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**NANAYASURABHI AFFORDABLE
HOUSING FINANCE LIMITED**

ANNUAL REPORT 2021-22





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NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITED

SURABHIAGAM, NO.15. KARUNYA GARDEN, 12TH CROSS, RENGANAGAR EXTN.,
UYYAKONDAN THIRUMALAI, VAYALUR ROAD, TRICHY - 620102. TAMIL NADU
Tel: 0431-2782220/4220948 EMAIL ID: admin@nhflindia.com (or) nhfl.india@gmail.com
Website: www.nhflindia.com

CIN: U65990TN2014PLC098180

BOARD OF DIRECTORS (FY 2021 & 2022)

N. Peter Palaniswami, Executive-Managing Director

V. Senthilnathan, Independent Director

A. Alli, Non-Executive Director

K. Gnanambal, Independent Director

S. Nagarajan, Non-executive Director

P. Kottaisamy, Non-executive Director

MANAGEMENT TEAM

N. Peter Palaniswami, Managing Director

V. R. Manoharan, Assistant General Manager (AGM)

J. Lalitha, Company Secretary

P. Alagesan, CFO

S. Pothumponnu, Manager

R. Vimala Devi, Manager

Chairman's Message

Dear Stakeholders

I am very pleased to address you all as this is my first opportunity to address you as the Chairman of NHFL. At the outset, I would like to thank you all for the confidence reposed and the support extended to the Company. It is your confidence and support that enables us to grow and perform year after year. I am confident and fairly certain that the pleasant times await us in Financial Year 2023.

The financial year 21-22 started with the 2nd Wave of the Covid-19 pandemic in the first quarter of the financial year. The year closed with optimism of a post Covid19 pandemic recovery but the shock waves from the war in Ukraine have jolted the global economy and led to an inflation with cost escalations in the affordable housing segment too. The RBI has already increased interest rates in this financial year and it is expected that the interest rate may go up further.

But with all our great team efforts, I am glad that your Company has achieved and progressing in the healthier growth path by balancing between Quality loan portfolio and the Profitability. The forecast of another normal monsoon with robust agricultural activity in the villages are giving us more hope for our growth projections in the FY 2023.

We are optimistic about the inherent need for affordable housing in the rural and semi urban regions. At NHFL, we remain committed to fulfill the unmet housing needs in rural and semi urban areas and our focus is mainly on such geographical locations. We take pride in our trustworthy housing loan borrowers, rather than the volume game. We will continue to grow the business profitably and strive to remain as a zero NPA Affordable housing finance Company.

We are mainly providing housing loans, mortgage loans. Major portion of Company's loan portfolio comprises of housing loans given for purchase of ready build homes, new construction, extension & improvements. We strongly believe that the bond with our customers will enable us to be as a sustainable player in the Affordable housing loan provider segment and we have built the strong foundation in strengthening our team member's capabilities in providing such bond and the best services to our Affordable housing loan borrowers.

The future outlook of your company is to expand its area of operation in other geographical locations. People relocating to native towns brings us additional opportunity and growth momentum in our area of operations which gives us more confidence and strength to progress.

On behalf of the Board and on my behalf, I thank our beloved former Chairman Dr. S Elangovan for continued mentoring and guiding the leadership team and I take this opportunity to thank the distinguished Board Members for their continued leadership and solid support to the Company. I also take this opportunity to convey my thanks and gratitude to all our employees. Last but not the least, our sincere thanks to all our stakeholders more specifically, The National Housing Bank, The Reserve Bank of India, Our Government, and the society.

I look forward to the years ahead with confidence.

Thank you

N. Peter Palaniswami

Chairman

(DIN 01773066)

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Website: www.nhflindia.com
CIN: U65990TN2014PLC098180

NOTICE TO MEMBERS

NOTICE is hereby given that the 8th Annual General Meeting of the Members of the Company will be held on Friday the 29th day of July, 2022 at 9.30 A.M at the registered office of the Company situated at Surabhiagam, No.15, Karunya Garden, 12th Cross, Renganagar Extn, Uyyakodan Thirumalai Post, Vayalur road , Trichy-620102 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the company, Director's report and Auditor's report

To consider and adopt the audited financial statements of the for the financial year ended March 31, 2022, including the Audited Balance Sheet as at 31st March 2022, the Audited Profit and Loss Account, Audited Cash Flow Statement for the year ended on that date together with the reports of the Directors' and Auditor's thereon.

2. To appoint a director in the place of Mrs. Alli A. DIN (07424237) who retires by rotation and being eligible to offers herself for reappointment.

3. To take note of the appointment of Auditors

The Shareholders to note the appointment of M/s. Lakshman & Co Chartered

Accountants (Firm Registration No.001822S) as the Statutory Auditors of the Company who were appointed for a period of Five years up to the Eleventh Annual General Meeting at a remuneration to be fixed by the Audit Committee and /or the Board of Directors of the Company.

4. TO INCREASE THE AUTHORISED CAPITAL OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed thereunder, consent of the members of the Company be and is hereby accorded for increase in the Authorized Share Capital of the Company from existing Rs.16,00,00,000 (Rupees Sixteen Crore) divided into 1,60,00,000 (One Crore, Sixty Lakhs only) Equity Shares of Rs.10/- each to Rs. 21,00,00,000 (Rupees Twenty-One Crore) divided into

2,10,00,000 (Two Crore, Ten Lakh only) Equity Shares of Rs. 10/- each ranking Pari passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded, for alteration of Clause V of the Memorandum of Association of the Company by substituting in its place and stead the following: -

“5. The Authorized Capital of the Company is Rs. 21,00,00,000/- divided into 2,10,00,000 equity shares of Rs. 10/- each with power to increase and/or reduce the capital of the Company as provided in the Articles of Association of the Company.”

“RESOLVED FURTHER THAT Mr. N. Peter Palaniswami Managing Director (DIN 01773066) and/or the Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable including seeking all necessary approvals to for the purpose of giving effect to this resolution”.

SPECIAL BUSINESS

5. TO APPOINT Mr. Deivasigamani Sridhara Chakravarthi (DIN:09573853) as Independent Director

To consider and, if thought fit, to pass the following as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, approval of the Members of the Company be and is hereby granted to appoint Mr. Deivasigamani Sridhara Chakravarthi (DIN:09573853) as an Independent Director of the Company, not liable to retire by rotation, for a term not exceeding Five consecutive years from the date of this AGM.”

“RESOLVED FURTHER THAT Mr. N. Peter Palaniswami Chairman & Managing Director (DIN 01773066) and/or the Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

BY ORDER OF THE BOARD

N. Peter Palaniswami

Chairman & Managing Director
(DIN 01773066)

Place: Chennai

Date: 23.04.2022

NOTES:

1. A member entitled to attend, and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10% 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 proxy for any other person or shareholder. A blank proxy form is enclosed to this notice as Annexure-A
2. Corporate members intending to send their authorized representatives to attend the annual general meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the annual general meeting.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the annual general meeting is annexed hereto.
4. In case of joint holders attending the annual general meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including annual report, notices, circulars, etc. from the Company electronically.
6. Quorum of the annual general meeting shall be in accordance with Section 103 of the Companies Act, 2013.
7. The Member/Proxies should bring their proxy form and attendance slip, sent herewith, duly filled in, for attending the meeting as mentioned in Annexure A and Annexure B of this notice.
8. In terms of the requirements of the Secretarial Standards -2 on "General Meetings" issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government, Route Map for the location of the aforesaid meeting is enclosed as Annexure C.

BY ORDER OF THE BOARD

N. Peter Palaniswami

Chairman & Managing Director
(DIN 01773066)

Place: Chennai

Date: 23.04.2022

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE.

ITEM NO: 4

The present Authorized Share Capital of the Company is Rs. 16,00,00,000 (Rupees Sixteen Crore) comprising of 160,00,000 (One Crore, Sixty Lakh only) Equity Shares of Rs.10/- each.

Considering the increased fund requirements of the Company, the Board at its Meeting held on 23.04.2022, had accorded its approval for increasing the Authorized Share Capital from Rs. 16,00,00,000 (Rupees Sixteen Crore) to Rs. 21,00,00,000 (Rupees Twenty One Crore) by creation of 50,00,000 (Fifty Lakh) additional equity shares of Rs.10/- each, subject to shareholders approval.

It is therefore proposed to increase the Authorized Share Capital of the Company from Rs. 16,00,00,000 (Rupees Sixteen Crore) to Rs. 21,00,00,000 (Rupees Twenty-One Crore) by creation of 50,00,000 (Fifty lakh only) additional equity share of Rs.10/- each ranking paripassu with the existing Equity Shares in all respects as per the Memorandum and Articles of Association of the Company.

Consequently, Clause V of the Memorandum of Association would also require alteration so as to reflect the changed Authorized Share Capital. The proposal for increase in Authorized Share Capital and amendment of Memorandum of Association of the Company requires approval of members at a general meeting. A copy of the Memorandum of Association of the Company duly amended will be available for inspection in the manner provided in No.4 this Notice.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice.

The Directors recommend the said resolution set out at item no. 4 of this Notice for approval of the Shareholders.

ITEM NO: 5

Mr. Deivasigamani Sridhara Chakravarthi (DIN:09573853) who was appointed as Additional Directors he has submitted declarations that he meets the criteria for independent Directors, as provided under Section 149(6) of the Act. He is recommended for a term of five consecutive years in the year 2022 (up to 2027), He is not liable to retire by rotation. The Board recommends the adoption of this Resolution as a Special Resolution.

None of the Directors of your Company is concerned or interested in this resolution other than Mr. Deivasigamani Sridhara Chakravarthi (DIN:09573853) as an Independent Director of the Company.

The Directors recommend the said resolution set out at item no. 8 of this Notice for approval of the Shareholders.

BY ORDER OF THE BOARD

N. Peter Palaniswami
Chairman & Managing Director
(DIN 01773066)

Place: Chennai
Date: 23.04.2022

ANNEXURE A

FORM No. MGT – 11

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN :

Name of the Company : Nanayasurabhi Affordable Housing Finance Limited

Registered Office : Surabhiagam, No.15, Karunya Garden,12th Cross, Renganagar Extn, Uyyakondan, Thirumalai Vayalur Road , Trichy-620102

Name of the Member (s) :

Registered address :

E-mail id :

Folio No. / Client Id :

DP ID :

I / We, being the member(s) _____ of Nanayasurabhi Affordable Housing Finance Limited, hereby appoint:

1. Name : _____ : _____
 Address : _____
 E-mail Id : _____
 Signature: _____, or failing him / her

2. Name : _____ : _____
 Address : _____
 E-mail Id : _____
 Signature: _____, or failing him/her as my / our proxy

to attend and vote (on a poll) for me / us and on my / our behalf at the 8th Annual General Meeting of the Company, to be held on Friday the 29th Day of July, 2022 at 9.30 A.M, at Surabhiagam, No.15, Karunya Garden, 12th Cross, Renganagar Extn, Uyyakondan, Thirumalai Vayalur Road , Trichy - 620 102

and at any adjournment thereof.

Signed this day of 2021

Affix
Revenue
Stamp
here

Signature of Shareholder

Signature of Proxy Holder (s)

ANNEXURE B

ATTENDANCE SLIP

Proxy Form

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the 8th Annual General Meeting of the Company, Nanayasurabhi Affordable Housing Finance Limited on Friday the 29th day of July 2022 at 9.30.A.M at Surabhiagam, No.15, Karunya Garden, 12th Cross, Renganagar Extn, Uyyakondan, Thirumalai, Vayalur Road , Trichy - 620 102.

Regd. Folio No. _____

Full Name of the Shareholder in Block Letters _____

No. of Share held _____

Name of the representative or proxy (if any) in Block Letters _____

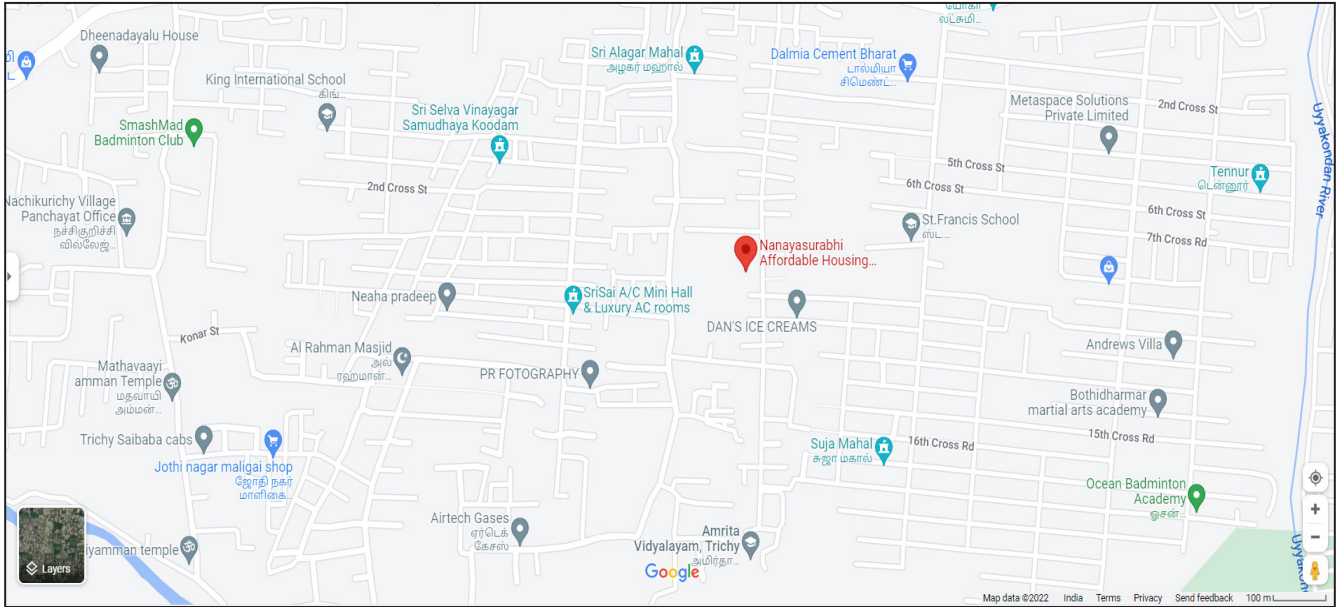
Signature of the Shareholder/Proxy/Representative*

Note:


- Please fill this attendance slip and hand it over at the registration counter.
- Shareholder/Proxy Holder/Auth. Representatives are requested to show their Photo ID proof for attending the meeting.
- This attendance slip is valid only in case shares are held as on the date of the Annual general meeting.

ANNEXURE C

Route Map to the Venue



Surabhiagam, No 15, Karunya Garden 12th Cross, Renganagar Extn,
Uyyakondan Thirumalai, Vayalur Road, Tiruchirappalli-620102, Tamilnadu, India.

 10.810346 N, 78.653252,17 E

NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITED

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CIN: U65990TN2014PLC098180

DIRECTORS' REPORT

To,

The Members,

Your directors have pleasure in presenting their 8th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2022. Your Company, Nanayasurabhi Affordable Housing Finance Limited is a Housing Finance Company (HFC) registered with National Housing Bank (“NHB”) and regulated & controlled by Reserve Bank of India (RBI) and supervised by NHB. Nanayasurabhi Affordable Housing Finance (NHFL) is engaged in providing housing finance to lower income segment of the society.

1. Financial summary or highlights/Performance of the Company (Standalone)

PARTICULARS	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
Income from Operations	63,57,433	21,44,256
Other Income	35,06,919	45,77,810
Total Income	98,64,352	67,22,066
Less: Financial expenses	0	0
Operating profit before Preliminary expenses, Depreciation & Taxation		
Expenditure	92,75,034	68,72,799
Less: Depreciation & Preliminary expenses written off	1,07,793	1,81,599
Profit before Taxation	4,81,525	(3,32,332)
Less : Provision for Taxation		
Current Tax	75,118	0
Deferred Tax	2,05,681	(115,633.17)
Profit after Taxation	200,726	(2,16,699)

2. Dividend

Your directors have not recommended Dividend for the financial year ended 31.3.2022 as the Company is in the developing stage.

3. Reserves

The company is having Free reserves and surplus amount of Rs 22,70,507/-

4. Brief description of the Company's working during the year/State of Company's affair

About Nanayasurabhi Affordable Housing Finance:

Your Company focused on low-income segment having potential growth in affordable housing due to low penetration combined with low competition from banks and housing shortage in rural and semi urban areas.

This is the first year we moved to profit, since beginning of 2019, covid 19 affected much in our target areas well as their livelihoods. However, we are able to make A Profit of Rs 2,00,726, which gives a motivation for us . we mentioned few financial ratios:

Current ratio :	402.96;
Return on equity ratio :	0.16%;
Net profit ratio :	0.02;
Return on capital employed :	0.00314;
Return on investment :	0.16% and
Portfolio (31st March 2022) :	Rs 8,80,16,759.

There are many growth drivers for housing finance. It is reported that higher transparency in the sector, increasing affordability and urbanization, and government incentives will push up the housing finance market over the next five years. Further the housing loan market remains fairly concentrated in top 15 states which account for ~92% of the loan outstanding as of March 2020. Maharashtra tops with the overall share of 23 % followed by Karnataka (10%), Tamil Nadu (10%).

The positive sign that the Government's scheme to provide Housing for All by 2022 and various steps taken to implement it are expected to boost sales of affordable and low-cost housing units. This will, consequently, increase the demand for loans. Under the Housing for all missions, the government has introduced credit-linked subsidy scheme as a demand-side intervention in order to expand institutional credit flow and meet the urban demand.

The management perceives the following opportunities in terms of business growth:

1. Huge untapped market for affordable housing in rural and semi urban areas
2. PMAY (Garmin) subsidy for BLC model, need adequate loan to complete the house in all aspect.
3. Less competition from banks and other HFC'S
4. Digital Technology is a boon for loan disbursement and repayment also.

Growth in the market, in terms of loans outstanding, has come down over the last four years due to the slowdown in economic growth, challenges faced by some HFCs in availing funding after the IL&FS meltdown, and in the more recent past, the onset of the COVID-19 pandemic interest rates continuing to be at attractive levels.

The economy is expected to gradually rebound from the lows touched post COVID-19;

- Government focus on housing and sops being given by some state governments such as lowering stamp duties to aid housing demand.
- Increased supply of affordable homes.
- Rising demand for affordable homes as consumers increasingly work out of Tier 2/3/4 cities in a post-COVID-19 world.
- Preference for owning homes seems to be on the rise in the post-COVID-19 world; and

The company has duly complied with the regulatory and statutory requirements of the Regulators, MCA, Registrar of Companies, Income tax and other departments.

5. Change in the nature of business, if any

There is no change in the nature of the business of the company

6. 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

There have been no material changes and commitments, 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

7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements. (Applicable to Listed Company)

Your Company is a public Limited Company and unlisted and hence adequacy of internal financial controls with reference to Financial Statements per se is not applicable. NHFL's audit committee evaluates and ensures adequacy of internal financial Control and risk management systems and proper financial reporting.

9. Details of Subsidiary/Joint Ventures/Associate Companies

Your Company has no subsidiary/ Joint Ventures/ Associate Companies as on 31st March 2022

10. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

As Your Company has no subsidiary/ Joint Ventures/ Associate Companies this is not applicable.

11. Deposits

Your Company has not invited/ accepted any deposits from the public during the year ended March 31, 2022. There were no unclaimed or unpaid deposits as on March 31, 2022.

12. Statutory Auditors

The Board recommends the appointment of M/s. M. Lakshman & Co., Chartered Accountants (Firm Registration No.001822S), who were appointed as the Statutory Auditors of the Company for a second term until the Eleventh Annual General Meeting.

13. Auditors' Report

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 2020-21, there were no adverse qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors of the Company, during the course of their audits, as per their Auditors' Report and NBFC-HFC (Reserve Bank) Directions 2021 Audit Report respectively, hence there is no clarification required to be provided by the Company.

14. Share Capital

A) Issue of equity shares with differential rights

The Board of Directors shall, inter alia, disclose in the Board's Report for the financial year in which the issue of equity shares the details as provided in rule 4 (4) of Companies (Share Capital and Debentures) Rules, 2014. The company has not issued Equity Shares with differential rights.

B) Issue of sweat equity shares

The Board of Directors shall, inter alia, disclose in the Directors' Report for the year in which such shares are issued, the details as provided in rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014 stating that the Company has not issued any sweat equity shares.

C) Issue of employee stock options

The Board of directors, shall, inter alia, disclose in the Directors' Report for the year, the details as provided in rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 stating that the Company has not issued employee stock options.

D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The company has not made any such provisions for purchase of its own shares by employees or by trustees for the benefit of employees and hence not applicable.

15. Extract of the annual return

The extract of the annual return in Form No. MGT – 9 shall form part of the Board's report

16. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(A) Conservation of energy:

- (i) the steps taken or impact on conservation of energy : **NIL**
- (ii) the steps taken by the company for utilizing alternate sources of energy : **NIL**
- (iii) the capital investment on energy conservation equipment : **NIL**

(B) Technology absorption:

- (i) the efforts made towards technology absorption: **Agreement with Finflux software technology**
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: **NIL**
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : **NIL**
- (iv) the expenditure incurred on Research and Development: **NIL**

(C) Foreign exchange earnings and Outgo:

- Total Foreign Exchange used : **NIL**
- Total Foreign Exchange earned: **NIL**

17. Corporate Social Responsibility (CSR) (applicable to every company having Net worth of rupees five hundred Crore or more, or turnover of rupees one thousand Crore or more or a net profit of rupees five Crore or more during any financial year)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 shall be made. (Format enclosed)

Not Applicable

18. Directors:

A) Changes in Directors and Key Managerial Personnel:

Mrs. Gnanambal Kanagaraj (Independent Director) and Mr. SenthilNathan Varadharajan (Independent Director), Ms. Alli Arumugam and Mr. Kottaisamy Pitchai are Non- Executive Directors, while Mr. N. Peter Palaniswami is the Managing Director of the company. Mr. Deivasigamani Sridhara Chakravarthi (DIN:09573853) (Independent Director) who was appointed as Additional Directors, Dr. Elangovan (Independent Director) has resigned from the Board of Directors duly on 03.02.2022

B) Declaration by an Independent Director(s) and re- appointment if any

Declarations from Mr. Senthil Nathan Varadharajan CA and Smt. Gnanambal Kanagaraj were duly received by the Company. who are holding office of Independent Director, and who have submitted declarations that they meet the criteria for independent Directors, as provided under Section 149(6) of the Act.

Smt. Gnanambal Kanagaraj (DIN: 02881458) not liable to retire by rotation, was re- appointed as Independent Directors for a second term of five consecutive years (up to 2024), subject to approval in the ensuing Annual General Meeting.

Mr. Senthil Nathan Varadharajan CA (DIN: 02023275) not liable to retire by rotation, was appointed as Independent Director in the year 2020 by the shareholders of the company and will hold the independent director position for a term of five consecutive years (up to 2025).

- C) Formal Annual Evaluation as it is** applicable to listed company and every other public company having a paid-up share capital of twenty-five Crore rupees or more calculated at the end of the preceding financial year your company Board shall not require to include a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors. Your Company is a public limited company having less than 25 Crore paid up capital hence the formal annual evaluation of Directors is not applicable.

19. Number of meetings of the Board of Directors

During the financial year 2021-2022, the following Board Meetings were held, details of which are as follows:

S. No.	Date of Board Meeting	Strength of the Board Meeting	No. of Directors attended
1.	29.05.2021	7	7
2.	24.07.2021	7	6
3.	9.10.2021	7	7
4.	29.01.2022	7	6
5.	3.02.2022	7	5
6.	28.03.2022	6	6

- 20. Audit Committee** (Applicable to every listed company and such other class or classes of companies, as may be prescribed) the composition of an Audit Committee to be disclosed and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed along with the reasons there for.

The Company has an Audit Committee with

- i) Dr. S. Elangovan (DIN 02863879)
- ii) Mr. Kottaisamy Pitchai (DIN02738764)
- iii) Mr. Sanjeevarao Nagarajan (DIN 06988343)
- iv) CA. V. Senthilnathan (DIN 02023275) – Chairman.

21. Details of establishment of vigil mechanism for directors and employees

Though unlisted at NHFL the top management is ensuring that vigil mechanism for Directors and employees are being adhered to.

22. Nomination and Remuneration Committee (Applicable to listed companies and such other class or classes of companies, as may be prescribed)

The company has NRC committee with

- i) Mrs. K. Gnanambal (DIN 02881458)
- ii) Ms. A. Alli – Chairperson (DIN07424237)
- iii) Dr. S. Elangovan (DIN 02863879)

23. Risk Management Committee : The Company has a Risk Management Committee (RMC) which is looking after the risk prospective of the company.

The Members of the committee are :

- 1) Mr. S. Nagarajan (DIN:06988343) - chairman
- 2) Dr. S. Elangovan (DIN 02863879)
- 3) Mr. Peter Palaniswami (DIN: 01773066).

24. ALCO Committee: ALCO committee was formed and there is no liability of any pending payment, so there is no mismatch of Assets and liability of the company.

The Members of the committee are :

- 1) Dr. S. Elangovan (DIN: 02863879),
- 2) Mr. Kottaisamy Pitchai (DIN: 02738764)
- 3) Mr Peter Palaniswami (DIN 01773066)- Chairman.

25. Grievance Redressal Committee :

The Company has a Grievance redressal Committee to look after the Grievances of the stakeholders. There were Two complaints, it was resolved within the time frame.

The Members of the committee are :

- 1) Mr. Kottaisamy Pitchai (DIN: 02738764) - Chairman
- 2) Ms. A. Alli – Chairperson (DIN07424237)
- 3) Mr. S. Nagarajan (DIN:06988343)

26. POSH Committee :

The Company has a POSH Committee to look after the compliance of the stakeholders. There were no complaints.

The Members of the committee are :

- 1) Ms. A. Alli – Chairperson (DIN07424237) - Chairman
- 2) Mrs. K. Gnanambal (DIN 02881458)
- 3) Mr. Kottaisamy Pitchai (DIN: 02738764)

27. Particulars of loans, guarantees or investments under section 186

There is no loans, guarantees or investments under section 186 of CA.

28. Particulars of contracts or arrangements with related parties:

There are no materially significant related party transactions (i.e) transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives that may have potential conflict with interest of the company at large.

Not applicable

29. Managerial Remuneration:

- A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

N. Peter Palaniswami : Managing Director Rs 3,50,000/- month.

- (B) Details of every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- (C) Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.

The Managing Director of the company has not received any commission from the company and there is no Holding and subsidiary company, hence it is not applicable

- (D) The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement: —
- (i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
 - (ii) details of fixed component and performance linked incentives along with the performance criteria;
 - (iii) service contracts, notice period, severance fees;
 - (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: NIL

30. Fair Practice Code, KYC norms, Anti Money Laundering standards

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

31. Secretarial Audit Report

The Company is a Public unlisted Company and the paid-up capital is less than 50 crores and the turnover of the company is less than 250 crores, hence not applicable

32. Corporate Governance Certificate (Applicable to Listed Companies)

The Company is a Public unlisted Company hence not applicable

33. Risk management

Risk management forms an integral part of our business. We continue to improve our internal policies and implement them rigorously for the efficient functioning of our business. As a lending institution, we are exposed to various risks that are related to our lending business and operating environment. Our objective in our risk management processes is

to measure and monitor the various risks that we are subject to and to follow policies and procedures to mitigate and address such risks. Our risk management framework is driven by our Board and its sub-committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. We accord the necessary importance to prudent lending practices and have implemented adequate measures for risk mitigation, which include verification of credit history from credit information bureaus, multiple verifications of a customer's business and residence, verification of income and KYC documents submitted by the customer, technical and legal verifications, conservative loan to value, and required term cover for insurance.

34. Fraud Reporting

There has been no instance of any frauds. – NIL.

35. Disclosures Under Sexual Harassment Of Women At Work Place (Prevention, Prohibition & Redressal) Act 2013

There have been no complaints received by the company.

36 Reserve Bank of India (RBI) Regulations/Directions:

As per the powers delegated by the Government of India, the Reserve Bank of India (RBI) vide Notification No. RBI/2019-20/98 DOR NBFC (PD) CC.No.105/03.10.136/2019-20 dated November 11, 2019, the Housing

Finance Companies (HFCs) shall be regulated & controlled by RBI. Further, the RBI also has powers to issue directions, regulations or guidelines for the monitoring and control of Housing Finance companies as and when applicable. The HFCs are also monitored and regulated by RBI through the NHB and /or direct orders issued to the HFCs from time to time.

As per the RBI Circular no. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20, dated March 27, 2020 on Covid - 19 regulatory package, the Company has adopted Policy on Moratorium / deferment (in line with COVID-19 – Regulatory Package released by RBI on March 27, 2020), duly approved by the Board of Directors on 30.06.2020 Further, the requirements pursuant to the latest amendments circulated by Reserve Bank of India vide Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, dated February 17, 2021- Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, are also being complied with by the Company.

There have been no delays in filing the necessary disclosures, returns and necessary forms with respect to Foreign Direct Investment for the year under review. No Fines/Penalties has been levied by the RBI during the year 2021-22.

37.(a) National Housing Bank Regulations:

Your Company is having a valid NHB License for carrying on business of Housing Finance Company, bearing registration certificate No. 05.0179.2019, dated 15/05/ 2019, and further the Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010 and RBI-HFC Directions 2020 issued, as applicable. The Circulars and the Notifications issued by NHB are also placed before the Board of Directors at regular intervals to update the Board members on the compliance of the same. As per the NHB Directions, 2010 and various Circulars/ Guidelines/ Notifications issued thereunder, your Company has

duly complied and submitted all the required monthly/ quarterly/ half yearly NHB reports/ returns, within prescribed time-limit during the FY 2021-22.

Capital Adequacy and Transfer to Special Reserve

As required under National Housing Bank/RBI Directions issued, the Company is required to maintain a minimum capital adequacy of 13% on or before 31st March 2020, 14% on or before 31st March 2021 and 15% on or before 31st March, 2022, on a stand-alone basis. The Company has complied with the applicable provisions of the Reserve Bank Guidelines and Housing Finance Companies- Corporate Governance (National Housing Bank) Directions 2016, other circulars, notifications and guidelines issued by Reserve Bank of India and the National Housing Bank from time to time. Company has made special reserve as per RBI/ NHB Directions.

38. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) 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.

39. Acknowledgements

Your company is grateful for the guidance, support and assistance extended by Reserve Bank of India, National Housing Bank, MCA, Income tax, other Government agencies and shareholders.

For and on behalf of the Board of Directors
Nanayasurabhi Affordable Housing Finance Limited

N. PETER PALANISWAMI
Chairman & Managing Director
(DIN 01773066)

Place: Chennai
Date: 23.04.2022

ANNEXURES FORMING PART OF DIRECTOR'S REPORT:

1. Extracts of Annual Return: **MGT-9**
2. Declaration by Independent Directors: **The Directors have duly furnished their declarations**
3. Company policy on Directors appointment and remuneration including criteria for determining qualifications positive attributes, independence of a Director and other matters Section 178(1).
4. Secretarial Audit report: **Not applicable**
5. Statement evaluation by the Board of its own performance and that of its committees and individual directors: **Not applicable**
6. Details about CSR Policy: **Not applicable**
7. Details of guarantees and investments under the provisions of section 186 of the Companies Act 2013 : **Not applicable**
8. Report under Sexual Harassment policy: No complaints raised hence no reports
9. AOC2: Related Party Transaction: **NIL**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 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	U65990TN2014PLC098180
ii.	Registration Date	25/11/2014
iii.	Name of the Company	Nanayasurabhi Affordable Housing Finance Limited
iv.	Category/Sub-Category of the Company	Indian, Non-Government Company
v.	Address of the Registered office and contact details	Surabhiagam, No 15, Karunya Garden, 12th Cross, Renganagar Extn, Uyyakondan Thirumalai, Vayalur Road, Trichy - 620102
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, If any	Surabhiagam, No 15, Karunya Garden, 12th Cross, Renganagar Extn, Uyyakondan Thirumalai, Vayalur Road, Trichy - 620102

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:

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

	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Housing Finance	65	0

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.	NIL	NIL	NIL	NIL	NIL
2.	NIL	NIL	NIL	NIL	NIL
3.	NIL	NIL	NIL	NIL	NIL
4.	NIL	NIL	NIL	NIL	NIL

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total equity)

i. Category-wise Shareholding

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	1494000	Nil	1494000	14.76	1394000	Nil	1394000	11.05	3.71
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
d) Bodies Corp	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Sub-total(A)(1):-	1494000	Nil	1494000	14.76	1394000	Nil	1394000	11.05	3.71
2) Foreign									
g) NRIs- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
h) Other- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
i) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
j) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
k) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Sub-total(A)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
B. Public Shareholding									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
d) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Sub-total(B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

2. Non Institutions									
a) Bodies Corp.									
(i) Indian		4000000	4000000	39.52	Nil	4000000	4000000	31.70	7.82
(ii) Overseas	NIL								
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	NIL	1500	1500	0.015	Nil	1500	1500	0.015	Nil
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4574000	50000	4624000	45.69	7174000	50000	7224000	57.24	11.55
c) Others(Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(B)(2)	4574000	4051500	8625500	85.22	7174000	4051500	11225500	88.95	19.37
d) Others(Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(B)(2)	4574000	4051500	8625500	85.22	7174000	4051500	11225500	88.95	19.37
Total Public Shareholding (B)=(B)(1)+(B)(2)	4574000	4051500	8625500	85.22	7174000	4051500	11225500	88.95	19.37
Grand Total (A+B+C)	6068000	4051500	10119500	100	8568000	4051500	12619500	100	

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Peter Palaniswami	1494000	14.76	Nil	1394000	11.05	NIL	3.71
2.								
3.								
	Total	1494000	14.76	Nil	1394000	11.05	NIL	3.71

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

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1494000	14.76	1394000	11.05
	Date wise Increase in Promoters Share holding during the year specifying the reasons for increase Allotment	NIL	NIL	NIL	NIL
	At the End of the year	1494000	14.76	1394000	11.05

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	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not-paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil

IV. 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 MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of these Income-tax Act, 1961 (b) Value of perquisites/s 17(2)Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Mr. N. Peter Palaniswami Managing Director				Rs.42,00,000
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission - as% of profit - others, specify...		NIL	NIL	NIL	NIL
5.	Others, please specify		NIL	NIL	NIL	NIL
6.	Total (A)		NIL	NIL	NIL	42,00,000
	Ceiling as per the Act		NIL	NIL	NIL	NIL

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Independent Directors – Fee for attending board, committee meetings – Commission – Others, please specify	1,50,000	NIL	NIL	1,50,000
	Total (1)	1,50,000	NIL	NIL	1,50,000
	Other Non-Executive Directors – Fee for attending board committee meetings – Commission – Others, please specify	1,70,000	NIL	NIL	1,70,000
	Total(2)	1,70,000	NIL	NIL	1,70,000
	Total(B) = (1+2)	3,20,000	NIL	NIL	3,20,000
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		MD	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	42,00,000	3,00,000	4,28,040	49,28,040
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission - as% of profit - others, specify...				
5.	Others, please specify	NA	NA	NA	NA
6.	Total	42,00,000	3,00,000	4,28,040	49,28,040

V. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

NIL

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

C. Other Officers In Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors
Nanayasurabhi Affordable Housing Finance Limited

N. Peter Palaniswami
Chairman & Managing Director
(DIN: 01773066)

Place : Chennai
Date: 23.04.2022



M. LAKSHMAN & CO.
Chartered Accountants.,
FRN 001822S

“Bharani Residency”
15, Vathukara Street
Woraiyur, Trichy – 620 003
Ph: 0431-4023887
trymlco@gmail.com

INDEPENDENT AUDITOR’S REPORT

To the Members of **M/s NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITED (NHFL)**

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITED**

(NHFL) (“the Company”) which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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.

In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give a true and fair view

In order to design audit procedures that are Appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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 financial controls 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.
- Evaluate the overall presentation, structure and content of the standalone 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 standalone 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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2022; and

(b) in the case of the Profit and Loss Account, of the loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 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 written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M. Lakshman & Co.,
Chartered Accountants.,

S. SENTHIL KUMAR

Partner

FRN 001822S M No. 215250

UDIN : 22215250AKCZXH7104

Place : Trichy

Date:23/04/2022

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Statements for the year ended 31 March 2022, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification are not material and have been properly dealt within the books of accounts. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given thousand on the basis of our examination of the records of the Company, the company is not having any immovable property.
- ii) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii) of the said Order are not applicable to the Company.
- iii) No proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- iv) (a) According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provision of Clause 3(iii)(a) of the said order is not applicable to the Company.
- (b) The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the order are not applicable.
- v) According to the information and explanations given to us, Company has not accepted any deposits to which directives of National Housing Bank and provisions of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder apply. Accordingly, the provisions of clause 3(v) of the said Order are not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues income-tax, GST, and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax and GST which have not been deposited with the appropriate authorities on account of any dispute.

- viii) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, National Housing Bank or debenture holders during the year
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations provided to us the Company has not applied term loans for the purpose for which the loans were obtained.
- x) The company has issued 25,00,000 equity shares as under private placement to three individuals at the face value of Rs. 10/- amounting to Rs. 2,50,00,000/- with premium of Rs. 2,50,00,000/- during this year.
- xi) According to the information and explanations given to us, no fraud by the Company or on the Company by its other officers or employees has been noticed or reported during the course of our audit.
- xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xiii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable. The company is a Non-Banking Financial Institution; however, it has been exempted from the requirement of registration under section 45IA of the Reserve Bank of India Act, 1934. Since, the company is registered under National Housing Bank (NHB) Act, 1987 and regulated by the directions issued by the National Housing Bank and Reserve bank of India – HFC Directions 2021.

For M. Lakshman & Co.,
Chartered Accountants.,

S. SENTHIL KUMAR
Partner
FRN 001822S M No. 215250

UDIN : 22215250AKCZXH7104

Place : Trichy

Date:23/04/2022



M. LAKSHMAN & CO.
Chartered Accountants.,
FRN 001822S

“Bharani Residency” 15, Vathukara Street
Woraiyur, Trichy – 620 003
Ph: 0431-4023887 Email: trymlco@gmail.com

COMPLIANCE REPORT

To

The Board of Directors,

Nanayasurabhi Affordable Housing Finance Limited (NHFL),
Surabhiagam , No 15 Karunya Garden,
12th Cross, Renganagar Extn, Uyyakondan Thirumalai,
Vayalur Road, Trichy – 620 012.

**Ref : Non-Banking Financial Company – Housing Finance Company
(Reserve Bank) Directions, 2021**

Pursuant to Paragraph 2 & 3 of Housing Finance Companies – Auditor’s Report (National Housing Bank) Directions, 2016 as specified in Notification No. NHB.HFC.AR DIR.1/MD&CEO/2016 dated 3rd February, 2017 and NHB (ND)/DRS/ REG/MC-05/2019 dated July 2, 2018 in respect of Nanayasurabhi Affordable Housing Finance Limited (NHFL (the “Company”) for the year ended 31.03.2022.

Management’s Responsibility

The Management is responsible for the design and implementation of the internal procedures, systems, processes and controls to ensure compliance with the NHB Directions on an ongoing basis. This responsibility also includes reporting non- compliances, if any, to the National Housing Bank, Board of the Company and its Audit Committee.

Auditors’ Responsibility

Our responsibility is to report on the matters specified in Paragraph 3 of Housing Finance Companies - Auditors Report (National Housing Bank) Directions, 2016 based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether there are any identified non-compliances. An audit involves performing procedures to obtain audit evidence about the compliance with the NHB Directions. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the information and records, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company’s compliance with the NHB Directions in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our certificate.

We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates issued for Special Purpose by the Institute of Chartered Accountants of India.

Conclusion

Based on our examination of the books and records of the Company as produced for our examination and the information & explanations provided to us, we report that:

- i. The company has obtained certification of registration as required under Section 29 A of the

National Housing Bank Act, 1987 and has been granted the Certificate of Registration vide No. 05.179.19 dated 15th May 2019.

- ii. The Company has complied with Net Owned Fund (NOF) requirement as prescribed under Section 29A of the National Housing Bank Act, 1987 and RBI Master Directions of HFC 2021.
- iii. The Company has complied with Section 29 C of the National Housing Bank Act, 1987.
- iv. The Company has passed a resolution dated 25-03-2017 for non-acceptance of any public deposits.
- v. The Company has not accepted any public deposits during the year and compliance of section 29B of the NHB act and the requirements as specified in the paragraph 40 and 42 of RBI directions does not arise.
- vi. The company has not borrowed loan from any one during this year. The compliance referred in clauses (iii) to (vii) of sub-section 9(bb) of Section 45 I of the Reserve Bank of India Act, 1934 (2 of 1934) does not arise.
- vii. The Company has complied with the provisions of RBI Directions 2021.
- viii. The capital adequacy ratio as disclosed in the return submitted to the National Housing Bank has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) as prescribed by the National Housing Bank in the Directions.
- ix. The Company has filed the Schedule- II return as specified in the National Housing Bank Directions for the half year ending 30th September, 2021 respectively within the stipulated due dates.
- x. The Company has not required to file Schedule-III return on Statutory Liquid Assets to the National Housing Bank.
- xi. The Company has not opened any branch during this year.
- xii. The Company has complied with Para 38 & Para 38A of Housing Finance Companies (NHB) Directions, 2010.
- xiii. The company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in these directions.

Restriction of use

This report is issued pursuant to the requirement as per Paragraph 2 and 3 of the Directions and should not be used by any other person or for any other purpose. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For M. Lakshman & Co.,
Chartered Accountants.,

S. Senthil Kumar

Partner

FRN 001822S M.No. 215250

UDIN : 22215250AKCZXH7104

Place : Trichy

Date:23/04/2022.



M. LAKSHMAN & CO.
Chartered Accountants.,
FRN 001822S

“Bharani Residency”
15, Vathukara Street
Woraiyur, Trichy – 620 003
Ph: 0431-4023887
trymlco@gmail.com

STATUTORY AUDITORS' CERTIFICATE (SAC)

We have examined the books of accounts and other records of Nanayasurabhi Affordable Housing Finance Limited for the Financial Year ending March 31, 2022 On the basis of the information submitted to us, we certify the following:

SN	Particulars	Details
1.	Name of the company	Nanayasurabhi Affordable Housing Finance Limited
2.	Certificate of Registration No.	05.0179.19
3.	Registered office Address	No.15, Surabhiyagam, 12th Cross, Renga Nagar, Uyyakondan Thirumalai, Vayalur Road Srirangam Taluk, Tiruchirapalli District, Pin 620102 Tamilnadu
4.	Corporate office Address	No.15, Surabhiyagam, 12th Cross, Renga Nagar, Uyyakondan Thirumalai, Vayalur Road Srirangam Taluk, Tiruchirapalli District, Pin 620102 Tamilnadu
5.	The HFC has been identified by RBI under the layer: <i>(As per the Framework for Scale Based Regulation for Non-Banking Financial Companies issued by RBI)</i>	Middle Layer
6.	Net Owned Fund (in ₹ Crore)	Rs 15.24
7.	Total Assets (in ₹ Crore)	Rs 15.38
8.	Asset-Income Pattern (NBFC):	
	a) % of financial assets to total assets (Netted off by intangible assets)	a) 57.65%
	b) % of income from financial assets to the gross income.	b) 64.45%

9.	Principal Business Criteria (HFC): a) % of housing finance to total assets (netted off by intangible assets). b) % of housing finance for individuals to total assets (netted off by intangible assets). In terms of Paragraph 4.1.17. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve	a) 52.77% b) 44.58%
10.	Whether the company was holding any Public Deposits, as on March 31, 2022	No
11.	Has the company transferred the prescribed amount from its Net Profit for the year to Reserve Fund? (in terms of Sec 29C of the NHB Act, 1987)	Yes, Rs 40,145/- has been transferred in terms of Sec 29C of the NHB Act 1987.
12.	Has the company received any FDI? If yes, did the company comply with the minimum capitalization norms for the FDI?	No
13.	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI?	No

- In terms of Chapter XII of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, a separate report to the Board of Directors of the company has been prepared.
- We have read and understood the provisions of Paragraph 72 of Chapter XII of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
- We have examined the books of accounts and other records maintained by the company in respect of the data furnished in this Certificate and confirm that to the best of our knowledge and according to the information and explanations given to us and shown by the records examined by us, the data furnished in this Certificate are correct.

For M. Lakshman & Co.,
Chartered Accountants.,

S. SENTHIL KUMAR

Partner

FRN 001822S M No. 215250

UDIN : 22215250AKCZXH7104

Place : Trichy

Date:23/04/2022

NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITED

SURABHIAGAM, NO.15. KARUNYA GARDEN, 12TH CROSS, RENGANAGAR EXTN.,
UYYAKONDAN THIRUMALAI, VAYALUR ROAD, TRICHY - 620 102. TAMIL NADU.

BALANCE SHEET AS AT 31.03.2022

PARTICULARS	SCHEDULE NO.	AS AT 31.03.2022	AS AT 31.03.2021
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Authorized capital		16,00,00,000	12,00,00,000
(b) Share Capital (Issued and fully Paid)	1	12,61,95,000	10,11,95,000
(c) Share premium		2,50,00,000	
(d) Reserves & Surplus	2	22,70,507	21,09,926
(e) Statutory reserve		40,145	
(2) Non Current Liabilities			
(a) Long Term Borrowings			
(b) Deferred Tax Liabilities (Net)		(94,828)	(3,00,509)
(3) Current Liabilities			
(a) Short Term Borrowings			
(b) Trade Payables			
(c) Other Current Liabilities	3	3,72,391	1,09,338
(d) Short Term Provisions			
	Total	15,37,83,215	10,31,13,756
ASSETS			
(1) Non- Current Assets			
(a) Fixed Assets	4	5,85,141	6,92,934
(b) Non- Current Investments			
(c) Long Term Loans and Advances			
(d) Other Non-Current Assets	5	33,25,058	30,18,235
(2) Current Assets			
(a) Current Investments			
(b) Inventories			
(c) Loan portfolio	6	8,80,16,759	2,06,92,805
(d) Cash and Cash Equivalents	7	6,18,56,257	7,87,09,782
(e) Short Term Loans and Advances			
		15,37,83,215	10,31,13,756

For and on behalf of NHFL

Managing Director

Director

Company Secretary

Chief Financial Officer

As per our report of even date
For M. Lakshman & Co.,

(S. Senthil Kumar)
Chartered Accountant,
Partner
FRN : 001822S M No. 215250

Date : 23/04/2022
(UDIN:22215250AKCZXH7104)

Place : Trichirappalli Date : 23/04/2022

NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITED

SURABHIAGAM, NO.15. KARUNYA GARDEN, 12TH CROSS, RENGANAGAR EXTN.,
UYYAKONDAN THIRUMALAI, VAYALUR ROAD, TRICHY - 620102. TAMIL NADU

SCHEDULES TO BALANCE SHEET AS ON 31.03.2022

SCHEDULE "1" - SHARE CAPITAL

PARTICULARS	31.03.2022	31.03.2021
Authorised Share Capital	16,00,00,000	12,00,00,000
Issued, Subscribed & Paid Share Capital		
12619500 Equity Shares of Rs 10 each	12,61,95,000	10,11,95,000
TOTAL	12,61,95,000	10,11,95,000

SCHEDULE "2" - RESERVES AND SURPLUS

d. GENERAL RESERVE

PARTICULARS	31.03.2021	31.03.2020
Profit and Loss A/c		
Opening Balance	21,09,926	23,26,626
Add: Current year Profit	2,00,726	(2,16,700)
Less: Statutory Reserve Sec 29Cof NHB	40,145	
TOTAL	22,70,507	21,09,926

Notes: Reserves and surplus includes the amount of opening balance in Profit and Loss added by the current year surplus.

e. STATUTORY RESERVE SEC 29C OF NHB

PARTICULARS	31.03.2021	31.03.2020
Opening Balance	-	
Add: Statutory Reserve Sec 29Cof NHB - Current year	40,145	-
TOTAL	40,145	-

Notes: Reserves and surplus includes the amount of opening balance in Profit and Loss added by the current year surplus.

SCHEDULE "3" - OTHER CURRENT LIABILITIES

PARTICULARS	31.03.2022	31.03.2021
Audit Fees	-	50,000
Provision for STD assets	2,93,754	51,710
Other Payable	78,637	2,628
TDS Payable		5,000
TOTAL	3,72,391	1,09,338

Notes: Other current liabilities are the amounts unpaid during the year for various purposes listed above.

SCHEDULE - "4" DEPRECIATION SCHEDULE FOR THE YEAR ENDED 31.03.2021

Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	As on 31.03.2021	Addi- tions	Sales/ Deletion	As on 31.03.2021	As at 31.03.2021	For the year	Sales/ Deletion	written off	As at 31.03.2022	W.D.V as on 31.03.2021	W.D.V as 31.03.2022
Innova car-2020	8,26,002	-	-	8,26,002	1,33,068	1,07,793	-	-	2,40,861	6,92,935	5,85,141
	8,26,002	-	-	8,26,002	1,33,068	1,07,793	-	-	2,40,861	6,92,935	5,85,141

SCHEDULE "5" - OTHER NON CURRENT ASSETS

PARTICULARS	31.03.2022	31.03.2021
Preliminary expenses	11,07,571	12,30,634
TDS	4,86,054	3,46,594
Rental Advance	5,15,000	5,15,000
Staff Advance	11,56,897	4,00,000
Accrued Interest	59,536	5,26,007
TOTAL	33,25,058	30,18,235

Notes: Trade receivables outstanding at the end of the financial year.

SCHEDULE "6" - LOAN PORTFOLIO

PARTICULARS	31.03.2022	31.03.2021
Loan Portfolio	8,80,16,759	2,06,92,805
TOTAL	8,80,16,759	2,06,92,805

Loans given by the company are secured by Equitable Mortgage deeds.

SCHEDULE "7" - CASH AND CASH EQUIVALENTS

PARTICULARS	31.03.2022	31.03.2021
Fixed Deposit	1,30,00,000	7,80,00,000
Cash at Bank	4,85,93,192	5,31,651
Cash in hand	2,63,065	1,78,131
TOTAL	6,18,56,257	7,87,09,782

Notes: Cash and Cash equivalents includes the amount of cash held in hand, cash at banks at the end of the financial year.

NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITEDSURABHIAGAM, NO.15. KARUNYA GARDEN, 12TH CROSS, RENGANAGAR EXTN.,
UYYAKONDAN THIRUMALAI, VAYALUR ROAD, TRICHY - 620102. TAMIL NADU**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31ST MAR 2022**

Particulars	Note No.	As on 31.03.2022	As on 31.03.2021
I Revenue from operations	8	63,57,433	21,44,256
II Other Income	9	35,06,919	45,77,810
III Total Revenue (I +II)		98,64,352	67,22,066
IV Expenses:			
Cost of goods sold			
Employee benefit expenses	10	57,12,420	47,79,900
Financial costs			
Depreciation and amortization expense		1,07,793	1,81,599
Other expenses	11	35,62,614	20,92,899
Total Expenses		93,82,827	70,54,398
V Profit before exceptional and extraordinary items and tax		4,81,525	(3,32,332)
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V - VI)		4,81,525	(3,32,332)
VIII Extraordinary Items			
IX Profit before tax (VII - VIII)		4,81,525	(3,32,332)
X Tax expense:			
(1) Current tax		75,118	
(2) Deferred tax		2,05,681	(1,15,633.17)
XI Profit(Loss) from the period from continuing operations		2,00,726	(2,16,699)
XII Profit/(Loss) from discontinuing operations			
XIII Tax expense of discontinuing operations			
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)			
XV Profit/(Loss) for the period (XI + XIV)		2,00,726	(2,16,699)
XVI Earning per equity share:			
(1) Basic			
(2) Diluted			

For and on behalf of NHFLAs per our report of even date
For M. Lakshman & Co.,

Managing Director

Director

(S. Senthil Kumar)Chartered Accountant,
Partner

Company Secretary

Chief Financial Officer

FRN : 001822S M No. 215250

Place : Trichirappalli Date : 23/04/2022

Date : 23/04/2022
(UDIN:22215250AKCZXH7104)

NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITED

SURABHIAGAM, NO.15. KARUNYA GARDEN, 12TH CROSS, RENGANAGAR EXTN.,
UYYAKONDAN THIRUMALAI, VAYALUR ROAD, TRICHY - 620102. TAMIL NADU

SCHEDULES PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS AT 31.03.2022

SCHEDULE - "8" REVENUE FROM OPERATIONS

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
Interest from Borrower	52,40,258	17,02,056
Processing Fee	9,02,875	2,46,700
Documentation Charges	2,14,300	1,32,500
Annual Inspection		63,000
TOTAL	63,57,433	21,44,256

SCHEDULE - "9" OTHER INCOME

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
Interest On Bank Deposit	34,86,177	45,62,999
Interest for Covid 19 - SBI		14,811
Interest from Income tax	20,742	
TOTAL	35,06,919	45,77,810

SCHEDULE - "10" EMPLOYEE BENEFIT EXPENSES

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
Directors salary	42,00,000	37,70,000
Staff salary	15,12,420	10,09,900
TOTAL	57,12,420	47,79,900

SCHEDULE - "11" OTHER EXPENSES

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
Rent	10,14,000	9,95,000
Travelling Expenses	86,696	44,420
Administration Expenses	98,719	14,197
Board Meeting & Travel	4,67,155	1,89,000
Preliminary expenses Written off	1,23,063	1,36,737

Company Secretary	1,80,000	1,76,625
Field Survey	2,33,133	50,000
Advertisement	24,635	24,256
Vehicle Insurance	26,627	-
NSDL	45,000	45,000
CIC Membership	20,000	13,525
Website	12,789	-
Electricity Charges	62,772	68,800
Auditor Fees	63,000	59,000
Internal Auditor Fees	15,000	-
Welfare	75,863	56,413
House Keeping	1,70,000	8,971
Share Valuation	53,100	-
Repair & Renovation	17,818	-
360 degree info software	-	3,000
Integrated Data management	4,684	1,020
Printing	12,071	3,185
Telephone	25,298	36,056
ROC Expenses	3,59,572	10,521
Fuel & Maintenance	11,721	51,281
Stationaries	3,593	3,561
Insurance	-	14,209
Cameo Corporate	10,000	10,000
Computer Service	36,438	30,556
Postage	1,856	1,179
Periodicals	4,630	5,295
Bank Charges	61,337	3,022
Provision for STD assets	2,42,044	38,070
TOTAL	35,62,614	20,92,899

NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITED

SURABHIAGAM, NO.15. KARUNYA GARDEN, 12TH CROSS, RENGANAGAR EXTN.,
UYYAKONDAN THIRUMALAI, VAYALUR ROAD, TRICHY - 620102. TAMIL NADU

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022

CASH FLOW FROM OPERATING ACTIVITY	2022	2021
Net Loss as per Profit & Loss A/c	2,00,726	(2,16,700)
Add: Depreciation	1,07,793	1,81,599
Change in Working Capital		
Other Current liabilities	2,63,053	53,037
Deffered Tax	2,05,681	(1,15,633)
Proceeds from Other Non Current Assets	(3,06,823)	(8,62,176)
Issued to Loan Portfolio	(6,73,23,954)	(1,52,36,890)
Cash Generated from Operations	(6,68,53,525)	(1,61,96,763)
Net Cash flow from Operating Activity	(6,68,53,525)	(1,61,96,763)
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of fixed assets		(27,118)
Net cash flow from Investing activity	-	(27,118)
CASH FLOW FROM FINANCING ACTIVITY		
Proceeds from Share Premium	2,50,00,000	-
Issue of Share Capital	2,50,00,000	-
Net Cash flow from Financing Activities	5,00,00,000	-
Net Increase/(Decrease) in cash & Cash Equivalents	(1,68,53,525)	(1,62,23,881)
Cash at the Beginning of the year	7,87,09,782	9,49,33,662
Cash at The end of the year	6,18,56,257	7,87,09,782

For and on behalf of NHFL

Managing Director

Director

Company Secretary

Chief Financial Officer

Place : Trichirappalli Date : 23/04/2022

NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITED (NHFL)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 : SALIENT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS Accounting Year - 2021-22

A. SALIENT ACCOUNTING POLICIES

1 Basis of Preparation:

The financial statements of the Company have been prepared on going concern basis in accordance with 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 paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies have been consistently applied by the Company and are consistent with those of previous year.

2 Summary of significant accounting policies

a Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

b Tangible Fixed Assets

Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and

maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

The costs of tangible assets not ready for intended use before such date are disclosed under capital work-in-progress.

c Intangible Fixed Assets

The company does not have any intangible asset.

d Depreciation

Depreciation on fixed assets is calculated on a written down value method using the rates arrived at based on the useful lives estimated by the management, as prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use.

The appropriateness of depreciation/amortization period and depreciation/amortization method is reviewed by the management in each financial year.

e Impairment of tangible and intangible assets

The Company reviews the carrying amounts of assets at each balance sheet date to ascertain if there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognized wherever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is 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 impairment loss recognized in the prior accounting period is reversed if there is change in the estimate used to determine the recoverable amount. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

f Inventories

NIL

g Income Tax

"Tax expense comprises current tax. Current tax is provided for on the taxable profits of the year at applicable tax rates."

h Revenue recognition

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. The following specific recognition criteria must also be met before revenue is recognized:

Other Operating Income: Revenue from other sources have been recognized on accrual basis.

Interest Income: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

i Government grants, subsidies and export incentives

The company has not received any Government Grants during this year.

j Foreign currency translation is NIL.**k Employee benefits**

Salaries, wages and bonuses are accrued in the year in which the associated services are rendered by employees of the Company. Other employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits. The Company's contribution to provident fund and superannuation fund are charged as an expense as they fall due based on the amount of contribution required to be made.

l Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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 year are adjusted for the effects of all dilutive potential equity shares.

m Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions 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 are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

n Contingent liabilities

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o Cash & 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.

B NOTES ON ACCOUNTS:

- 1 Parties' closing balances are subject to confirmation and /or reconciliation however, the Company has adopted a system to ascertain the balance confirmation on periodical basis and any consequential adjustments, presently unascertainable, shall be accounted for as and when these accounts are reconciled / settled.
- 2 In the opinion of board, all current assets including sundry debtors, loans and advances, etc. are recoverable in the ordinary course of business and would realize the value as stated. Further, in the opinion of board, the provisions for depreciation and all known liabilities are adequate and are not in excess of the amount reasonably necessary.
- 3 Year end Cash on hand is taken as verified and certified by management.
- 4 Information on related party transactions is Managing Director Salary Rs.42,00,000/-
- 5 Employee benefit under AS - 15 -The company has not made any provision for the Gratuity.
- 6 Previous year's figures have been regrouped/ reclassified wherever considered necessary to correspond with the current year's classification / disclosure.
- 7 Deferred Tax for the year ended:

Opening Deferred Tax(Asset)		(3,00,509)
Depreciation as per Accounts	1,07,793	-
Depreciation as per Income tax	1,03,014	-
Depreciation Difference	4,779	1,243
Previous year Loss adjusted	7,86,302	2,04,439
Tax Deferred		(94,828)

- 8 As per AS-20, Calculation of EPS for the year ended:

Basic earnings per share are computed by dividing of Net Profit after tax for the year after prior period adjustments attributable to equity Shareholders by the number of Equity Shares at the end of the year.

	Particulars	31.03.2022	31.03.2021
A	Net Profit as per P&L A/c	2,00,726	(2,16,699)
B	No. of Shares	1,26,19,500	1,01,19,500
	Basic & Diluted EPS	0.02	

DECODING AMENDMENTS TO SCHEDULE III OF COMPANIES ACT, 2013

1. Promoter's Shareholding.

Sl.No	Promoter Name	Number of Shares held at as on 31/03/2021	Number of Shares held at as on 31/03/2022
01	Peter Palaniswami	1494000	1394000

2. Statement of changes in Equity

STATEMENT OF CHANGES IN EQUITY

Name of the Company: *Nanayasurabhi Affordable Housing Finance Limited*

A. Equity Share Capital

1) Current Reporting Period

Balance at the beginning of the current reporting period	Rs 10,11,95,000
Changes in Equity Share Capital due to prior period errors	
Restated balance at the beginning of the current reporting period	
Changes in equity share capital during the current year	Rs 2,50,00,000
Balance at the end of the current reporting period	Rs 12,61,95,000

(2) Previous Reporting period

Balance at the beginning of the Previous reporting period	Rs 10,11,95,000
Changes in Equity Share Capital due to prior period errors	Nil
Restated balance at the beginning of the Previous reporting period	Nil
Changes in equity share capital during the previous year	Nil
Balance at the end of the Previous year end	Rs 10,11,95,000

3. Trade Receivables

The amendment brought in schedule 3 requires extensive additional categorization of trade receivables and also requires the ageing of trade receivable in 5 different categories. *As per the amendment, following additional categorization needs to be done apart from the sub-classification done currently.*

PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	NIL				
(ii) Undisputed Trade Receivables – which have significant increase in credit risk					
(iii) Undisputed Trade Receivables – credit impaired					
(iv) Disputed Trade Receivables– considered good					
(v) Disputed Trade					
(vi) Receivables – which have significant increase in credit risk					
(vii) Disputed Trade Receivables – credit impaired					

where no due date of payment is specified in that case disclosure shall be from the date of the transaction. Unbilled dues shall be disclosed separately.

4. Other Financial Assets

The amendment requires that other financial assets shall include:

- | | |
|---|----------------|
| (i) Security deposits (Building Advance). | Rs 5,15,000.00 |
| (ii) Bank deposits with more than 12 months maturity. | Nil |
| (iii) Others (to be specified) | |

5. Current Maturities of Long-term Debts

Ind AS Schedule III requires presenting “current maturities of long-term debt” under “Other Financial Liabilities” grouped under “Current Liabilities”. As per Amendment, Current maturities of long-term borrowings shall be disclosed under “Short term borrowings” separately, namely: “Current maturities of long- term borrowings”.

NIL

6. Trade payables

Trade payables were required to be segregated into dues of micro enterprises and small enterprises (MSME) and other than micro enterprises and small enterprises. Schedule III also required disclosure of specific details which are mandated as per the MSMED Act, 2006. As per Amendment, additional classification of the above are to be given and also the ageing of the same into 4 categories.

PARTICULARS	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
MSME	NIL			
Others				
Disputed dues – MSME				
Disputed dues – Others				
Total				

7. Disclosure of Ratios

Current ratio	:	402.96
Debt-Equity ratio	:	NIL
Debt service coverage ratio	:	Not Applicable
Return on equity ratio	:	0.16%
Inventory turnover ratio	:	Not Applicable
Trade receivables turnover ratio	:	Not Applicable
Trade payables turnover ratio	:	Not Applicable
Net capital turnover ratio	:	Not Applicable
Net profit ratio	:	0.02
Return on capital employed	:	0.00314
Return on investment	:	0.16%

8. Details of Crypto currency or virtual currency

a) Profit or loss on transactions involving crypto currency or virtual currency:	Nil
b) Amount of currency held as at the reporting date:	Nil
c) Deposits or advances from any person for the purpose of trading or investing in crypto currency/ virtual currency -	Nil

9. Undisclosed Income

The Company shall give details of any transaction 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), unless there is immunity for disclosure under any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.

NIL

10. Rounding Off

Currently, depending upon the turnover of the company, the figures appearing in the financial statements are required to be rounded off. As per amendment, depending upon the total income of the company, the figures appearing in the financial statements are required to be rounded off. Total income is sum of revenue from operations and other income.

RBI MASTER DIRECTIONS – HFC – ANNEX III OF SCHEDULE TO THE BALANCE SHEET OF AN NHFL

LIABILITIES SIDE

Particulars		(₹ in crore)	
		Amount outstanding	Amount overdue
(1)	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:	Nil	Nil
(a)	Debtentures : Secured	Nil	Nil
	: Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits*)	Nil	Nil
(b)	Deferred Credits	Nil	Nil
(c)	Term Loans	Nil	Nil
(d)	Inter-corporate loans and borrowing	Nil	Nil
(e)	Commercial Paper	Nil	Nil
(f)	Public Deposits*	Nil	Nil
(g)	Other Loans (specify nature)	Nil	Nil
* Please see Note 1 below			
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a)	In the form of Unsecured debtentures	Nil	Nil
(b)	In the form of partly secured debtentures i.e. debtentures where there is a shortfall in the value of security	Nil	Nil
(c)	Other public deposits	Nil	Nil
* Please see Note 1 below			

ASSETS SIDE

(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:

		Amount outstanding
(a)	Secured	8.80
(b)	Unsecured	0.00

(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities

		Amount outstanding
(i)	Lease assets including lease rentals under sundry debtors	
	(a)	
	(b) Operating lease	Nil
(ii)	Stock on hire including hire charges under sundry debtors	Nil
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
(iii)	Other loans counting towards asset financing activities	
	(a) Loans where assets have been repossessed	Nil
	(b) Loans other than (a) above	Nil

(5) Break-up of Investments*Current Investments*

		Amount outstanding
1. QUOTED		
(i)	Shares	Nil
	(a) Equity	Nil
	(b) Preference	Nil
(ii)	Debentures and Bonds	Nil
(iii)	Units of mutual funds	Nil
(iv)	Government Securities	Nil
(v)	Others (please specify)	Nil
2. UNQUOTED		
(i)	Shares	Nil
	(a) Equity	Nil
	(b) Preference	Nil
(ii)	Debentures and Bonds	Nil
(iii)	Units of mutual funds	Nil
(iv)	Government Securities	Nil
(v)	Others (please specify)	Nil

Long Term investments

	Amount outstanding
1. QUOTED	
(i) Shares	Nil
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
2. UNQUOTED	
(i) Shares	Nil
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	Nil	Nil
Total	Nil	Nil	Nil

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : (Please see Note 3 below)

Category		Amount net of provisions	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2.		Nil	Nil
	Total	Nil	Nil

(8) Other Information

Particulars		Amount
(i)	Gross Non-Performing Assets	Nil
	(a)	Nil
	(b)	Nil
(ii)	Net Non-Performing Assets	Nil
	(a)	Nil
	(b)	Nil
(iii)	Assets acquired in satisfaction of debt	Nil

Notes:

- As defined in Paragraph 4.1.30 of these Directions. : **NIL**
- Provisioning norms shall be applicable as prescribed in these Directions: **NIL**
- As per applicable Accounting Standards including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above: **NIL**





NANAYASURABHI AFFORDABLE HOUSING FINANCE LIMITED

REGISTERED OFFICE:

Surabhiagam, No.15. Karunya Garden, 12th Cross,
Renganagar Extn., Uyyakondan Thirumalai, Vayalur Road,
Trichy - 620 102. Tamil Nadu.

Tel :0431-2782220/4220948 E-Mail: admin@nhflindia.com (or) nhfl.india@gmail.com

Website: www.nhflindia.com

CIN: U65990TN2014PLC098180