ANNUAL REPORT OF SARVODAYA NANO FINANCE LIMITED (SNFL) 2022 – 2023

SARVODAYA NANO FINANCE LIMITED
CIN: U65923TN2003PLC050614
Registered Office: 279, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014
Tel.No.04428131880. Email id: info@sarvodayanano.in

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of Sarvodaya Nano Finance Limited will be held on Tuesday, 12th September 2023 at 10.30 A.M. at the Registered Office situated at 279, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014 to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon;

2. **To Appoint Director in place of retiring Director:**

To appoint a Director in place of Mr. R. Sakthivel (DIN: 07463374) who retires by rotation and, being eligible, offers himself for re-appointment. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to sub-section 6 of Section 152 of the Companies Act 2013 and all other applicable provisions of the Companies Act, Mr. R. Sakthivel (DIN:07463374), liable to retire by rotation be and is hereby re-appointed as Director of the Company and continue his tenure as a Whole time Director upto 2025."

SPECIAL BUSINESS:

3. TO APPOINT MR.S. MUNEESWARAN (DIN: 06626299) AS DIRECTOR OF THE COMPANY

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

"**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr.S.Muneeswaran (DIN:06626299) who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30th September,2022 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a consent in writing and is hereby appointed as an Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file necessary forms with the Registrar of Companies, and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

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

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

"**RESOLVED THAT** pursuant to the provisions of section 186(3) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board from time to time) of the Company to lend such sum or sums of moneys as credit facilities exceeding the paid up share capital, free reserves and securities premium of the company not set apart for any specific purpose provided that the total amount upto which monies may be lent by the Board of Directors shall not exceed Rs.200 Crores (Rupees Two Hundred Crores only) at any time.

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

5. TO APPROVE RELATED PARTY TRANSACTIONS:

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

RESOLVED THAT, pursuant to Section 188 (1) of the Companies Act, 2013 and rules made there under and the amendments thereto, all the transactions of the Company with Sarva Jana Seva Kosh Limited (SJSK), Association for Sarva Seva Farms (ASSEFA) and Sarva Seva Gramodhyog Samithi (SSGS) being a related party within the meaning of Section 2 (76) of the Companies Act 2013, including the banking transactions, investment, borrowing, reimbursement of expenses for carrying out activities, payment and receipt of provident fund and gratuity for the employees deputed and payment of rent and any other transactions during 2022-23 approved by the Audit Committee the details of which as set out in notes forming part of the financial statements and are hereby ratified

RESOLVED FURTHER THAT, pursuant to Section 188 (1) of the Companies Act, 2013 and any other applicable provisions, including any re-enactment/ modification/ amendment thereof, for carrying out and/ or continuing with arrangements and transactions with SJSK, ASSEFA ,SSGS and ASSEFA Food Mart Private Ltd being a related party within the meaning of Section 2 (76) of the Companies Act 2013, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions or otherwise including the banking transactions, investment, borrowing, Loans and reimbursement of expenses for carrying out activities, payment and receipt of provident fund and gratuity for the employees deputed and payment of rent and any other transactions or as may be agreed upon from time to time and any other transactions including those as may be disclosed in the notes forming part of the financial statement for the relevant period as approved by the Audit

Committee and as per the list of transactions attached notwithstanding the fact that all these transactions during the financial year 2023-24 in aggregate may exceed threshold limit as per the Company's last audited financial statement under the relevant provisions be and are hereby approved.

(Amount in Rs.***)***

	Approvals obtained – 2022-23	Actual for 2022-23
SJSK		
- Other receipts for services	9,00,000	8,41,639
ASSEFA		
- Rent payment	900,000	600,000
- PF contribution payment	500,000	321,666
- Other payments for services	1,000,000	109,165
- Other receipts for services	500,000	-
SSGS		
- PF contribution receipt	500,000	224,657

(Amount in Rs.)

	Approval for 2023-24
SJSK	
- Other receipts for services	1,000,000
ASSEFA	
- Rent payment	900,000
- PF contribution payment	1,000,000
- Other payments for services	2,500,000
- Other receipts for services	2,500,000
SSGS	
- PF contribution receipt	500,000

ASSEFA FOOD MART PRIVATE LTD	
- Loans	10,000,000
- Interest and other payments	25,00,000

6. TO APPROVE WORKING CAPITAL LOAN TO ASSEFA FOOD MART PRIVATE LIMITED

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

"**RESOLVED THAT** pursuant to Section 186 (2) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 including any statutory modifications thereof subject to such other approvals, consent of the shareholders of the Company be and is hereby accorded to the Board to provide a Working Capital Loan of Rs.1 Crore to ASSEFA Food Mart Private Limited, Tonugal, Kariyapatti, Virudhunagar District, to meet the working capital requirements of the Company on the following terms and conditions ".

i	Facility	:	Working Capital Loan
ii	Limit	:	Rs 1 crore
iii	Purpose	:	To meet the working capital of the company
iv	Rate of interest	:	12% p.a.
v	Processing fee	:	Rs 1 lakh
vi	Security	:	Hypothecation of Stock
vii	Documents	:	DPN Loan cum hypothecation agreement
viii	Period of sanction	:	Two years
ix	Others	:	A monthly statement of stock should be submitted within 10 days at the end of the month. These loans should not be offered as security to other lenders

RESOLVED FURTHER THAT the approval be and is hereby accorded to the Executive Director to accept any changes in the terms and conditions of sanction.

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

7. TO RATIFY INCREMENT IN REMUNERATION OF EXECUTIVE DIRECTOR, SHRI/~~Smt~~. R. SELVANATHAN

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

"RESOLVED THAT in supersession of the resolutions passed at the earlier meetings of Members and pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act (2013) ("Act") read with schedule V to the Act and Rules made thereunder, including any statutory modification thereof, or any other law and other statutory modification thereof, or any

other law for the time being in force, the Board is authorized to alter the remuneration of Shri./~~Smt~~. R.Selvanathan for an increment of Rs. 7,000 per month w.e.f 01.04.2022.

RESOLVED FURTHER THAT Shri.S.Loganathan, Director be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

8. TO RATIFY INCREMENT IN REMUNERATION OF WHOLE TIME DIRECTOR, SHRI/~~Smt~~. R. SAKTHIVEL

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

"RESOLVED THAT in supersession of the resolutions passed at the earlier meetings of Members and pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act (2013) ("Act") read with schedule V to the Act and Rules made thereunder, including any statutory modification thereof, or any other law and other statutory modification thereof, or any other law for the time being in force, the Board is authorized to alter the remuneration of Shri./~~Smt~~. R.Sakthivel for an increment of Rs. 1,900 per month w.e.f 01.04.2022.

RESOLVED FURTHER THAT Shri.S.Loganathan, Director be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

9. TO RATIFY INCREMENT IN REMUNERATION OF WHOLE TIME DIRECTOR, SMT. K.RANI

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

"**RESOLVED THAT** in supersession of the resolutions passed at the earlier meetings of Members and pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act (2013) ("Act") read with schedule V to the Act and Rules made thereunder, including any statutory modification thereof, or any other law and other statutory modification thereof, or any other law for the time being in force, the Board is authorized to alter the remuneration of Smt. K.Rani for an increment of Rs.1,300 per month w.e.f 01.04.2022.

RESOLVED FURTHER THAT Shri.S.Loganathan, Director be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

SARVODAYA NANO FINANCE LIMITED
CIN: U65923TN2003PLC050614
Registered Office: 279, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014
Tel.No.04428131880. Email id: info@sarvodayanano.in

10. TO RATIFY INCREMENT IN REMUNERATION OF WHOLE TIME DIRECTOR, SHRI/~~Smt~~. C.THIYAGARAJAN

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

"**RESOLVED THAT** in supersession of the resolutions passed at the earlier meetings of Members and pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act (2013) ("Act") read with schedule V to the Act and Rules made thereunder, including any statutory modification thereof, or any other law and other statutory modification thereof, or any other law for the time being in force, the Board is authorized to alter the remuneration of Shri./~~Smt~~. C.Thiyagarajan for an increment of Rs.2,000 per month w.e.f 01.04.2022.

RESOLVED FURTHER THAT Shri.S.Loganathan, Director be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

By Order of the Board

-sd-

Place: Chennai,
Date: 21.08.2023

Ms. P.Lalitha
Company Secretary

SARVODAYA NANO FINANCE LIMITED
CIN: U65923TN2003PLC050614
Registered Office: 279, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014
Tel.No.04428131880. Email id: info@sarvodayanano.in

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY

3. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

4. Green Initiative: In compliance of the provision of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Company has sent Annual Reports in Electronic Mode to the Members who have registered their E-mail IDs either with the Registrar and Transfer Agents or with their respective Depositories. However, an option is available to the Members to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No./Client ID & DP ID to Company or to R & T Agents.

5. Members to whom hard copy of Annual Reports have been provided are requested to bring their copies of the Annual Report to the Meeting. The copies of Annual Reports shall not be made available at the venue of the Meeting.

6. Admission Slip Members / Proxies attending the Meeting should bring the Admission Slip, duly filled, for handing over at the venue of the meeting.

By Order of the Board
-sd-

Place: Chennai,

Date: 21.08.2023

Ms. P.Lalitha
Company Secretary

SARVODAYA NANO FINANCE LIMITED
CIN: U65923TN2003PLC050614
Registered Office: 279, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014
Tel.No.04428131880. Email id: info@sarvodayanano.in

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

ITEM No. 3. To Appoint Mr.Muneeswaran (DIN: 06626299) as a Director:

Mr.S.Muneeswaran (DIN:06626299) was appointed as an Additional Director by the Board of Directors in the meeting held on 30.09.2022 in accordance with Section 161(1) of Companies Act 2013 read with Articles of Association of the company. Pursuant to Section 161(1) of Companies Act 2013 he holds office till the date of this AGM.

Mr.S.Muneeswaran has given his consent to being appointed as a Director and Board recommends the Shareholders to Consider Ordinary Resolution for his appointment.

Mr.R.Sakthivel Director of the Company is also a Director of ASSEFA Seed Producer Company Limited in which Mr.S.Muneeswaran is also holding Directorship. Other than that, None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution.

ITEM No. 4. To Approve Lending Limits:

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

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

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

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

SARVODAYA NANO FINANCE LIMITED
CIN: U65923TN2003PLC050614
Registered Office: 279, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014
Tel.No.04428131880. Email id: info@sarvodayanano.in

ITEM No. 5. To Approve Related Party Transactions

Sarva Jana Seva Kosh Ltd (SJSK), Association for Sarva Seva Farms (ASSEFA) and Sarva Seva Gramodhyog Samithi (SSGS) and ASSEFA Food Mart Pvt Ltd are related parties within the meaning of Section 2 (76) of the Companies Act 2013. The Company has several transactions like banking transactions, investment, and borrowing, reimbursement of expenses for carrying out activities, payment and receipt of provident fund and gratuity for the employees deputed and payment of rent with these parties. Even though all these transactions are in the normal course of business and at arm's length and, therefore, are not related party transactions, it is proposed to treat them as related party transactions in the interest of better corporate governance. Apart from ratifying the transactions during the year 2022-23, omnibus approval for expected related party transactions during 2023-24 is also being sought. Mr. S. Loganathan is the Executive Director of ASSEFA and also Director of ASSEFA Food Mart Pvt Ltd. Mr. S. Loganathan, Director, is the father of Mr. L. Kumar, Director of SJSK. Mr. L. Kumar is also the Managing Trustee of SSGS. Apart from them, none of the other Directors and Key Managerial Personnel of the Company and their relatives is interested in the resolution set out as below. The Board recommends an Ordinary Resolution for Shareholders Approval.

(Amount in Rs.)

	Approvals obtained- 2022-23	Actual for 2022-23
SJSK		
- Other receipts for services	9,00,000	8,41,639
ASSEFA		
- Rent payment	900,000	600,000
- PF contribution payment	500,000	321,666
- Other payments for services	1,000,000	109,165
- Other receipts for services	500,000	-
SSGS		
- PF contribution receipt	500,000	224,657

(Amount in Rs.)

	Approval for 2023-24
SJSK	
- Other receipts for services	1,000,000
ASSEFA	
- Rent payment	900,000
- PF contribution payment	1,000,000
- Other payments for services	2,500,000
- Other receipts for services	2,500,000
SSGS	
- PF contribution receipt	500,000
ASSEFA FOOD MART PRIVATE LTD	
- Loans	10,000,000
- Interest and other payments	25,00,000

ITEM No. 6: To Approve Working Capital Loan to ASSEFA FOOD MART PRIVATE LIMITED.

ASSEFA Food Mart Private Limited is a Company promoted by ASSEFA, located at Tonugal, Kariyapatti, Virudhunagar District. The Company was established to launch a new program on food and nutrition security for poor family particularly women headed vulnerable families in Virudhunagar and Madurai Districts in Tamil Nadu State. Business being Procurement of Pulses, millets and other agricultural commodities in their areas itself and processing and packaging them locally in the same area. ASSEFA Food Mart is in requisite of Working capital for all these activities and had approached for a Working Capital Loan of Rs.1 Crore as per the terms listed in the resolution itself.

Mr.S.Loganathan, Director of the Company is also the Director of ASSEFA Food Mart Private Limited. Apart from that, none of the other Directors and Key Managerial Personnel of the Company and their relatives is interested in the resolution. The Board recommends Special Resolution for Shareholders Approval to sanction a Working Capital based on the terms as mentioned in the resolution.

ITEM No. 7.To Ratify Increment in Remuneration of Executive Director, Shri/~~Smt~~. R. Selvanathan

It was discussed in the Board meeting on December 23, 2022, that no increment was given for the Directors after COVID 19, The Chairman proposed an increment for all Whole-time directors to keep them motivated. He further mentioned that it will be better if the expected increment in salary is at 10% of the existing salary or INR. 7,000/- per month. The increment is subject to the ratification of the shareholder pursuant to section 197 of the Companies Act 2013.

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

ITEM No. 8. To Ratify Increment in Remuneration of Whole Time Director, Shri/~~Smt~~. R. Sakthivel

It was discussed in the Board meeting on December 23, 2022, that no increment was given for the Directors after COVID 19, The Chairman proposed an increment for all Whole-time directors to keep them motivated. He further mentioned that it will be better if the expected increment in salary is at 10% of the existing salary or INR. 1,900/- per month. The increment is subject to the ratification of the shareholder pursuant to section 197 of the Companies Act 2013.

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

ITEM No. 9. To Ratify Increment in Remuneration of Whole Time Director, Smt. K.Rani

It was discussed in the Board meeting on December 23, 2022, that no increment was given for the Directors after COVID 19, The Chairman proposed an increment for all Whole-time directors to keep them motivated. He further mentioned that it will be better if the expected increment in salary is at 10% of the existing salary or INR. 1,300/- per month. The increment is subject to the ratification of the shareholder pursuant to section 197 of the Companies Act 2013.

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

ITEM No. 10. To Ratify Increment in Remuneration of Whole Time Director, Shri.C.Thiyagarajan

It was discussed in the Board meeting on December 23, 2022, that no increment was given for the Directors after COVID 19, The Chairman proposed an increment for all Whole-time directors to keep

them motivated. He further mentioned that it will be better if the expected increment in salary is at 10% of the existing salary or INR. 2,000/- per month. The increment is subject to the ratification of the shareholder pursuant to section 197 of the Companies Act 2013.

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

Date: 21.08.2023

Place: Chennai

By Order of the Board

-sd -

Ms.P.Lalitha

Company Secretary

SARVODAYA NANO FINANCE LIMITED
CIN: U65923TN2003PLC050614
Registered Office: 279, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014
Tel.No.04428131880. Email id: info@sarvodayanano.in

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: U65923TN2003PLC050614

Name of the Company: SARVODAYA NANO FINANCE LIMITED
Registered Office: No.279, Avvai Shanmugam Salai, Royapettah, Chennai-600014.
Email id: info@sarvodayanano.in

Name of the Member (s) :
Registered address :
E-mail id :
Folio No. / Client Id :
DP ID :

I / We, being the member(s) _____ of Sarvodaya Nano Finance limited hereby appoint:

1. Name_____:_____
Address:_____
EmailId:_____
Signature: _____, or failing him / her

2. Name: _____: _____
Address: _____
EmailId:_____
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 Annual General Meeting on 12-09-2023,at 10.30A.M, at the Registered office at No.279, Avvai Shanmugam Salai, Royapettah, Chennai-600014 and at any adjournment thereof.

Signed this……. … ….day of …… 2023.

Affix Revenue Stamp here

Signature of Shareholder

Signature of Proxy Holder (s)

P.S. This form in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

SARVODAYA NANO FINANCE LTD

BOARDS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the 20thAnnual Report on the business operations of the Company and accounts for the Financial Year ended 31st March 2023.

1. Financial Highlights

The Company has recorded the following financial performance, for the year ended March 31, 2023:

(INR ***in Lakhs)***

PARTICULARS	YEAR ENDED	
	31.03.2023	**31.03.2022**
Income from operations for the year	122.72	155.47
Other Income	112.13	57.93
Total Income	**234.85**	**213.40**
Profit before Financial Expenses, Preliminary expenses, Depreciation and Taxation	50.86	(188.17)
Less: Financial expenses	0.72	2.46
Operating profit before Preliminary expenses, Depreciation & Taxation	50.14	(190.63)
Less: Depreciation, Preliminary expenses written off	0.71	1.71
Profit/Loss before Taxation	**49.43**	**(192.34)**
Less: Current tax Deferred tax	5.20 7.95	- (3.79)
Profit/loss after Taxation	36.28	(188.56)
Add: Balance brought forward	-	-
Profit/Loss available for appropriation	**36.28**	**(188.56)**

2. STATE OF COMPANY'S AFFAIRS

- During the year, your Company has made a profit of Rs.49.43 Lakhs.
- Substantial reduction in Expenses was the main reason to turn around the Company into profit despite decrease in income.

3. CHANGE IN NATURE OF BUSINESS IF ANY

NIL

4. DIVIDEND

No dividend has been recommended during the year ended 31st March 2023.

5. RESERVES

The total reserves and surplus has increased to Rs.808.04 lakhs as on 31-03-2023 from Rs.771.76 lakhs as on 31-03-2022.

6. SHARE CAPITAL

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

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. P. Lalitha was appointed as a whole- time Company Secretary as on 15.06.2022. Mr. S. Muneeswaran was appointed as Additional Director of the Company on 30.09.2022 and Mrs. R. Subbulakshmi resigned from office due to personal reasons with effect from 30th September 2022. Other than that there were no changes in Directors of the Company during the year ended 31st March 2023.

8. MEETING OF BOARD OF DIRECTORS

A total of 4 Board Meetings were held during the financial year ended 31st March 2023. The maximum gap between any two Board Meetings was less than 120 days. The names of members of the Board, their attendance at the Board Meetings are as under:

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

9. EVALUATION OF THE BOARD:

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

10. MANAGERIAL REMUNERATION:

Salaries and allowances paid during the period to the Executive Director amounted to Rs.9,48,000/-(Last year – Rs.8,64,000). The details are as follows:

Particulars	Current year (2022-23) Amount in INR	Last year (2021-22) Amount in INR
Basic Pay	504,000	462,000
Special Allowance	75,600	69,300
Conveyance	50,400	46,200
Medical Reimbursement	100,800	92,400
House Rent Allowance	151,200	138,600
Professional Allowance	48,000	43,500
CCA	18,000	12,000
Total	**948,000**	**864,000**

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

SL. No.	Particulars	Current year (2022-23) Amount in INR	Last year (2021-22) Amount in INR
1.	Mr. R. Sakthivel	3,10,800	288,000
2.	Mrs. Rani Kannan	2,73,600	258,000
3.	Mrs. R. Subbulakshmi	69,161	192,000
4.	Mr. C. Thiyagarajan	2,76,000	264,000

11. DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

Nil

12. STATUTORY AUDITORS

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

13. BOARD'S COMMENT ON AUDITOR'S REPORT

The observations of the Statutory Auditors, when read together with the relevant notes to the Accounts and accounting policies are self-explanatory. Except the Qualifications and Observation of Statutory Auditor's on Executive Director Remuneration with respect to which an addendum stating Management replies is annexed with the Director's Report".

14. COMMITTEES OF THE BOARD:

AUDIT COMMITTEE

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

The Members of the Audit Committee are as follows:

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

RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee (RMC) to assist the Board in fulfilling its responsibilities relating to risk management and compliance practices of the Company. 4 RMC meetings were conducted during the financial year and it was not reconstituted during the year.

The Risk Management Committee consists of the following members:

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

NOMINATION & REMUNERATION COMMITTEE

The Company has constituted a Nomination and Remuneration Committee (NRC) to assist the Board in fulfilling its responsibilities of Nominating Directors, fulfilling the fit and proper criteria. The necessary declarations and undertakings from the directors giving information on the directors have been obtained. 4 NRC meetings were conducted during the year and it was not reconstituted.

The Members of Nomination and Remuneration Committee are as follows:

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

SHARE ALLOTMENT COMMITTEE

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

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

15. INTERNAL FINANCIAL CONTROL

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

16. RISK MANAGEMENT POLICY

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

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

17. EXTRACT OF THE ANNUAL RETURN

The extract of annual return as on the financial year ended March 31, 2023, as required under Section 92 of the Companies, in Form No. MGT-9 shall form part of Board's Report.

18. MATERIAL CHANGES AND COMMITMENTS

Uncertainty in timely repayment is hindering full-fledged operations.

Other than the above-mentioned situation affecting the Company, there is no material change and commitment that have occurred after the closure of the Financial Year 2022-23 till the date of this Report, which would affect the financial position of your Company.

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

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

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

21. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The particulars regarding Loans given are provided in the financial statements. The Company has outstanding Loans amounting to Rs.13.91 Crores. The Company has not made any investment, given guarantee and securities during the year under review.

22. DEPOSITS

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

23. RELATED PARTY TRANSACTIONS

The particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 entered by the Company during the financial year ended 31st March, 2023 is attached in prescribed Form AOC-2 and forms part of this report.

24. FRAUD REPORTING:

No fraud has been detected by the Company during the year ending 31st March 2023.

25. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

26. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

27. SAFE & CONDUCIVE WORKPLACE

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

28. GENERAL

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

29. DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31,2023 and of the profit of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a 'going concern' basis.
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

30. ACKNOWLEDGEMENT

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

Date: 21/08/2023

For and on behalf of the Board





Place: Chennai

S. Loganathan
Director
Din: 00101039

R. Selvanathan
Executive Director
Din: 08708749

Addendum to Point No.13 in Board Report

Management replies on Qualifications and Observation of Statutory Auditor's Report for the Financial Year 2022-2023

Sl. No.	Auditor's Qualification/ Observation	Management's Reply
1.	As per the auditor's report on the accounts of the Company [Certificate No. B-07.00756] dated 21stAugust 2023, the Company has not satisfied one of the Principal Business criteria i.e., Financial Asset criteria as on 31st March 2023. Hence Qualified Opinion is given by the StatutoryAuditors of the Company.	The Company's main Business focus is to provide unsecured credit support exclusively for needy women at Rural Areas. Post covid there are challenges in identifying the right borrowers. As there are instances of multiple lending to the same borrowers in the region where we work earlier. Therefore we are exploring the new areas where there are needy borrowers with few lenders. Moreover, the Company is in process of tapping the potential needy women in other Geographic Sectors to develop its business and to reach the Principal Business criteria i.e Financial Asset criteria as on 31stMarch, 2024. We assure that the company will comply with the minimum principle business criteria norms.
2.	With respect to the matter to be included in the Auditors' Report under section 197(16):In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is not in accordance with the provisionsof Section 197 of the Act. The remuneration paid to Executive Director is in excess of the limit laiddown under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed otherdetails under Section 197(16) which are required to be commented upon by us.	As per Companies Act, 2013 Section 197, the company in general meeting may, authorise the payment of remuneration exceeding eleven per cent of the net profits of the company, subject to the provisions of Schedule V. Taking the above provision as base, the Company has paid remuneration to following which was approved by a resolution passed by the Board Meeting Dt. 23-12-2022 and also by the Nomination and Remuneration Committee Meeting Dt.23-12-2022: 1. Increment in Remuneration of Executive Director, Shri. R. Selvanathan of 10% of the existing salary or INR. 7,000/- per month. 2. Increment in Remuneration of Executive Director, Shri. R. Sakthivel of 10% of the existing

		salary or INR. 1,900/- permonth. 3. Increment in Remuneration of Executive Director, Smt. K. Rani of 10% of the existing salary or INR. 1,300/- permonth. 4. Increment in Remuneration of Executive Director, Shri. C. Thiyagarajan of 10% of the existing salary or INR. 2,000/-permonth. The same is to be placed before the Shareholders at the Annual General Meeting to be held, for their approval through Special Resolution. Henceforth remuneration paid to Executive Director which is in excess of the limit laiddown under Section 197 of the Companies Act, 2013, will be under proper compliance.

Form No.MGT-9

EXTRACTOFANNUALRETURNASONTHEFINANCIALYEAR ENDEDON 31.03.2023.

[Pursuant tosection92(3)of the Companies Act, 2013 and rule12(1)of the Companies (Management and Administration)Rules,2014]

I.REGISTRATIONANDOTHERDETAILS:

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

II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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
	None				

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

i. *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	6,600		6,600	0.02	6,600	-	6,600	0.02	-
b) Central Govt		-	-	-	-	-	-	-	-
c) State Govt(s)		-	-	-	-	-	-	-	-
d) Bodies Corp		-	-	-	-	-	-	-	-
e) Banks / FI		-	-	-	-	-	-	-	-
f) Any Other		-	-	-	-	-	-	-	-
Sub-total(A)(1):-	6,600	-	6,600	0.02	6,600	-	6,600	0.02	-
2) Foreign									
g) NRIs-Individuals		-	-	-	-	-	-	-	-
h) Other-Individuals		-	-	-	-	-	-	-	-
i) Bodies Corp.		-	-	-	-	-	-	-	-
j) Banks / FI		-	-	-	-	-	-	-	-
k) Any Other….		-	-	-	-	-	-	-	-
Sub-total(A)(2):-		-	-	-	-	-	-	-	-
B. Public Shareholding									
1. *Institutions*									
a) Mutual Funds		-	-	-	-	-	-	-	-
b) Banks / FI		-	-	-	-	-	-	-	-
c) Central Govt		-	-	-	-	-	-	-	-
d) State Govt(s)		-	-	-	-	-	-	-	-
e) Venture Capital Funds		-	-	-	-	-	-	-	-
f) Insurance Companies		-	-	-	-	-	-	-	-
g) FIIs		-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-
i) Others (specify)		-	-	-	-	-	-	-	-
Sub-total(B)(1)		-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	6,508,125	-	6,508,125	24.43	6,508,125	-	6,508,125	24.43	-

b) Individuals (i) Individual shareholders holding nominal share capital up to Rs.1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh		-	-	-	-	-	-	-	-
c) Others(Specify) Mutual Benefit Trusts/Trusts	20,129,076	-	20,129,076	75.55	20,129,076	-	20,129,076	75.55	-
Sub-total(B)(2)	26,637,201	-	26,637,201	99.98	26,637,201	-	26,637,201	99.98	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	26,637,201	-	26,637,201	99.98	26,637,201		26,637,201	99.98	-
C.Shares held by Custodian for GDRs &ADRs		-	-	-	-	-	-	-	-
Grand Total (A+B+C)	26,643801	-	26,643,801	100.00	26,643,801	-	26,643,801	100.00	-

ii.*Shareholding of Promoters*

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

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

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

(iv. Shareholding Pattern of top ten Share holders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Share holding at the beginning of the year		Cumulative Shareholding During the year	
	For Each of theTop10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	1. SARVA JANA SEVA KOSH LTD	6,240,125	23.42		
	2.SMBT - VIRUDHUNAGAR	1,606,275	6.03		
	3. SMBT - SANKARAPURAM	1,396,346	5.24		
	4. SMBT-CHITHAMUR	1,033,302	3.88		
	5. SMBT-RISHIVANDIYAM	836,809	3.14		
	6. SMBT-VRIDDHACHALAM	689,400	2.59		
	7. SMBT-KARIYAPATTY	609,904	2.29		
	8. SMBT- PARANGIPETTAI	604,779	2.27		
	9.SMBT- KALLAKURICHI	583,600	2.19		
	10. SMBT- KALLIGUDI	555,560	2.09		

	Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	No. of shares allotted during the year. NIL	NIL		
	At the end of the year				
	1. SARVA JANA SEVA KOSH LTD	6,240,125	23.42		
	2.SMBT - VIRUDHUNAGAR	1,606,275	6.03		
	3. SMBT - SANKARAPURAM	1,396,346	5.24		
	4. SMBT-CHITHAMUR	1,033,302	3.88		
	5. SMBT-RISHIVANDIYAM	836,809	3.14		
	6. SMBT-VRIDDHACHALAM	689,400	2.59		
	7. SMBT-KARIYAPATTY	609,904	2.29		
	8. SMBT- PARANGIPETTAI	604,779	2.27		
	9.SMBT- KALLAKURICHI	583,600	2.19		
	10. SMBT- KALLIGUDI	555,560	2.09		

V. INDEBTEDNESS

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

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

ii) Interest due but not paid iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of Whole time Director					Total Amount
1.		R.Selvana-than	R.Sakthivel	Rani Kannan	C.Thiyagarajan	R.Subbulakshmi	
2.	Gross salary	9,48,000	3,10,800	2,73,600	2,76,000	69,161	
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	9,48,000	3,10,800	2,73,600	2,76,000	69,161	
	(b)Value of perquisites u/s 17(2)Income-tax Act, 1961	-	-	-	-	-	
	(c)Profits in lieu of salary under section 17(3) Income- tax Act,1961	-	-	-	-	-	
	Incentives					-	
3.	Gross Salary (Whole time Directors)	9,48,000	3,10,800	2,73,600	2,76,000	69,161	
4.	Stock Option	-	-	-	-	-	
5.	Sweat Equity	-	-	-	-	-	
6.	Commission - as% of profit - others, specify (Reimbursements)	-	-	-	-	-	
7.	Others, please specify (Sitting Fees)	-	-	-	-	-	
8.	**Total(A)**	**9,48,000**	**3,10,800**	**2,73,000**	**2,76,000**	**69,161**	
	Ceiling as per the Act	3,89,000	-	-		-	

B. Remuneration to other directors:

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

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	- - -	3,11,550 - -	- - -	3,11,550 - -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others, specify…	-	-	-	-
5.	Others, please specify (Reimbursements/Incentives)	-	-	-	-

VI. PENALTIES/PUNISHMENT/COMPOUNDINGOFOFFENCES:

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



S.Loganathan
Director
DIN: 00101039



R. Selvanathan
Executive Director cum CFO
DIN: 08708749

Date: 21/08/2023

Place: Chennai

FORM NO. AOC.2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship:

1. Association for Sarva Seva Farms
2. Sarva Jana Seva Kosh Ltd.
3. Sarva Seva Gramodhyog Samithi

(b) Nature of contracts/arrangements/transactions: Banking Transactions, Investments, Rent, Borrowings, reimbursement of expenses, payment and receipt of Provident fund and Gratuity fund.

(c) Duration of the contracts/arrangements/transactions: Annual

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any: 21st August 2023

(f) Amount paid as advances, if any: Nil

(g) Date on which the Special Resolution was passed in General Meeting as required under first proviso to section 188. To be passed.

RESOLVED THAT, pursuant to Section 188 (1) of the Companies Act, 2013 and rules made there under and the amendments thereto, subject to the approval of the Members of the Company all the transactions of the Company with Sarva Jana Seva Kosh Limited (SJSK), Association for Sarva Seva Farms (ASSEFA) and Sarva Seva Gramodhyog Samithi (SSGS) being a related party within the meaning of Section 2 (76) of the Companies Act 2013, including the banking transactions, investment, borrowing, reimbursement of expenses for carrying out activities, payment and receipt of provident fund and gratuity for the employees deputed and payment of rent and any other transactions during 2022-23 approved by the Audit Committee the details of which as set out in notes forming part of the financial statements and are hereby ratified

RESOLVED FURTHER THAT, pursuant to Section 188 (1) of the Companies Act, 2013 and any other applicable provisions, including any re-enactment/ modification/ amendment thereof, subject to the approval of the Members of the Company for carrying out and/ or continuing with arrangements and transactions with SJSK, ASSEFA ,SSGS and ASSEFA Food Mart Private Ltd being a related party within the meaning of Section 2 (76) of the Companies Act 2013, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions or otherwise including the banking transactions, investment, borrowing, Loans and reimbursement of expenses for carrying out activities, payment and receipt of provident fund and gratuity for the employees deputed and payment of rent and any other transactions or as may be agreed upon from time to time and any other transactions including those as may be disclosed in the notes forming part of the financial statement for the relevant period as approved by the Audit Committee and as per the list of transactions attached notwithstanding the fact that all these transactions during the financial year 2023-24 in aggregate may exceed threshold limit as per the Company's last audited financial statement under the relevant provisions be and are hereby approved.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Mr. Loganathan, Director of the Company, is also the Executive Director of Association for Sarva Seva Farms (ASSEFA). Mr. L. Kumar, the son of Mr. Loganathan, is the Managing Trustee of Sarva Seva Gramodhyog Samithi (SSGS). The Company has several transactions with the above parties. SJSK has invested in the equity of the Company. The Company has several employees of ASSEFA on deputation in its ranks and the Provident Fund and Gratuity deductions are remitted to ASSEFA. Besides, the Company has taken a few premises belonging to ASSEFA on rent for its offices. The details of approvals obtained in the last AGM and actual transactions with these entities during 2022-23 are furnished below.

(Amount in INR***)***

	Approvals obtained – 2022-23	Actuals for 2022-23
SJSK		
- Investment receipt	-	-
- Loan receipt	-	-
- Loan repayment	-	-
- Interest and other charges payable/to be provided	-	-
- Other receipts for services	9,00,000	8,41,639
ASSEFA		
- Rent payment	900,000	600,000
- PF contribution payment	500,000	321,666
- Other payments for services	1000,000	109,165
- Other receipts for services	500,000	-
SSGS		
- PF contribution receipt	500,000	224,657



S.Loganathan
Director
DIN: 00101039

R. Selvanathan
Executive Director cum CFO
DIN: 08708749

Date: 21-08-2023

Place: Chennai

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

1. Report on the Audit of financial statements

Qualified Opinion

We have audited the accompanying financial statements of **SARVODAYA NANO FINANCE LIMITED (the 'Company')**,which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and loss, the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, ***except for the effect of the matter described under the Basis for Qualified Opinion below***, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Profit and its cash flows for the year ended on that date.

Basis of Opinion

In terms of the Press Release 99/1269 dated April 8, 1999 issued by RBI, a company is treated as an NBFC if its financial assets are more than 50 per cent of its total assets (net of intangible assets) and income from these financial assets is more than 50 per cent of the gross income. Both these tests are required to be satisfied. But the percentage of financial assets on total assets of the Company is 37.81% only which is less than percentage prescribed by RBI. Since the Company has not satisfied one of the Principal Business Criteria i.e Financial Asset criteria, the Company is not entitled to hold certificate of Registration as NBFC as on 31st March 2023.

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

2. Key audit matters

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

MADHU BALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 011068S
CHENNAI

UDIN: 23219184BGVKYE7876

044 - 4380 4089
www.mbacas.com
youraudtors@gmail.com

New no: 14B/S1, 2nd floor, Dwaraka Apartments,
4th Main Road, New Colony, Chrompet, Chennai- 600 044
Chennai | Madurai | Coimbatore

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

3. **Other Information**

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

4. **Management's responsibility for the financial statements**

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

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

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

5. **Auditor's responsibilities for the Audit of the Financial Statements**

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

MADHU BALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 011065
CHENNAI

UDIN: 23219184BGVKYE7876

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

6. Report on Other Legal and Regulatory Requirements

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

MADHU BALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 011108S
CHENNAI

UDIN: 23219184BGVKYE7876

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 25 of the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company

iv. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

v. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in

MADHU BALAN & ASSOCIATES CHARTERED ACCOUNTANTS FRN 011106S CHENNAI

UDIN: 23219184BGVKYE7876

writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

vi. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub clauses (iv) and (v) above contain any material misstatement.

vii. The Company has not declared or paid any dividend during the year ended 31 March 2023.

viii. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

h) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is not in accordance with the provisions of Section 197 of the Act. The remuneration paid to Executive Director is in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us

For **Madhu Balan & Associates,**
Chartered Accountants

MADHU BALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 011106S
CHENNAI

(P. Arumugaraj)
Partner
Firm Reg. No.:**011106S**
M. No.:**219184**

Date: Chennai
Place: 21-08-2023
UDIN: 23219184BGVKYE7876

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

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

i. In respect of its fixed assets:

a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
(B) The Company does not have any intangible assets. Hence, the paragraph 3(i)(a)(B) of the order is not applicable to the Company

b) The Property, plant & equipment have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

c) The Company does not have any immovable properties. Therefore, the paragraph 3(i)(c) of the order is not applicable to the Company

d) The Company has not re-valued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii.

a) The Company is a Non-Banking Financial Company ('NBFC') engaged in the business of providing loans and does not have any inventory. Therefore, the paragraph 3(ii) of the order is not applicable to the Company.

b) At any point of time during the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions stated in paragraph 3(ii) (b) of the Order are not applicable to the Company.

iii. According to the information and explanation provided to us, the Company has not made investments, provided any guarantee or security or granted any loans or provided advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership but provided loans to other parties during the year.

(a) The principal business of the Company is to give loans and hence reporting under clause (iii)(a) of the Order is not applicable.

(b) In our opinion, having regard to the nature of the Company's business, the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the Company's interest

MADHU BALAN & ASSOCIATES CHARTERED ACCOUNTANTS FRN 011108S CHENNAI

UDIN: 23219184BGVKYE7876

(c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts are regular except for certain instances as given below:

Particulars-Days past due	Total amount due (Amount in Lakhs)
Less than 6 Months	-
6 Months – 1 Year	-
1 Year – 2 Year	179.36
2 Year – 3 Year	-
More than 3 Years	-

(d) According to the information and explanations given to us, the total amount which falls under NPA in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to Rs. 179.36 (Rs in *'Lakhs*) as at 31 March 2023. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

(e) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(e) of the Order are not applicable to it.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

iv. According to the information and explanations given to us, in respect of loans, investments, guarantees and security the provision of Sec 185 and Sec 186 are complied with.

v. The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.

vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act, in respect of the services rendered by the company. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable

vii. In respect of its Statutory dues: According to the information and explanations given to us and on the basis of our examination of the records of the Company

a) In our opinion, the Company has been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax,

MADHU BALAN & ASSOCIATES CHARTERED ACCOUNTANTS FRN 011106S CHENNAI

cess and other statutory dues with the appropriate authorities. No undisputed statutory amount payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues has been in arrears as at March 31, 2023, for a period of more than six months from the date they became payable.

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

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

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

ix.

a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations and records provided to us, the Company did not raise any money by way of term loan during the year. Hence, the provision stated in paragraph 3(ix) (c) of the Order is not applicable to the Company.

d) According to the information and explanations given to and on examination of records, the Company has not raised any fund on short term basis. Hence, the provision stated in paragraph 3(ix) (d) of the Order is not applicable to the Company.

e) According to the information explanation given to us and on examination of records, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

MADHU BALAN & ASSOCIATES CHARTERED ACCOUNTANTS FRN 011106S CHENNAI

UDIN: 23219184BGVKYE7876

x.

a) According to the information explanation given to us and on examination of records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

a) To the best of our knowledge, no fraud on the Company and no fraud by the Company has been noticed or reported during the year

b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 wherever applicable and details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. In our opinion and according to the information and explanations given to us, internal audit as required under Rule 13 of the Companies (Accounts) Rules, 2014 is not applicable to the Company. Accordingly, the provision stated in paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, in our opinion the Company has not entered into non-cash transactions during the year with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

MADHU BALAN & ASSOCIATES CHARTERED ACCOUNTANTS FRN 011106S CHENNAI

UDIN: 23219184BGVKYE7876

xvi.

a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

b) The Company has not conducted any Non-Banking Financial activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 but the ***Company is not entitled to continue to hold such Certificate of Registration as on 31st March 2023 as the Company has not satisfied one of the Principal Business Criteria i.e., Financial Asset criteria.***

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order is not applicable to the Company.

d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. Based on the examination of records, the Company has not incurred cash losses in the financial year and but incurred cash loss of Rs. Rs. 92.71 lakhs in the immediately preceding financial year.

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

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

xx. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, the provisions of clause (xx) of the Order are not applicable to the Company.

MADHU BALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 011106S
CHENNAI

UDIN: 23219184BGVKYE7876

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

For **Madhu Balan & Associates.,**
Chartered Accountants



(P. Arumugaraj)
Partner
Firm Reg. No.: 011106S
M. No.: 219184

Date: 21-08-2023
Place: Chennai
UDIN: 23219184BGVKYE7876

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

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

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

We have audited the internal financial controls over financial reporting of **SARVODAYA NANO FINANCE LIMITED** ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

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

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

MADHU BALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 011106S
CHENNAI

UDIN: 23219184BGVKYE7876

Meaning of Internal Financial Controls over Financial Reporting:
A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Opinion:
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Madhu Balan & Associates,**
Chartered Accountants

MADHU BALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 011106S
CHENNAI

(P. Arumugaraj)
Partner
Firm Reg. No.: 011106S
M. No.: 219184

Date: 21-08-2023
Place: Chennai
UDIN: 23219184BGVKYE7876

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614
Address: No. 279, Avvai Shanmugam Salai, Royapettah, Chennai -600 014.
Ph: 044-2813 0537 & 2813 1880, Telefax: 044-2813 1880, Email: info@sarvodayanano.in, www.sarvodayanano.in

(All amounts in Rs. Lakhs unless otherwise stated)

BALANCE SHEET AS AT	Notes	31-Mar-23	31-Mar-22
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	2,664.38	2,664.38
Reserves and surplus	4	808.04	771.76
Money received against sharewarrants		-	-
		3,472.42	3,436.14
Share Application Money Pending Allotment		-	-
Non-current liabilities			
Long term borrowings	5	-	-
Deferred tax liabilities	6	-	-
Other Long Term Liabilities		-	-
Long term provisions	7	187.55	210.20
		187.55	210.20
Current liabilities			
Short-term borrowings	8	-	-
Trade Payables			
A) total outstanding dues of micro enterprise and small enterprise		-	-
B) total outstanding creditors other than micro enterprise and small enterprises		-	-
Other current liabilities	9	19.25	5.96
Short-term provisions		-	-
		19.25	5.96
		3,679.22	**3,652.30**
II. ASSETS			
Non-current assets			
Property plant and equipment and Intangible Assets			
(i) Property, Plant and Equipment	10	3.54	3.80
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
Non-current investments		-	-
Deferred tax Asset (net)	6	1.13	9.08
Long term loans and advances		-	-
Other non-current assets	11	663.74	61.35
		668.41	**74.24**
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables		-	-
Cash and Bank Balances	12	1,592.16	2,736.57
Loans - Unsecured	13	1,390.60	815.27
Short-term loans and advances	14	8.88	10.69
Other current assets	15	19.17	15.53
		3,010.81	**3,578.06**
		3,679.22	**3,652.30**
Summary of significant accounting policies	1-2		
Other disclosures	23-30		

The accompanying notes form an integral part of the financial statements

MADHU BALAN & ASSOCIATES CHARTERED ACCOUNTANTS FRN 011108S CHENNAI

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

(P.Arumugaraj)
Partner
ICAI Firm No. 011108S | M. No.: 219184

Place: Chennai
Date: 21-08-2023
UDIN: 23219184BGVKYE7876

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

Executive Director cum CFO **Director**

Company Secretary

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614

Address: No. 279, Avvai Shanmugam Salai, Royapettah, Chennai -600 014.
Ph: 044-2813 0537 & 2813 1880, Email: info@sarvodayanano.in, www.sarvodayanano.in

(All amounts in Rs. Lakhs unless otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR	Notes	31-Mar-23	31-Mar-22
REVENUE			
Revenue from operations	16	122.72	155.47
Other income	17	112.13	57.93
Total Revenue		**234.85**	**213.40**
EXPENSES			
Employee benefits expense	18	127.23	213.71
Finance costs	19	0.72	2.46
Depreciation	20	0.71	1.71
Other operating expenses	21	50.96	89.94
Provisions and write-offs	22	5.80	97.92
Total expenses		**185.42**	**405.75**
Profit before exceptional and extraordinary items and tax		49.43	(192.34)
Exceptional Items		-	-
Profit before extraodinary items and tax		49.43	(192.34)
Extraordinary Items		-	-
Profit before tax		**49.43**	**(192.34)**
Tax expense:			
Current tax		5.20	-
Deferred tax		7.95	(3.79)
Profit/(Loss) for the period from continuing operations		36.28	(188.56)
Profit/(Loss) from Discounting operations		-	-
Tax expense of discounting operations		-	-
Profit/(Loss) from Discounting operations		-	-
Profit/(Loss) For the period		**36.28**	**(188.56)**
Earning per equity share (EPS) - in ₹*(Refer note 22)*			
- Basic and Diluted		**0.14**	**(0.71)**
Weighted average number of shares considered for			
- Basic and Diluted		**2,66,43,801**	**2,66,43,801**
Summary of significant accounting policies	**1-2**		
Other disclosures	**23-30**		

The accompanying notes form an integral part of the financial statements

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

MADHU BALAN & ASSOCIATES CHARTERED ACCOUNTANTS FRN 011106S CHENNAI

(P.Arumugarai)
Partner
ICAI Firm No. 011106S / M. No.: 219184

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

Executive Director cum CFO

Director

P. Lalitha
Company Secretary

Place: Chennai
Date: 21-08-2023
UDIN: 23219184BGVKYE7876

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614
Address: No. 279, Avvai Shanmugam Salai, Royapettah, Chennai -600 014
Ph: 044-2813 0537/6529 2218, Email: info@sarvodayanano.in, www.sarvodayanano.in

(All amounts in Rs. Lakhs unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEAR ENDED	31-Mar-23	31-Mar-22
CASH FLOW FROM OPERATING ACTIVITES		
Net Profit before taxation	**49.43**	**(192.34)**
Adjustment for Non- cash (income) / expenditure:		
Depreciation	0.71	1.71
Bad debts & other write-offs	-	1.99
Provision for Standarad, bad and doubtful advances	1.52	95.93
Provision for others, written back	(29.33)	-
Provision/payment of gratuity	5.16	(1.81)
Provison for Bonus, written back	-	-
Operating profit before changes in operating activities	**27.48**	**(94.53)**
Adjustments for:		
(Increase)/ decrease in other loans and advances	(399.11)	1.44
(Decrease)/increase in other liabilities	13.30	(10.17)
Net cash generated from operating activities before tax	**(358.33)**	**(103.26)**
(Increase)/ decrease in Portfolio		
Loans disbursed	(1,548.55)	(1,784.35)
Loans repaid	973.22	2,912.65
Net (increase)/decrease in loans	**(575.33)**	**1,128.30**
Less: Income tax	(14.98)	(5.93)
Net cash generated from operating activities after tax	**(948.64)**	**1,019.12**
CASH FLOW FROM INVESTING ACTIVITIES		
Deposit with Maturity for more than 12 months	(598.00)	
Purchase of fixed assets	(0.45)	-
Net cash flow from investing activities	**(598.45)**	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	-	-
Net proceeds from Secured loans	-	(400.00)
Net cash generated from financing activities	-	**(400.00)**
Net increase/(decrease) in cash and cash equivalents during the year (A)+(B)+(C)	(1,547.09)	619.12
Cash and cash equivalents at the beginning of the year	2,736.57	2,117.45
Cash and cash equivalents at the end of the year [refer below]	**1,189.48**	**2,736.57**
Components of cash and cash equivalents:		
Cash in Hand	2.49	3.12
Balances with banks		
In Current accounts with scheduled banks	214.50	441.54
- Deposits with original maturity of less than 3 months	972.48	2,291.91
Cash and cash equivalents considered for cash flow	**1,189.48**	**2,736.57**

Summary of significant accounting policies

Other disclosures

The accompanying notes are an integral part of these financial statements

MADHU BALAN & ASSOCIATES CHARTERED ACCOUNTANTS FRN 011106S CHENNAI

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

P. Arumugaraj
Partner
ICAI Firm No. 011106S / M. No.: 219184

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

Executive Director Cum CFO

Director

P Lalitha
Company Secretary

Place: Chennai
Date: 21-8-2023
UDIN: 23219184BGVKYE7876