

Navarathna Housing Finance Limited

First Floor 2/102, Third Street, Karpagam Avenue,
R.A. Puram, Chennai, Tamil Nadu - 600 028

Annual Report

Financial Year
2021-2022

Navarathna Housing Finance Limited


Balance Sheet as at March 31, 2022


(Amount in ₹'000)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
I Equity and Liabilities			
Shareholders' funds			
(a) Share capital	1	138,143.06	138,143.06
(b) Reserves and surplus	2	51,594.52	42,051.49
		<u>189,737.58</u>	<u>180,194.55</u>
Non current liabilities			
(a) Long term borrowings	3	32,241.23	11,560.29
(b) Deferred tax liability	4	3,217.76	2,171.00
		<u>35,458.99</u>	<u>13,731.30</u>
Current liabilities			
(a) Short Term Borrowings	5	6,000.00	2,422.20
(a) Trade payables:- (A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	6	739.29	448.63
(b) Other current liabilities	7	1,614.64	989.19
(c) Short term provisions	8	6,149.89	1,493.54
		<u>14,503.81</u>	<u>5,353.55</u>
		<u>239,700.38</u>	<u>199,279.40</u>
II Assets			
Non current assets			
(a) Property, plant and equipment			
(i) Tangible assets	20	501.37	536.65
(b) Long term loans and advances	9	208,285.66	182,544.93
(c) Other non-current assets	10	874.30	839.30
		<u>209,661.34</u>	<u>183,920.89</u>
Current assets			
(a) Current investments	11	18,773.62	9,332.60
(b) Cash and bank balances	12	5,936.30	2,350.89
(c) Short term loans and advances	13	5,329.12	3,675.02
		<u>30,039.04</u>	<u>15,358.51</u>
Total		<u>239,700.38</u>	<u>199,279.40</u>
III Notes forming part of the Financial Statements	1-59		


For and on behalf of the Board of
Navarathna Housing Finance Limited


Managing Director
Chokkalingam Palaniappan
(DIN 00884596)
Place: Chennai
Date: June 27, 2022


Director
Balamurugan Neelamegam
(DIN 01254031)


Chief Financial Officer
R.Ganesan
(PAN AACPG1300M)

As per our report of even date attached
M/s S. Bala & Co
Chartered Accountants
Firm Regn. No. 013958S


Mrs. S. Bala
Proprietrix
Membership No.: 209628



Navarathna Housing Finance Limited

Statement of Profit and Loss for the year ended on March 31, 2022

(Amount in ₹'000)


Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue			
(a) Revenue from operations	14	39,097.80	33,772.72
(b) Other income	15	1,857.86	626.47
Total income		40,955.67	34,399.19
II Expenditure			
(a) Employee benefit expense	16	7,982.42	5,550.23
(b) Depreciation and amortization expense	20	163.23	312.44
(c) Finance cost	17	3,825.51	1,752.63
(d) Other expenses	18	4,611.61	6,566.98
(e) Standard provisions (net)	19	3,408.69	(194.81)
Total expenses		19,991.45	13,987.46
III Profit before tax		20,964.21	20,411.74
IV Tax expense			
Current year tax		4,848.71	4,167.33
Deferred tax		1,046.75	976.15
		5,895.46	5,143.48
V Profit/(Loss) for the year		15,068.75	15,268.26
VI Earnings per ₹.10/- share			
• Basic and diluted	₹.	1.09	1.19


Notes forming part of the Financial Statements

1-59


For and on behalf of the Board of
Navarathna Housing Finance Limited

As per our report of even date attached
M/s S. Bala & Co
Chartered Accountants
Firm Regn. No. 013958S


Managing Director
Chokkalingam Palaniappan
(DIN 00884596)
Place: Chennai
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Mrs. S. Bala
Proprietrix
Membership No.: 209628



Navarathna Housing Finance Limited

Cash Flow Statement for the year ended March 31, 2022

(Amount in ₹'000)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	20,964.21	20,411.74
<i>Adjustments for:</i>		
Depreciation and amortisation	163.23	312.44
Profit from Sale of Investments	(505.13)	(457.55)
Finance costs	3,825.51	1,752.63
Interest Income	(557.12)	-
Provisions for standard assets	3,408.69	(194.81)
Operating profit / (loss) before working capital changes	27,299.38	21,824.44
<i>Changes in working capital:</i>		
(Increase) / decrease in long-term loans and advances	(25,740.73)	(26,874.43)
(Increase) / decrease in other non-current assets	(35.00)	(212.70)
(Increase) / decrease in short-term loans and advances	(1,654.10)	(933.82)
Increase / (decrease) in trade payable	290.66	(128.67)
Increase / (decrease) in short-term provisions	1,247.67	880.91
Increase / (decrease) in other current liabilities	625.45	854.40
Cash generated from operations	2,033.32	(4,589.87)
Cash generated from operations	2,033.32	(4,589.87)
Net income tax (paid) / refunds	(4,848.71)	(4,167.33)
Net cash flow from / (used in) operating activities (A)	(2,815.39)	(8,757.20)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(127.95)	(186.59)
Investment in Mutual Funds	(8,935.89)	(41,522.98)
Redemption of Mutual Funds	-	40,247.32
Interest income	557.12	-
Net cash flow from / (used in) investing activities (B)	(8,506.71)	(1,462.25)
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital	-	12,558.46
Long-term borrowings procured	32,587.94	8,907.00
Repayment of loans	(8,329.20)	(2,533.34)
Finance cost	(3,825.51)	(1,752.63)
Dividend paid	(5,525.73)	(5,023.38)
Net cash flow from / (used in) financing activities (C)	14,907.51	12,156.11



Navarathna Housing Finance Limited

Cash Flow Statement for the year ended March 31, 2022

(Amount in ₹'000)


Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	3,585.41	1,936.66
Add: Balance at the beginning of the period	2,350.89	414.24
Balance at the end of the period	5,936.30	2,350.89
Components of cash and cash equivalents:		
Cash on hand	902.24	350.54
Balances with banks		
- Current accounts	5,034.07	2,000.35
	5,936.30	2,350.89


Notes forming part of the Financial Statements

1-59


For and on behalf of the Board of
Navarathna Housing Finance Limited

As per our report of even date attached
M/s S.Bala & Co
Chartered Accountants
Firm Regn. No. 013958S


Managing Director
Chokkalingam Palaniappan
(DIN 00884596)
Place: Chennai
Date: June 27, 2022


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Mrs. S. Bala
Proprietrix
Membership No.: 209628



Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

Particulars	(Amount in ₹'000)	
	As at March 31, 2022	As at March 31, 2021
1 Share capital		
Authorised		
1,50,00,000 equity shares of ₹ 10 each (March 2021 - 1,50,00,000)	150,000.00	150,000.00
Issued, subscribed and paid up		
1,38,14,306 equity shares of ₹ 10 each fully paid-up (March 2021 - 1,38,14,306)	138,143.06	138,143.06
	138,143.06	138,143.06

1.1 Details of shareholders holding more than 5% shares:

Name of the shareholder	At March 31, 2022		At March 31, 2021	
	No.	%	No.	%
K Venkatkumar	4,426,047	32.04%	4,426,047	32.04%
V Devikala	968,294	7.01%	968,294	7.01%
Navarathna Financial Services Limited	1,000,000	7.24%	1,000,000	7.24%

1.2 Reconciliation of Number of Shares

Particulars	At March 31, 2022		At March 31, 2021	
	No.	₹. '000	No.	₹. '000
Shares at the beginning of the year	13,814,306	138,143.06	12,558,460	125,584.60
Changes during the year	-	-	1,255,846	12,558.46
Shares at the end of the year	13,814,306	138,143.06	13,814,306	138,143.06

1.3 Other details

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2022, dividend of ₹. 0.40 per share has been distributed to equity shareholders as final dividend for FY 2020-21. (Previous year – ₹. 0.40 per share).

b. The Company has not reserved any shares for issues under options and contracts/commitments for the sale.

c. The Company has not allotted any shares pursuant to contracts without payment being received in cash or as bonus shares nor it has bought back any shares during the preceding five financial years.

d. The Company has not issued any securities convertible into equity/preference shares, issued any shares where calls are unpaid or forfeited any shares.



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Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

1.4 Shares held by promoters

As at March 31, 2022

Promoter's name	Number of Shares	Percentage of total no of shares	Percentage of change during the year
Mrs. Meenakshi Chokkalingam	440,891	3.19%	0%
Mr. Chokkalingam Palaniappan	339,836	2.46%	0%
Mr. Thirupathi Ramanathan	74,829	0.54%	0%
Mr. K Venkatkumar	4,426,047	32.04%	0%
Mrs. Manonmani Ramanathan	11,089	0.08%	0%
Mr. AR Muthuraman	55,000	0.40%	0%
Mrs. Devikala V	968,294	7.01%	0%

As at March 31, 2021

Promoter's name	Number of Shares	Percentage of total no of shares	Percentage of change during the year
Mrs. Meenakshi Chokkalingam	440,891	3.19%	10.22%
Mr. Chokkalingam Palaniappan	339,836	2.46%	17.18%
Mr. Thirupathi Ramanathan	74,829	0.54%	10.86%
Mr. K Venkatkumar	4,426,047	32.04%	10.65%
Mrs. Manonmani Ramanathan	11,089	0.08%	10.89%
Mr. AR Muthuraman	55,000	0.40%	10.00%
Mrs. Devikala V	968,294	7.01%	10.66%



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Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

Particulars	As at March 31, 2022	As at March 31, 2021
2 Reserves and Surplus		
i Statutory Reserve (Refer Note 25)		
Opening balance	9,682.41	5,657.29
Amount transferred	4,690.06	4,025.13
(A)	<u>14,372.47</u>	<u>9,682.41</u>
ii Surplus in Profit and Loss Statement		
Opening balance	32,369.08	26,149.33
Add: Profit / loss for the period	15,068.75	15,268.26
Less: Final dividend FY 2020-21	5,525.73	5,023.38
Less: Transfer to statutory reserve	4,690.06	4,025.13
(B)	<u>37,222.04</u>	<u>32,369.08</u>
Total (A + B)	<u>51,594.52</u>	<u>42,051.49</u>
3 Long-term borrowings		
Term loans		
From Banks* (Secured)	21,109.54	-
From other parties* (Secured)	-	400.00
Loans from related parties** (Unsecured)	8,131.69	8,160.29
Other loans and advances*** (Unsecured)	3,000.00	3,000.00
	<u>32,241.23</u>	<u>11,560.29</u>
3.1 Details of security and terms of repayment of loans		
<p>*Two term loans are taken from BIFCO Leasing and Finance Private Limited at an interest rate of 15% p.a each. For the 1st loan taken, the principal is payable in 36 monthly installments of ₹.1,11,112 Thousand along with interest starting from March 31, 2019. For the 2nd term loan taken, the principal is payable in 30 monthly installments of ₹.100 Thousand along with interest starting from February 29, 2020. These loans are secured against loans receivables and other book debts and guarantees of director Mr. Chokkalingam Palaniappan and advisor Mr. Thirupathi Ramanathan. Both these loans are closed during the year.</p>		
<p>**During the year, a new Term Loan is availed from M/s State Bank of India for a sum of ₹ 30,000 Thousand at 2.50% above 6 month MCLR rate-current effective rate is 9.45% with monthly rests. The loan is repayable in 20 equal quarterly installments of Rs. 1,500 Thousand each and the loan is secured against specific book debts created out of SBI Bank's fund and guarantees of director Mr. Chokkalingam Palaniappan and Smt. TR. R. Manonmani</p>		
<p>***Loans from related parties are taken at an interest rate of 14% and are repayable on demand.</p>		
<p>***Other loans and advances consists of three loans taken from unrelated parties. A loan with principal of ₹. 1,000 Thousand is taken at an interest rate of 13% payable annually and the other loan with principal of ₹. 2,000 Thousand - is taken at an interest rate of 12.41%, payable quarterly -both loans are from M/s Rajanarayan Textiles. A third loan of RS 5,000 Thousand is taken from M/s Kuvvera Real Assets & Consulting Pvt Ltd at an interest rate of 14% payable annually. All three loans are repayable on demand.</p>		
4 Deferred tax liability (net)		
Deferred tax liability		
Special Reserve under Income Tax Act, 1961	3,472.80	2,292.40
Deferred tax asset		
Fixed assets	(91.62)	(93.84)
Disallowed expenses under Income Tax Act, 1961	(32.09)	(27.56)
	<u>3,217.76</u>	<u>2,171.00</u>
5 Short Term Borrowings		
Current maturities of long-term debt	6,000.00	2,422.20
	<u>6,000.00</u>	<u>2,422.20</u>

Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

Particulars	(Amount in ₹'000)	
	As at March 31, 2022	As at March 31, 2021
6 Trade Payable		
- Total outstanding dues of micro and small enterprises (Refer note below)	-	-
- Total outstanding dues of creditors other than micro and small enterprises	739.29	448.63
	739.29	448.63

6(a) Micro, Small and Medium Enterprises Development Act, 2006

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at March 31, 2022 has been made in the financial statements based on information received and available with the Company, to the extent identified by the management and relied upon by the auditors. The details of overdue amount and interest payable but not provided for in the books are set out below:

a) Principal amount due to the suppliers registered under MSME Act and remaining unpaid as at year end.	-	-
b) Interest due to suppliers registered under MSME Act and remaining unpaid as at year end.	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 Further due and remaining for the	-	-

6(b) Trade payables due for payment

Trade payables ageing schedule - As at March 31, 2022

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	739.29	-	-	-	739.29
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-

Trade payables ageing schedule - As at March 31, 2021

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	448.63	-	-	-	448.63
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-



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Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

Particulars	(Amount in ₹'000)	
	As at March 31, 2022	As at March 31, 2021
7 Other current liabilities		
Interest accrued	1,169.56	329.68
Statutory dues	225.83	249.86
Employment benefits payable	25.00	69.50
Other liabilities	194.24	340.15
	<u>1,614.64</u>	<u>989.19</u>
8 Short term provisions		
Gratuity payable	521.81	-
Provision for bad debts	855.64	855.64
Provision for taxation (net of Advance tax & TDS-₹ 8,349.378 Thousand)	666.66	(59.20)
Statutory provision for assets		
Standard assets	2,400.03	546.09
Non-performing assets	1,705.74	151.00
	<u>6,149.89</u>	<u>1,493.54</u>
9 Long term loans & advances		
Term loans - Secured	200,785.66	182,544.93
Loans to Related Parties Navarathna Financial Services Limited	7,500.00	-
	<u>208,285.66</u>	<u>182,544.93</u>
10 Other non-current assets		
Security deposits	874.30	839.30
	<u>874.30</u>	<u>839.30</u>
11 Current investments		
Investments in mutual funds - Quoted	18,773.62	9,332.60
Market value - ₹ 188,86,742 Thousand [March 2022] - ₹ 9,454.147 Thousand [March		
	<u>18,773.62</u>	<u>9,332.60</u>
12 Cash and Bank balances		
Cash in hand	902.24	350.54
Balance with banks* (in current accounts)	5,034.07	2,000.35
	<u>5,936.30</u>	<u>2,350.89</u>
* There was no earmarked balance at March 31, 2022 (March 31, 2021: Nil)		
13 Short term loans and advances		
Accrued interest	5,272.66	3,655.63
Prepaid expenses	56.46	19.39
	<u>5,329.12</u>	<u>3,675.02</u>



Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

(Amount in ₹'000)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
14 Revenue from operations		
Interest	37,966.57	32,675.03
Income from Other services	1,131.24	1,097.69
	<u>39,097.80</u>	<u>33,772.72</u>
15 Other income		
Profits on sale of investments (net)	505.13	457.55
Other interest	557.12	-
Miscellaneous income	795.61	168.92
	<u>1,857.86</u>	<u>626.47</u>
16 Employee benefit expenses		
Salary and wages	7,129.52	5,473.71
Contribution to provident and other funds	214.04	30.66
Gratuity Contribution	521.81	-
Staff welfare	117.05	45.87
	<u>7,982.42</u>	<u>5,550.23</u>
17 Finance costs		
Interest on borrowings	3,268.63	1,752.63
Other borrowing costs	556.88	-
	<u>3,825.51</u>	<u>1,752.63</u>
18 Other expenses		
Administrative expenses	383.66	348.73
Bad debts written off	403.96	2,254.86
Provision for doubtful debts	-	855.64
Business promotion expenses	129.68	22.60
Communication expenses	142.02	156.35
Conveyance and boarding expenses	272.59	153.73
Electricity expenses	59.58	71.68
Insurance Expenses	7.46	-
Loan processing expenses	95.82	132.93
Professional charges	1,871.61	1,363.65
Rates & taxes	49.99	149.83
Rent	975.00	899.85
Other repairs and maintenance	185.13	119.73
Miscellaneous expenses	35.13	37.39
	<u>4,611.61</u>	<u>6,566.98</u>
* Professional charges includes auditor's remuneration. Refer Note 46 for details.		
19 General provisions		
Provision for standard assets	(382.65)	(135.13)
Provision for non-performing assets	3,791.34	(59.68)
	<u>3,408.69</u>	<u>(194.81)</u>



D. M. V.

N. S. S.



Navarathna Housing Finance Limited

Notes forming part of the financial statements

Note No. 20
Property Plant and Equipment - Tangible Asset

(Amount in ₹'000)

Particulars	Gross Block			Depreciation / Amortization			Net Block	
	As at April 1, 2021	Additions	Deductions/ Adjustments	As at March 31, 2022	For the year	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2021
Furniture & Fittings	590.73	-	-	590.73	55.44	-	363.16	418.60
Office Equipment	107.06	-	-	107.06	20.46	-	19.06	39.52
Computers	578.25	127.95	-	706.20	87.33	-	119.15	78.53
Leasehold Improvements	367.50	-	-	367.50	-	-	-	-
TOTAL	1,643.55	127.95	-	1,771.50	163.23	-	501.37	536.65

Previous Year - FY 2020-21

Particulars	Gross Block			Depreciation / Amortization			Net Block	
	As at April 1, 2020	Additions	Deductions/ Adjustments	As at March 31, 2021	For the Year	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2020
Furniture & Fittings	423.72	167.01	-	590.73	47.09	-	418.60	298.69
Office Equipment	101.06	6.00	-	107.06	19.87	-	39.52	53.39
Computers	564.68	13.58	-	578.25	139.63	-	78.53	204.58
Leasehold Improvements	367.50	-	-	367.50	105.84	-	-	105.84
TOTAL	1,456.96	186.59	-	1,643.55	312.44	-	536.65	662.50



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Annual Report 2022



Navarathna Housing Finance Limited

Notes forming part of the Financial Statements
(All amounts are in ₹. '000 unless otherwise stated)

21 Corporate information:

Navarathna Housing Finance Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013 for the object of providing housing finance services. The Company is a non-deposit taking Housing Finance Company ('HFC-ND') registered with the National Housing Bank ('NHB') on April 10, 2017 and is governed by the provisions of the Master Direction - Non-Banking Financial Company - Housing Finance Companies (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India ('RBI') ('Master direction'). The Company is engaged in providing loans for the purpose of acquiring, constructing, erecting, improving, developing any house, flats or buildings or any form of real estate or any part or portion thereof. The Company also provides loans for specified purposes against the security of immovable property.

22 Basis of preparation

22.1 Statement of compliance

The financial statements are prepared in accordance with Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant amendment rules issued thereafter and guidance given by RBI through its Master direction; on the historical cost basis and accrual method of accounting. The financial statements have been prepared on a going concern basis.

22.2 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹), which is the functional and the presentation currency of the Company. Except as otherwise indicated, financial information presented in Indian Rupees has been rounded to the nearest rupee in Thousand.

22.3 Presentation and disclosure of financial statements

The Company prepares its financial statements in the format prescribed in the Division I of Schedule III of the Act applicable for preparation and presentation of the financial statements and disclosures required as per annexure III and IV of the Master direction issued by RBI. Additional disclosures as required by the RBI are effective from March 31, 2021. Schedule to the Balance Sheet of the Housing Finance Company as required under Annexure III of the Master direction issued by RBI is appended as Annexure - I. The Statement of Cash Flows has been prepared and presented as per the requirements of AS-3 'Cash Flow Statements'.

23 Significant Accounting Policies followed in preparing the Financial Statements

23.1 Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the year reported.

Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, the useful life of depreciable fixed assets and provision for impairment. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. However, actual results could differ from these estimates.



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Navarathna Housing Finance Limited

Notes forming part of the Financial Statements
(All amounts are in ₹. '000 unless otherwise stated)

23.2 Revenue recognition

Revenue is recognized only when it can be reliably measured, and it is reasonable to expect ultimate collection.

Repayment of Housing Loans is by way of Equated Monthly Installments (EMI) comprising of principal and interest. Interest income on EMI/Pre-EMI cases on housing loan is accounted for on accrual basis as per NHB guidelines. Loan origination income i.e. processing fees and other charges collected upfront, are recognized on origination of loan. Interest on non-performing assets and charges for delayed payments and additional interest income on delayed EMI/Pre-EMI and cheque bouncing, if any, are accounted for on receipt basis as per the guidelines issued by the NHB.

Interest income is accounted on accrual basis. Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

23.3 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

23.4 Property, plant and equipment and intangible assets:

Property, Plant and Equipment (PPE), other than premises, are carried at cost less accumulated depreciation and impairment, if any. Freehold Land and Office Buildings are carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Depreciation is charged over the estimated useful life of PPE on a straight-line basis. Assets individually costing ₹. 5,000/- or less are fully depreciated in the year of addition.

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

23.5 Depreciation & Amortization:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is provided on straight-line basis over the estimated useful lives of the assets.



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Navarathna Housing Finance Limited

Notes forming part of the Financial Statements
(All amounts are in ₹. '000 unless otherwise stated)

23.11 Impairment of Assets:

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. An impairment loss recognised on asset is reversed when the conditions warranting impairment provision no longer exists.

23.12 Provisions, Contingent liabilities and Contingent assets:

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

23.13 Taxes on Income:

Current tax expenses are measured at the amount of income tax expected to be paid to the taxation authorities, calculated by applying the applicable tax rates on the taxable income calculated in accordance with the provisions of Indian Income-tax Act, 1961. Taxable income is calculated after taking credit for tax allowances and exemptions.

23.14 Deferred Tax:

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable incomes and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

23.15 Cash and Cash Equivalents:

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

23.16 Cash Flow Statement:

Cash flow statements are reported using the indirect method, whereby profit / (loss) before extra-ordinary items / exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipt or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information including taxes paid relating to these activities.

23.17 Service Tax / GST Input Credits:

Service tax / GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.



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Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

(All amounts are in ₹. '000 unless otherwise stated)

23.18 Segment Reporting:

The Company is into single line of operation. Further the company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS – 17 “Segment Reporting”.

23.19 Operating Cycle:

Based on the nature of products/activities of the company and the normal time between acquisition of assets and their realization in cash or cash equivalents, 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.

Disclosures required under Annexure - IV of the Master directions

24 Capital

Particulars	2021-22	2020-21
(i) CRAR (%)	133.20%	156.74%
(ii) CRAR - Tier-I Capital (%)	131.95%	155.49%
(iii) CRAR - Tier-II Capital (%)	1.25%	1.25%
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

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

The Company has created a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum not less than twenty percent of its profit every year, as disclosed in the statement of profit and loss and before any dividend is declared, is transferred.

For this purpose, any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered an eligible transfer. Statutory Reserve can be utilised only for the purposes as may be specified by the NHB from time to time and every such utilisation is required to be reported to the NHB within twenty-one days from the date of such utilisation.

Particulars	2021-22	2020-21
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	574.01	574.01
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into	9,108.40	5,083.28
c) Total	9,682.41	5,657.29
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into	4,690.06	4,025.13
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act,	-	-
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	574.01	574.01
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into	13,798.46	9,108.40
c) Total	14,372.47	9,682.41



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Navarathna Housing Finance Limited

Notes forming part of the Financial Statements
(All amounts are in ₹, '000 unless otherwise stated)

26 Investment

Particulars	2021-22	2020-21
26.1 Value of investments		
(i) Gross value of investments	18,773.62	9,332.60
(a) In India	18,773.62	9,332.60
(b) Outside India	-	-
(ii) Provisions for Depreciation	-	-
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments	18,773.62	9,332.60
(a) In India	18,773.62	9,332.60
(b) Outside India	-	-
Particulars	2021-22	2020-21
26.2 Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
(iv) Closing balance	-	-

27 Derivatives

The Company has not entered into any currency or interest rate derivative contracts. There are no exposures relating to derivative contracts, hedged or otherwise.

28 Securitisation

The Company has not sold any financial assets to securitisation/reconstruction company for asset reconstruction.

Navarathna Housing Finance Limited

Notes forming part of the Financial Statements
(All amounts are in ₹. '000 unless otherwise stated)

29 Assets Liability Management (Maturity pattern of certain assets and liabilities)

Particulars	Liabilities				Assets		
	Deposits	Borrowings from banks	Market borrowings	Foreign currency liabilities	Advances	Investments	Foreign currency assets
1-7 days	-	-	-	-	143.04	18,773.62	-
8-14 days	-	-	-	-	-	-	-
15-30/31 days	-	-	-	-	2,112.98	-	-
1-2 months	-	-	-	-	9,795.01	-	-
2-3 months	-	1,500.00	-	-	2,334.68	-	-
3-6 months	-	1,500.00	-	-	7,164.27	-	-
6-12 months	-	3,000.00	-	-	15,157.10	-	-
1-3 years	-	21,109.54	-	-	67,118.13	-	-
3-5 years	-	-	-	-	59,705.97	-	-
Over 5 years	-	-	-	-	44,754.49	-	-
Total	-	27,109.54	-	-	208,285.66	18,773.62	-

30 Exposures

30.1 Exposure to real estate sector

Category		2021-22	2020-21
a)	Direct exposure		
	(i) Residential mortgages -		
	Lending fully secured by mortgages on residential property that	200,785.66	182,544.93
	(ii) Commercial real estate -		
	Lending secured by mortgages on commercial real estates	-	-
	(iii) Investments in Mortgage Backed Securities (MBS) and other		
a.	Residential	-	-
b.	Commercial real estate	-	-
b)	Indirect exposure		
	Total exposure to real estate sector	-	-
Total exposure to real estate sector		200,785.66	182,544.93

* Exposure values considered are outstanding values of the loans secured against real estate sector assets.

30.2 Exposure to capital market

Category		2021-22	2020-21
(i)	Direct investment in equity shares, convertible bonds, convertible	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds /	-	-
(vii)	Bridge loans to companies against expected equity flows / issues	-	-
(viii)	All exposures to Venture Capital Funds/Alternate Investment Funds	-	-
Total exposure to capital market		-	-

Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

(All amounts are in ₹. '000 unless otherwise stated)

30.3 Financing of parent company products.

The Company does not have a parent company. Hence, there is no financing of parent company products.

30.4 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the Company

The Company has not exceeded the prudential exposure limits (Single Borrower Limit and/or Group Borrower Limit) as defined in the Master Directions issued by RBI for HFCs.

30.5 Unsecured Advances

The Company has not made advances to any of the borrowers against intangible collaterals such as rights, licenses, authorisations etc. at March 31, 2022 (March 31, 2021: Nil).

30.6 Exposure to group companies engaged in real estate business

The Company is a stand-alone entity and does not have any holding, subsidiary, associate or joint venture entities. Hence, there is no exposure to group companies engaged in real estate business. Refer note no. 33 for transactions with related parties.

31 Registration obtained from other financial sector regulators

The Company has not registered with any other financials sector regulator other than National Housing Bank.

32 Penalties imposed by NHB/ RBI and other regulators

There were no penalties imposed by NHB/RBI and any other regulators during current and previous financial years.

33 Related Party Transactions and Disclosures:

a) List of Related Parties:

1. Individuals who exercise significant influence:

a. K. Venkatkumar

2. Enterprises with common directors and Enterprises over which Key Management Personnel exercise significant influence:

- a. Prakala Wealth Management Private Limited
- b. Navarathna Financial Services Limited
- c. Chokkalingam Palaniappan – HUF
- d. Kuvera Real Assets and Consulting Private Limited
- e. Sreevari Nidhi Limited

3. Key Management Personnel:

- a. Mr. Chokkalingam Palaniappan , Managing Director
- b. Mr. R. Ganesan, Chief Financial Officer

Navarathna Housing Finance Limited

Notes forming part of the Financial Statements
(All amounts are in ₹. '000 unless otherwise stated)

4. Directors and Relatives of Key Management Personnel:
- a. Mr. T. R. Ramanathan, Relative of a director
 - b. Mr. A. R. Muthuraman, Director
 - c. Mrs. Meenakshi Panayappan, Relative of a director
 - d. Mrs. gratuity, Relative of a director
 - e. Ms. Manimegalai Palaniappan, Relative of a director
 - f. Mr. AL Palaniappan, Director
 - g. Mr. Vallinayagam Chokkalingam, Relative of a director
 - h. Mr. Balamurugan Neelamegam, Director
 - i. Mrs. Devikala Venkatkumar, Director
 - j. Mrs. TR.Manonmani, Director

b) Details of Transactions:

Nature of Transaction	Name of Related Party	2021-22	2020-21
Remuneration	Mr. Chokkalingam Palaniappan	600.00	600.00
Remuneration (Annual)	Mr. R Ganesan	1,050.00	985.01
Professional Charges	Mr. T. R. Ramanathan	600.00	600.00
Loans given	Navarathna Financial Services Limited	7,500.00	-
Interest received	Navarathna Financial Services Limited	557.12	-
Loan Received	K Venkatkumar	-	5,000.00
Loan Received	Manimegalai Palaniappan	-	200.00
Loan Received	AL Palaniappan	-	200.00
Loan Received	Vallinayagam Chokkalingam	225.00	507.00
Loan Received	A R Muthuraman	-	-
Loan Received	Meenakshi Panayappan	200.00	-
Loan Received	Ramayee	-	-
Loan Received	Kuvera Real Assets & Consulting Pvt Ltd	5,000.00	-
Loan repaid	Vallinayagam Chokkalingam	732.00	-
Loan repaid	K Venkatkumar	5,000.00	-
Interest paid on loan	K Venkatkumar	638.63	436.88
Interest paid on loan	Manimegalai Palaniappan	30.87	20.48
Interest paid on loan	AL Palaniappan	30.67	20.64
Interest paid on loan	Vallinayagam Chokkalingam	62.87	61.10
Interest paid on loan	A R Muthuraman	42.00	42.00
Interest paid on loan	Meenakshi Panayappan	296.08	246.92
Interest paid on loan	Ramayee	28.00	28.00
Interest paid on loan	Kuvera Real Assets & Consulting Pvt Ltd	676.41	-
	Total	23,269.65	8,948.02

c) Outstanding Balances to Related Parties:

Name of Related Party	Nature	2021-22	2020-21
R. Ganesan	Payable	-	86.00
K Venkatkumar	Payable	-	4,994.76
Manimegalai Palaniappan	Payable	251.35	220.48
AL Palaniappan	Payable	246.69	219.09
Vallinayagam Chokkalingam	Payable	-	563.52
A R Muthuraman	Payable	300.00	300.00
Meenakshi Panayappan	Payable	2,458.60	1,992.12
Ramayee	Payable	200.00	200.00
Kuvera Real Assets & Consulting Pvt Ltd	Payable	5,000.00	-



Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

(All amounts are in ₹. '000 unless otherwise stated)

34 Group structure

The Company is a stand-alone entity and does not have any holding, subsidiary, associate or joint venture entities.

35 Rating assigned by Credit Rating Agencies and migration of rating during the year

The company is a HFC-ND and does not intend to issue non-convertible debentures. The Company has however obtained credit rating from M/s CRISIL which has accorded rating of BB-/Watch.

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

There are no circumstances that warrant disclosures regarding prior period items and changes in accounting policies during the current year.

37 Consolidated Financial Statements (CFS)

The Company does not have any subsidiary - domestic as well as overseas, and accordingly is not required to prepare consolidated financial statements as per AS 21 - "Consolidated Financial Statements".

38 Break-up of provisions and contingencies in the Statement of Profit and Loss

Particulars	2021-22	2020-21
Provision for depreciation on investments	-	-
Provision towards NPA	3,791.34	(59.68)
Provision made towards income tax ^{###}	5,895.46	5,143.48
Provision for bad and doubtful debts	-	855.64
Provision towards Standard Assets	(382.65)	(135.13)

^{###} including provision for deferred tax

39 Break-up of loans and advances and provisions thereon (inclusive of interest accrued)

Particulars	Housing loans		Non-housing loans	
	2021-22	2020-21	2021-22	2020-21
Standard assets				
(a) Total outstanding amount	134,731.21	129,789.892	59,454.074	55,404.021
(b) Provisions made	1,837.55	324.475	562.471	221.616
Sub-standard assets	-	-	-	-
(a) Total outstanding amount	7,552.22	298.735	3,819.401	707.905
(b) Provisions made	1,132.83	44.803	572.910	106.184
Doubtful assets - category I	-	-	-	-
(a) Total outstanding amount	-	-	-	-
(b) Provisions made	-	-	-	-
Doubtful assets - category II	-	-	-	-
(a) Total outstanding amount	-	-	-	-
(b) Provisions made	-	-	-	-

Navarathna Housing Finance Limited

Notes forming part of the Financial Statements
(All amounts are in ₹. '000 unless otherwise stated)

Particulars	Housing loans		Non-housing loans	
	2021-22	2020-21	2021-22	2020-21
Doubtful assets - category III				
(a) Total outstanding amount	-	-	-	-
(b) Provisions made	-	-	-	-
Loss assets				
(a) Total outstanding amount	0.008	0.009	0.001	0.002
(b) Provisions made	0.008	0.009	0.001	0.002
Total				
(a) Total outstanding amount	142,283.43	130,088.636	63,273.476	56,111.928
(b) Provisions made	2,970.39	369.287	1,135.382	327.802

40 Draw down from reserves

There has been no draw down from reserves during the year ended March 31, 2022 (year ended March 31, 2021 - Nil).

41 Concentration of public deposits, advances, exposures and NPAs

41.1 Concentration of public deposits

The Company, being a HFC-ND, did not accept any public deposits during the current and previous financial years.

41.2 Concentration of advances

Particulars	2021-22	2020-21
Total loans & advances to twenty largest borrowers	25,656.18	27,880.82
Percentage of loans & advances to twenty largest borrowers to total advances of	12.78%	15.27%

41.3 Concentration of exposures (including off-balance sheet exposures)

Particulars	2021-22	2020-21
Total exposure to twenty largest borrowers	25,656.18	27,880.82
Percentage of exposures to twenty largest borrowers to total exposure of the	12.73%	15.01%

* Exposure values considered are outstanding values of the disbursed loans and total amount of undisbursed loans.

41.4 Concentration of NPAs

Particulars	2021-22	2020-21
Total exposure to top ten NPA accounts	7,713.71	1,006.65

* Exposure values considered are gross outstanding values of NPA accounts before provisions.

Navarathna Housing Finance Limited

Notes forming part of the Financial Statements
(All amounts are in ₹. '000 unless otherwise stated)

41.5 Sector-wise NPAs (Percentage of NPAs to total advances in that sector)

S.No.	Sector	2021-22	2020-21
A.	Housing loans		
1.	Individuals	5.43%	0.23%
2.	Builders/project loans	-	-
3.	Corporates	-	-
4.	Others(specify)	-	-
B.	Non-housing loans		
1.	Individuals	6.18%	-
2.	Builders/project loans	-	-
3.	Corporates	-	-
4.	Others(specify)	-	-

42 Movement of NPAs

Particulars	2021-22	2020-21
(i) Net NPAs to net advances (%)	4.44%	0.00%
(ii) Movement of gross NPAs		
(a) Opening balance	1,006.65	1,404.54
(b) Additions during the year	10,384.24	1,006.65
(c) Reductions during the year	19.26	1,404.54
(d) Closing balance	11,371.63	1,006.65
(iii) Movement of net NPAs		
(a) Opening balance	-	1,193.86
(b) Additions during the year	8,810.23	-
(c) Reductions during the year	-	1,193.86
(d) Closing balance	8,810.23	-
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,006.64	210.68
(b) Provisions made during the year	1,705.74	1,006.64
(c) Write-off / write-back of excess provisions	151.00	210.68
(d) Closing balance	2,561.39	1,006.64

43 Overseas assets

The Company does not have any overseas assets during the current year and previous year.

44 Off-balance Sheet SPVs sponsored

The Company has not sponsored any SPVs – Domestic or Overseas as at the end of current financial year and previous year.

Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

(All amounts are in ₹. '000 unless otherwise stated)

45 Customer complaints

	Particulars	2021-22	2020-21
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	-	-
(c)	No. of complaints redressed during the year	-	-
(d)	No. of complaints pending at the end of the year	-	-

The Company has Customer Grievance Redressal Mechanism (CGRM) for convenience of customers to register their complaints and for it to monitor and redress them.

Other disclosures

46 Auditors Remuneration (Excluding GST):

Particulars	2021-22	2020-21
Audit Fees	200.00	175.00
Taxation services	125.00	115.00
Other services	132.85	130.00
Total	457.85	420.00

47 Earnings per share

Particulars	2021-22	2020-21
Profit after Tax - in ₹ '000s	15,068.75	15,268.26
Weighted Average Number of Equity Shares	13,814,306	12,868,121
Earnings Per Share (Basic & Diluted) - in ₹	1.09	1.19
Face Value Per Share - in ₹	10	10

48 Based on the extent of information available with the management, there are no transactions with the Micro and small enterprises.

49 Estimated amounts of contracts to be executed on capital account, and not provided for – ₹. NIL (Previous year - ₹. NIL).

50 Claims against the Company/disputed liabilities not acknowledged as debt: As on March 31, 2022, there are no outstanding demands against the Company. (Previous Year – ₹. NIL/-)

51 **Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made**
There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

52 Wilful defaulter

The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

53 Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.



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Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

(All amounts are in ₹. '000 unless otherwise stated)

54 Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year. A scheme of merger of M/s Navarathna Financial Services Limited with the Company is under consideration with Competent Authority.

55 Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

56 Key financial Ratios

	Numerator	Denominator	31-Mar-22	31-Mar-21	% Change	Reason
Current ratio	Current assets	Current liabilities	2.07	2.87	-27.81%	
Debt - Equity ratio	Total Debt	Shareholders' Equity	0.28	0.10	173.49%	
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	2.39	4.34	-44.85%	
Return on equity ratio	Net profit after taxes	Shareholders' Equity	7.94%	8.47%	-6.27%	
Inventory turnover ratio	Cost of goods sold	Average Inventory	Not applicable	Not applicable	Not applicable	The Company is a service company. Accordingly, there is no inventory.
Trade receivables turnover ratio	Revenue	Average Accounts Receivable	Not applicable	Not applicable	Not applicable	The Company does not have Trade Receivables.
Trade payables turnover ratio	Net Credit purchases	Average Trade Payables	Not applicable	Not applicable	Not applicable	The Company is a service company. Accordingly, there are no purchases.
Net capital turnover ratio	Net Revenue	Average Working Capital	3.06	4.04	-24.27%	
Net profit ratio	Net Profit after taxes	Revenue	38.54%	45.21%	-14.75%	
Return on capital employed	Earnings before interest and taxes	Capital Employed	13.07%	12.30%	6.22%	
Return on investment	Net Profit after taxes	Average Total Assets	6.87%	8.32%	-17.48%	

57 Frauds

The Company has reported frauds amounting to ₹ 389.447 Thousand during year ended March 31, 2022 (March 31, 2021: ₹. 350 Thousand) as required by NHB through its guideline dated February 5, 2019, and RBI through its Master Directions dated September 29, 2016 on reporting and monitoring of frauds.



Navarathna Housing Finance Limited

Notes forming part of the Financial Statements

(All amounts are in ₹. '000 unless otherwise stated)

58 Moratorium benefits extended

In accordance with the regulatory packages announced by the Reserve Bank of India on March 27, 2020, April 17, 2020 and May 23, 2020, the Company, as per its Board approved policy, has extended the option of payment moratorium for all amounts falling due between March 1, 2020 and August 31, 2020 to eligible borrowers. In line with the regulatory packages, the asset classification remained standstill during the moratorium period in respect of such accounts.


In accordance with the regulatory packages (Resolution framework 2.0) announced by the Reserve Bank of India on May 5, 2021, the Company, as per its Board approved policy, has extended the option of a moratorium of a maximum two years including moratorium granted under earlier circulars issued by RBI in this regard to all eligible borrowers. In line with the regulatory packages, necessary provisions have also been made for such borrowers and the asset classification also has been made in accordance with the RBI circular.

59 Prior year figures have been re-grouped wherever necessary to conform to the current year classification.

For and on behalf of the Board of
Navarathna Housing Finance Limited

As per our report of even date attached
M/s S. Bala & Co
Chartered Accountants
Firm Regn. No. 013958S


Managing Director
Chokkalingam Palaniappan
(DIN 00884596)


Director
Balamurugan Neelamegam
(DIN 01254031)


Chief Financial Officer
R. Ganesan
(PAN AACPG1300M)


Mrs. S. Bala
Proprietrix
Membership No.: 209628



Place: Chennai
Date: June 27, 2022



**Navarathna Housing Finance
Limited**

Annexure -1

(All amounts are in ₹. '000 unless otherwise stated)

Schedule to the Balance Sheet of the Housing Finance Company as required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

Particulars			
Liabilities side		Amount outstanding	Amount overdue
(1)	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a)	Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
(b)	Deferred credits	-	-
(c)	Term loans	27,109.54	-
(d)	Inter-corporate loans and borrowing	8,000.00	-
(e)	Commercial paper	-	-
(f)	Public deposits*	-	-
(g)	Other loans (Loans from related parties and Banks)	9,301.25	-
	* Please see Note 1 below		
(2)	Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a)	In the form of unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c)	Other public deposits	-	-
	* Please see Note 1 below		
Assets side		Amount outstanding	
(3)	Break-up of loans and advances including bills receivables [other than those included in (4) below]:		
(a)	Secured		-
(b)	Unsecured		-
(4)	Break up of leased assets and stock on hire and other assets counting towards asset financing activities		
(i)	Lease assets including lease rentals under sundry debtors		
	(a) Financial lease		-
	(b) Operating lease		-
(ii)	Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire		-
	(b) Repossessed assets		-
(iii)	Other loans counting towards asset financing activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-



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**Navarathna Housing Finance
Limited**

Annexure -1				
(All amounts are in ₹. '000 unless otherwise stated)				
(5) Break-up of investments				
Current investments				
1	Quoted			
	(i)	Shares		
		(a)	Equity -	
		(b)	Preference -	
	(ii)	Debentures and bonds -		
	(iii)	Units of mutual funds	18,773.62	
	(iv)	Government securities -		
	(v)	Others (please specify) -		
2	Unquoted			
	(i)	Shares		
		(a)	Equity -	
		(b)	Preference -	
	(ii)	Debentures and bonds -		
	(iii)	Units of mutual funds -		
	(iv)	Government securities -		
	(v)	Others (please specify) -		
Long term investments				
1	Quoted			
	(i)	Shares		
		(a)	Equity -	
		(b)	Preference -	
	(ii)	Debentures and bonds -		
	(iii)	Units of mutual funds -		
	(iv)	Government securities -		
	(v)	Others (please specify) -		
2	Unquoted			
	(i)	Shares		
		(a)	Equity -	
		(b)	Preference -	
	(ii)	Debentures and bonds -		
	(iii)	Units of mutual funds -		
	(iv)	Government securities -		
	(v)	Others (please specify) -		
(6) Borrower group-wise classification of assets financed as in (3) and (4) above:				
(Please see Note 2 below)				
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1	Related parties **	-	-	-
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	7,500.00	7,500.00
	(c) Other related parties	-	-	-
2	Other than related parties	1,95,824.25	-	1,95,824.25
	Total	1,95,824.25	7,500.00	2,03,324.25

**Navarathna Housing Finance
Limited**

Annexure -1			
(All amounts are in ₹. '000 unless otherwise stated)			
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
(Please see Note 3 below)			
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	-	-
	Total	-	-
** As per notified Accounting Standard (Please see Note 3)			
(8) Other information			
	Particulars	Amount	
(i)	Gross non-performing assets		
	(a) Related parties		-
	(b) Other than related parties		11,371.62
(ii)	Net non-performing assets		
	(a) Related parties		-
	(b) Other than related parties		8,810.23
(iii)	Assets acquired in satisfaction of debt		-
Notes :			
1	As defined in Paragraph 4.1.30 of these Directions.		
2	Provisioning norms shall be applicable as prescribed in these Directions.		
3	All notified Accounting Standards are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.		