi Malhotra  
Company Secretary  
Membership No: A23213

Place: New Delhi  
Date: 08/08/2024

Place: Gurugram  
Date: 08/08/2024



Sewa Grih Rin Limited  
Statement of Profit and Loss for the year ended March 31st, 2024

(Rupees in millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31st, 2024	For the year ended March 31, 2023
<b>I. Income</b>			
Revenue from operations	19	1,732.89	900.86
Other income	20	218.64	41.35
<b>Total Income</b>		<b>1,951.53</b>	<b>942.21</b>
<b>II. Expenses</b>			
Employee benefits expense	21	707.16	332.00
Finance costs	22	776.12	358.11
Depreciation and amortisation expense	23	31.31	13.38
Other expenses	24	325.17	198.53
Provisions and write off	25	69.48	13.64
<b>Total expenses</b>		<b>1,909.24</b>	<b>915.66</b>
<b>III. Profit before tax (I-II)</b>		<b>42.29</b>	<b>26.55</b>
<b>IV. Tax expense</b>			
-Current Tax		-	9.56
-Prior Period Tax		2.63	-
-Deferred Tax		11.59	(5.03)
<b>V. Profit after tax (III-IV)</b>		<b>28.07</b>	<b>22.02</b>

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

Basic		0.43	0.34
Diluted	32	0.28	0.30

Summary of significant accounting policies 1

The accompanying notes form an integral part of these financial statements

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

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm Registration Number: 000756NA/00441

*Naveen*  
Naveen Aggarwal  
Partner  
Membership Number: 094380



For and on behalf of the Board of Directors of

Sewa Grih Rin Limited

CIN: U65923DL2011PLC222491

*Renana Jhabvala*  
Renana Jhabvala  
Director  
DIN: 01106825

*Kashvi*  
Kashvi Malhotra  
Company Secretary  
Membership No: A23213

*Manish*  
Manish Purshottam Thakkar  
Director  
DIN: 03233206

Place: New Delhi  
Date: 08/08/2024

Place: Gurugram  
Date: 08/08/2024



Sewa Grih Rin Limited  
Cash Flow Statement for the year ended March 31, 2024

(Rupees in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I. Cash flow from operating activities</b>		
Profit before taxation	42.29	26.55
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Provision on loan assets and Write Off	69.48	13.64
Interest Income on Fixed Deposits	(44.60)	(27.21)
Depreciation and Amortisation	31.31	13.38
Loss on sale of property, plant and equipment	0.02	0.05
Interest expense	656.71	0.00
ESOP expense	0.20	0.12
Unrealised gain/loss on foreign exchange	(122.22)	0.67
<b>Operating profit before working capital changes</b>	<b>633.19</b>	<b>27.20</b>
<b>Working Capital Changes</b>		
- Decrease / (increase) in loans and advances	(4,519.10)	(3,314.30)
- Decrease / (increase) in other current asset / non-current assets	(49.20)	(130.15)
- Increase/(decrease) in trade payable	11.71	9.94
- Increase / (decrease) in other current liabilities and provisions	170.97	24.05
- Increase / (decrease) in non-current liabilities	(1.14)	16.39
<b>Cash used in operations</b>	<b>(3,753.57)</b>	<b>(3,366.87)</b>
Income tax paid (net)	(25.82)	(13.26)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(3,779.39)</b>	<b>(3,380.13)</b>
<b>II. Cash flow from investing activities</b>		
Interest Income on Fixed Deposits	28.76	20.55
Purchase of property, plant and equipment	(119.16)	(74.81)
Proceeds from sale of property, plant and equipment	0.12	0.05
Purchase of current investments	0.00	(99.78)
Proceeds from sale/maturity of current investments	99.78	0.00
Investment in bank deposits (having original maturity of more than 3 months)	(5.57)	(245.98)
<b>Net cash flow generated from/ (used in) investing activities (B)</b>	<b>3.93</b>	<b>(399.97)</b>
<b>III. Cash flows from financing activities</b>		
Proceeds from issuance of compulsorily convertible preference shares	141.86	8.45
Proceeds from issuance of equity share capital	2.10	105.86
Security premium on Compulsorily Convertible preference shares/equity share capital	508.75	886.63
Dividend on Preference Shares	(0.04)	0.00
Share issue expenses on account of issue of 0.01% Compulsorily Convertible Preference Shares	(31.27)	(27.10)
Proceeds from long-term/short-term borrowings	5630.49	3576.84
Repayment of long-term/short-term borrowings	(1,215.58)	(554.78)
Interest paid	(630.36)	0.00
<b>Net cash flow generated from financing activities (C)</b>	<b>4405.95</b>	<b>3995.90</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>630.49</b>	<b>215.80</b>
Cash and cash equivalents at the beginning of the year	424.97	209.17
<b>Cash and cash equivalents at the end of the year (refer note 16)</b>	<b>1,055.46</b>	<b>424.97</b>
<b>Components of cash and cash equivalents</b>		
Balance with scheduled banks :		
- in current, collection & OD accounts	1,041.17	184.73
-Cash-in-hand & collection with branches	14.29	5.24
-Cheques/DD in hand	0.00	0.00
Fixed deposits with banks	0.00	235.00
	<b>1,055.46</b>	<b>424.97</b>



**Notes:**

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

The accompanying notes are an integral part of the financial statements

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

**For S S Kothari Mehta & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 090256N/N500441

*Naveen*  
Naveen Aggarwal  
Partner



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

*Renana Jhabvala*

Renana Jhabvala  
Director  
DIN: 011106825

*Kashvi*  
Kashvi Malhotra  
Company Secretary  
Membership No: A23213

*Manish*

Manish Purshottam Thakkar  
Director  
DIN: 03233206

Place: New Delhi  
Date: 08/08/2024

Place: Gurugram  
Date: 08/08/2024



## 1.1 Corporate information

Sewa Grih Rin Limited ("The Company") is a company incorporated on July 18, 2011 under the provisions of the Companies Act, 1956, and obtained a fresh Certificate of Incorporation on April 07, 2014 upon change of name on conversion to a Public Limited Company. It is a Housing Finance Company registered under section 29 A of The National Housing Bank Act, 1987 vide Registration Certificate No. 01.0118.15 dated January 24, 2015. The Company is engaged in providing secured retail home loans, home equity loans and loans against property to women borrowers for a period up to twenty years. The Company operates in India through 75 branches spread across nine Indian States viz. Delhi, Rajasthan, Madhya Pradesh, Uttar Pradesh, Maharashtra, Bihar, Haryana, Gujarat and Uttarakhand. 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.

## 1.2 Significant Accounting Policies

### 1.2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP).

The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with the Companies (Accounting Standards) Rules, 2021 and presentation requirements of Division I of Schedule III to the Companies Act, The National Housing Bank Act, 1987, The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

The financial statements which have been prepared under historical cost convention on the accrual basis of accounting except for derivative financial instruments which have been measured at fair value and Defined benefit liability/(assets) which have been measured at present value of defined benefit obligation less fair value of plan assets.

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.

### 1.2.2 Significant Accounting estimates & assumptions

#### 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.

### 1.2.3 Summary of significant accounting policies

#### a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

#### b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

#### c) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



## Sewa Grih Rin Limited

Notes to the Financial Statements for the year ended March 31st, 2024

### d) Depreciation on Property, plant and equipment and Amortization of Intangible Assets

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.

	Useful lives estimated by the management (years)
Furniture and fixtures	- 10 Years
Office equipment	- 5 Years
Computer equipment	- 3 Years
Servers	- 6 Years
Leasehold Improvements	- 5 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Furthermore, the Company considers climate-related matters, including physical and transition risks. Specifically, the Company determines whether climate-related legislation and regulations might impact either the useful life or residual values.

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

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

A summary of amortization policies applied to the company's intangible assets is as below:

#### Rates (SLM)

Computer software : 3 to 5 Years

### e) Impairment of Property, plant and equipment and Intangible Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

The Company constantly monitors climate-related risks, including physical risks and transition risks, when measuring the recoverable amount.

### f) Leases

Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### g) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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.

### 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) Revenue recognition

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

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

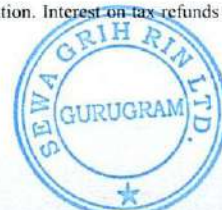
(iii) Income including interest/ discount or any other charges on non performing assets (NPA) is recognised only when it is actually realised. Any such income recognised before the asset became non performing and remaining unrealised is reversed.

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

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

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

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





**Sewa Grih Rin Limited**

Notes to the Financial Statements for the year ended March 31st, 2024

**j) 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.

**k) Foreign Currency Translation**

**Foreign currency transactions and balances**

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

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

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

**l) Retirement and other employee benefits**

**Defined contribution plan**

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

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

**Defined Benefit Plan- Gratuity**

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the Statement of Profit and Loss. The company does not have any funded plan assets.

**Other benefit-Leave encashment**

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**m) Employee stock option scheme**

Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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 "Accounting for 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.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.



**Sewa Grih Rin Limited**

**Notes to the Financial Statements for the year ended March 31st, 2024**

**n) Taxes on Income**

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

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

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

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

Deferred Tax Liabilities (DTL) are recognized for all taxable timing differences. 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.

Effective from April 1, 2019, the Company has adopted the option of lower effective corporate tax rate of 25.17% (including surcharge and cess), as per Section 115BAA of Income Tax Act.

**o) 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.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by- the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its financial statements since this may result in the recognition of income that may never be realised.

Contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

**p) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**q) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) 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.

**r) 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.

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

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

**t) 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.

**u) 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. Total Provision on Non Performing Assets are made @30% to comply with existing lender covenant (LIC housing finance limited )

**v) Special Reserve/ Statutory reserve**

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



## 2 Share capital

## Authorised\*

	As at March 31st, 2024	As at March 31, 2023
7,80,21,000 equity shares of Rs.10 each (March 31st, 2023, 9,30,21,000 equity shares)	780.21	930.21
39,000,000 0.01% Compulsorily Convertible Preference Shares of Rs.10 each (March 31st, 2023 24,000,000 Compulsorily Convertible Preference Shares)	390.00	240.00
<b>Total</b>	<b>1,170.21</b>	<b>1,170.21</b>

\*During the year ended March 31st, 2024, vide Board Resolution dated June 21st, 2023, the authorised share capital of the company was reclassified from its previous composition of Rs.1,17,02,10,000 divided into 9,30,21,000 Equity shares of Rs.10 each and 2,40,00,000 Preference Shares(CCPS) of Rs.10 each to the revised structure of Rs.1,17,02,10,000 divided into 7,80,21,000 Equity shares of Rs.10 each and 3,90,00,000 Preference Shares(CCPS) of Rs.10 each.

## Issued, subscribed and fully paid up

6,59,49,342 equity shares of Rs.10 each (March 31st, 2023 6,57,39,342 equity shares)	659.49	657.39
3,78,87,667 0.01% Compulsorily Convertible Preference Shares of Rs.10 each (March 31st, 2023 2,37,01,872 Compulsorily Convertible Preference Shares)	378.88	237.02
<b>Total</b>	<b>1,038.37</b>	<b>894.41</b>

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

Equity shares	As at March 31st, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	6,57,39,342	657.39	5,51,53,217	551.53
Add: Share allotted pursuant to exercise of stock option	2,10,000	2.10	-	-
Add: Issued during the year	-	-	100	0.00
Add: Converted during the year	-	-	1,05,86,025	105.86
<b>Outstanding at the end of the year</b>	<b>6,59,49,342</b>	<b>659.49</b>	<b>6,57,39,342</b>	<b>657.39</b>
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
<b>0.01% Non-Commulative Compulsorily convertible preference shares*</b>				
Outstanding at the beginning of the year	2,37,01,872	237.02	2,28,57,140	228.57
Add: Issued during the year	1,41,85,795	141.86	2,37,01,872	237.02
Less: Converted to equity shares during the year	-	-	2,28,57,140	228.57
<b>Outstanding at the end of the year</b>	<b>3,78,87,667</b>	<b>378.88</b>	<b>2,37,01,872</b>	<b>237.02</b>
<b>Total</b>	<b>10,38,37,009</b>	<b>1,038.37</b>	<b>8,94,41,214</b>	<b>894.41</b>

During the year ended March 31st, 2024, Company vide Board Resolution dated June 21st, 2023, approved the issuance of 1,41,85,795 Series E1 Round Compulsorily Convertible Preference Shares ("Series E1 Round CCPS") of the Company at a price of Rs. 45.75.

During the year ended March 31st, 2023, Company vide Board Resolution dated May, 30th 2022, approved the conversion of 2,28,57,140 Series C Compulsorily Convertible Preference Shares (Series C CCPS) into 1,05,86,025 Equity Shares. The Equity Shares were allotted upon conversion of Series C CCPS in the ratio 1:0.4631

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

Name of Shareholders	As at March 31st, 2024		As at March 31st, 2023	
	Number	% holding	Number	% holding
<b>Equity shares of Rs.10 each fully paid up held by</b>				
Sewa Mutual Benefit Trust	2,08,13,558	31.56	2,08,13,558	31.66
Oikocredit Ecumenical Development Cooperative Society U.A	1,59,06,903	24.12	1,59,06,903	24.20
WWBCP II Non-SSA, LLC	84,43,300	12.80	84,43,300	12.84
Omidyar Network Fund Inc	76,21,049	11.56	76,21,049	11.59
HDFC Holdings Limited	54,90,410	8.33	54,90,410	8.35
AHI Capital Gateway, Inc	43,87,275	6.65	43,87,275	6.67
<b>Total</b>	<b>6,26,62,495</b>	<b>95.02</b>	<b>6,26,62,495</b>	<b>95.32</b>
<b>0.01% Compulsorily Convertible Preference shares of Rs.10 each fully paid up held by</b>				
Abler Nordic Fund IV KS	1,96,49,512	51.86	1,42,06,889	59.94
WWB CP II Non SSA, LLC	57,37,540	15.14	35,51,747	14.99
Omidyar Network Fund Inc.	35,04,370	9.25	35,04,370	14.79
Oikocredit Ecumenical Development Coop Society U.A	48,06,831	12.69	19,65,300	8.29
ON Mauritius	27,32,241	7.21	-	0.00
<b>Total</b>	<b>3,64,30,494</b>	<b>96.15</b>	<b>2,32,28,306</b>	<b>98.00</b>



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

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

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

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

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

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

The Series D and Series E Investors shall have the right, by providing a written notice to the Company, to sought the Company to convert the Series D CCPS and Series E into equity shares at any time until the conversion trigger event in accordance with the manner provided under Amended & Restated Share Subscription & Shareholders' Agreement dated May 26, 2022 and First Addendum to the Amended and Restated Share Subscription and Shareholders' Agreement dated June 30th 2023

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

Series D and Series E CCPS shall be subject to transfer restrictions as set forth under Amended & Restated Share Subscription & Shareholders' Agreement dated May 26, 2022 and First Addendum to the Amended and Restated Share Subscription and Shareholders' Agreement dated June 30th 2023.

**e) Shares held by promoters at the end of the year**

Promoter name	As at March 31st, 2024			As at March 31st, 2023		
	No. of Shares	% of total shares	% Change	No. of Shares	% of total shares	% Change
Sewa Mutual Benefit Trust*	2,08,13,558	31.56	0.10	2,08,13,558	31.66	NIL
Renana Jhabvala	502	0.00	NIL	502	0.00	NIL

\* Change during the year is on account of exercise of ESOPs by employees

**3 Reserves & surplus**

**a) Securities premium account**

	As at March 31st, 2024	As at March 31, 2023
Balance at the beginning of the year	1,308.03	448.50
Add : Premium on account of issue of 0.01% Compulsorily Convertible Preference Shares(CCPS)	507.14	886.63
Add: Additions on ESOPs exercised	2.56	-
Less: Share issue expenses	(31.27)	(27.10)
<b>Balance at the end of the year</b>	<b>1,786.46</b>	<b>1,308.03</b>

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

Balance at the beginning of the year	36.69	32.29
Add: Transferred from Statement of profit and loss	5.61	4.40
<b>Balance at the end of the year</b>	<b>42.30</b>	<b>36.69</b>

**c) Employee stock options outstanding**

Balance at the beginning of the year	7.16	7.04
Add/(less): Compensation options granted during the year	0.20	0.12
Less: transferred to securities premium on exercise of stock options	(0.95)	-
<b>Balance at the end of the year</b>	<b>6.41</b>	<b>7.16</b>

**d) Surplus/ (deficit) in the statement of profit and loss**

Balance at the beginning of the year	(19.72)	(37.34)
Add: Profit transferred from Statement of profit and loss	28.07	22.02
Less: Dividend on preference shares**	(0.04)	-
Transfer to statutory reserve	(5.61)	(4.40)
<b>Net surplus in the statement of profit and loss</b>	<b>2.70</b>	<b>(19.72)</b>

**e) Foreign currency monetary translation reserve account\*\*\***

Balance at the beginning of the year	(7.79)	(8.46)
Add: created on foreign currency loan taken (Refer No 27)	(173.98)	-
Less: Charged to Statement of profit or loss during the year	12.17	0.67
<b>Balance at the end of the year</b>	<b>(169.60)</b>	<b>(7.79)</b>

**1,668.27**      **1,324.37**





7 Short term borrowings	As at	As at
	March 31st, 2024	March 31, 2023
Current maturities of long term loans (refer note 4)*	1,660.76	781.02
	<b>1,660.76</b>	<b>781.02</b>

\*Advance principal paid of Rs. 31.44 mn has been netted off from current maturities of long term loans

8 Trade payables	As at	As at
	March 31st, 2024	March 31, 2023
Total outstanding dues of micro enterprises and small enterprise (refer note 34)	2.60	2.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	25.48	13.86
	<b>28.08</b>	<b>16.37</b>

#### Trade payables ageing schedule as on March 31st, 2024

Particulars	Not Due	Less than 1 year	Outstanding for following periods from due date of payment			Total
			1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2.58	0.02	-	-	2.60
(ii) Others	-	24.84	0.64	-	-	25.48
(iii) Disputed dues - MSME	-	-	-	-	-	0.00
(iv) Disputed dues - Others	-	-	-	-	-	0.00
		<b>27.42</b>	<b>0.66</b>	-	-	<b>28.08</b>

#### Trade payables ageing schedule as on March 31, 2023

Particulars	Not Due	Less than	Outstanding for following periods from due date of payment			Total
			1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2.51	-	-	-	2.51
(ii) Others	-	13.81	0.00	-	0.05	13.86
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	<b>16.32</b>	<b>0.00</b>	-	<b>0.05</b>	<b>16.37</b>

#### 9 Other current liabilities

	As at	As at
	March 31st, 2024	March 31, 2023
Payable for CAPEX	1.08	11.58
Interest accrued but not due	36.58	10.23
Advance from borrowers	122.23	3.00
Amount refundable to borrowers	11.81	2.42
Amount payable to insurance company	-	2.37
Rent equalisation reserve	16.29	12.74
Statutory dues	19.01	10.22
Employee related payables	41.50	5.89
Amount Payable on assigned loans	10.47	-
Expense payable	23.43	21.13
Dividend Payable on CCPS [refer note no 3(d)]	0.03	-
	<b>282.43</b>	<b>79.58</b>

#### 10 Short term provisions

Provision for loans:	As at	As at
	March 31st, 2024	March 31, 2023
For standard assets	1.81	1.30
For sub-standard assets	46.07	6.16
For Doubtful assets	13.81	6.59
For Loss assets	1.17	-
Provision for gratuity	4.28	3.29
Provision for leave encashment	2.42	0.77
	<b>69.56</b>	<b>18.11</b>



Sewa Grih Rin Limited  
Notes to the Financial Statements for the year ended March 31st, 2024

11 Property plant and equipment

(Rupees in millions, unless otherwise stated)

Particulars	Tangible asset (A)				Total	Intangible asset under development (C)		Total (A+B+C)
	Furniture and fixtures	Office equipment	Computer equipment	Leaschold Improvements		Computer software	Software under development	
<b>(i) Gross Block</b>								
Balance as at March 31, 2022	4.83	6.14	26.98	2.74	40.69	21.45	8.28	70.43
Additions	13.89	5.21	35.52	5.06	59.68	1.44	13.69	74.81
Disposals / Adjusted	0.05	0.06	0.58	-	0.69	-	-	0.69
Balance as at March 31, 2023	18.67	11.29	61.92	7.80	99.68	22.89	21.97	144.55
Additions	15.64	10.44	27.54	39.55	93.16	-	25.99	119.14
Disposals / Adjusted	-	-	2.47	-	2.47	-	-	2.47
Balance as at March 31st, 2024	34.31	21.73	86.99	47.35	190.37	22.89	47.96	261.22
<b>(ii) Accumulated Depreciation</b>								
Balance as at March 31, 2022	1.47	1.58	12.53	0.02	15.60	20.91	-	36.51
For the year	0.72	1.29	9.75	1.17	12.93	0.44	-	13.37
Disposals	0.02	0.02	0.55	-	0.59	-	-	0.59
Balance as at March 31, 2023	2.17	2.85	21.73	1.19	27.94	21.35	-	49.29
For the year	2.45	2.64	20.64	4.94	30.67	0.64	-	31.31
Disposals	-	-	2.35	-	2.35	-	-	2.35
Balance as at March 31st, 2024	4.62	5.49	40.02	6.14	56.27	21.99	-	78.26
<b>(iii) Net Block</b>								
Balance as at March 31, 2023	16.50	8.44	40.19	6.61	71.74	1.54	21.97	95.26
Balance as at March 31st, 2024	29.69	16.23	46.96	41.21	134.10	0.90	47.96	182.96

Ageing for intangible assets under development as at March 31, 2024 and March 31, 2023 is as follows :

Particulars	Amount in Intangible asset under development for a period of				Total
	Less than 1 Year	1 Year - 2Year	2 Year - 3 Year	More than 3 Year	
Projects in Progress	25.99	13.69	8.28	-	47.96
As at March 31, 2024	13.69	8.28	-	-	21.97
As at March 31, 2023	-	-	-	-	-

Schedule for expected completion of projects as below:

Intangibles assets under development	To be completed in			Total
	Less than 1 Year	1 Year - 2Year	2 Year - 3 Year	
Project in Progress-Oracle fusion	4.62	-	-	4.62
Project in Progress-Finnone LMS	29.37	-	-	29.37



	As at March 31st, 2024	As at March 31, 2023
<b>12 Deferred tax Liability (Net)</b>		
<b>Deferred tax liability</b>		
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1.80	1.15
Foreign currency monetary translation reserve account	40.89	-
<b>Gross deferred tax liability</b>	<b>42.69</b>	<b>1.15</b>
<b>Deferred tax asset</b>		
Provision for doubtful debts and advances	24.69	11.09
Provision for employee benefits	4.42	2.77
Provision for Rent equalisation reserve	4.10	3.21
Others	13.79	-
<b>Gross deferred tax asset</b>	<b>47.00</b>	<b>17.07</b>
<b>Net deferred tax (Liability)/Asset</b>	<b>4.31</b>	<b>15.91</b>

	As at March 31st, 2024	As at March 31, 2023
<b>13 Long-term loans and advances</b>		
<b>A.Loan Portfolio</b>		
<b>To parties other than related parties</b>		
<b>Housing and property loans</b>		
(Secured, considered good unless stated otherwise)		
- Housing Loans - considered good	7,639.34	4,391.89
- Housing Loans - substandard	98.01	13.45
- Housing Loans - doubtful	15.55	9.31
- Loan against House Property- considered good	3,095.08	2,034.92
- Loan against House Property- substandard	73.90	13.47
- Loan against House Property- doubtful	14.88	9.74
- Loan against House Property- loss	1.17	-
	<b>10,937.93</b>	<b>6,472.78</b>
Less: Current portion of housing and property loans (refer note 17)	609.11	426.91
<b>Non-Current portion of housing and property loans</b>	<b>10,328.82</b>	<b>6,045.87</b>
<b>B. Other Loans and Advances</b>		
Advance to employees	-	0.70
Prepaid expenses	1.01	16.85
<b>Balance with Government Authorities</b>		
Advance Income Tax and TDS (Net of Provision for Income Tax)	40.73	13.84
	<b>10,370.56</b>	<b>6,077.26</b>

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.

The above loans includes loans where legal formalities are pending but document evidencing possession or allotment or any other relevant documents are being held with the Company.

	As at March 31st, 2024	As at March 31, 2023
<b>14 Other non-current assets</b>		
Mark-to-market gain on derivatives*	51.36	85.93
Security deposits for branches	19.50	13.11
Non-current bank balances (Refer note 16)	232.00	262.71
	<b>302.86</b>	<b>361.75</b>

\* The figure for the year ended March 31, 2024 pertains to mark-to-market gain on option contracts entered into for hedging foreign currency payments only

	As at March 31st, 2024	As at March 31, 2023
<b>15 Current investments</b>		
Investment in commercial papers	-	99.78
Nil (March 31st, 2023: 100,00,00 commercial paper unquoted face value of Rs 100/- each)	-	99.78





## 16 Cash and cash equivalents

	As at March 31st, 2024	As at March 31, 2023
<b>Cash and cash equivalents</b>		
Balances with banks		
- On current accounts	1,041.17	184.73
- Deposits with original maturity of less than 3 months	-	235.00
Cheques/draft on hand	-	-
Cash on hand	14.29	5.24
	<b>1,055.46</b>	<b>424.97</b>
<b>Other bank balances</b>		
-Earmarked Balances with Banks	0.22	1.28
- Margin money deposits*	353.66	377.74
	<b>353.88</b>	<b>379.02</b>
Amount disclosed under non-current assets (Refer note 14)	<b>(232.00)</b>	<b>(262.71)</b>
	<b>1,177.34</b>	<b>541.28</b>

\*Margin money deposits given as security :

Margin money deposits with a carrying amount of Rs. 353.66 millions (March 31st, 2023: Rs. 377.74 millions) are encumbered as collateral, subject to charge to secure the company's borrowings and overdraft limits.

## 17 Short term loans and advances

	As at March 31st, 2024	As at March 31, 2023
<b>A.Loan Portfolio</b>		
To parties other than related parties		
Housing and property loans		
(Secured, considered good unless stated otherwise)		
- Housing Loans	418.50	274.12
- Loan against House Property	190.61	152.79
Current portion of housing and property loans	<b>609.11</b>	<b>426.91</b>
<b>B. Other Loans and Advances</b>		
Advance to employees	8.17	1.21
Other advances	2.90	4.38
Prepaid expenses and advances given	23.05	0.01
<b>Balance with Government Authorities</b>		
GST input credit	17.15	2.07
	<b>660.38</b>	<b>434.58</b>

## 18 Other Current Assets

	As at March 31st, 2024	As at March 31, 2023
<b>(Unsecured-considered good)</b>		
Advance EMI for Debts	14.43	24.80
Collection receivable on accounts of purchase pool	11.14	11.46
Interest accrued but not due	158.01	-
Interest accrued and due	26.64	42.97
Advertisement fee receivable	17.48	11.73
Accrued interest on fixed deposit	23.33	7.49
Other fees and charges receivable	-	17.21
Repossessed Assets receivables	6.49	-
Other receivables	0.07	-
Security deposits for branches	1.36	3.86
Advance to insurance company*	7.69	-
	<b>266.64</b>	<b>119.52</b>

\*Advance to insurance company is net of provision of Rs. 12.08 mn due to doubt in recovery of amount.



**19 Revenue from operations****a. Interest Income**

Interest on loans  
Interest on fixed deposits

**b. Other financial services**

Loan processing fees / prepayment charges  
Initial money deposit  
Collection charges

	For the year ended March 31st, 2024	For the year ended March 31st, 2023
	1,496.76	746.79
	44.60	27.21
	1,541.36	774.00
	155.26	90.89
	45.92	24.05
	(9.65)	11.92
	191.53	126.86
	1,732.89	900.86

**20 Other income**

Advertisement fee  
Income from investments  
Other Income  
Foreign exchange gain/(loss) (refer note no 27)

	For the year ended March 31st, 2024	For the year ended March 31st, 2023
	65.68	19.28
	51.40	21.58
	0.75	0.49
	100.81	-
	218.64	41.35

**21 Employee benefits expense**

Salary, allowances and incentives  
Contribution to provident fund and other funds\*  
Gratuity expense (refer note 28)  
Leave Encashment (refer note 28)  
Staff welfare & insurance expenses  
Employee share option expense (refer note 35)

	For the year ended March 31st, 2024	For the year ended March 31st, 2023
	650.22	304.54
	32.19	13.53
	3.36	2.53
	6.02	1.98
	15.17	9.30
	0.20	0.12
	707.16	332.00

\* Net of Rs. 87,078/- subsidy received under PMRPY (previous year - Rs. 12,34,042/-).

**22 Finance Cost**

Interest expense on term loans  
Other borrowing cost  
Premium on forward contract  
Foreign exchange loss

	For the year ended March 31st, 2024	For the year ended March 31st, 2023
	656.71	241.70
	48.39	30.31
	71.02	39.29
	-	46.81
	776.12	358.11

**23 Depreciation and amortisation expense**

Depreciation on property, plant and equipment  
Amortization of intangible assets

	For the year ended March 31st, 2024	For the year ended March 31st, 2023
	30.67	12.94
	0.64	0.44
	31.31	13.38



24 Other Expenses

	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Electricity and water charges	7.32	4.08
Rent	57.41	37.41
Repair and maintenance-Others	8.33	4.28
Advertisement and marketing expenses	1.42	1.24
IT/Computer maintenance charges	50.02	20.88
Staff recruitment and training	8.40	11.97
Office expenses	34.65	23.97
Brokerage & Commission	1.99	1.48
Director's sitting fees	0.97	1.09
Legal professional & consultancy expenses	97.69	60.30
Cash collection & bank charges	6.16	3.88
Meeting expenses	3.26	3.09
Travelling and conveyance	33.06	21.52
Rates fee and taxes	5.47	1.72
Remuneration to auditors*	2.66	1.50
Loss on sale of fixed assets	0.02	0.05
Amounts written off	0.54	-
Loss due to Cash Embazzlement/Fraud (refer note no 41)	5.80	-
Miscellaneous expenses	-	0.07
	<b>325.17</b>	<b>198.53</b>

\*Remuneration to auditors:

-Audit fees	1.45	1.14
-Tax audit fees	0.40	0.18
-Certification & other services	0.81	0.18
	<b>2.66</b>	<b>1.50</b>

25 Provisions and write off

Loans

	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Provision on standard assets	12.36	9.57
Provision on sub-standard assets	39.92	3.00
Provision on re-structured assets	(3.29)	(3.25)
Provision on doubtful assets	8.40	4.25
Bad debts written off	0.01	0.07
<u>Others</u>		
Provision against Insurance Recovery	12.08	-
	<b>69.48</b>	<b>13.64</b>



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

**Contingent liabilities**

There are no contingent liabilities as at March 31st, 2024 and March 31st, 2023 in accordance with the Accounting Standard-AS 4 – "Contingencies and Events Occurring After Balance Sheet Date "

**Commitment**

The Company has sanctioned loans which are still to be disbursed amounting to Rs. 675.15 mn (March 31st, 2023 Rs.463.84 mn)

**27 Prior period items ( as per AS-5)**

There are no material prior period items, except note no 20 to the extent disclosed below, included in Profit & Loss A/c required to be disclosed as per Accounting Standard-5 issued by the ICAI read with RBI guidelines.

(a) Based on Accounting opinion, During the year company has gone back to follow accounting treatment as specified in Para 46A of Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates" as followed till FY 2019-20. Consequently the impact of same is taken in the current year in Statement of Profit & Loss and treated as Prior period item as per the provision of AS 5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" with corresponding creation of Unamortized Foreign Currency Monetary Item Translation Difference Account amounting to Rs. 134.38 Mn with the P&L effect of reversal of MTM loss.

(b) Besides above there is a charge on the statement of Profit & Loss of Rs. 59.66 Mn on account of calculation error in the statement of MTM asset on account of forward cover on underlying borrowing and same is also being considered as prior period item as per Accounting Standard 5.

**28 Employee Benefits ( as per AS-15) :**

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

**(a) Defined contribution plans**

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

Particulars	Year ended	Year ended
	March 31st, 2024	March 31st, 2023
Employers contribution to provident fund and other funds (refer note 21)	28.49	13.44
<b>Total</b>	<b>28.49</b>	<b>13.44</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. The principal assumptions used in determining gratuity and leave encashment obligations for the company's plans are shown below:**

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Discount rate (per annum)	6.97%	7.13%
Expected rate of future salary increase	7.00%	7.00%
Retirement age (years)	58	58
Mortality table	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
<b>Withdrawal rate</b>		
Up to 30 Years	75.86%	71.00%
From 31 to 44 years	57.23%	66.00%
Above 44 years	38.25%	27.00%

The discount rate assumed is 6.97% (previous year: 7.13%) 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.

**Gratuity**

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

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Opening present value of obligation	9.02	11.04
Interest cost	0.64	0.80
Current service cost	1.94	1.37
Benefits paid	(0.93)	(4.55)
Actuarial gain/ (loss) on obligation	0.78	0.36
<b>Closing present value of obligation</b>	<b>11.45</b>	<b>9.02</b>

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

Particulars	Year ended	Year ended
	March 31st, 2024	March 31st, 2023
Current service cost	1.94	1.37
Interest cost	0.64	0.80
Net actuarial loss/(gain) to be recognized	0.78	0.36
<b>Expense recognised in the Statement of Profit and Loss (refer note below)</b>	<b>3.36</b>	<b>2.53</b>

**Note:**

Expense recognised in employee benefit expenses (refer note 21)



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

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Present value of defined benefit obligation	11.45	9.02
Fair value of plan assets	-	-
<b>Net funded status</b>	<b>11.45</b>	<b>9.02</b>
<b>Recognised under:</b>		
Short term provision (refer note 10)	4.28	3.29
Long term provision (refer note 6)	7.17	5.73

**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	As at
	March 31st, 2024	March 31st, 2023	March 31st, 2022	March 31st, 2021	March 31st, 2020	March 31st, 2019
PBO	11.45	9.02	11.04	8.05	5.39	3.09
Plan assets	-	-	-	-	-	-
Net assets/(liability)	(11.45)	(9.02)	(11.04)	(8.05)	(5.39)	(3.09)
Experience (gain)/loss on PBO	(4.70)	0.99	2.03	0.64	(4.26)	0.00
Experience (gain)/loss on plan assets	-	-	-	-	-	-

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

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Gratuity	3.01	2.20

**Leave Encashment**

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet.

Particulars	Year ended	Year ended
	March 31st, 2024	March 31st, 2023
Amount recognised in statement of profit and loss	6.02	1.98
Amount recognized in the balance sheet:		
Present value of obligation as at the end	6.12	1.98
Current portion of the above (refer note 10)	2.42	0.77
Non-current portion of the above (refer note 6)	3.70	1.21

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

Particulars	As at	Year ended
	March 31st, 2024	March 31, 2023
Leave Encashment Obligations	4.00	1.29

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

**A. Name of related parties and nature of relationship**

Related parties with whom transactions have taken place during the year

Name of related parties	Relationship
Sewa Mutual Benefit Trust	Enterprises having significant influence over the Company
Oikocredit Ecumenical Development Cooperative Society U.A	Enterprises having significant influence over the Company
Abler Nordic Fund IV KS	Enterprises having significant influence over the Company
WWB CP II Non SSA, LLC	Enterprises having significant influence over the Company

**Key Management Personnel (KMP)**

Shruti Savio Gonsalves	Managing Director & Chief Executive Officer
Jhummi Mantri	Chief Financial Officer
Kashvi Malhotra	Company Secretary

**B. Transaction with related parties**

Particulars	Year ended	Year ended
	March 31st, 2024	March 31st, 2023
<b>Remuneration (Including incentives)*</b>		
Shruti Savio Gonsalves	11.10	8.55
Jhummi Mantri	6.27	3.17
Kashvi Malhotra	4.00	2.03
Nagendra Nath Saxena	-	3.47
Preeti Singh	-	1.22
<b>Reimbursement of expenses</b>		
Shruti Savio Gonsalves	0.75	0.40
Jhummi Mantri	0.15	-
Kashvi Malhotra	0.01	-



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

Particulars	Nature of balance	As at	As at
		March 31st, 2024	March 31st, 2023
Shruti Savio Gonsalves	Travelling advances	2.99	0.16

\*The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

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

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

The Company has entered into lease transactions mainly for leases of corporate office & branches for a period between 1 and 9 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. 57.41 mn (March 31, 2023 Rs. 37.41 mn).

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

The following reflects the profit and share data used in the basic and diluted EPS computations

Particulars	Year ended	Year ended
	March 31st, 2024	March 31st, 2023
Profit/ (loss) after tax	28.07	22.02
Less : dividends on convertible preference shares	(0.04)	-
Net profit/(loss) attributable to equity shareholders for basic EPS (a)	28.03	22.02
Weighted average of number of equity shares outstanding during the year (b)	65.81	64.00
Net profit/(loss) attributable to equity shareholders for basic EPS	28.03	22.02
Add : dividends on convertible preference shares	(0.04)	-
Net profit/(loss) for calculation of Diluted EPS (c)	27.99	22.02
Weighted average of diluted number of equity shares outstanding during the year (d)*	101.62	72.71
Nominal value of shares		
Basic earnings per equity share (a/b)	10.00	10.00
Diluted earnings per equity share (c/d)	0.43	0.34
	0.28	0.30

\*During the year ended March 31st, 2024, The Company vide Board Resolution dated June 21st, 2023, approved the issuance of 1,41,85,795 Series E1 Round Compulsorily Convertible Preference Shares ("Series E1 Round CCPS").

\*During the year ended March 31st, 2023, The Company has, vide Board Resolution dated May 30th, 2022, converted Series-C Compulsorily convertible preference shares into equity shares at a conversion ratio of 0.4631 equity share for every CCPS.

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

Fixed Assets possessed by the Company are treated as 'Corporate Assers' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31st, 2024, there were no events or changes in circumstances which indicate any impairment in the assets.

**34 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	As at
	March 31st, 2024	March 31st, 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
The principal amount	2.59	2.51
The interest due thereon	0.01	0.02
(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	0.03	0.02
(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.	-	-



**35 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 34,30,934 stock options (refer point b below). Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of the vesting.

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

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

Date of Grant	Number of ESOPs granted	Fair value	Grant price	Exercise Period
March 28, 2019	15,82,000	Rs. 22.18	Rs. 17.68	
June 19, 2020	18,000	Rs. 13.68	Rs. 18.56	
September 21, 2020	9,89,513	Rs. 13.68	Rs. 18.56	
June 24, 2022	3,40,000	Rs. 37.97	Rs. 37.13	As per the Employees Stock Option Plan -"SGRL ESOP 2018" of the Company.
August 16, 2022	70,000	Rs. 37.97	Rs. 37.13	
October 01, 2022	30,000	Rs. 37.97	Rs. 37.13	
December 06, 2022	30,000	Rs. 37.97	Rs. 37.13	
December 20, 2022	20,000	Rs. 37.97	Rs. 37.13	
September 27, 2023	3,51,421	Rs. 44.74	Rs. 45.75	

**Vesting Condition:-**

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

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

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Outstanding at the beginning of the year	26,55,883	25,71,513
Granted during the year	3,51,421	4,90,000
Relinquished during the year	-	-
Exercised during the year	2,10,000	-
Expired during the year	-	4,05,630
<b>Outstanding at the end of the Year</b>	<b>27,97,304</b>	<b>26,55,883</b>

The compensation cost of stock option granted to employees are accounted by the company using fair value method. The difference between the exercise price and the fair value of equity share is amortised on straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares. Consequently, employee benefit expense (refer note 21) includes Rs.2,01,210 (March 31st, 2023 Rs. 1,18,208/-) being the amortisation of deferred employee compensation.

**36 Expenditure in Foreign Currency**

Particulars	Year ended	Year ended
	March 31st, 2024	March 31st, 2023
Interest expense	124.08	72.32
Other borrowing cost	1.03	10.09

**Earnings in Foreign Currency**

There are no foreign currency earnings during the year ended March 31st, 2024 and March 31st, 2023.

**37 Derivative instruments and Unhedged foreign currency exposure**

**Risk Management**

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

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

**a. Derivative outstanding at the reporting date**

Particulars	Purpose	As at	As at
		March 31st, 2024	March 31st, 2023
Option/ call spread option contracts to buy/ sell USD (in USD)		-	1.30
Option/ call spread option contracts to buy/ sell USD (in INR)		-	100.49
Forward Contracts (in USD)*	Hedging against foreign currency	33.82	29.67
Forward Contracts (equivalent INR)*	loans liability	2,770.81	2,426.59



\* Forward Contracts includes Principal only swap and cross currency swap.

## b. Mark-to-market

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Mark-to-market gain/(loss) provided for	(21.97)	68.02

c. The Company does not have unhedged foreign currency exposure as at March 31st, 2024

## 38 Ratios

	As at March 31st, 2024	As at March 31st, 2023	% Variance	Reason for Variance
(a) Current ratio	1.03	1.65	-37.51%	As current liability has increased more in comparison to current assets due to increase in current portion of term borrowings, hence decrease in current ratio more than 25%
(b) Debt-equity ratio	3.63	2.42	49.98%	Increase in borrowed funds
(c) Debt service coverage ratio	0.27	0.43	-36.65%	As profit has not increased much as compared to corresponding increase in Interest & principal payment, hence decrease in debt service coverage ratio more than 25%
(d) Return on equity ratio	1.14%	1.28%	-10.95%	Variance is less than 25% hence not required
(e) Inventory turnover ratio	NA	NA	NA	NA
(f) Trade receivables turnover ratio	NA	NA	NA	NA
(g) Trade payables turnover ratio	NA	NA	NA	NA
(h) Net capital turnover ratio	NA	NA	NA	NA
(i) Net profit ratio	1.62%	2.44%	-33.73%	As profit has not increased much as compared to revenue during the year due to higher expenses, hence decreases in Net profit ratio more than 25%
(j) Return on capital employed	5.58%	3.54%	57.80%	As profit before interest and taxes increased during the year due to exchange gain as compared to exchange loss during the previous year, hence increase in return on capital employed ratio more than 25%
(k) Return on investment	NA	NA	NA	NA

## Note:

Current Ratio=Current Assets/Current Liabilities

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

Debt Service Coverage Ratio=(Net Profit before taxes + Depreciation + Interest+provision on portfolio+forex loss)/(Current maturities of long term debt+Interest accrued but not due)

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

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

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





39 Disclosures required by NHB-Disclosures in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

39.1 Principal Business Criteria (PBC)	As at March 31st, 2024	As at March 31st, 2023
Total assets	12,965.05	7,745.30
Less: Intangible assets	(77.23)	(39.41)
Total assets (netted off by intangible assets)	<b>12,887.82</b>	<b>7,705.89</b>
Total Housing loans	7,752.90	4,447.19
Total Housing loans as a % of total assets (netted off by intangible assets)	60.16%	57.71%
Total Individual Housing loans	7,752.90	4,447.19
Total Individual Housing loans as a % of total assets (netted off by intangible assets)	60.16%	57.71%

39.2 Disclosures

39.2.1 Capital

Particulars	As at March 31st, 2024	As at March 31st, 2023
(i) CRAR (%)	34.74%	41.72%
(ii) CRAR - Tier I Capital (%)	34.21%	41.13%
(iii) CRAR - Tier II Capital (%)	0.53%	0.59%
(iv) Amount of subordinated debt raised as Tier – II Capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

39.2.2 Reserve Fund u/s 29C of NHB Act, 1987

Particulars	As at March 31st, 2024	As at March 31st, 2023
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	36.69	32.29
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	-	-
<b>Addition / Appropriation / Withdrawal during the year</b>		
<b>Add:</b>		
a) Amount transferred u/s 29C of the NHB Act, 1987	5.61	4.40
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	-	-
<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	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	42.30	36.69
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>42.30</b>	<b>36.69</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.

39.2.3 Investments

Particulars	As at March 31st, 2024	As at March 31st, 2023
<b>Value of Investments</b>		
<b>Gross value of investments</b>		
(i) In India	-	99.78
(ii) Outside India	-	-
Provisions for Depreciation		
(i) In India	-	-
(ii) Outside India	-	-
Net value of investments		
(i) In India	-	99.78
(ii) Outside India	-	-
<b>Movement of provisions held towards depreciation on investments</b>		
Opening balance	-	-
Add: Provisions made during the year	-	-
Less: Write-off / Written-bank of excess provisions during the year	-	-
Closing balance	-	-



## 39.2.4 Derivatives

Particulars	As at March 31st, 2024	As at March 31st, 2023
<b>Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)</b>		
(i) The notional principal of Forward rate agreements/Interest Rate Swap#	2,770.81	2,426.59
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements*	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

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

# Forward Contracts includes Principal only swap and cross currency swap.

## Exchange Traded Interest Rate (IR) Derivative

(ii) Notional principal amount of exchange traded IR derivatives outstanding	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

## Disclosures on Risk Exposure in Derivatives

A. **Qualitative Disclosure:** The Company does not have any Exchange Traded Interest Rate (IR) Derivative and Interest Rate Swap (IRS). The Company has Forward Rate Agreement/Principal only swap/cross currency swap for the External Commercial Borrowings.

## B. Quantitative Disclosure

	Currency Derivatives	Interest Rates Derivatives
(i) Derivatives (Notional Principal Amount):		
For Hedging	2,770.81	-
(ii) Marked to Market Positions		
(a) Assets (+)	51.36	-
(b) Liability (-)	-	-
(iii) Credit Exposure#	2,610.57	-
(iv) Unhedged Exposures	-	-

#The credit exposure relates to the principal outstanding of the Foreign Currency Loans.

## 39.2.5 Asset Liability Management Maturity Pattern of certain items of Assets and liabilities as at March 31, 2024

Particulars	Over 1 days to 7 days	Over 8 days to 14 days	Over 15 to 30 days	Over 1 month upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances (Housing & Property Loans)*	56.89	-	-	48.38	48.83	149.30	305.73	1,312.10	1,494.52	7,522.18	10,937.93
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings#	28.21	-	53.90	108.24	147.29	345.84	735.40	2,810.19	2,028.18	956.11	7,213.36
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	116.77	41.70	83.41	533.79	558.81	1,276.00	2,610.48

## Asset Liability Management Maturity Pattern of certain items of Assets and liabilities as at March 31, 2023

Particulars	Over 1 days to 7 days	Over 8 days to 14 days	Over 15 to 30 days	Over 1 month upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances (Housing & Property Loans)*	-	-	333.71	338.04	342.20	1,051.72	2,203.26	9,178.43	11,026.04	40,254.45	64,727.83
Investments	-	99.78	-	-	-	-	-	-	-	-	99.78
Borrowings#	37.31	-	25.02	41.21	41.32	159.32	312.50	1,170.19	849.34	489.88	3,126.09
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	41.09	41.09	82.17	328.68	328.68	1,421.54	2,243.25

\* Advances includes principal outstanding (refer note 13) and excludes advances to employees, advance income tax and TDS (net of provision for income Tax), prepaid expenses, balance with Govt. authorities and other advances.

# Borrowing includes bank and market borrowings



## 39.2.6 Exposures

## 39.2.6.1 Exposure to Real Estate Sector:

Category	As at March 31st, 2024	As at March 31st, 2023
a) Direct Exposure		
(i) Resident Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	10,937.93	6,472.78
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limited	-	-
(iii) Investments in mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund exposure on NHB and HFCs	-	-
Total Exposure to Real Estate sector	10,937.93	6,472.78

## 39.2.6.2 Exposure to Capital Market:

Particulars	As at March 31st, 2024	As at March 31st, 2023
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds(both registered and unregistered)	-	-
(a) Category I	-	-
(b) Category II	-	-
(c) Category III	-	-
Total Exposure to Capital Market	-	-

## 39.2.6.2A Sectoral exposure

Sectors	As at March 31st, 2024			As at March 31st, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture & allied activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal loans						
(i) Home Loans	8,378.27	113.56	1.36%	4,853.74	22.76	0.47%
(ii) Loan against property	3,236.63	89.95	2.78%	2,082.88	23.21	1.11%
5. Others	-	-	-	-	-	-
Total	11,614.90	203.51	1.75%	6,936.62	45.97	0.66%

## 39.2.6.3 Details of financing of Parent Company products: Nil

## 39.2.6.4 Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by HFC: The Company has not exceeded Single Borrower Limit (SBL) Borrower Limit (GBL) during the financial year.



## 39.2.6.5 Unsecured Advances

Particulars	As at March 31st, 2024	As at March 31st, 2023
Unsecured Advances	8.17	2.09

## 39.2.6.6 Exposure to group companies engaged in real estate business: Nil

## 39.2.6.7 Intra-group exposures

Particulars	As at March 31st, 2024	As at March 31st, 2023
i) Total amount of intra-group exposures	-	-
ii) Total amount of top 20 intra-group exposures	-	-
iii) Percentage of intra-group exposures to total exposure of the HFC on borrowers/customers	-	-

## 39.2.6.8 Unhedged foreign currency exposure

The Company does not have unhedged foreign currency exposure as at March 31st, 2024. Company manage the currency induced risk as defined in Foreign Exchange and Risk Management policy of Company. Extract of as below:

## Hedge principles

- Sewa Grih Rin Limited (SGRL) will engage into hedging of foreign exchange risk on an on-going basis
- For the purpose of risk management, SGRL will exercise a mix of judgement and discipline.
- SGRL will evaluate all scenarios of currency and interest rate movements while making decisions.
- SGRL will judiciously use a right combination of approved hedge instruments to protect it from the effects of INR depreciation and at the same time, attempt to minimise hedge cost. Similarly, SGRL will endeavour to protect itself from the risk of rise in interest rate while trying to minimise the cost of such hedging.
- If SGRL agrees to a transaction specific hedge arrangement with any lenders then those arrangements will get priority over hedge conditions provided in this policy. However such transaction specific hedge arrangements need to be approved by the board.

## Hedge Instruments

Following hedge instruments can be used for hedging. Detailed descriptions of the products are provided in the below.

- Currency Forward & Futures
- Vanilla Call options
- Vanilla Call spread options
- USDIRS - Interest Rate Swap to hedge Libor
- Principal only swap
- Cross currency swap

## 39.3 Related Party Disclosure

Particulars	As at March 31st, 2024			As at March 31st, 2023		
	Relatives of Key Management	Parent/Associate/Joint Ventures	Key Management	Relatives of Key Management	Parent/Associate/Joint Ventures	Key Management
<b>Balances at the end of year</b>						
Borrowings	-	-	-	-	-	-
Borrowings- Maximum outstanding during the year	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Deposits- Maximum outstanding during the year	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-
Placement of deposits - Maximum outstanding during the year	-	-	-	-	-	-
Advance given	-	-	2.99	-	-	0.16
Advance given-Maximum outstanding during the year	-	-	4.17	-	-	0.44
Investments	-	-	-	-	-	-
Investments -Maximum outstanding during the year	-	-	-	-	-	-
<b>Transactions during the year</b>						
Sale of fixed/other assets	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Others	-	-	-	-	-	-

## 39.4 Miscellaneous:

## 39.4.1 Registration obtained from other financial sector regulators:

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

## 39.4.2 Group Structure: NA

## 39.4.3 Rating:

CRISIL Limited (CRISIL) have assigned ratings for the various facilities availed by the Company, details of which are given below:

Facility	As at March 31st, 2024	As at March 31st, 2023
Fund-based facilities-Long term	CRISIL BBB + Stable	CRISIL BBB + Stable
Fund-based facilities-Short term	A2+	A3+
Non Convertible Debentures	BBB + Stable	N.A



**39.4.4 Net Profit or Loss for the period, prior period items and changes in accounting policies:**  
Refer note no 27

**39.4.5 Revenue Recognition**

During the year, there have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

**39.4.6 Consolidated Financials Statement (CFS)**

The Company does not have any subsidiary/Joint venture/Associates as on March 31, 2024, CFS not applicable to us.

**39.5 Additional Disclosures**

**39.5.1 Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Provision made towards Income tax/deferred tax and tax adjustment of earlier years	14.22	4.53
Provisions against standard assets	9.07	6.32
Provisions against NPA	48.32	7.25
Provisions for employee benefits	48.54	15.40
Other provisions & contingencies	23.43	21.13

**Break up of loans and advances and provision thereon**

Particulars	Housing		Non-Housing	
	As at	As at	As at	As at
	March 31st, 2024	March 31st, 2023	March 31st, 2024	March 31st, 2023
<b>Standard Assets</b>				
Total outstanding amount	7,653.06	4,424.43	3,108.00	2,062.39
Provision made	24.49	18.01	15.88	13.28
<b>Sub - Standard Assets</b>				
Total outstanding amount	98.01	13.45	73.90	13.20
Provision made	26.27	2.02	19.80	4.14
<b>Doubtful Assets – Category</b>				
Total outstanding amount	9.70	6.32	8.28	6.52
Provision made	3.57	1.58	3.04	1.63
<b>Doubtful Assets – Category</b>				
Total outstanding amount	4.50	2.85	6.40	2.32
Provision made	2.33	1.14	3.32	0.93
<b>Doubtful Assets – Category</b>				
Total outstanding amount	1.35	-	0.20	-
Provision made	1.35	-	0.20	-
<b>Loss assets</b>				
Total outstanding amount	-	0.14	1.17	1.17
Provision made	-	0.14	1.17	1.17
<b>Total Amount</b>				
Total outstanding amount*	7,766.62	4,447.19	3,197.95	2,085.60
Provision made	58.01	22.89	43.41	21.15

\* Total outstanding includes interest accrued on portfolio

**39.5.1 A Divergence in Asset Classification and Provisioning**

Below two conditions are not satisfied hence the details of diversions are not required to be disclosed

a) No additional provisions have been assessed by NHB exceeding 5 percent of the reported profits before tax and

b) NHB has not identified additional GNPA's exceeding 5 percent of reported GNPA's for the year ended March 31st, 2024 and March 31st, 2023.

**39.5.2 Draw Down from Reserves: Nil**

**39.5.3 Concentration of Deposits, Advances, Exposures and NPAs**

**39.5.3.1. Concentration of Deposits (for deposit taking HFCs):** Not Applicable, As the Company is Non deposit HFC

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Total Deposits of twenty largest Depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	-	-



## 39.5.3.2 Concentration of Loans &amp; Advances

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Total Exposure to twenty largest borrowers / Customers	59.59	58.05
Percentage of Advances to twenty largest borrowers to Total Advances of the HFC	0.54%	0.90%

## 39.5.3.3 Concentration of all Exposures (including off-balance sheet exposure)

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Total Exposure to twenty largest borrowers / Customers	59.74	58.05
Percentage of Exposures to twenty largest borrowers /customers to Total Exposure of the HFC on borrowers /customers	0.51%	0.84%

## 39.5.3.4 Concentration of NPAs

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
Total Exposure to top four NPA accounts	10.46	6.31

## 39.5.3.5 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	As at March 31st, 2024	As at March 31st, 2023
<b>A Housing Loans :</b>		
1 Individuals		
2 Builders / Project Loans	1.46%	0.51%
3 Corporates	-	-
4 Others	-	-
<b>B Non- Housing Loans :</b>		
1 Individuals		
2 Builders / Project Loans	2.82%	1.11%
3 Corporates	-	-
4 Others	-	-

## 39.5.4 Movement of NPAs

Sl. No.	Particulars	As at March 31st, 2024	As at March 31st, 2023
(i)	Net NPAs to Net Advances (%)		
(ii)	Movement of NPAs (Gross)	1.31%	0.51%
	(a) Opening balance		
	(b) Additions during the year	45.97	28.41
	(c) Reductions during the year	184.84	79.46
	(d) Closing balance	27.30	61.90
(iii)	Movement of Net NPAs	203.51	45.97
	(a) Opening balance		
	(b) Additions during the year	33.23	22.92
	(c) Reductions during the year	146.19	60.06
	(d) Closing balance	36.96	49.75
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)	142.46	33.23
	(a) Opening balance		
	(b) Provisions made during the year	12.74	5.49
	(c) Write-off /write-back of excess provisions	57.27	19.40
	(d) Closing balance	8.96	12.15
		61.05	12.74

## 39.5.5 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad):

The Company does not have overseas assets for the year ended March 31st, 2024 and March 31st, 2023.

## 39.5.6 Off-balance Sheet SPVs sponsored: Nil, there are no such balances.



## 39.6 Disclosure of Complaints

## 39.6.1 Summary information on complaints received by the HFCs from customers and from the Offices of Ombudsman

Particulars	As at March 31st, 2024	As at March 31st, 2023
<b>Complaints received by the HFC from its customers</b>		
a) No. of complaints pending at the beginning of the year	2	-
b) No. of complaints received during the year	188	37
c) No. of complaints redressed during the year	182	35
-Of which, number of complaints rejected by HFC	-	-
d) No of complaints pending at the end of the year	8	2
<b>b) Maintainable complaints from Office of Ombudsman</b>		
Number of maintainable complaints received from Office of Ombudsman	Nil	Nil
Of I, number of complaints resolved in favour of the HFC by Office of Ombudsman	Nil	Nil
Of I, number of complaints resolved through	Nil	Nil
Of I, number of complaints resolved after passing of Awards by Office	Nil	Nil
Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

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

## 39.6.2 Top five grounds of complaints received by HFC from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of I, number of complaints pending beyond 30 days
<b>For the year ended March 31st, 2024</b>					
Ground - 1 (Service Related)	-	30.00	173%	7.00	4
Ground - 2(Disbursement/ Terms And Conditions)	1.00	95.00	1483%	1.00	NA
Ground - 3(Loan Rejection/Processing Fees)	-	-	0%	-	NA
Ground - 4(Recovery Action/ Unfair Practices)	-	-	0%	-	NA
Ground - 5(Admin,Harassment Etc)	-	-	0%	-	NA
Ground - 6(Others)	1.00	63.00	152%	-	NA
<b>For the year ended March 31st, 2023</b>					
Ground - 1 (Service Related)	-	11.00	120%	-	NA
Ground - 2(Disbursement/ Terms And Conditions)	-	6.00	100%	1.00	NA
Ground - 3(Loan Rejection/Processing Fees)	-	-	0%	-	NA
Ground - 4(Recovery Action/ Unfair Practices)	-	-	0%	-	NA
Ground - 5(Admin,Harassment Etc)	-	-	0%	-	NA
Ground - 6(Others)	-	25.00	9%	1.00	NA

## 39.7 Corporate governance

Disclosures in relation to corporate governance is disclosed in corporate governance section of Director reports.

## 39.8 Breach of covenant

The Company has not breach any covenant of loan availed or debt securities issued during the year ended March 31st, 2024 and March 31st, 2023.

39.9 No penalty has been imposed by NHB/RBI during the current year and previous year.

39.1 The Company has not granted any loans against collateral of gold jewellery in current year and previous year.

## 40 Disclosures on liquidity risk as required by Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended):

## (a) Funding Concentration based on significant counterparty (borrowings)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Number of significant counterparties	18	15
Amount	9,296.96	5,369.34
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities#	90.63%	97.16%

## (b) Top 20 large deposits

Particulars	As at March 31st, 2024	As at March 31st, 2023
Total amount of top 20 large deposits	NA	NA
Percentage of amount of top 20 large deposits to total deposits	NA	NA



(c) Top 10 borrowings

Particulars		As at March 31st, 2024	As at March 31st, 2023
Total amount of top 10 borrowings (in Rs.)		7,338.15	4,881.63
Percentage of amount of top 10 borrowings to total borrowings		74.70%	90.92%

(d) Funding Concentration based on significant instrument/product

Particulars		As at March 31st, 2024	As at March 31st, 2023
Term loan	Amount	9,223.84	5,369.34
	% of total liabilities#	89.91%	97.16%
Debentures	Amount	600.00	-
	% of total liabilities#	5.85%	-

(e) Stock Ratios

Particulars		As at March 31st, 2024	As at March 31st, 2023
(i) Commercial paper to Total Liabilities#		N.A	N.A
(ii) Commercial paper to Total Assets		N.A	N.A
(iii) Commercial paper to Public Funds		N.A	N.A
(iv) NCD (original maturity < 1 yrs.) to Total Liabilities#		N.A	N.A
(v) NCD (original maturity < 1 yrs.) to Total Assets		N.A	N.A
(vi) NCD (original maturity < 1 yrs.) to Public Funds		N.A	N.A
(vii) Other Short Term Liabilities to Total Liabilities#		19.89%	15.99%
(viii) Other Short Term Liabilities to Total Assets		15.74%	11.41%
(ix) Other Short Term Liabilities to Public Funds		NA	NA

# Total liabilities = Total Assets - Equity

(f) Institutional set-up for liquidity risk management:

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

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

41 Disclosure of Frauds reported during the year vide DNBS.PPD.01/66.15.001/2016-17 dated September 29, 2016

During the year ended March 31st, 2024, There were 8 instances of fraud identified in the company, details of which are as under:

S. No	Classification	Gross amount	Recovery	Net Loss to the company
1	Misappropriation and criminal breach of trust	0.14	0.02	0.12
2	Misappropriation and criminal breach of trust	0.11	-	0.11
3	Misappropriation and criminal breach of trust	0.37	0.37	-
4	Misappropriation and criminal breach of trust	0.15	-	0.15
5	Misappropriation and criminal breach of trust	2.33	2.33	-
6	Misappropriation and criminal breach of trust	0.98	0.98	-
7	Negligence and cash Shortage	2.94	-	2.94
8	Misappropriation and criminal breach of trust*	11.04	8.57	2.47

\*Based on the fact finding review report of the professional firm engaged by the company





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

Schedule to the Balance Sheet of a HFC

Particulars	As at March 31st, 2024		As at March 31st, 2023	
	Amount	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities side</b>				
<b>I Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>				
a) Debentures : Secured	-	-	-	-
Unsecured	517.05	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	-	-	-	-
d) Inter-corporate loans and borrowing	9,343.37	-	5,379.57	-
e) Commercial Paper	-	-	-	-
f) Public Deposits	-	-	-	-
g) Other Loans (specify nature)	-	-	-	-
<b>II Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>				
a)	-	-	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value	-	-	-	-
c) Other public deposits	-	-	-	-
<b>Assets side</b>				
			<b>As at</b>	<b>As at</b>
			<b>March 31st, 2024</b>	<b>March 31st, 2023</b>
<b>III Break-up of Loans and Advances including bills receivables [other than those included in (IV) below]:</b>				
a) Secured			10,964.57	6,532.79
b) Unsecured			8.17	2.09
<b>IV Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>				
<b>i) Lease assets including lease rentals under sundry debtors</b>				
a) Financial lease			-	-
b) Operating lease			-	-
<b>ii) Stock on hire including hire charges under sundry debtors</b>				
a) Assets on hire			-	-
b) Repossessed Assets			-	-
<b>iii) Other loans counting towards asset financing activities</b>				
a) Loans where assets have been repossessed			-	-
b) Loans other than (a) above			-	-
<b>V Break-up of Investments</b>				
<b>Current Investments</b>				
<b>Quoted</b>				
<b>i) Shares</b>				
a) Equity			-	-
b) Preference			-	-
<b>ii) Debentures and Bonds</b>				
<b>iii) Units of mutual funds</b>				
<b>iv) Government Securities</b>				
<b>v) Others (please specify) - Commercial paper</b>				
<b>Unquoted</b>				
<b>i) Shares</b>				
a) Equity			-	99.78
b) Preference			-	-
<b>ii) Debentures and Bonds</b>				
<b>iii) Units of mutual funds</b>				
<b>iv) Government Securities</b>				
<b>v) Others (please specify)</b>				
<b>Quoted</b>				
<b>i) Shares</b>				
a) Equity			-	-
b) Preference			-	-
<b>ii) Debentures and Bonds</b>				
<b>iii) Units of mutual funds</b>				
<b>iv) Government Securities</b>				
<b>v) Others (please specify)</b>				
<b>Unquoted</b>				
<b>i) Shares</b>				
a) Equity			-	-
b) Preference			-	-
<b>ii) Debentures and Bonds</b>				
<b>iii) Units of mutual funds</b>				
<b>iv) Government Securities</b>				
<b>v) Others (please specify)</b>				



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

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

Category	As at March 31st, 2024			As at March 31st, 2023		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
i) Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	-	-
ii) Other than related parties	10,863.15	-	10,863.15	6,488.74	-	6,488.74

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

Category	As at March 31st, 2024		As at March 31st, 2023	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
i) Related Parties	-	-	-	-
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
ii) Other than related parties	-	-	-	-

VIII Other information

Particulars	As at	As at
	March 31st, 2024	March 31st, 2023
	Amount	Amount
i) Gross Non-Performing Assets		
a) Related parties	203.51	45.97
b) Other than related parties	-	-
ii) Net Non-Performing Assets	203.51	45.97
a) Related parties	142.46	33.23
b) Other than related parties	-	-
ii) Assets acquired in satisfaction of debt	142.46	33.23



- 43 Disclosure pursuant to RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 for loans transferred/acquired under the Master Direction - RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 are given below

- a) Details of transfer through assignment in respect of loans not in default

Particulars	As at March 31st, 2024	As at March 31st, 2023
Count of loan accounts assigned	1,412	-
Amount of loan account assigned	508.59	-
Retention of beneficial economic interest (MRR)	15%	-
Weighted Average residual tenure of the loans transferred	102-103 months	-
Weighted Average holding period	24-25 months	-
Coverage of Tangible security	100%	-
Number of Transaction	2	-
Rating wise distribution of rated loans	Unrated	-

- b) Details of loans (not in default) acquired through assignment from HFC

Particulars	As at March 31st, 2024	As at March 31st, 2023
Count of loan accounts acquired	836	827
Amount of loan accounts acquired	241.63	210.93
Beneficial economic interest acquired	90%	90%
Weighted Average residual tenure of the loans acquired	61-62 months	54-55 months
Weighted Average holding period	38-39 months	40-41 months
Coverage of Tangible security	100%	100%
Number of Transaction	2	2
Rating wise distribution of rated loans	Unrated	Unrated

- c) The Company has not acquired any loan in default during the year ended March 31st, 2024 and March 31st, 2023.
- d) The Company has not transferred/acquired any stressed loan during the year ended March 31st, 2024 and March 31st, 2023.
- 44 Liquidity coverage ratio (LCR) - LCR ratios are not applicable to the Company as the assets size less than Rs. 50,000 millions.
- 45 The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered such as:
- a) **Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- b) **Undisclosed Income:** The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.
- c) **Details of Benami Property held:** There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder
- d) **Wilful Defaulter:** The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.
- e) **Compliance with approved Scheme(s) of Arrangements:** Not applicable
- f) **Registration of charges or satisfaction with Registrar of Companies (ROC):** In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.
- g) **Relationship with Struck off Companies :** During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956
- h) **Additional information where borrowings are from banks or financial institutions:**
- (i) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions for the quarter ended June 23, Sept 23 and Dec 23 are in agreement with the books of accounts. Further for quarter ended Mar 24 the company has filed the provisional return and statement which will be revised subsequently based on audited numbers;
- (ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.
- i) **Compliance with number of layers of companies :** The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.



46 During the financial year ended March 31, 2024, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i). No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii). No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

47 **Corporate Social Responsibility (CSR):** 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 31st, 2024, as it does not meet the conditions mentioned under section 135(1) of the Companies Act, 2013.

48 **Previous year figures**

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

49 **Events after balance sheet date**

There have been no material subsequent events between the balance sheet date and the date of signing this report.

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm Registration Number: 000756N/N500

*Naveen Aggarwal*

Naveen Aggarwal

Partner

Membership Number: 094380



For and on behalf of the Board of Directors of

Sewa Grih Rin Limited

CIN: U65923DL2011PLC222491

*Renana Jhabvala*

Renana Jhabvala

Director

DIN: 01106825

*Manish Purshottam Thakkar*

Manish Purshottam Thakkar

Director

DIN: 03233206

*Kashvi Malhotra*

Kashvi Malhotra

Company Secretary

Membership No: A23213

Place: New Delhi

Date: 08/08/2024

Place: Gurugram

Date: 08/08/2024

