

**SASVITHA HOME FINANCE PRIVATE LIMITED
CHENNAI**



**THIRD ANNUAL REPORT
31/03/2020**



DIRECTORS REPORT

Dear Members

Your Directors are pleased to present this report on the business environment and operations of the Company during the year along with the audited financial statements for the year ended March 31, 2020.

Economic Scenario:

Home ownership is a part of our nation's socio-economic policy and remains one of the key priorities for the government. Due to rapid urbanisation, nuclear families, and ever-evolving aspirations of Indian populace to climb up the socio-economic ladder, there is a tremendous demand for affordable homes both in the urban and rural areas.

The government and regulatory bodies have also launched several initiatives aimed to create an ecosystem where all the participants benefit socially and economically. This encourages the bottom of the economic pyramid segment to dream of owning a house, which in turn creates a sizeable business opportunity for us in the affordable housing sector.

Regulatory Initiatives:

The government, RBI, and National Housing Bank (NHB) are constantly launching initiatives aimed to bridge the gap between the supply and demand to ensure the vision of delivering "Housing for All" by 2022. The Government estimates that there is a shortage of more than 18 million homes and is increasingly looking to the private sector to address the needs of low-income population. It is taking action at central, state, and local levels to try and overcome the myriad of obstacles faced by the affordable housing sector and create an enabling environment.

The launch of PMAY – Credit Linked Subsidy Scheme which provides, institutional credit to EWS/LIG/MIG categories for purchase or construction of house, an interest subsidy of 6.5% on loan amount up to Rs. 6 lakh for loan tenures up to 20 years, is aimed at addressing the core issue of the



housing shortage throughout the country in an organized and planned manner. Our Company has lodged eligible claims of PMAY during the Financial Year ended 31st March, 2020.

“Housing” has been included as one of the categories under Priority Sector Lending, encouraging companies to lend to this sector. Banks also are inclined to consider long term loans to Housing Finance Companies (HFCs), besides refinancing by, for on-lending for the purposes of purchase/construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 20 lakh per borrower

Customer base:

Broadly, amongst the four income groups (EWS, LIG, MIG, and High Income group[HIG]), our company caters the needs of LIG and MIG. Our customer segments are from rural and urban areas, ticket size range from 5 to 20 lakhs, salaried in organized/unorganized sector and self-employed and those in small businesses and enterprises, with documented and undocumented income proof (on cash flow based assessment) .

In line with the mission of the Company to support individuals and households in their first time home ownership in affordable category, we continue to focus on the informal sector, lower and middle income groups, in small towns and peripheral neighborhoods of urban centres to individual dwelling units.

However in spite of the aforesaid positive push, due to overall economic slow down coupled with non availability of ready stock of units in affordable housing category in the urban neighborhoods the demand for housing loans from among the customers of economic profiles targeted by our company was lukewarm during the year which was the performance trend among all HFCs compared to previous years.. Cognizance of the situation so prevailing and in pursuance to the prudent risk management policy the company adopted a calibrated approach in business solicitation and loan sanctioning.

The prospects of the business expansion got further impacted due to the out brake of COVID pandemic during the month of March 2020 and subsequently thereto. The impact manifested both in loan disbursements, follow up and moratorium for repayments and consequent cash flow constraints



In the back drop of the events narrated above the activities and performance of the company in terms of business, operational and financial parameters are presented here under:

During the year 2019-20, the company opened 5 new branches namely Tirunelveli, Tambaram, Kumbakonam , Tenkasi and Avinashi branches making the total number of branches to 10 as of 31st March 2020. These centres have been chosen to enable access to customers in Tier I suburbs, Tier II and Tier III small towns and adjoining rural areas .

Home loans to individuals and Loan against properties (Mortgage loans) are our two major portfolios. At the end of the year, loans outstanding was Rs. 36.77 cr increased from Rs.2.56 cr of the previous year. Disbursements during the year were Rs. 34.82 Crs. out of sanction of Rs. 41.35 Crs. Our Client base has reached a 360 mark with nil NPAs.

With our total staff counting to 26, the company is adopting a lean man power policy exercising adequate care in selection of employees ensuring high operational efficiency.

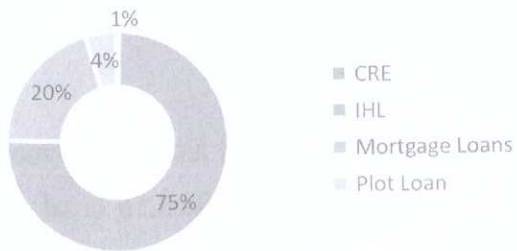
Our credit policy, in comparison with major HFCs is stringent in terms of LTV and FOIR. Under a stringent credit appraisal system Credit policy is being reviewed periodically considering market environment and changing risk perceptions. Audit of branches are done at as per audit policy. Credit monitoring, asset verification on test check basis, scrutiny and safe custody of documents and title deeds are priority areas of audit.

In view of COVID-19 outbreak followed by lockdown and economic slow down, the security norms have been reviewed and tightened further especially in computation of income for avoiding potential risks in default. Greater emphasis is laid on the residual income of the borrowers to assess the repaying capacity. Analysis of our loan portfolio is given below.:



Loan Book Details

Loan Book -Product wise



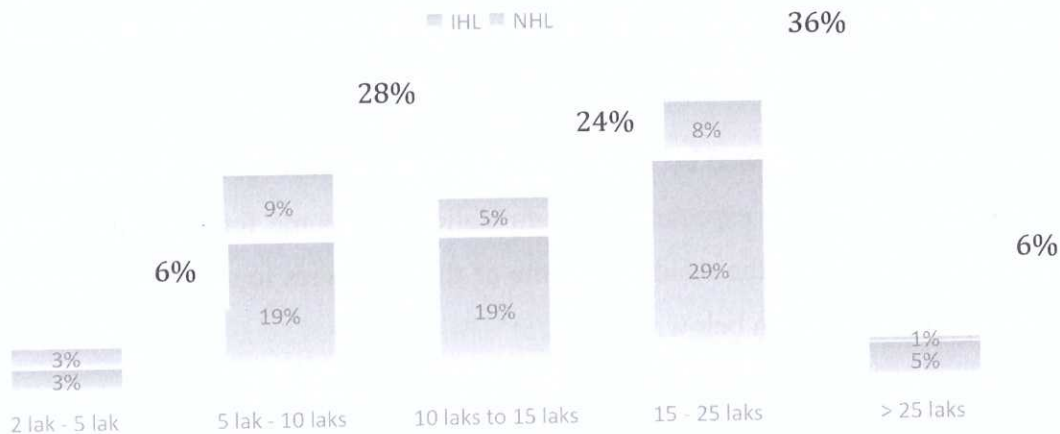
Loan Book - Income group wise



*IHL - Individual Housing Loans

*NHL - Non Housing Loans

LOAN BOOK - TICKET SIZE WISE



COVID-19 Outbreak:

The impact of COVID-19 pandemic has reverberated through every corner of the globe taking lives,



destroying livelihoods, and changing everything about how we interact with each other and the world. It prompted governments and businesses to take unprecedented measures such as lockdown, restrictions on travel and business operations, temporary closure of businesses, quarantine and shelter-in-place orders.

Moratorium:

The Company has granted moratorium to the customers in line with the notifications of RBI. Moratorium Policy has been approved by the Board of Directors on 10th March, 2020. The Board approved moratorium policy was published in the official website of our company. As per the approved policy, moratorium option was given to all the borrowers and they were duly informed the moratorium details of their respective loans account by way of SMS. Branch Managers were educated by the Management regarding the Moratorium Policy approved by the Board. Branch Managers were advised by the Management to follow up with customers explaining the impact of Moratorium.

Summary of Moratorium as on 31st March 2020			
Total accounts	Moratorium accounts	EMI involved	Outstanding
363	126	3,35,220	14,74,70,127

Managing defaults:

Branch staff were advised to intensify their customers contact over phone calls, messages etc where they could not move around physically and maintaining social distancing, wearing masks in branches and during customer visits, strictly observing the government advised protocols. They have been insisted to ensure insurance coverage for all the customers, especially life insurance. The Company is being diligent on recovery.as well. Customers were advised about the moratorium and its obligations. Also due care is exercised in identifying new customers.

Restrictions due to Covid-19 is expected to continue for another 2 quarters. Hence branches are guided to take precautions and formulate new strategies for reaching out to customers and soliciting new business. To enable customers to take an informed decision while opting for moratorium branch managers have



counseled them about the enhanced repayment obligation in the post moratorium phase.

Individual Housing loans and Loans against property (LAP) are the key products of Sasvitha. The COVID-19 impact has necessitated to redefine our approach to new business for the current year.

Market Demand:

Company observed that due to prolonged lock down the cash flow and working capital of many small business and micro enterprises were crippled. To ease their situation by augmenting medium term funds our company has launched a new product christened “Sasvitha Development Loans” (SDL). The SDL product is a medium term mortgage loan with ticket size in the region of Rs 5 lakhs . This product is being popularized and expected to grow in the portfolio. This product addition to our offerings will widen the class of customers and penetrate deeper into loan market., thus tapping an opportunity in the adversity.

a. Direct Response Marketing :

The business sourced by DSAs during the past 2 years has not been significant.

Hence the company will be building a new vertical of our own sales force. Accordingly a new cadre viz: Sales officers are posted in branches whose compensation will be linked to business.

b. Tapping the right opportunities and Developing new products :

Stickiness of customers can be enhanced by offering other (non housing) products also either by ourselves and / or with partners who have a expertise in niche products . To begin with, immediate cash is the need of all segments, be they are agriculturists, small business, SSIs or the rural households etc. Hence we are in the process of launching **Gold Loan Scheme**, (initially in select branches) to address this need. Whilst augmenting business, the product will add a new income stream with profitability ..



Financial performance of the company during FY 2019-‘20

Particulars	For the FY 2019-20 (Amount in Rs.)	For the FY 2018-19 (Amount in Rs.)
Income	3,81,35,100	98,17,889
Expenses	3,85,29,641	93,79,243
Operational Surplus/deficit	(3,94,541.55)	4,38,646.00
Contingency provisions against standard assets	10,20,813.00	1,00,000.00
Provision for other contingencies	14,37,198.45	--
Depreciation and Amortization Expenses	17,76,353.65	5,32,537.00
Profit / (Loss) Before Exceptional Items	(46,28,906)	(1,93,890)
Exceptional Items	NIL	NIL
Profit / (Loss) Before Tax	(46,28,906)	(1,93,890)
Provision for Taxes	NIL	NIL
Deferred Taxes	NIL	NIL
Earlier year Taxes	NIL	NIL
Profit / (Loss) After Tax	(46,28,906)	(1,93,890)

During the Financial year 2019-20 (“**Financial Year**”), the Company has incurred a loss of Rs. 46,28,906 which includes provisions made proactively for any credit loss due to COVID impact besides the expenses incurred in opening new branches and depreciation on the added fixed assets.



OPERATIONAL REVIEW:

The Company is in a mode of expansion. During the Financial year the Company expanded its operations by setting up five new branches in Tirunelveli, Tambaram, Avinashi, Kumbakonam and Thenkasi locations. Currently the Company has 10 branches as on 31st March, 2020. The Company will keep pace with a modified business plan approved by the board of directors recognizing the facts that the business growth during the first two quarters of 2020-21 will be muted and during second half year also aiming at a calibrated and risk managed credit expansion.

In spite of low key lending approach by Banks and financial institutions towards NBFCs and small HFCs your company could gain the trust of 4 banks for sanction of term loans aggregating Rs 55 crores. The loans are partly availed .

Directors and Key Management Personnel:

Board of Directors:

Mr. Balachandran M	Executive Chairman
Mr. Rajendran K	Executive Director/ CFO.
Mr. Devendiran K.	Director
Mr. Ganesan. K.	Director
Ms. Soumiya MK.	Director

No Directors has resigned during the year and the Board strength as on the close of the FY 2019-20 is 5 Directors.

Mr. Radha Krishna N., former Company Secretary, resigned from the Company on 31st October, 2019. The same was taken on record and Ms. Sornamukhi Nitharsana J. was appointed as Company Secretary



by the Board of Directors in their meeting held on 24th October, 2019 who joined on 13th November, 2019.

Mr. Ashok K, Chief Operating Officer of the Company resigned during the Financial Year.

Fraud Reporting:

No frauds had been reported by the auditors of the Company in terms of section 143(12) of Companies Act, 2013 for the Financial Year.

Dividend

The company did not make any profit for the year ending March, 2020. Hence the directors do not recommend any dividend during the year under review.

Reserves

The company is not transferring any amount to general reserves.

Personnel

Particulars of employees in terms of the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report as Annexure IV.

Information about Subsidiary/ Jv/ Associate Company

Company does not have any Subsidiary, Joint venture or Associate Company.

Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

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

i. Conservation of Energy

The Company promotes for optimum utilization of energy at the Corporate Office and branches of the



Company.

ii. Technology Absorption:

The company has engaged Encore Theme as information technology service providers to efficiently manage system based loan processing and accounting facilities of the organization. The arrangement is governed by IT policy approved by the Board of Directors and in compliance to the norms prescribed by our regulator viz: National Housing Bank.

iii. Foreign Exchange Earnings and Outgo :-

	2019-2020	2018-19
Earnings in Foreign Currency :	Nil	Nil
Expenditure in Foreign Currency :	Nil	Nil

Transfer Of Unclaimed Dividend To Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there is no unclaimed dividend lying with the company as the company has not declared any dividend in the past.

Deposits

The Company has not accepted any deposits during the Financial Year.

Auditors

M/s. R. Subramanian and Company LLP, Chartered Accountants having FRN 004137S / S200041 were appointed as auditors by the members in their Annual General Meeting held on 11.10.2018 for a period of 5 years starting from FY 2018-19 as per the provision of Section 139 of the Companies Act, 2013.

Auditors Report



The Auditors' Report for fiscal 2020 does not contain any qualification, reservation or adverse remark which require any replies to be furnished by the Board. The Auditors' Report is enclosed with the financial statements in this Annual Report.

1. Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

2. Risk Management Policy & Internal Control System

The Board has adopted a risk management policy for the company duly taking care of assessment of risks and managing and mitigating them. Internal control systems and their adequacy are constantly reviewed by the management through Committee Meetings at regular meetings and are updated as and when required.

3. Internal Financial Control System

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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.

Internal control systems and their adequacy are constantly reviewed by the management at regular meetings and are updated as and when required.

In the process it is ensured that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly.

Adequacy of Internal Financial Controls with Reference to The Financial Statements

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively. Rule 8(5)(viii) of Companies (Accounts)



Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. The Directors have taken adequate steps to ensure that there are adequate Internal Financial Controls with reference to the Financial Statements.

Directors Responsibility Statement

In terms of provisions of Section 134(5) of the Companies Act, 2013 your directors confirm as under;

- i) That in the preparation of annual accounts the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- iii) That the directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the directors had prepared the annual accounts on a going concern basis.
- v) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Uploading of Annual Return On Website

The details forming part of the extract of the Annual Return in form MGT - 9 is annexed herewith as "ANNEXURE – I".

Annual Return as referred to in sub-section (3) of section 92 is placed on the website of the company and



the same may be downloaded by the members from the website of the company www.sasvithahome.com

Shares

a. Share Capital: During the Financial Year there was no change in the authorized share capital of the Company.

b. Buy Back Of Securities

The Company has not bought back any of its securities during the year under review.

c. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

d. Bonus Shares

No Bonus Shares were issued during the year under review.

e. Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees.

f. Allotment of Shares

The Company has not allotted any shares during the Financial year .



Meetings of the Board Of Directors

The Board of Directors met 7 (Seven) times on the dates mentioned below during the year under review and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013:

Sl. No.	Date
1	30-05-2019
2	22-07-2019
3	13-09-2019
4	24-10-2019
5	21-11-2019
6	22-01-2020
7	12-03-2020

The Company has the following Board level committees and details of their meetings are here under:

- ❖ Risk Management Committee
- ❖ H R Advisory committee

Risk Management Committee

S.No.	Date	Purpose
1	21-11-2019	Review of Risk Management Policy, Discussion on various risks
2	13-01-2020	Recommend revision in Credit Policy
3	17-02-2020	Concession on Interest rates
4	21-02-2020	Recommendation of floating new product and appraising risk, Recommend revision in Credit Policy
5	25-03-2020	Discussion on lockdown risks (EMI, Employees, Netbanking, Compliances)



H R Advisory committee

Sl. No.	Date
1	01-07-2019
2	25-03-2020

Particulars Of Loans, Guarantees Or Investments Under Section 186

The company has not given any loans or guarantees nor has made any investments for the financial year under review as defined under section 186 of the Companies act 2013.

Particulars Of Contracts Or Arrangements With Related Parties Under Section 188:

The company has entered into related party transactions and the same are at arms length basis. The related party transaction entered by the company in the financial year 2019-20 is detailed in the Annexure -2 Form AOC-2.

Corporate Social Responsibility:

As per the provisions of Section 135 of the Companies Act 2013 and the applicable rules thereon “Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee. Since your company does not fall under any of the category mentioned above, the company was not required to form CSR committee and hence the company has not formed the same.



Disclosure Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:

The provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been addressed to by a policy approved by the Board prescribing procedures for prevention and redressal. During the year under review there was no complaints received by the committee established for the purpose.

Maintenance of Cost Records

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company and accordingly such accounts and records were not made and maintained by the Company.

Order of Court

There were no orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

Acknowledgement

Your directors take this opportunity to place on record their gratitude for the support extended by the promoters and shareholders of the company, National Housing Bank, Bankers, Auditors and Service providers and other statutory Authorities.

Company also appreciates and thanks the employees for their commitment and contribution in the conduct of business and building a brand for the company in their business areas.

On behalf of the Board of Directors

Balachandran M.

Chairman



Annexure I

Form MGT - 9

I. REGISTRATION AND OTHER DETAILS

- a. CIN:- U65999TN2017PTC117189
- b. Registration Date: **21/06/2017**
- c. Name of the Company: **Sasvitha Home Finance Private Limited**
- d. Category / Sub-Category of the Company: **Company Limited by shares**
- e. Address of the Registered office and contact details: **Sathguru Complex, 1st Floor, Old No.488, New No.640, Anna Salai, Nandanam, Chennai, 600035**
- f. Whether listed company: **Not Listed**
- g. 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:- change in the nature of business, if any;

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Housing Finance	65922	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
	NIL	NIL	NIL	NIL	NIL

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 shares	Demat	Physical	Total	% of shares	
(A) Promoter									
(1) Indian									
(a) Individual / HUF	- - -	3273300	3273300	15.48 %	---	3273300	3273300	15.48 %	---
(b) Central Govt.	- - -	---	---	---	---	---	---	---	---



(c) State Govt	-	---	---	---	---	---	---	---	---
(d) Body Corp.	-	---	---	---	---	---	---	---	---
(e) Bank / FI	-	---	---	---	---	---	---	---	---
(f) Any Other	-	---	---	---	---	---	---	---	---
Sub-total (A) (1)	-	3273300	3273300	15.48 %	---	3273300	3273300	15.48 %	---
(2) Foreign									
(a) NRI Individual s	-				---				---
(b) Other Individual s	---	---	---	---	---	---	---	---	---
(c) Body Corp.	---	---	---	---	-	---	---	---	---
(d) Bank / FI	---	---	---	---	-	---	---	---	---
(e) Any Other	---	---	---	---	-	---	---	---	---
Sub-total (A) (2)	---	---	---	---	-	---	---	---	---
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	3273300	3273300	15.48 %	---	3273300	3273300	15.48 %	---



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)									
Private ltd company		250000	1.18%	1.18%		250000	250000	1.18%	
Sub-total 1 (B)(1):-		250000	1.18%	1.18%		250000	250000	1.18%	
2.Non-Institutions									

a) Bodies Corp. i) Indian									
ii) Overseas	---	---	---	---	---	---	---	---	---
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	---	17625811	17625811	83.34 %	---	17625811	17625811	83.34 %	10.60 %
c) Others									



(specify)									
Sub-total (B)(2):-	---	17875811	17875811	84.52%	---	17875811	17875811	84.52%	---
Total Public Shareholdin g (B)=(B)(1)+ (B)(2)	---	17875811	17875811	84.52%	---	17875811	17875811	84.52%	---
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	---	21149111	21149111	100%	---	21149111	21149111	100%	---



ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ms. SAROJA KRISHNASWAMY	500000	2.36%	..	500000	2.36%	..	..
2	Ms. DEIVAM RAVI	160000	0.76%	..	160000	0.76%	..	..
3	Ms. SOUMIYA DEVI	50000	0.24%	..	50000	0.24%	..	..
4	Mr. KOTHANDAPANI RAJENDRAN	120000	0.57%	..	120000	0.57%	..	..
5	Mr. DEVENDIRAN KUPPAN	343300	1.62%	..	343300	1.62%	..	..
6	Ms. CHAMUNDEESWARI GANESAN	600000	2.84%	..	600000	2.84%	..	..
7	Mr. GANESH BABU R	750000	3.55%	..	750000	3.55%	..	..
8	Mr. GHURUMURTHY V	250000	1.18%	..	250000	1.18%	..	..
9	Mr. JAGANATHAN M	250000	1.18%	..	250000	1.18%



10	Mr. PALANICHAMY M.S.	250000	1.18%	..	25000 0	1.18 %
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iii) *Change in Promoters' Shareholding (please specify, if there is no change): No change*

Mrs. Saroja Krishnaswamy	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	500000	2.36%	Nil	Nil
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			500000	2.36%

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Mr. DEVENDIRAN KUPPAN	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	343300	1.62%	Nil	Nil
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			343300	1.62%

Ms. CHAMUNDEESWARI GANESAN	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	600000	2.84%	Nil	Nil



3	AMUTHA THENNARASU	500000	2.36%	-	-	-	-	500000	2.36%
4	CHIDAMBARAM BALASUNDHAR AM	500000	2.36%	-	-	-	-	500000	2.36%
5	NITHYA B	10000000	4.73%	-	-	-	-	1000000 0	4.73%
6	PONNUSAMI S	750000	3.55%	-	-	-	-	750000	3.55%
7	SOUNDARAM C	500000	2.36%	-	-	-	-	500000	2.36%
8	SUBRAMANIAN PARTHIBAN	1000000	4.73%	-	-	-	-	1000000	4.73%
9	DEEPA REJI ABRAHAM	500000	2.36%	-	-	-	-	500000	2.36%
10	GADE SUN MOHAN REDDY	500000	2.36%	-	-	-	-	500000	2.36%
11	VINOTH J	500000	2.36%	-	-	-	-	500000	2.36%
12	VENUGOPAL GOVIND	500000	2.36%	-	-	-	-	500000	2.36%



v) Shareholding of Directors and Key Managerial Personnel:

S.No	Directors / KMP	Beginning of the year		Addition during the year		Cumulative shareholding during the year		End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	KOTHANDAP AN I RAJENDRAN	120000	0.57%	-	-	120000	0.57%	120000	0.57%
2	SOUMIYA DEVI.M.K	50000	0.24%	-	-	50000	0.24%	50000	0.24%
3	Devendiran Kuppan	343300	1.62%	-	-	343300	1.62%	343300	1.62%

AB



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	303,03,077	--	--	303,03,077
ii) Interest due but not paid		--	--	
iii) Interest accrued but not due		--	--	
Total (i)	303,03,077	-	-	303,03,077
Change in indebtedness during the financial year				
Addition	150000000	-	--	150000000
Reduction	--		--	--
Net Change (Addition) (ii)	150000000	--	--	150000000
Indebtedness at the end of the financial year				
i) Principal Amount	180000000	--	--	180000000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (iii)	18,03,03,077		--	18,03,03,077

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no	Particulars of Remuneration	Mr. Balachandran M	Mr. Rajendran K	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	18,76,875	19,20,000	37,96,875
2.	Stock Option	NA	NA	NA



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Mr. Balachandran M	Mr. Rajendran K	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	19,75,000	18,00,000	37,00,000
2.	Stock Option	NA	NA	NA



3.	Sweat Equity	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA
5.	Others, please specify (Consulting Fees)	NA	NA	NA
	Total (A)	19,75,000**	18,00,000	37,00,000
	Ceiling as per the Act	NA	NA	NA

* The Board of Directors as authorized by the members in the AGM held on 11-10-2018, approved in their meeting held on 12-03-2020 fixed salary of Rs 2.5 lakhs per month effective from 11-10-2018. However considering the earnings of the company the Executive Chairman has opted to avail only 54% of the approved salary

** For the period from 11-10-2018 to 31-03-2020.

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors			Total Amount
Name of the Director	Mr. Ganesan K	Mr. Devendiran K	Ms. Soumiya Devi M. K.	
Independent Directors	NA	NA	NA	
• Fee for attending board / committee meetings	60000	60000	60000	180000
• Commission				
Total (1)	60000	60000	60000	180000
2. Other Non-Executive Directors				
• Fee for attending board / committee meetings			-	
• Commission				



PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees Imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014].

Details of material contracts and arrangements or transactions at arm's length basis

All contracts/arrangements/transactions entered into by the Company with related parties during the year ended March 31, 2020 were at arm's length basis. S. No.	Name of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value (Rs. in Lakhs)	Date(s) of approval by the Audit Committee/ Board	Amount paid as advances
1	Mrs.Saroja Krishnaswamy	Salem office premises	2 years from 01.12.2018 to 30.11.2020	Rental agreement 5% increase	15th Meeting of the Board of Director on 01.10.2018	1,80,000
2	Mr.V.Churchil	Theni office premises	2 years from 10.02.2019 to 15.03.2021	Rental agreement 5% increase from 15.03.2021	17th Meeting of the Board of Director on 08.11.2019	1,50,000



NOTICE

Notice is hereby given that the 3rd Annual General Meeting (“AGM”) of the Members of Sasvitha Home Finance Private Limited (“the Company”) will be held at shorter notice on Monday, the 24th August, 2020 at 4:00 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company i.e., the Balance Sheet as at 31st March, 2020, Profit and Loss Account and Cash Flow Statement for the year ended 31st March, 2020 together with notes and schedules, along with Directors’ Report and Auditors’ Report thereon.

SPECIAL BUSINESS:

2. INCREASE IN AUTHORISED CAPITAL OF THE COMPANY FROM THE PRESENT AUTHORISED CAPITAL OF Rs. 25 CRORES TO Rs. 50 CRORES

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 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and reenactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the present 25,00,00,000 (Rupees Twenty Five Crore only) divided into

2,50,00,000 (Two Crore Fifty Lakh) of Rs.10/- (Rs. Ten only) each to Rs.



50,00,00,000 (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) equity shares of Rs.10/- (Ten Only).

FURTHER RESOLVED THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

“The Authorized Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) equity shares of Rs. 10/- (Rupees Ten) each.”

FURTHER RESOLVED THAT the Directors of the company be and are hereby severally authorized to take steps such as filing of return with Registrar of Companies and such other acts as may be necessary to implement the resolution.

**By Order of the Board
For Sasvitha Home Finance Private Limited**

Date: 03/04/2020
Place: Chennai

**Balachandran M.
Chairman**



Notes:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circular dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of AGM through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue. In compliance with the said provisions the AGM of the Company is being held through VC/OAVM.
2. Since this AGM is being held through VC/OAVM, the facility for appointment of proxies by the Members will not be available for this meeting. Hence the proxy forms and attendance slips are not attached to this Notice.
3. Members are also requested to provide their email ID, or otherwise notify changes in the email ID, if there is any to which the Company could forward all communications, notices and copies of accounts.
4. Corporate Members are requested to send duly certified true copies of Board resolution, pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the AGM.
5. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to special business is annexed hereto.

INSTRUCTIONS FOR SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholders shall attend the AGM through VC/OAVM through Google Meet by clicking on the link below:

meet.google.com/inm-kfbj-miq

The said link will be shared to your registered email address for the convenience of the Shareholders joining the meeting. Shareholders may please note that the link is confidential and should not be shared with anyone.



2. Facility for joining the meeting will be open 15 minutes before and after the scheduled time of commencement of Meeting.
3. Shareholders are encouraged to join the Meeting through laptops/IPads for better experience instead of Mobile devices. It is recommended to use stable WiFi or LAN connection to mitigate any kind of technical glitches during the Meeting.
4. Further, Shareholders will be required to allow camera and use the internet with a good speed to avoid any disturbance during the meeting.
5. Shareholders who would like to express their views or ask questions during the meeting may do so by unmuting themselves when called upon by the Chairman. Please note sufficient time will be provided for all the shareholder to express their views in the Meeting.

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

Item No. 2

The Company to cope with the business plan and profit projections for the financial year 2020-2021 it becomes necessary for the Company to increase its capital base. In order to increase the capital base, as per the statute an increase in authorized share capital is warranted. The Management proposes to increase such authorized capital from Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Lakh Fifty Thousand Only) Equity shares of Rs. 10/- (Rupees Ten Only) to Rs. 50,00,00,000/- Crs (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crore Only) Equity shares of Rs. 10/- (Rupees Ten Only) considering the operational targets.

The increase in Authorized share capital of the Company will also require consequential amendment in the Clause V of the Memorandum of Association of the Company.

Pursuant to Section 13 and 61 of the Companies Act, 2013 alteration of the Capital clause requires approval of the members of the Company by way of passing an Ordinary Resolution to that effect.



The Board of Directors recommend the resolution set out in the Notice for the approval of Members.

None of the Directors, key managerial personals and their relatives are interested in this resolution except as members of the Company.

R.Subramanian and Company LLP

CHARTERED ACCOUNTANTS

FRN : 004137S / S200041

New No:6, Old No.36, Krishnaswamy Avenue, Luz, Mylapore, Chennai - 600 004.

Phone : 24992261 / 24991347 / 24994231, Fax : 24991408

Email : rs@rscompany.co.in Website : www.rscompany.co.in



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

M/s SASVITHA HOME FINANCE PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of M/s. SASVITHA HOME FINANCE PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss and its cash flows for the year ended on that date.

Basis for Opinion

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



Emphasis of Matter

We draw attention to:

Note No 21.14 which explains that the extent to which the COVID-19 Pandemic will impact the Company's operations will depend on the time taken for economic activities to resume to normal level which remain uncertain at this stage.

Our opinion is not modified in respect of the above matter.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises 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 misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The Director's report including annexures in annual report, if any thereon is expected to be made available to us at a later date, and accordingly we have nothing to report in this regard at this point of time, and in case we conclude that there is a material misstatement when we read Director's report including annexures in annual report, if any we are required to communicate the matter to those charged with governance.

Management Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance and Cash Flows of the Company in accordance with Accounting Standards notified under Section 133 to The Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has 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.

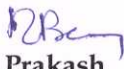
Report on Other Legal and Regulatory Requirements

1. 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 (Accounting Standards) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2020 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) Reporting Clause (i) of Section 143 (3) of the Act on the Internal Financial Controls with reference to Financial Statements of the Company, does not apply to the company based on the exemption provided in *notification No. GSR 464 (E) dated 5th June 2015 as amended by notification No. GSR 583(E) dated 13th June 2016.*
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended, The company being a private limited company, the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in respect of whether the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and



- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations on the date of the Balance Sheet.
 - 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 required to be transferred to the Investor Education and Protection Fund by the company.
2. As required by the Companies (Auditor's Report) Order 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in "Annexure A" a statement on the matters specified in Paragraphs 3 and 4 of the Order.

For R. Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041


R. Prakash
Partner

Membership No 205869



UDIN: 20205869 AAAA BU1000

Place: Chennai
Date: 15.07.2020

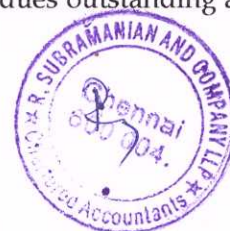
"Annexure A" to the Independent Auditor's Report of SASVITHA HOME FINANCE PRIVATE LIMITED.

(Referred to in Paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date on the accounts of SASVITHA HOME FINANCE PRIVATE LIMITED ("the company") for the year ended 31st March 2020).

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. As explained to us, these fixed assets have been physically verified by the management at regular intervals; and as informed to us no material discrepancies were noticed on such verification. The Company has no Immoveable properties and accordingly no comment is offered with regard to title deeds relating to immoveable properties.
2. The company is a Housing Finance Company and accordingly the question of physical verification of Inventories does not arise.
3. The company has not granted any loans, secured/unsecured, to corporate, firms or other parties covered on the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable to the company.
4. There are no loans granted, investments made under the provisions of section 185 and 186 of the Companies Act, 2013. Thus, paragraph 3(iv) of the Order is not applicable to the company.
5. The Company has not accepted any deposits from the public, accordingly Paragraph 3(v) of the order is not applicable to the Company.
6. As explained to us and based on the information and explanation provided to us, the Central Government has not prescribed the maintenance of Cost records under Sub-section (1) of section 148 of the Companies Act 2013 to this company.
7. a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Income-tax, Service tax, GST and other material statutory dues, as applicable, with the appropriate authorities in India. No undisputed amounts payable in respect of outstanding statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they become payable other than as disclosed below:

Nature of statutory dues	₹
Central Goods and Service Tax	33,335
Tamil Nadu State Goods and Service Tax	33,335

- b) According to the information and explanations given to us and based on the records of the company examined by us, there are no disputed statutory dues outstanding as on 31st March 2020.



8. According to the records of the company examined by us and based on the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks, Government or dues to debenture holders.
9. The Company has not raised any moneys by way of initial public offer or further public offer including debt instruments during the year. Term Loans borrowed by the company were applied for the purposes for which those loans are obtained.
10. As explained to us no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
11. The company being a private limited company provisions of section 197 and consequently paragraph 3(xi) of the order are not applicable.
12. The company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. The Company has obtained a Certificate of Registration under Section 29A of the National Housing Bank Act, 1987.

For R. Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041


R. Prakash

Partner

Membership No 205869



UDIN: 20205869 AAAABU1000

Place: Chennai

Date: 15.07.2020

Sasvitha Home Finance Private Limited

Sathguru Complex No 488 First Floor, Anna Salai, Nandanam Chennai - 600 035

CIN: U65999TN2017PTC117189

BALANCE SHEET AS AT 31st MARCH 2020

(Rupees)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
I EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share Capital	1	21,14,91,110	21,14,91,110
b) Reserves and surplus	2	(42,04,739)	4,24,167
		<u>20,72,86,371</u>	<u>21,19,15,277</u>
2) Share Application money Pending Allotment		-	-
3) Non Current Liabilities			
a) Long term borrowings	3	16,11,60,494	-
b) Long Term Provisions	4	12,70,998	1,00,000
		<u>16,24,31,492</u>	<u>1,00,000</u>
4) Current liabilities			
a) Short term borrowings	5	16,52,641	3,03,00,037
b) Trade Payables	6		
(i) Micro enterprises and small enterprises		-	-
(ii) Creditors other than micro enterprises and small enterprises		3,60,267	2,00,000
c) Other Current Liabilities	7	2,01,73,135	4,30,197
d) Short Term Provisions	8	14,37,198	-
		<u>2,36,23,241</u>	<u>3,09,30,234</u>
		<u>39,33,41,104</u>	<u>24,29,45,511</u>
II ASSETS			
1) Non-current assets			
a) Property plant and equipment	9	79,01,374	72,19,062
b) Intangible assets	9	17,28,422	21,86,745
c) Deferred Tax Asset (Net)		-	-
d) Long-term loans and advances	10	35,77,00,455	2,55,59,638
		<u>36,73,30,251</u>	<u>3,49,65,445</u>
2) Current assets			
a) Cash and Bank Balances	11	1,18,69,657	20,02,05,637
b) Short Term Loans and Advances	12	1,35,34,809	14,42,485
c) Other Current Assets	13	6,06,387	63,31,944
		<u>2,60,10,853</u>	<u>20,79,80,066</u>
		<u>39,33,41,104</u>	<u>24,29,45,511</u>

For R.Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

R.Prakash
Partner
M.No. 205869
Place : Chennai
Date 15.07.2020



For and on behalf of the Board
For Sasvitha Home Finance Private Limited

Balachandran M
Director
DIN: 00205358

K.Rajendran
Director
DIN: 03626286



Statement of Profit and Loss for year ended March 31, 2020

(Rupees)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Income			
I Revenue from operations	14	2,95,34,100	7,18,937
II Other Income	15	86,01,000	90,98,952
III Total Income		3,81,35,100	98,17,889
IV Expenditure			
Finance Cost	16	1,08,50,131	4,41,569
Employee Benefit Expenses	17	1,41,68,109	44,29,931
Depreciation and Amortization Expenses	9	17,76,354	5,32,537
Other Expenses	18	1,35,11,401	45,07,743
Provisions and write off	19	24,58,011	1,00,000
Total Expenses		4,27,64,006	1,00,11,780
V Profit before exceptional and extraordinary items and tax (III-IV)		(46,28,906)	(1,93,891)
VI Exceptional items		-	-
VII Profit before tax (V-VI)		(46,28,906)	(1,93,891)
VIII Tax expense			
(a) Current tax		-	-
Less: MAT Credit Entitlement		-	-
(b) Deferred tax asset created (Net)		-	-
IX Profit for the period (VII-VIII)		(46,28,906)	(1,93,891)
X Earnings per equity share:			
1) Basic		(0.22)	(0.01)
2) Diluted Earning Per Share		(0.22)	(0.01)

Significant Accounting Policies

20

Notes to Financial Statements

21

For R.Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

For and on behalf of the Board
For Sasvitha Home Finance Private Limited

R.Prakash
Partner
M.No. 205869
Place : Chennai
Date 15.07.2020



Balachandran M
Director
DIN: 00205358

K.Rajendran
Director
DIN: 03626286



Sasvitha Home Finance Private Limited
Sathguru Complex No 488 First Floor, Anna Salai, Nandanam Chennai - 600 035
CIN: U65999TN2017PTC117189

CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2020

(Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	17,99,95,351	-
Proceeds from issue of shares	-	10,72,91,110
Securities premium received on allotment of shares	-	13,38,222
Increase/ (Decrease) in Short term Borrowings	(2,86,47,396)	3,03,00,037
Interest and finance charges paid	(1,08,50,132)	-
Net Cash Used in Financing Activities (C)	14,04,97,823	13,89,29,369
Net Increase/Decrease in cash and cash equivalent (A+B+C)	8,64,020	(6,16,052)
Cash and Cash Equivalents - Opening Balance (D)	5,637	6,21,689
Cash and Cash Equivalents - Closing Balance (E)	8,69,657	5,637
Net Increase/(Decrease) in Cash and Cash Equivalents (E-D)	8,64,020	(6,16,052)

Components of Cash and Cash Equivalents at the end of the year

Current account with Banks	7,09,255	-
Cash on Hand	1,60,402	5,637
Cash and Cash Equivalents	8,69,657	5,637

We have examined the above Cash Flow Statement of Sasvitha Home Finance Pvt Ltd., Chennai, for the year ended March 31, 2020. The statement has been prepared by the company based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company.

For R. Subramanian and Company LLP
Chartered Accountants
FRN 004137S/S200041

R.PRAKASH
M.NO 205869
Place: Chennai
Date: 15.07.2020



For and on behalf of the Board
For Sasvitha Home Finance Private Limited

Balachandran M
Director
DIN: 00205358

K.Rajendran
Director
DIN: 03626286



CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2020

(Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	(46,28,906)	(1,93,891)
Adjustments For:		
Depreciation and amortization expense	17,76,354	5,32,537
Provision for Non-Performing Assets/Standard Assets	24,58,011	1,00,000
Provision for gratuity	1,50,184	-
Interest Earned on Deposits	(86,01,000)	(90,98,952)
Interest and finance charges	1,08,50,131	-
Operating Profit Before Working Capital Changes	20,04,774	(86,60,306)
Changes in Working Capital		
Increase/(Decrease) in other Long term/current liabilities	10,68,349	5,55,197
(Increase)/Decrease in Long term and short term loans & advances	(12,70,860)	(18,70,921)
(Increase)/Decrease in other current assets	57,25,557	(5,22,435)
Cash generated from operations	75,27,820	(1,04,98,465)
Income tax (paid)/ received (net of refund)	-	(2,87,685)
Net Cash From Operations	75,27,820	(1,07,86,150)
(Increase)/Decrease in Housing/other loans	(33,20,43,118)	(2,33,37,011)
(Increase)/Decrease in Current maturities of Housing/other loans	(1,09,19,163)	(4,84,191)
Net Cash Generated from operating activities	(33,54,34,461)	(3,46,07,352)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(20,00,342)	(99,38,345)
Interest received on Deposits	86,01,000	42,12,988
Investments/redemption of Deposits matured	18,92,00,000	(9,92,12,712)
Net Cash Used in Investing Activities (B)	19,58,00,658	(10,49,38,069)

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Notes to financial statements for the year ended March 31, 2020

1 Share Capital		(Amount in Rupees)	
	Particulars	As at 31st March 2020	As at 31st March 2019
AUTHORISED			
Equity Share Capital			
	2,50,00,000 (P.Y. 2,50,00,000) Equity Shares of Rs 10/- each	25,00,00,000	25,00,00,000
	Total	25,00,00,000	25,00,00,000
ISSUED SUBSCRIBED AND FULLY PAID-UP			
Equity Share Capital			
	2,11,49,111 (P.Y. 2,11,49,111) Equity Shares of Rs 10/- each	21,14,91,110	21,14,91,110
The Company has issued only one class of Equity shares having par value of Rs.10/- per equity share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings			
	Total	21,14,91,110	21,14,91,110
(a) Equity Shares			
Reconciliation of Number of Shares			
	Shares outstanding as at beginning of the year	2,11,49,111	1,04,20,000
	Additions during the Year	-	1,07,29,111
	Shares outstanding as at end of the year	2,11,49,111	2,11,49,111
Details of shares held by share holders holding more than 5% of the aggregate shares in the Company		Not Applicable	Not Applicable

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SASVITHA HOME FINANCE PVT. LTD.
Corporate Office

Notes to financial statements for the year ended March 31, 2020

2 Reserves and Surplus

Particulars	As at 31.03.2020	As at 31.03.2019
a) Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	(9,14,055)	(7,20,164)
Add: Transfer from statement of profit & Loss	(46,28,906)	(1,93,891)
Closing Balance	(55,42,961)	(9,14,055)
b) Securities Premium Account	13,38,222	13,38,222
	(42,04,739)	4,24,167

3 Long Term Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
Secured :		
Term loan from Bank and Financial Institutions	17,99,95,351	-
Less: Current maturities of long term borrowings		
Term loan from Bank and Financial Institutions	1,88,34,857	-
	16,11,60,494	-


i). The above secured borrowings are secured by book debts / receivables of the company and an irrevocable **Power of Attorney** given by the Company in favour of the Banks for recovery of monies and for creation of mortgage on the properties of the loan borrowers of the Company.)

ii). The details regarding repayment and interest is given below

Term Loan	Rate of Interest	Outstanding 31st March 2020 (₹ crores)	Repayment Terms
T1	10.20% p.a (currently)	5.00	To be Repayable in 28 Quarterly Installment of Rs. 0.18 Crores Each commencing from six months after initial Disbursement.
T2	10.20% p.a (currently)	5.00	To be Repayable in 28 Quarterly Installment of Rs. 0.18 Crores Each commencing from six months after initial Disbursement.
T3	10.50% p.a (currently)	4.99	To be repayable in 84 months with a moratorium period of 6 months. Repayable in twelve half yearly instalments of Rs.76.92 lacs
T4	10.25% p.a (currently)	2.99	To be repayable in 28 equal quarterly installments after a moratorium period of 6 months from the date of first disbursement.

4 Long Term Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits		
-Provision for gratuity	1,50,184	-
Other Provisions for:		
- Standard Advances (Refer note 21.5.19)	11,20,814	1,00,000
	12,70,998	1,00,000

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Notes to financial statements for the year ended March 31, 2020

5 Short term borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
Loans repayable on demand		
- From scheduled banks*	16,52,641	3,03,00,037
	<u>16,52,641</u>	<u>3,03,00,037</u>

*Bank overdraft is repayable on demand and is secured by lien on Fixed Deposits placed by the company with the Bank

6 Trade Payables

Particulars	As at 31.03.2020	As at 31.03.2019
Creditor for expenses- MSME*	-	-
Creditor for expenses -Others		
Audit Fees Payable	2,50,000	2,00,000
Property Insurance payable	28,150	-
Life Insurance payable	82,117	-
	<u>3,60,267</u>	<u>2,00,000</u>

*Disclosure requirement as per Schedule III (Certified by management)

	As at 31.03.2020	As at 31.03.2020
i Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	-	-
ii Interest paid by the company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii Interest due and payable for the year of delay in making payment which have been paid but beyond the appointed day during the year without payment of interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv Interest accrued and remaining unpaid at the end of each accounting year.	-	-

7 Other Current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Current maturities of long term borrowings	1,88,34,857	-
Statutory dues	8,62,184	1,33,322
Outstanding Expenses	4,76,094	1,66,808
Bank Overdraft	-	1,30,067
	<u>2,01,73,135</u>	<u>4,30,197</u>

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Note : 9 - Property Plant and Equipment

S.No	Particulars	Gross Block			Depreciation			Net Block		(In Rupees)	
		As at	Additions	Deletions/	As at	During the	Deletions/	As at	As at		
		01-04-2019		Transfers	31-03-2020	Period	Transfers	31-03-2020	31-03-2019		31-03-2020
TANGIBLE ASSETS											
1	Furniture & Fixtures	53,16,762	12,65,546	-	65,82,308	1,16,805	5,92,765	-	7,09,571	51,99,957	58,72,737
2	Office Equipment	7,33,572	3,77,740	-	11,11,312	44,187	1,97,679	-	2,41,866	6,89,386	8,69,446
3	Computers	10,09,669	2,33,330	-	12,42,999	1,20,183	3,52,882	-	4,73,064	8,89,487	7,69,935
4	Temporary erections	4,72,702	1,23,726	-	5,96,428	32,469	1,74,703	-	2,07,172	4,40,233	3,89,255
Total - Tangible Assets		75,32,706	20,00,342	-	95,33,048	3,13,644	13,18,030	-	16,31,674	72,19,062	79,01,374
Previous Year		-	(75,32,706)	-	(75,32,706)	-	(3,13,644)	-	(3,13,644)	-	(72,19,062)
INTANGIBLE ASSETS											
1	Software	24,05,639	-	-	24,05,639	2,18,894	4,58,324	-	6,77,217	21,86,745	17,28,422
Total - Intangible Assets		24,05,639	-	-	24,05,639	2,18,894	4,58,324	-	6,77,217	21,86,745	17,28,422
Previous Year		-	(24,05,639)	-	(24,05,639)	-	(2,18,894)	-	(2,18,894)	-	(21,86,745)

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Notes to financial statements for the year ended March 31, 2020

8 Short Term Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Other Provisions for:		
- Provision for contingencies	14,37,198	-
	<u>14,37,198</u>	<u>-</u>

10 Long Term Loans and Advances

Particulars	As at 31.03.2020	As at 31.03.2019
A. Secured & Considered Good excepting advances classified as Non-Performing Advance		
Housing loan to individuals	27,48,17,659	1,90,16,815
Mortgage / other loans to individuals	9,19,65,824	48,04,387
Total	<u>36,67,83,483</u>	<u>2,38,21,202</u>
Less : Current receivables of long term loans & advances		
Housing loan to individuals	70,96,952	3,13,380
Mortgage / other loans to individuals	43,06,402	1,70,811
Amount disclosed under the head "short term loans & advances" (note 11)	<u>1,14,03,354</u>	<u>4,84,191</u>
Non - current receivables of long term loans & advances		
Housing loan to individuals	26,77,20,707	1,87,03,435
Mortgage / other loans to individuals	8,76,59,422	46,33,576
Total	<u>35,53,80,129</u>	<u>2,33,37,011</u>
B. Security Deposits (unsecured, considered good)	23,20,326	22,22,627
	<u>35,77,00,455</u>	<u>2,55,59,638</u>

Long term housing loans, mortgage loans and other loans including current maturities of such loans granted by the Company are secured by equitable mortgage of property

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Notes to financial statements for the year ended March 31, 2020

11 Cash and Bank Balances

Particulars	As at 31.03.2020	As at 31.03.2019
Cash and Cash Equivalents		
Cash on hand	1,60,402	5,637
Balances with banks in Current Accounts	7,09,255	-
(A)	<u>8,69,657</u>	<u>5,637</u>
Other Bank Balances		
Balances with banks in Deposit Accounts with Maturity period more than 3 months less than 12 months*	(B) 1,10,00,000	20,02,00,000
(A)+(B)	<u>1,18,69,657</u>	<u>20,02,05,637</u>

*Deposits marked under lien, Rs. 1,10,00,000 (Rs. 20,02,00,000)

12 Short Term Loans and Advances

Particulars	As at 31.03.2020	As at 31.03.2019
A. Secured & Considered Good excepting Advances classified as Non-Performing Advances		
Housing loan to individuals	70,96,952	3,13,380
Mortgage / other loans to individuals	43,06,402	1,70,811
B. Other loans & advances (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or value to be received	6,364	10,000
Prepaid Expenses	44,594	38,398
Advance tax and Tax Deducted at Source (net of provisions)	8,60,101	9,09,896
Security deposit	3,10,500	-
Income Tax refund receivable	9,09,896	-
	<u>1,35,34,809</u>	<u>14,42,485</u>

13 Other Current Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with Government Authorities	3,65,519	5,22,435
Interest Accrued but not due on deposits	2,40,868	58,09,509
	<u>6,06,387</u>	<u>63,31,944</u>



Notes to financial statements for the year ended March 31, 2020

14 Revenue from Operations		(Amount in Rupees)	
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	
Interest on Loans	2,34,05,213	2,70,268	
Processing fees, Admin Fees, Login Fees	59,39,045	4,48,669	
Other operating income	1,89,842	-	
	<u>2,95,34,100</u>	<u>7,18,937</u>	
15 Other Income			
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	
Interest earned on deposits with bank	86,01,000	90,98,952	
	<u>86,01,000</u>	<u>90,98,952</u>	
16 Finance cost			
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	
Interest on loan from banks & financial institutions	79,13,483	4,41,569	
Other borrowing cost	29,36,648	-	
	<u>1,08,50,131</u>	<u>4,41,569</u>	
17 Employee Benefit Expenses			
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	
Salaries, Wages & other benefits	1,40,04,582	44,29,931	
Contribution to PF/ other funds	1,63,527	-	
	<u>1,41,68,109</u>	<u>44,29,931</u>	
18 Other Expenses			
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	
Bank charges	71,362	4,552	
Stipend	70,000	-	
Printing and Stationery	2,89,512	1,31,790	
Professional & Consultancy Fee	21,27,374	7,96,560	
Rates and Taxes	2,33,644	19,669	
Advertisement	2,87,520	2,03,019	
Rent	30,79,665	16,60,037	
Office Expenses	6,89,717	5,04,189	
Travelling Expenses	7,33,477	5,29,041	
Electricity Charges	2,10,515	64,124	
Software Subscription Charges	39,00,449	70,800	
Communication expenses	2,52,982	1,04,168	
Audit Fee (Refer note 18.1)	2,96,570	2,00,000	
Sitting fees	1,81,500	1,09,000	
Miscellaneous Expenses	1,59,305	50,254	
Repairs and Maintenance	1,34,512	60,540	
Insurance charges	34,746	-	
Postage and courier expenses	38,991	-	
Credit bureau expense	2,51,331	-	
DSA commission	4,68,230	-	
	<u>1,35,11,401</u>	<u>45,07,743</u>	

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SASVITHA HOME FINANCE PVT. LTD.
Corporate Office

Notes to financial statements for the year ended March 31, 2020

18.1 Remuneration to Auditors (Excluding GST)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Statutory Audit fees	2,50,000	2,00,000
Certification fees	46,570	-
	<u>2,96,570</u>	<u>2,00,000</u>

19 Provisions and write off

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Contingency provisions against standard assets	10,20,813	1,00,000
Provision for other contingencies	14,37,198	-
	<u>24,58,011</u>	<u>1,00,000</u>

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20. Significant Accounting Policies and Notes on Accounts

Corporate Information

Sasvitha Home Finance Limited (SHFL) "the company" was incorporated on 21st June 2017 with the objective carrying on as its main business of providing loans to retail customers for construction or purchase of residential property and loans against property. The Company has obtained registration on 31.07.2018 with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987.

Note 20: Significant Accounting Policies

a) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of Companies Act, 2013 and Companies (Accounting standards) Amendment Rules 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Use of Estimates

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

c) Revenue and Expenses Recognition

All income and expenses recognized on accrual basis as a going concern. Interest income on housing/other loans and other dues are accounted on accrual basis. Housing/Other loans are classified into "Performing" and "Non-performing assets" in terms of the guideline / directions issued by the NHB from time to time. Interest and other Income on non-performing advances are recognized in accordance with the NHB guidelines.

d) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and taxes adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e) Interest on Housing Loan

Repayment of Housing Loans is by way of Equated Monthly Installments (EMI's) comprising principal and interest. The interest is calculated on the outstanding balances at the beginning of the month. EMI's commence once the entire loan is disbursed. Pending commencement of EMI, pre-equated monthly installment interest (PEMI) is payable every month.

f) Property, Plant and Equipment

Fixed Assets are stated at cost less accumulated depreciated Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties and other incidental expenses related to the acquisition and installation of the assets. Depreciation on tangible Fixed Assets acquired are provided based on the useful life of the assets and in accordance with Schedule II to the Companies Act, 2013. Straight line method of depreciation was adopted.



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Intangible assets are amortized equally over the estimated useful life not exceeding five years.

g) Provision for Non-Performing/Performing Assets

Advances are classified into Performing and Non-Performing Assets. Further Non-performing assets, if any are categorized into Sub-standard, Doubtful and Loss category based on the guidelines and directions issued by NHB. Provision for Standard assets and Non-performing assets are made in accordance with the NHB guidelines.

h) Taxation

Provision for Income Tax is made using tax rates as applicable for the year of account. Deferred Tax Asset and Deferred Tax Liability are recognized for future tax consequence in respect of timing difference between carrying amount of the Asset and Liability at the applicable tax rates. Deferred Tax Assets are recognized only if there is virtual certainty that they can be realized.

i) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. Impairment loss, if any, is provided to the extent the carrying amount of the assets exceeds their recoverable amount.

j) Earnings /(Loss) per Share

Earnings/(Loss) per share is calculated by dividing the net profit/(loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding at year-end.

k) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

l) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities if any are disclosed in the notes to accounts. Contingent assets are not recognized in the financial statements.

m) Operating Cycle

Based on the nature of its activities, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 21: Notes on Accounts

1. Contingent Liabilities not provided for: -

(i) Claims against the Company not acknowledged as debts NIL (PY. NIL)

2. Commitment towards sanction pending disbursement including part disbursement as on 31.03.2020 – Rs. 7,64,25,544 (PY. Rs. 3,67,42,000).

3. Deferred Tax: The components of deferred tax assets and deferred tax Liabilities as on 31-03-2020 and 31-03-2019 are as under:

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Particulars	31-03-2020		31/03/2019	
	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
Deferred Tax Asset (A)				-
- Business Loss & Unabsorbed Depreciation	10,80,254		2,84,680	
- Other Timing differences	37,798		-	
		11,17,953		2,84,680
Deferred tax liability (B)				
- Difference between value of property, plant and equipment between Companies Act, 2013 and Income Tax Act, 1961		1,87,165		2,30,740
Net Deferred tax Asset		9,30,789		53,940
Deferred Tax Asset to be recognised in P&L		8,76,849		53,940

Applying prudence no Deferred Tax Asset has been recognized in the Financial Statements for the year.

- In the opinion of the Board, all Assets other than Fixed Assets have a realizable value in the Ordinary course of business which is not different from the amount at which it is stated in the books of accounts.
- The following disclosures have been given in terms of the National Housing Bank's notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017:

5.1 Capital:

	Items	2019-20	2018-19
i)	CRAR (%)	85.58%	459.27%
ii)	CRAR – Tier I Capital (%)	85.58%	459.27%
iii)	CRAR – Tier II Capital (%)	--	--
(iv)	Amount of Subordinated debt raised as Tier – II Capital	--	--
(v)	Amount raised by issue of Perpetual Debt instruments	--	--

5.2 Reserve Fund U/s 29C of NHB Act, 1987 :

No Information is furnished since the company has incurred losses during the current year as well as previous year. Hence, no amount was transferred to Reserve fund u/s 29C of NHB Act, 1987.

5.3 Investments :

NIL

5.4 Derivatives

NIL

5.5 (a) Securitization:

NIL

5.5 (b) Loan against Collateral of Gold Jewellery

NIL



5.6 Asset Liability Management: Maturity pattern of certain items of assets and liabilities

(Rs. In crores)

	1 day to 30-31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & to 1 year	Over 1 year & to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 years	Total
Liabilities											
Deposits	--	--	--	--	--	--	--	--	--	--	--
Borrowings from Banks (including NHB)	--	--	--	0.56	1.49 (3.03)	6.72	5.28	3.45	0.67	--	18.07 (3.03)
Market Borrowings	--	--	--	--	--	--	--	--	--	--	--
Foreign Currency Liabilities	--	--	--	--	--	--	--	--	--	--	--
Assets											
Advances	0.09 (0.01)	0.09 (0.01)	0.09 (0.01)	0.28 (0.04)	0.59 (0.09)	2.85 (0.35)	3.83 (0.35)	5.05 (0.35)	10.17 (0.52)	13.64 (0.65)	36.68 (2.38)
Investments	--	--	--	--	--	--	--	--	--	--	--
Foreign Currency Assets	--	--	--	--	--	--	--	--	--	--	--

5.7 Exposure to Real Estate Sector:

Category			2019-20	2018-19
a)	Direct Exposure			
	(i)	Residential Mortgages -		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	36,49,56,312	2,38,21,202
		(i) Out of the above Individual Housing Loans up to Rs.15.00 lakh.	15,12,38,648	93,88,210
	(ii)	Commercial Real Estate-	18,27,171	Nil
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securities exposures -	Nil	Nil
	a.	Residential	Nil	Nil
	b.	Commercial Real Estate	Nil	Nil
b)	Indirect Exposure			
	Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		Nil	Nil

5.8 Exposure to Capital Market:

NIL

5.9 Details of financing of parent company products:

NIL

5.10 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL):

The company has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SGL) and Group Borrower Limit (GBL).



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5.11 Unsecured Advances:

The Company has not financed against intangible securities such as rights, licenses, authority etc. as collateral security.

5.12 Registration obtained from other financial sector regulators:

The Company has not obtained registration from any other financial sector regulator.

5.13 Disclosure of Penalties imposed by NHB and other regulators:

NIL

5.14 Rating assigned by credit Rating Agencies and migration of rating during the year:

No Rating was obtained from any credit Rating Agency.

5.15 Remuneration of Directors:

The transaction of the non-executive directors with the Company is as below.

Name of the director	Nature of transaction	Amount in Rs.
Mr. K Devendiren	Payment of Sitting Fees	60,000
Mrs. M Soumiya Devi	Payment of Sitting Fees	60,000
Mr. Ganesan	Payment of Sitting Fees	60,000

5.16 Net Profit or Loss for the period, prior period items and changes in accounting policies:

During the year (a) no prior period items occurred which has impact on Statement of Profit and loss, (b) no change in Accounting policy, there were no circumstances (other than income recognition on Non performing advances) in which revenue recognition has been postponed pending resolution of significant uncertainty and there is no withdrawal from reserve fund

5.17 Revenue recognition:

There have been no instances where revenue recognition has been postponed pending resolution of significant uncertainties.

5.18 Consolidated Financial Statements (CFS):

SHFPL has no subsidiary company, hence requirement of CFS involving subsidiary Company is not applicable.

5.19 Provisions and Contingency :

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	2019-20	2018-19
1. Provisions for depreciation on Investment	Nil	Nil
2. Provision made towards Income tax	Nil	Nil
3. Provision towards NPA	Nil	Nil
4. Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)		
(a) Housing loan to individuals	7,41,987	1,00,000
(b) Mortgage / Other loans	3,60,555	-
(c) Commercial real estate – Other	18,272	-
5. Other Provision and Contingencies	14,37,198	Nil

5.20 Concentration of Public Deposits:

Not applicable, since the company has not accepted any deposits from the public.



5.21 Concentration of Loan & Advances:

Particulars	As on 31-03-2020	As on 31-03-2019
Total Loans & Advances to twenty largest borrowers	5,35,35,841	2,33,75,656
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	14.60%	98.12%

5.22 Concentration of All Exposure:

Particulars	As on 31-03-2020	As on 31-03-2019
Total exposure to twenty largest borrowers/customers	5,54,16,323	2,33,75,656
Percentage of Loans & Advances to twenty largest borrowers /customers to total exposure of the HFC on borrowers/customers	15.11%	98.12%

5.23 Concentration of NPA:

The information regarding Concentration of NPA, Sector Wise NPA, Movement of NPA are not applicable since the company has no non performing advances.

5.24 Overseas Assets:

The company does not have any overseas assets.

5.25 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms):

The company does not have any off-balance sheet Special Purpose Vehicle (SPV) which requires to be consolidated as per accounting norms.

5.26 Disclosure of customer Complaints:

Particulars	As on 31-03-2020	As on 31-03- 2019
a) No. of complaints pending at the beginning of the year	Nil	Nil
b) No. of complaints received during the year	Nil	Nil
c) No. of complaints redressed during the year	Nil	Nil
d) No. of complaints pending at the end of the year	Nil	Nil

5.27 Drawdown from reserves:

Not applicable as the company has not drawn any amount from the reserves during the current year as well as in the previous year.

6. Classification of Loans and Provisions made for Non-Performing Assets are as under:

(Amount in Rupees)

Loan	For the year ended 31-03-2020					For the year ended 31-03-2019				
	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loan	27,48,17,659	-	-	-	27,48,17,659	1,90,16,815	-	-	-	1,90,16,815
Mortgage Loan	9,19,65,824	-	-	-	9,19,65,824	48,04,387	-	-	-	48,04,387
Total Loans	36,67,83,483	-	-	-	36,67,83,483	2,38,21,202	-	-	-	2,38,21,202

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Corporate Office

Sasvitha Home Finance Pvt Ltd
Notes on Account

Provision Housing Loans	7,41,987	-	-	-	7,41,987	79,831	-	-	-	79,831
Provision Other Loans	3,78,827	-	-	-	3,78,827	20,169	-	-	-	20,169
Total Provisions	11,20,814	-	-	-	11,20,814	1,00,000	-	-	-	1,00,000

7. There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company
8. Expenditure incurred in foreign currency: NIL (PY. NIL). There are no Earnings in foreign currency during the current year as well as in the previous year
9. There are no amounts to be transferred to the Investors' Education and Protection Fund.
10. During the year there are no changes in the accounting policies of the company.
11. Related party disclosure (as required by Accounting Standard 18)

A. Relationship

1.	Holding Companies	Nil
2.	Subsidiary Companies	Nil
4.	Key Management Personnel	Mr. M. Balachandran, Chairman. Mr. K Rajendran, Director. Mrs. M. Soumiya Devi, Director
5.	Relatives of Key Managerial Personnel	Mrs. Saroja Krishnaswamy, Wife of Mr. Balachandran.

B. Related Party Transactions

(Amount in Rupees)

Nature of Transaction	Transaction with Parties referred to in A (4) above	Transaction with Parties referred to in A (5) above
Sitting Fees	60,000 (100,000)	Nil (Nil)
Consultant Fee	7,15,000 (3,45,000)	Nil (Nil)
Rental Expense	Nil (Nil)	2,16,000 (72,000)
Rental Deposit	NIL (Nil)	1,80,000 (1,80,000)
Salaries	37,75,000 (37,75,000)	NIL



12. Earnings per share as per **Accounting Standard 20 (AS-20)** is calculated by dividing the net profit / (loss) attributable to the equity shareholders by the weighted number of equity shares outstanding as at the end of the year. The calculations are stated below:

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Particulars	(Amount in Rupees)	
	31-03-2020	31-03-2019
Net Profit / (Loss) as per Statement of Profit and Loss	(46,28,906)	(1,93,890)
Net profit / (Loss) attributable to Equity share holders	(46,28,906)	(1,93,890)
Number of equity shares outstanding as at year end	2,11,49,111	2,11,49,111
Weighted Number of Shares	2,11,49,111	1,34,07,943
Basic & Diluted Earnings per share in Rs.	(0.22)	(0.01)
Nominal Value per share	10.00	10.00

13. The main business of the Company is to provide long term loan financing for acquisition / construction of Residential purposes in India. Accordingly, there is no separate reportable segment as per Accounting Standard - AS-17 "Segment Reporting", as the company has only one Geographical and Business segment.

14. COVID-19, a global pandemic has spread across our country and there is an unprecedented level disruption on socio-economic front. The Government of India declared a lockdown from March 25th 2020 which was originally declared upto April 14th 2020 and further extended May 31st 2020. This impact on COVID-19 on the company's business disbursements and the asset quality depends on the time taken for economic activities to resume to normal level which remain uncertain. In accordance with COVID-19 regulatory package announced by the Reserve Bank of India, the company has extended to its customer the option of moratorium for installments falling due between March 1st 2020 and May 31st 2020. In line with the RBI notification issued on April 17th 2020, for all accounts wherein the moratorium has been extended, the standstill provision for asset classification as on February 29th 2020 has been followed. In line with the said notification, the details of loans where moratorium was extended and COVID-19 related provision is given below:

S. No	Particulars	Amount (lacs)
1.	Amount outstanding in respect of overdue loans	2,87,43,969.00
2.	Amount outstanding in respect of loans wherein asset classification benefit was extended as on 31st March 2020	Nil
3.	Provision made against (2) above	Nil

15. Figures have been rounded off to the nearest Rupee. Previous Year figures have been regrouped and re arranged whenever necessary to conform to current year's classification.

As per our report of even date
For R Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

R. Prakash
Partner
M. No. 205869
Place: Chennai
Date: 15-07-2020



For and on behalf of the Board.
For Sasvitha Home Finance Private Limited

K. Rajendran
Director
DIN: 03626286

M. Balachandran
Director
Din: 00205358

