

**ANNUAL REPORT OF
SARVODAYA NANO FINANCE
LIMITED
(SNFL)
2021 – 2022**

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614

Registered Office: 279, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014

Tel.No.04428131880. Email id: info@sarvodayanano.in

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Sarvodaya Nano Finance Limited will be held on Monday, 1st August 2022 at 10.30 A.M. at the Registered Office situated at 279, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014 to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. S. Loganathan (DIN: 00101039) who retires by rotation and, being eligible, offers himself for re-appointment;

“RESOLVED THAT, pursuant to sub-section 6 of Section 152 of the Companies Act 2013 and all other applicable provisions of the Companies Act, Mr. S.Loganathan (DIN: 00101039), liable to retire by rotation be and is hereby re-appointed as Director of the Company.”

SPECIAL BUSINESSES:

3. TO APPOINT Ms.P.LALITHA AS A WHOLE TIME COMPANY SECRETARY

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

“RESOLVED THAT, consent of the shareholders of the Company be and hereby given pursuant to the provisions Section 203 and other applicable provisions of the Companies Act, 2013 Ms. P. Lalitha (ACS M.NO.67308) as Company Secretary of the company for a period of 3 years with retrospective date from 15.06.2022 on the terms and conditions as mutually agreed by and between the Company and the Company Secretary “.

4. TO APPROVE LIMITS FOR LENDING OF THE COMPANY PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013:

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

"RESOLVED THAT pursuant to the provisions of section 186(3) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof

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for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board from time to time) of the Company to lend such sum or sums of moneys as credit facilities exceeding the paid up share capital, free reserves and securities premium of the company not set apart for any specific purpose provided that the total amount upto which monies may be lent by the Board of Directors shall not exceed Rs.100 Crores (Rupees Hundred Crores only) at any time.

RESOLVED FURTHER THAT, the Board of Directors of the Company, including any committee which the Board may constitute for this purpose, be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution."

5. APPROVAL OF SHAREHOLDERS FOR RELATED PARTY TRANSACTIONS:

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

"RESOLVED THAT, pursuant to Section 188 (1) of the Companies Act, 2013 and rules made there under and the amendments thereto, all the transactions of the Company with Sarva Jana Seva Kosh Limited (SJSK), Association for Sarva Seva Farms (ASSEFA) and Sarva Seva Gramodhyog Samithi (SSGS) being related parties within the meaning of Section 2 (76) of the Companies Act 2013, including the banking transactions, investment, borrowing, reimbursement of expenses for carrying out activities, payment and receipt of provident fund and gratuity for the employees deputed and payment of rent and any other transactions during 2021-22 approved by the Audit Committee the details of which as set out in notes forming part of the financial statements and are hereby ratified

RESOLVED FURTHER THAT, pursuant to Section 188 (1) of the Companies Act, 2013 and any other applicable provisions, including any re-enactment/ modification/ amendment thereof, the carrying out and/ or continuing with arrangements and transactions with SJSK, ASSEFA and SSGS being related parties within the meaning of Section 2 (76) of the Companies Act 2013, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions or otherwise including the banking transactions, investment, borrowing, reimbursement of expenses for carrying out activities, payment and receipt of provident fund and gratuity for the employees deputed and payment of rent and any other transactions or as may be agreed upon from time to time and any other transactions including those as may be disclosed in the notes forming part of the financial statement for the relevant period as approved by the Audit Committee and as per the list of transactions attached notwithstanding the fact that all these transactions during the financial year 2022-23 in aggregate may exceed threshold limit as per the Company's last

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audited financial statement under the relevant provisions be and are hereby approved.”

By Order of the Board

-Sd-

Place: Chennai,

Date: 30.06.2022

Executive Director cum CFO

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY
3. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
4. Green Initiative: In compliance of the provision of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Company has sent Annual Reports in Electronic Mode to the Members who have registered their E-mail IDs either with the Registrar and Transfer Agents or with their respective Depositories. However, an option is available to the Members to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No./Client ID & DP ID to Company or to R & T Agents.
5. Members to whom hard copy of Annual Reports have been provided are requested to bring their copies of the Annual Report to the Meeting. The copies of Annual Reports shall not be made available at the venue of the Meeting.
6. Admission Slip Members / Proxies attending the Meeting should bring the Admission Slip, duly filled, for handing over at the venue of the meeting.

By Order of the Board

-sd-

Place: Chennai,

Date: 30.06.2022

Executive Director cum CFO

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

3. To Appoint Ms. P. Lalitha as the Whole Time Company Secretary

After resignation of Ms. Annam Chidambaram on 31.03.2022 and pursuant to Section 203 of companies act and applicable rules therein Appointment of Ms. P. Lalitha, a member of ICSI holding M.NO. 67308, is subject to Shareholders Consent.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution. The Board recommends an Ordinary Resolution for Shareholders Approval.

4. Lending Limits:

When the aggregate of the loan, investment, guarantee or security already made together with the loan, investment, guarantee or security proposed to be made exceeds the limit specified u/s 186(2), prior approval by means of a special resolution is necessary. Limit u/s 186(2) is higher of –

- a. 60% of (paid-up share capital + free reserves + securities premium) or
- b. 100% of (free reserves + securities premium).

According to the provisions of sec – 186(3) of the Companies Act 2013, a Company can give loan, guarantee or provide any security or make any investment beyond the limits specified u/s 186(2), subject to prior approval of members by a special resolution passed at a general meeting.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution, except to the extent of their equity holding in the Company. The Board of Directors of your Company recommends the Special Resolution for approval of the Shareholders.

5. Approval of Related Party Transactions

Sarva Jana Seva Kosh Ltd (SJSK), Association for Sarva Seva Farms (ASSEFA) and Sarva Seva Gramodhyog Samithi (SSGS) are related parties within the meaning of Section 2 (76) of the Companies Act 2013. The Company has several transactions like banking transactions, investment, and borrowing, reimbursement of expenses for carrying out activities, payment and receipt of provident fund and gratuity for the employees deputed and payment of rent with these parties. Even though all these transactions are in the normal course of business and at arm's length and, therefore, are not related party transactions, it is proposed to treat them as related party transactions in the interest of better corporate governance. Apart from ratifying the transactions during the year 2021-22, omnibus approval for expected related party transactions during 2022-23 is also being sought. Mr. S. Loganathan, Director is the father of Mr. L. Kumar, Director of SJSK. Mr. S. Loganathan is also Executive Director of ASSEFA. Mr. L. Kumar is also the Managing

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Trustee of SSGS. Apart from them, none of the other Directors and Key Managerial Personnel of the Company and their relatives is interested in the resolution set out at Item No 5. The Board recommends an Ordinary Resolution for Shareholders Approval.

Date: 30.06.2022

By Order of the Board

-sd-

Place: Chennai

Executive Director cum CFO

BOARDS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the 19th Annual Report on the business operations of the Company and accounts for the Financial Year ended 31st March 2022.

1. Financial Highlights

The Company has recorded the following financial performance, for the year ended March 31, 2022:
(INR in Lakhs)

PARTICULARS	YEAR ENDED	
	31.03.2022	31.03.2021
Income from operations for the year	155.47	484.63
Other Income	57.93	45.52
Total Income	213.40	530.15
Profit before Financial Expenses, Preliminary expenses, Depreciation and Taxation	(188.17)	73.40
Less: Financial expenses	2.46	176.32
Operating profit before Preliminary expenses, Depreciation & Taxation	(190.63)	(102.92)
Less: Depreciation, Preliminary expenses written off	1.71	3.30
Profit/Loss before Taxation	(192.34)	(106.22)
Less: Current tax	-	-
Deferred tax	(3.79)	(1.86)
Profit/loss after Taxation	(188.55)	(104.36)
Add: Balance brought forward	-	-
Profit/Loss available for appropriation	(188.55)	(104.36)

2. STATE OF COMPANY'S AFFAIRS

- During the year, your Company has incurred a loss of Rs. 192.34 Lakhs. The loss was mainly due to non disbursement of Loans and loss of revenue as a result.
- Substantial reduction in Expenses was made, but due to reduced income, profit could not be made.

3. CHANGE IN NATURE OF BUSINESS IF ANY

NIL

4. DIVIDEND

No dividend has been recommended during the year ended 31st March 2022.

5. RESERVES

The total reserves and surplus has decreased to Rs.771.76 lakhs as on 31-03-2022 from Rs.960.32 lakhs as on 31-03-2021.

6. SHARE CAPITAL

The paid up share capital of the Company amounts to Rs. 266,438,010 /-, divided into **26,643,801** shares of Rs. 10 each fully paid up. There was no fresh allotment of shares during this year.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Annam Chidambaram who was appointed as the Company Secretary on 22.04.2019 resigned from office due to personal reasons with effect from 31st March 2022. Other than that there were no changes in Directors of the Company during the year ended 31st March 2022.

8. MEETING OF BOARD OF DIRECTORS

A total of 5 Board Meetings were held during the financial year ended 31st March 2022. The maximum gap between any two Board Meetings was less than 120 days. The names of members of the Board, their attendance at the Board Meetings are as under:

S. No.	Name	No. of Meetings attended/No. of Meetings Conducted
1.	Mr. S. Loganathan	5/5
2.	Mr. V C Nadarajan	4/5
3.	Mr. R. Sakthivel	4/5
4.	Mr. R. Selvanathan	5/5
5.	Mrs. Rani Kannan	3/5
6.	Mrs. R. Subbulakshmi	4/5
7.	Mr. C. Thiagarajan	3/5

9. EVALUATION OF THE BOARD:

The Members of the Board are periodically reviewed by the Chairman and the Independent Director. The Appointment of new members to the Board is reviewed by the Nomination and Remuneration Committee.

10. MANAGERIAL REMUNERATION:

Salaries and allowances paid during the period to the Executive Director amounted to Rs.8,64,000/- (Last year – Rs.864000). The details are as follows:

Particulars	Current year (2021-22) Amount in INR	Last year (2020-21) Amount in INR
Basic Pay	462,000	462,000
Special Allowance	69,300	69,300
Conveyance	46,200	46,200
Medical Reimbursement	92,400	92,400
House Rent Allowance	138,600	138,600
Professional Allowance	43,500	43,500
CCA	12,000	12,000
Total	864,000	864,000

The Remuneration made to Executive and Whole time Directors are as follows:

SL. No.	Particulars	Current year (2021-22) Amount in INR	Last year (2020-21) Amount in INR
1.	Mr. R. Sakthivel	2,88,000	288,000
2.	Mrs. Rani Kannan	2,58,000	258,000
3.	Mrs. R. Subbulakshmi	1,92,000	192,000
4.	Mr. C. Thiagarajan	2,64,000	264,000

11. DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

Nil

12. STATUTORY AUDITORS

The Auditors, M/s. Madhu Balan & Associates, Chartered Accountants, Firm Registration No. 011106S, have been appointed as Auditors in the 2020 Annual General Meeting for a period of five years.

13. BOARD'S COMMENT ON AUDITOR'S REPORT

The Auditor had commented that In terms of the Press Release 99/7269 dated April 8, 1999 issued by RBI, the company is treated as an NBFC if its financial assets are more than 50 per cent of its total assets (net of intangible assets) and income from these financial assets more than 50 percent of the gross income. Both these tests are required to be satisfied. The percentage of financial assets on total assets of the Company is 22.32% only which is less than percentage prescribed by RBI. Since The Company has not satisfied one of the Principal Business Criteria i.e Financial Asset Criteria, the Company is not entitled to continue to hold Certificate of Registration as NBFC as on 31st March 2022

For which the Board remarks that Covid pandemic has brought the lending activities of the company almost to a standstill, mostly because the company wants to recover the existing over dues and the management has decided to consolidate its operations in a selective

geographical area. The Board is hopeful that by another 9 months the company can satisfy the Financial Asset Criteria as per the RBI Norms.

14. COMMITTEES OF THE BOARD:

AUDIT COMMITTEE

The Company has constituted an Audit Committee. The Audit Committee considers the quarterly and annual financial statements and places its report to the Board of Directors periodically. 4 Meetings were conducted during the year and it was not reconstituted during the year.

The Members of the Audit Committee are as follows:

SL. No.	Name	Designation
1.	Mr. S. Loganathan	Director
2.	Mr. V C Nadarajan	Non-Executive, Independent
3.	Mr. R. Sakthivel	Whole Time Director

RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee (RMC) to assist the Board in fulfilling its responsibilities relating to risk management and compliance practices of the Company. 3 RMC meetings were conducted during the financial year and it was not reconstituted during the year.

The Risk Management Committee consists of the following members:

SL. No.	Name of Director	Designation
1.	Mr. S. Loganathan	Director
2.	Mr. V C Nadarajan	Non-Executive, Independent
3.	Mr. C.Thiyagarajan	Whole Time Director
4.	Mr. R. Manoharan	Risk Management Officer

NOMINATION & REMUNERATION COMMITTEE

The Company has constituted a Nomination and Remuneration Committee (NRC) to assist the Board in fulfilling its responsibilities of Nominating Directors, fulfilling the fit and proper criteria. The necessary declarations and undertakings from the directors giving information on the directors have been obtained. 3 NRC meetings were conducted during the year and it was not reconstituted.

The Members of Nomination and Remuneration Committee are as follows:

SL. No.	Name of Director	Designation
1.	Mr. S. Loganathan	Director
2.	Mr. V C Nadarajan	Non-Executive, Independent
3.	Mr. R. Selvanathan	Executive Director

SHARE ALLOTMENT COMMITTEE

Share allotment Committee has been constituted to issue shares certificates and Consolidated Share Certificates. The Share Allotment Committee consists of the following members:

SL. No.	Name of Director	Designation
1.	Mr. S. Loganathan	Director
2.	Mr. V C Nadarajan	Non-Executive, Independent
3.	Mr. R. Selvanathan	Executive Director

15. INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial control with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was noticed.

16. RISK MANAGEMENT POLICY

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have also been formulated and clearly spelled out in the said policy.

The Company is now lending to SHG members and individuals. While entertaining proposals from them, their credit history is obtained from Credit Information Bureaus and are evaluated in addition to the repayment capacity.

17. EXTRACT OF THE ANNUAL RETURN

The extract of annual return as on the financial year ended March 31, 2022, as required under Section 92 of the Companies, in Form No. MGT-9 shall form part of Board's Report.

18. MATERIAL CHANGES AND COMMITMENTS

Uncertainty in timely repayment is hindering full-fledged operations.

Other than the above mentioned situation affecting the Company, there is no material change and commitment that have occurred after the closure of the Financial Year 2021-22 till the date of this Report, which would affect the financial position of your Company.

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS, COURTS AND TRIBUNALS

- No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions relating to Corporate Social Responsibility pursuant to Companies Act 2013 are not applicable.

21. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The particulars regarding Loans given are provided in the financial statements. The Company has outstanding Loans amounting to Rs.8.15 Crores. The Company has not made any investment, given guarantee and securities during the year under review.

22. DEPOSITS

The Company has not accepted any deposits during the year under review.

23. RELATED PARTY TRANSACTIONS

The particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 entered by the Company during the financial year ended 31st March, 2022 is attached in prescribed Form AOC-2 and forms part of this report.

24. FRAUD REPORTING:

The Company has detected a fraud in Tindivanam branch involving an amount of Rs.9,51,673 recovered from the borrowers but not remitted to the Branch in which a case has been filed with Superintendent of Police, Villupuram District for recovery of the entire amount of Rs.9,51,673 from Mr.R.Elumalai, the then Branch Manager.

25. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company.

26. FOREIGN EXCHANGE EARNINGS AND OUTGO

The company does not have any foreign exchange earnings and outgo for the year under review.

27. SAFE & CONDUCTIVE WORKPLACE

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

28. GENERAL

1. There was no fresh issue of Equity shares through Private Placement to the existing and willing shareholders.
2. The Company has no subsidiary and neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

29. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that:

1. In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
2. The Directors have 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 as at March 31, 2022 and of the loss of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a 'going concern' basis.
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

30. ACKNOWLEDGEMENT

The Directors would like to express their sincere appreciation for the assistance and co-operation received from the customers, employees, banks, Government authorities and members during the year under review.

Date: 30/06/2022

Place: Chennai

For and on behalf of the Board



S. Loganathan
Director
Din: 00101039



R. Selvanathan
Executive Director
Din: 08708749

ANNEXURES TO BOARDS' REPORT

Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2022.

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U65923TN2003PLC050614
ii.	Registration Date	Originally incorporated on 1 st July 1996 with ROC New Delhi. Subsequently shifted Registered office to Chennai and again registered with ROC Chennai on 28-03-2003.
iii.	Name of the Company	Sarvodaya Nano Finance Limited
iv.	Category/Sub-Category of the Company	Public Limited
v.	Address of the Registered office and contact details	279, Avvai Shanmugam Salai, Royapettah, Chennai – 600014.
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, If any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Financial Activities / Loans to Individuals	65923	100%
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	100	6,500	6,600	0.02	6,600	-	6,600	0.02	-
b) Central Govt		-	-	-	-	-	-	-	-
c) State Govt(s)		-	-	-	-	-	-	-	-
d) Bodies Corp		-	-	-	-	-	-	-	-
e) Banks / FI		-	-	-	-	-	-	-	-
f) Any Other		-	-	-	-	-	-	-	-
Sub-total(A)(1):-	100	6,500	6,600	0.02	6,600	-	6,600	0.02	-
2) Foreign									
g) NRIs-Individuals		-	-	-	-	-	-	-	-
h) Other-Individuals		-	-	-	-	-	-	-	-
i) Bodies Corp.		-	-	-	-	-	-	-	-
j) Banks / FI		-	-	-	-	-	-	-	-
k) Any Other....		-	-	-	-	-	-	-	-
Sub-total(A)(2):-		-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds		-	-	-	-	-	-	-	-
b) Banks / FI		-	-	-	-	-	-	-	-

c) Central Govt		-	-	-	-	-	-	-	-
d) State Govt(s)		-	-	-	-	-	-	-	-
e) Venture Capital Funds		-	-	-	-	-	-	-	-
f) Insurance Companies		-	-	-	-	-	-	-	-
g) FIIs		-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-
i) Others (specify)		-	-	-	-	-	-	-	-
Sub-total(B)(1)		-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	6,508,125	-	6,508,125	24.43	6,508,125	-	6,508,125	24.43	-
b) Individuals (i) Individual shareholders holding nominal share capital up to Rs.1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh		-	-	-	-	-	-	-	-
c) Others(Specify) Mutual Benefit Trusts/Trusts	20,129,076	-	20,129,076	75.55	20,129,076	-	20,129,076	75.55	-
Sub-total(B)(2)	26,637,201	-	26,637,201	99.98	26,637,201	-	26,637,201	99.98	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	26,637,201	-	26,637,201	99.98	26,637,201		26,637,201	99.98	-
C. Shares held by Custodian for GDRs & ADRs		-	-	-	-	-	-	-	-
Grand Total (A+B+C)	26,637,301	6,500	26,643,801	100.00	26,643,801	-	26,643,801	100.00	-

ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year	
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		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Vijay Mahajan	6,300	0.02	-	6,300	0.02	-	-
2.	S. Loganathan	100	0.00	-	100	0.00	-	-
3.	Deep Joshi	100	0.00	-	100	0.00	-	-
4.	Bharti Gupta Ramola	100	0.00	-	100	0.00	-	-
	Total	6,600	0.02	-	6,600	0.02	-	-

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6,600	0.02	6,600	0.02
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	6,600	0.02	6,600	0.02

(iv. Shareholding Pattern of top ten Shareholders (other than

Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				

	At the beginning of the year				
	1. SARVA JANA SEVA KOSH LTD	6,240,125	23.42		
	2. SMBT-VIRUDHUNAGAR	1,606,275	6.03		
	3. SMBT-SANKARAPURAM	1,396,346	5.24		
	4. SMBT-CHITHAMUR	1,033,302	3.88		
	5. SMBT-RISHIVANDIYAM	836,809	3.93		
	6. SMBT-VRIDDHACHALAM	689,400	3.21		
	7. SMBT- PARANGIPETTAI	604,779	2.65		
	8. SMBT- KALLAKURICHI	583,600	2.32		
	9. SMBT- KARIYAPATTY	555,560	2.08		
	10. SMBT-PENNADAM	535,075	2.06		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No. of shares allotted during the year. NIL			

AT THE END OF THE YEAR Top 10 shareholders.					
1.SARVA JANA SEVA KOSH	6,240,125	23.42			
2. SMBT-VIRUDHUNAGAR	1,606,275	6.03			
3. SMBT-SANKARAPURAM	1,396,346	5.24			
4. SMBT-CHITHAMUR	1,033,302	3.88			
5. SMBT-RISHIVANDIYAM	836,809	3.14			
6. SMBT-VRIDDHACHALAM	689,400	2.59			
7. SMBT-KARIYAPATTY	609,904	2.29			
8. SMBT-PARANGIPETTAI	604,779	2.27			
9. SMBT-KALLAKURICHI	583,600	2.19			
10. SMBT- KALLIGUDI	555,560	2.09			

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	40,000,000			4,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,00,00,000	-	-	4,00,00,000
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	4,00,00,000	-	-	4,00,00,000
Net Change	4,00,00,000	-	-	4,00,00,000
Indebtedness at the end of the financial year	-			-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director Whole-time Directors and /or Manager

Sl. No.	Particulars of Remuneration	Name of Whole time Director					Total Amount
1.		R.Selvana- than	R.Sakthi vel	Rani Kannan	C.Thiyag arajan	R.Subbul akshmi	
2.	Gross salary	8,64,000	2,88,000	2,58,000	2,64,000	1,92,000	
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	8,64,000	2,88,000	2,58,000	2,64,000	1,92,000	
	(b)Value of perquisites u/s 17(2)Income-tax Act, 1961	-	-	-	-	-	
	(c)Profits in lieu of salary under section 17(3)Income- tax Act,1961	-	-	-	-	-	
	Incentives					-	
3.	Gross Salary (Whole time Directors)	8,64,000	2,88,000	2,58,000	2,64,000	1,92,000	
4.	Stock Option	-	-	-	-	-	
5.	Sweat Equity	-	-	-	-	-	
6.	Commission - as% of profit - others, specify (Reimbursements)	-	-	-	-	-	
7.	Others, please specify (Sitting Fees)	-	-	-	-	-	
8.	Total(A)	8,64,000	2,88,000	2,58,000	2,64,000	1,92,000	
	Ceiling as per the Act	42,00,000	-	-		-	

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		S. Loganathan	V C Nadarajan			
	<u>Independent Directors</u>					
	•Fee for attending board committee meetings	-	8,000			8,000
	•Commission	-	-			-
	•Others, please specify	-	-			-
	Total(1)	-	8,000			8,000
	<u>Other Non-Executive Directors</u>					
	•Fee for attending board committee meetings	8,000	-			8,000
	•Commission	-	-			-
	•Others, please specify	-	-			-
	Total(2)	8,000	-			-
	Total(B)=(1+2)	8,000	8,000	-	-	16,000
	Total Managerial Remuneration	-	-			-
	Over all Ceiling as per the Act	-	-			-

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	3,50,000	8,64,000	12,14,000
		-	-	-	-
		-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others, specify...	-	-	-	-
5.	Others, please specify (Reimbursements/Incentives)	-	-	-	-
6.	Total	-	3,50,000	8,64,000	12,14,000

VI. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty					
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



S.Loganathan
Director
Din: 00101039



R. Selvanathan
Executive Director cum CFO
Din: 08708749

Date: 30/06/2022

Place: Chennai

FORM NO. AOC.2

**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 transactions under third proviso thereto
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil.
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship:
 1. Association for Sarva Seva Farms
 2. Sarva Jana Seva Kosh Ltd.
 3. Sarva Seva Gramodhyog Committee
 - (b) Nature of contracts/arrangements/transactions: Banking Transactions, Investments, Rent, Borrowings, reimbursement of expenses, payment and receipt of Provident fund and Gratuity fund.
 - (c) Duration of the contracts/arrangements/transactions: Annual
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (e) Date(s) of approval by the Board, if any: 30th June, 2022
 - (f) Amount paid as advances, if any: Nil

RESOLVED THAT, pursuant to Section 188 (1) of the Companies Act, 2013 and rules made there under and the amendments thereto, all the transactions of the Company with Sarva Jana Seva Kosh Limited (SJSK), Association for Sarva Seva Farms (ASSEFA) and Sarva Seva Gramodhyog Samithi (SSGS) being related parties within the meaning of Section 2 (76) of the Companies Act 2013, including the banking transactions, investment, borrowing, reimbursement of expenses for carrying out activities, payment and receipt of provident fund and gratuity for the employees deputed and payment of rent and any other transactions during 2021-22 approved by the Audit Committee the details of which as set out in notes forming part of the financial statements and are hereby ratified

RESOLVED FURTHER THAT, pursuant to Section 188 (1) of the Companies Act, 2013 and any other applicable provisions, including any re-enactment/ modification/ amendment thereof, the carrying out and/ or continuing with arrangements and transactions with SJSK, ASSEFA and SSGS being related parties within the meaning of Section 2 (76) of the Companies Act 2013, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions or otherwise including the banking transactions, investment, borrowing, reimbursement of expenses for carrying out activities, payment and receipt of provident fund and gratuity for the employees deputed and payment of rent and any other transactions or as may be agreed upon from time to time and any other transactions including those as may be disclosed in the notes forming part of the financial statement for the relevant period as approved by the Audit Committee and as per the list of transactions attached notwithstanding the fact that all these transactions during the financial year 2022-23 in aggregate may exceed threshold limit as per the Company's last audited financial statement under the relevant provisions be and are hereby approved.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Mr. Loganathan, Director of the Company is also the Executive Director of Association for Sarva Seva Farms (ASSEFA). Mr. L. Kumar, the son of Mr. Loganathan is the Managing Trustee of Sarva Seva Gramodhyog Samithi (SSGS) and Director of SJSK. The Company has several transactions with the above parties. SJSK has invested in the equity of the Company and also has extended a line of credit of Rupees Twenty five crores. The Company has several employees of ASSEFA on deputation in its ranks and the Provident Fund and Gratuity deductions are remitted to ASSEFA. Besides, the Company has taken a few premises belonging to ASSEFA on rent for its offices. The details of approvals obtained in the last AGM and actual transactions with these entities during 2021-22 are furnished below.

(Amount in INR)

	Approvals obtained – 2021-22	Actuals for 2021-22
SJSK		
- Investment receipt	15,000,000	-
- Loan receipt	150,000,000	-
- Loan repayment	150,000,000	40,000,000
- Interest and other charges payable/to be provided	40,000,000	-
- Other receipts for services	5,000,000	351,550
ASSEFA		
- Rent payment	900,000	600,000
- PF contribution payment	1,200,000	592,450
- Other payments for services	3,500,000	1,152,078
- Other receipts for services	3,500,000	40,000
SSGS		
- PF contribution receipt	50,000	142,385



S. Loganathan
Director
DIN: 00101039



R. Selvanathan
Executive Director cum CFO
DIN: 08708749

Date: 30-06-2022

Place: Chennai



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARVODAYA NANO FINANCE LIMITED

1. Report on the Audit of financial statements

Qualified Opinion

We have audited the accompanying financial statements of **SARVODAYA NANO FINANCE LIMITED (the 'Company')**, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and loss, the Cash Flow statement for the year then ended and 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, **except for the effect of the matter described under the Basis for Qualified Opinion below**, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss and its cash flows for the year ended on that date.

Basis of Opinion

In terms of the Press Release 99/1269 dated April 8, 1999 issued by RBI, a company is treated as an NBFC if its financial assets are more than 50 per cent of its total assets (net of intangible assets) and income from these financial assets is more than 50 per cent of the gross income. Both these tests are required to be satisfied. But the percentage of financial assets on total assets of the Company is 22.32% only which is less than percentage prescribed by RBI. Since the Company has not satisfied one of the Principal Business Criteria i.e Financial Asset criteria, the Company is not entitled to continue to hold Certificate of Registration as NBFC as on 31st March 2022.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, 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 audit opinion on the financial statements.

2. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

3. Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

4. Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 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 safe guarding of assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 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.

5. 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:



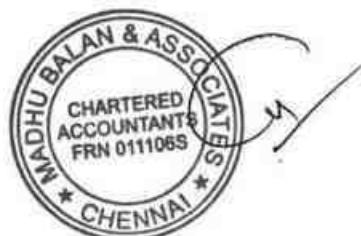
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 25 of the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company
- h) With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us

For Madhu Balan & Associates,
Chartered Accountants

Date : 30.06.2022
Place: Chennai
UDIN: 22219184ANQQHH5079



(P. Arumugaraj)
Partner

Firm Reg. No.: 011106S
M. No.: 219184

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF
SARVODAYA NANO FINANCE LIMITED [THE 'COMPANY']**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. In respect of its fixed assets:
 - a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
(B) The Company does not have any intangible assets. Hence, the paragraph 3(i)(a)(B) of the order is not applicable to the Company
 - b) The Property, plant & equipment have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
 - c) The Company does not have any immovable properties. Therefore, the paragraph 3(i)(c) of the order is not applicable to the Company
 - d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii.
 - a) The Company is a Non-Banking Financial Company ('NBFC') engaged in the business of providing loans and does not have any inventory. Therefore, the paragraph 3(ii) of the order is not applicable to the Company.
 - b) At any point of time during the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions stated in paragraph 3(ii) (b) of the Order are not applicable to the Company.
- iii. According to the information and explanation provided to us, the Company has not made investments in, provided any guarantee or security or granted any loans or provided advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties. Accordingly, the provisions stated in paragraph 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, in respect of loans, investments, guarantees and security the provision of Sec 185 and Sec 186 are complied with.
- v. The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.



- vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act, in respect of the services rendered by the company. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable
- vii. In respect of its Statutory dues: According to the information and explanations given to us and on the basis of our examination of the records of the Company
- a) amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, GST, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. No undisputed statutory amount payable in respect of Provident Fund, investor education and protection fund, income tax, GST, wealth tax, excise duty, customs duty, cess and other material statutory dues were in arrears as at March 31, 2022, for a period of more than six months from the date they become payable.

- b) According to the records of the Company, the dues of income-tax on account of dispute is as follows:

Name of the Statute	Nature of dues	Amount Rupees in Lakhs	Period to which the amount relates(Financial Year)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	56.55	2016-17	Commissioner(Appeals)

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company.

ix.

- a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations and records provided to us, the Company did not raise any money by way of term loan during the year. Hence, the provision stated in paragraph 3(ix) (c) of the Order is not applicable to the Company.
- d) According to the information and explanations given to and on examination of records, the Company has not raised any fund on short term basis. Hence, the provision stated in paragraph 3(ix) (d) of the Order is not applicable to the Company.



- e) According to the information explanation given to us and on examination of records, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x.
- a) According to the information explanation given to us and on examination of records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi.
- a) During the course of our audit, examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the company by way of Cash embezzlements amounting to Rs.9.52 lakhs. No fraud by the Company has been noticed or reported during the year. We have not been informed of any such case by the management.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) In our opinion and according to the information and explanations given to us, whistleblowing mechanism mandated by Section 177 of the Companies Act, 2013 and Companies Rules 2014 is not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (xi)(c) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 wherever applicable and details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, internal audit as required under Rule 13 of the Companies (Accounts) Rules, 2014 is not applicable to the Company. Accordingly, the provisions stated in paragraph 3(xiv) of the Order is not applicable to the Company.



- xv. According to the information and explanations given to us, in our opinion the Company has not entered into non-cash transactions during the year with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi.
- a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.
- b) The company is in the business of and has carried on the business of Non- Banking Financial activities during the year but ***the Company is not entitled to continue to hold such Certificate of Registration as on 31st March 2022 as the Company has not satisfied one of the Principal Business Criteria i.e Financial Asset criteria.***
- c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order is not applicable to the Company.
- d) In our opinion, there is no core investment company 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. Based on the examination of records, the company has incurred cash losses of Rs. 92.71 lakhs & Rs. 44.56 lakhs during the FY 21-22 & FY 20-21 respectively.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 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, 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 explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.



- xxi. In our opinion and according to the information and explanations given to us, Consolidation of financial statements is not applicable to the Company. Hence, the reporting under clause 3(xxi) of the Order is not applicable.

Date : 30.06.2022

Place: Chennai

UDIN: 22219184ANQQHH5079

For Madhu Balan & Associates.,
Chartered Accountants



(P. Arumugharaj)
Partner

Firm Reg. No.: 011106S
M. No.: 219184

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF
SARVODAYA NANO FINANCE LIMITED [THE 'COMPANY']**

[Referred to in Paragraph 6 (2)(f) of our report of even date]

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

We have audited the internal financial controls over financial reporting of **SARVODAYA NANO FINANCE LIMITED** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting:

A Company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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 Institute of Chartered Accountants of India.


Date : 30.06.2022

Place: Chennai

UDIN: 22219184ANQQHH5079



For Madhu Balan & Associates.,
Chartered Accountants


(P. Arumugara)
Partner

Firm Reg. No.: 011106S

M. No.: 219184

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614

Address: No. 279, Avvai Shanmugam Salai, Royapettah, Chennai - 600 014.

Ph: 044-2813 0537/6529 2218, Telefax: 044-2813 1880, Email: info@sarvodayanano.in, www.sarvodayanano.in

(All amounts in ₹ Lakhs unless otherwise stated)

BALANCE SHEET AS AT	Notes	31-Mar-22	31-Mar-21
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	2,664.38	2,664.38
Reserves and surplus	4	771.76	960.32
Money received against sharewarrants		-	-
		<u>3,436.14</u>	<u>3,624.70</u>
Share Application Money Pending Allotment		-	-
Non-current liabilities			
Long term borrowings	5	-	400.00
Deferred tax liabilities	6	-	-
Other Long Term Liabilities		-	-
Long term provisions	7	210.20	116.08
		<u>210.20</u>	<u>516.08</u>
Current liabilities			
Short-term borrowings	8	-	-
Trade Payables		-	-
A) total outstanding dues of micro enterprise and small		-	-
B) total outstanding creditors other than micro enterprise and		-	-
Other current liabilities	9	5.96	16.12
Short-term provisions		-	-
		<u>5.96</u>	<u>16.12</u>
		<u>3,652.30</u>	<u>4,156.90</u>
II. ASSETS			
Non-current assets			
Property plant and equipment and Intangible Assets			
(i) Property, Plant and Equipment	10	3.80	5.51
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
Non-current investments		-	-
Deferred tax Asset (net)	6	9.08	5.29
Long term loans and advances		-	-
Other non-current assets	11	61.35	49.26
		<u>74.24</u>	<u>60.07</u>
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables		-	-
Cash and cash equivalents	12	2,736.57	2,117.45
Loans - Unsecured	13	815.27	1,945.56
Short-term loans and advances	14	10.69	15.47
Other current assets	15	15.53	18.35
		<u>3,578.06</u>	<u>4,096.83</u>
		<u>3,652.30</u>	<u>4,156.90</u>

Summary of significant accounting policies

1-2

Other disclosures

23-30

The accompanying notes form an integral part of the financial statements



As per our report of even date
for Madhu Balan & Associates
Chartered Accountants

(P. Arumugara)
Partner

ICAI Firm No. 0111065 | M. No.: 219184

For and on behalf of the Board of Directors of
SARVODAYA NANO FINANCE LIMITED

Executive Director cum CFO

Director

Place: Chennai

Date: 30-06-2022

UDIN: 22219184ANQQHH5079

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614

Address: No. 279, Avvai Shanmugam Salai, Royapettah, Chennai -600 014.

Ph: 044-2813 0537, Email: info@sarvodayanano.in, www.sarvodayanano.in

(All amounts in ₹ Lakhs unless otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR	Notes	31-Mar-22	31-Mar-21
REVENUE			
Revenue from operations	16	155.47	484.63
Other income	17	57.93	45.52
Total Revenue		213.40	530.15
EXPENSES			
Employee benefits expense	18	213.71	271.51
Finance costs	19	2.46	176.32
Depreciation	20	1.71	3.30
Other operating expenses	21	89.94	126.87
Provisions and write-offs	22	97.92	58.37
Total expenses		405.75	636.37
Profit before exceptional and extraordinary items and tax		(192.34)	(106.22)
Exceptional Items		-	-
Profit before extraordinary items and tax		(192.34)	(106.22)
Extraordinary Items		-	-
Profit before tax		(192.34)	(106.22)
Tax expense:			
Current tax		-	-
Deferred tax		(3.79)	(1.86)
Profit/(Loss) for the period from continuing operations		(188.56)	(104.36)
Profit/(Loss) from Discounting operations		-	-
Tax expense of discounting operations		-	-
Profit/(Loss) from Discounting operations		-	-
Profit/(Loss) For the period		(188.56)	(104.36)
Earning per equity share (EPS) - in ` (Refer note 22)			
- Basic and Diluted		(0.71)	(0.40)
Weighted average number of shares considered for			
- Basic and Diluted		26,643,801.00	26,057,745.00
Summary of significant accounting policies	1-2		
Other disclosures	23-30		

The accompanying notes form an integral part of the financial statements

As per our report of even date

for Madhu Balan & Associates

Chartered Accountants

(P.Arumugaraj)

Partner

ICAI Firm No. 011106S / M. No.: 219184

For and on behalf of the Board of Directors of

SARVODAYA NANO FINANCE LIMITED

Executive Director cum CFO

Director

Place: Chennai

Date: 30-06-2022

UDIN: 22219184ANQQHH5079

Audited financial statements for the year ended March 31, 2022

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614

Address: No. 279, Avvai Shanmugam Salai, Royapettah, Chennai - 600 014.

Ph: 044-2813 0537/6529 2218, Email: info@sarvodayanano.in, www.sarvodayanano.in

(All amounts in ₹ Lakhs unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEAR ENDED	31-Mar-22	31-Mar-21
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	(192.34)	(106.22)
<i>Adjustment for Non- cash (income) / expenditure:</i>		
Depreciation	1.71	3.30
Bad debts & other write-offs	1.99	6.11
Provision for Standard, bad and doubtful advances	95.93	52.26
Provision for others, written back	-	-
Provision/payment of gratuity	(1.81)	(5.86)
Provision for Bonus, written back	-	-
Operating profit before changes in operating activities	(94.53)	(50.42)
<i>Adjustments for:</i>		
(Increase)/ decrease in other loans and advances	1.44	(2.78)
(Decrease)/increase in other liabilities	(10.17)	(175.26)
Net cash generated from operating activities before tax	(103.26)	(228.46)
(Increase)/ decrease in Portfolio		
Loans disbursed	(1,784.35)	(4,443.40)
Loans repaid	2,912.65	7,468.00
Net (increase)/decrease in loans	1,128.30	3,024.60
Less: Income tax	(5.93)	(36.07)
Net cash generated from operating activities after tax	1,019.12	2,760.08
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	-
Net cash flow from investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	-	179.30
Net proceeds from Secured loans	(400.00)	(1,240.00)
Net cash generated from financing activities	(400.00)	(1,060.70)
Net increase/(decrease) in cash and cash equivalents during the year (A)+(B)+(C)	619.12	1,699.38
Cash and cash equivalents at the beginning of the year	2,117.45	418.07
Cash and cash equivalents at the end of the year [refer below]	2,736.57	2,117.45
Components of cash and cash equivalents:		
Cash and cash equivalents [Refer Note 12]	2,736.57	2,117.45
Cash and cash equivalents considered for cash flow	2,736.57	2,117.45

Summary of significant accounting policies

Other disclosures

The accompanying notes are an integral part of these financial statements

As per our report of even date
for **MADHU BALAN & ASSOCIATES.**

Chartered Accountants

P. Arumugam
Partner

ICAI Firm No. 0111065 / M. No.: 219284

For and on behalf of the Board of Directors of
SARVODAYA NANO FINANCE LIMITEDExecutive Director
Cum CFO

Director

Place: Chennai

Date: 30-06-2022

UDIN: 22219184ANQHH5079

Audited financial statements for the year ended March 31, 2022