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You can find more information about Chetana Financial Services Pvt Ltd online at [www.chetanafinancial.com](http://www.chetanafinancial.com)

**FROM THE DESK OF FOUNDER, CHAIRMAN**

**Dear Shareholders,**

My warm greetings to you..!!

It is always a pleasure to share with you the performance of our Company. I am pleased to present you the Annual Report of the company for the Financial Year 2020-21.

Financial Year 2020-21 has been another year of stellar performance by our Company despite liquidity tightening in the NBFC sector.

We are committed to our mission of excellence through endeavours and start this new Financial Year 2021-22 with the same spirit and enthusiasm to serve the financial needs of our customers that would help them to improve their standard of living.

I personally thank each one of you for your continued faith and trust in us and assure you that we will leave no stone unturned to continue delivering outstanding results in the years to come.

As we mark the end of another successful year, I would like to thank the Management Team for their unwavering commitment and guidance in leading the Company forward. I would also like to extend our deepest gratitude to all employees for their invaluable contributions to the Company.

Special Thanks to our Lenders, Business Partners and our Customers for their continued support to our Company.

**Regards,**

**Sd/-**

**Nagendra Mali**  
Chairman



## BOARD OF DIRECTORS

**Mr. Nagendra V. Mali, (Chairman):** holds a degree in Science and a Diploma in Journalism from Karnataka University. His flair for serving the poor and promoting rural development caused him to become involved in these areas of work soon after his graduation, and he was ultimately inspired to form his own organization, Navachetana Foundation (NCF), in 1999.



In 2005 recognized the need to incorporate microfinance in his organization's poverty alleviation work, a decision that led to the creation of Navachetana Microfin Services Private Limited (NMSPL), a Non-Banking Finance Company. Mr. Mali currently serves as a Chairman and Managing Director of NMSPL and Chairman of Chetana Financial Services Private Limited.

**Mrs. Chandrakala N Mali, (Director):** Mrs. Chandrakala N Mali holds Degree in Arts from Karnataka University, Dharwad. She serves as Vice President of Navachetana Foundation (NCF). Since 1999. She has been associated with NCF & Karnataka Public School. To enhance and to provide quality Child Education, she involved as voluntary work in the School Programs.



**Mr. CHANDRAPPA S MANEGAR, (Director):** Holds Degree in Commerce from Karnataka University, Dharwad. Since 2006 Mr. Chandrashekar has been associated with Navachetana Foundation (NCF). He has worked as ABM, BM and SM in Navachetana Microfin Services Private Limited. From 2011 working as a CEO of Navachetana Vividoddesh Souharda Sahakari Niyamita, Presently Mr. Chandrashekar serves as a Director of Chetana Financial Services Private Limited.



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## KEY STAFF PROFILE

### **Mr. Samarth Shetter, Chief Executive Officer:**

Mr. Samarth Shetter holds a degree in Bachelor of Business Management from Kuvempu University, Shimogga. He is associated with CHETANA FINANCIAL SERVICES PVT LTD as Chief Operation Officer. He has 12 years of experience in Investment Banking and was associated with Multi National Banks on various roles and responsibilities. Expert in Investment & Banking operations. He is Key member of strategic and Credit Committee. He is responsible for Field Operations, Business Development & Collections.



### **Mr. Mallikarjun N B, Chief Accounts Officer:**

Mr Mallikarjun N B holds Master Business Administration passed out in 2012. He joined CHETANA FINANCIAL SERVICES PVT LTD in March 2017, he is a Accounts professional with over 11 years of experience in Accounts, prior to joining NMSPL as a Accounts Manager. Presently taking care of accounts and statutory compliances of the company, Monthly/Quarterly Reporting to Banks and RBI Compliance.



### **Mr. Kirankumar C Patil, Manager Credit:**

Mr. Kirankumar C Patil holds a Degree in Commerce from Alagappa University, TN. He Has experience of Managing Accounts and Credit Section. He is well versed with accounting system like tally and all type of software used in lending activity along with Credit Bureau Software with 11 years of experience. Presently he is holding the responsibility of Company's Credit Department, working as Manager Credit in CHETANA FINANCIAL SERVICES PVT LTD, Haveri.



### **Ms. Kavita Mali, Finance Manager:**

Ms. Kavita Mali holds a degree in Science & Master Degree in Business Administration from KUD & Bangalore University, Bangalore. She joined CHETANA FINANCIAL SERVICES PVT LTD as Finance Manager. Currently she has 5 years of work experience in NBFC-MFI and NBFCs





**Mr. Kiran Javali, (Manager IT):**

Mr. Kiran Javali Initially Worked 2 years' in R&D Projects in Indian Institute of Science, Bangalore (LAMP Technologies). Engaged for 8 years' with JDA Software Pvt. Ltd, Bangalore working on supply chain products. (Application management and production support, application/database tuning/enhancements, Client communication/engagement and team management). Currently working in Chetana Finance Services Pvt. Ltd, Haveri from the last 3 months on Mifos Platform.

**Mr. Shivakumar G Hurali, Chief Risk & Relationship Officer:**

Shivakumar G Hurali holds Master Degree in Business Administration, Finance from Vishweshwaraiah Technological University, Belgaum. He is associated with CHETANA FINANCIAL SEVICES PVT LTD as Chief Risk & Relationship Officer. He has 12 years of experience in Finance Industries. He is a proficient leader with proven track record of leading Credit and Recovery teams in many prominent brands of Finance Sector. He comes with an exemplary various roles in Industry. He's an articulate speaker with splendid negotiation skills and known for his systematic approach in every task.

**Mr Prajwal B, Human Resource Manager:**

Mr Prajwal B holds a B.com from Kuvempu University Shankargatta. He has been associated with CHETANA FINANCIAL SEVICES PVT LTD since 2015, as Human Resource Manager. He is HR professional with over 5 years of experience. Presently he is holding the responsibility of Company's HRD in CFSPL, Haveri



## OUR LENDERS

### PRIVATE SECTOR BANKS

1. Dhanlaxmi Bank Ltd
2. IDFC First Bank Limited

### NON BANKING FINANCIAL COMPANIES

3. Shriram Transport Finance Company Ltd
4. Electronica Finance Limited
5. Visu Leasing & Finance Pvt. Ltd.
6. Alwar General Finance Co. Pvt. Ltd.
7. Eclear Leasing and Finance Private Limited
8. Jain Sons Finlease Limited



GENERAL DETAILS					
SL NO	Contents	Details			
1	Name of NBFC	Chetana Financial Services Private Limited			
2	Office Address	Registered Office: Mali Compound, 3rd Cross, Shivabasava Nagar, Haveri – 581110			
		Head Office: “NAVACHETANA HEIGHTS” 2 <sup>ND</sup> Floor, 1 <sup>ST</sup> Cross, Ashwini Nagar, Haveri-581110			
		Corporate Office: #201,3rd Floor, 60 ft Main Road, Industrial Workers Layout, Shankarnagar, Nandini Layout -Bengaluru-96			
3	Contact Details	Name	PH Number	Mail ID	Designation
		Kavita Mali	9731105843	<a href="mailto:finance@chetanafinancial.in">finance@chetanafinancial.in</a>	Finance Manager
		Shivakumar G HURALI	9538233288	<a href="mailto:shivakumar.gh@chetanafinancial.in">shivakumar.gh@chetanafinancial.in</a>	Chief Risk and relationship Officer
		Samarth I Shettar	7406446451	<a href="mailto:samarthshettar@chetanafinancial.com">samarthshettar@chetanafinancial.com</a>	Chief Executive Officer
		Nagendra V Mali	9480696158	<a href="mailto:nagendra.mali@navachetana.in">nagendra.mali@navachetana.in</a>	Chairman
4	Website	<a href="http://www.chetanafinancial.com">www.chetanafinancial.com</a>			
5	Company Registration Status	Registered Act	Date of Registration	Place of Registration	Registration/ Membership No.
		Section 45 IA of the RBI Act, 1934	20.11.2012	Bangalore	B.02.00139
		Companies Act,2013	30.10.1996 (Date of Incorporation)	Bangalore	U85110KA1996PTC021326
		FIDC	04.08.2015	Mumbai	FIDC 066 19-20
6	Statutory Registration Details	Name of Authority		Registration Number	
		PAN		AAFCC1523L	
		GSTN		29AAFCC1523L1ZM	
7	Mission	"To provide customized financial assistance to the needy and unbanked segment of the society".			
8	Vision	To be a leading financial services provider in semi-urban and rural India.			
9	Constitution	Chetana Financial Services Pvt Ltd is a Private Limited Company registered under Indian Companies Act, 2013.			
10	NBFC Type	NBFC-LC (Non-Banking Finance - Non deposit accepting, Loan Company)			
11	Organizational Structure	Please refer Annexure II			
12	Board of Directors	NAME	DESIGNATION	DIN	
		Mr.Nagendra V Mali	Chairman	02235648	
		Mrs.Chandrakala N Mali	Director	03317812	
		Mr.Chandrappa S Manegar	Director	07745638	

**OPERATIONAL HIGHLIGHTS\*****(Amt Rs in Crs)**

Indicators	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
No States	1	1	1	1	1
No Districts	4	11	15	15	15
No Branches	12	32	50	50	47
Total borrowers	5558	10672	21419	23222	26787
No. of loans outstanding	4062	7163	14604	15466	12140
No of Employees	73	193	344	288	257
Portfolio Outstanding (Own+BC Portfolio)	25.79	35.01	64.85	63.15	53.24

\*Includes Own and Managed Book

**Financial Performance:****(Rs. in Crs)**

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
	Audited	Audited	Audited	Audited	Audited
Total Liabilities	30.73	40.30	37.84	33.59	33.57
Equity Capital	4.22	6.32	6.32	6.32	8.32
Net Worth	4.59	7.17	7.81	8.53	10.31
Debt	25.56	32.03	29.51	23.44	21.46
Total Assets	30.73	40.30	37.84	33.59	33.57
Assets Under Management	25.79	35.01	64.85	63.15	53.24
Own Portfolio	25.79	30.45	27.28	22.74	23.16
*Managed Portfolio	0.00	4.56	37.56	40.41	30.07
Revenue from Operations	4.70	7.18	10.29	11.93	10.04
Other Operating Income	0.87	0.96	2.77	4.12	2.21
Operating Expenses	1.56	2.70	5.11	6.51	5.59
Finance Expenses	2.55	3.67	4.19	4.32	3.65
Total Expenses	4.22	6.50	9.42	10.96	9.52
Profit Before Tax	0.38	0.65	0.86	0.96	0.51
Profit After Tax	0.28	0.48	0.64	0.71	0.40
PAT Margins	6.07%	6.77%	6.24%	6.00%	3.98%
Return on Average Assets	1.66%	1.73%	2.22%	2.86%	1.74%
Return on Average Equity	7.45%	8.28%	8.56%	8.75%	4.25%
Debt/ Equity	5.46	4.67	3.48	2.62	1.75
TOL/TNW	5.67	6.64	6.03	4.13	3.05
Interest Coverage Ratio	1.19	1.21	1.23	1.25	1.21

18	<b>Management Information System (MIS)</b>	
18.1	MIS USES and Specifications	Mifos-X Software (Web based application) In all decision making steps, MIS places a vital role in it. Data can be availed at various levels.
18.2	Head Office & Branch	MIS is fully computerized and checked regularly.
18.3	Computerized Control System	At Branch level, Branch Manager and Accountant are authorized to

		enter the data and same data which is entered in software is scrutinized by Head Office.				
19	External Rating Rationale		BB+, Outlook: Stable			
19.1	Rating Agency		SMERA (Acuite Ratings & Research)			
20	Statutory Auditor Details-Name & Place		M/s B V Raveendranath, Chartered Accountant, Sagar			
20.1	Membership Number		28679			
13	Senior Management	Name		Designation		
		Mr.Samarth Shettar		Chief Executive Officer		
		Mr.Shivakumar G H		Chief Risk and Relationship Officer		
		Mr.Mallikarjun NB		Chief Accounts Officer		
		Mr.Kirankumar Patil		Manager Credit		
		Ms.Kavita Mali		Manager Finance		
		Mr.Prajwal B		Manager HR		
		Mr.Kiran Javali		Manager IT		
14	Capital Structure					
	Name of The Investor		Individual/ Institutional Investor	No. of Shares	Amount Infused Rs.	% stake as on 31.03.2021
	Navachetana Vividoddesh Souharda Sahakari Niyamita, Haveri		Institutional Investor	73,34,665	7,33,46,650	88.06
	Chairperson, Navajeevan Foundation		Institutional Investor	3,49,835	34,98,350	4.20
	Mr. Nagendra V Mali		Individual Investor	62,500	6,25,000	0.75
	Mrs.Chandrakala N Mali		Individual Investor	1,38,000	13,80,000	1.66
	Mr. Chandrappa Manegar		Individual Investor	10,000	1,00,000	0.12
	Mr.Kotragouda C		Individual Investor	14,500	1,45,000	0.17
	Mr.Ganesh E K		Individual Investor	14,500	1,45,000	0.17
	Mr.Virendra V Mali		Individual Investor	17,500	1,75,000	0.21
	Mrs. Parvathavva V Mali		Individual Investor	3,12,500	31,25,000	3.75
	Mrs. Nanda V Mali		Individual Investor	10,000	1,00,000	0.12
	Mr. Shivananda M K		Individual Investor	5,000	50,000	0.06
	Mr.Ullas M Kooli		Individual Investor	20,000	200,000	0.24
	Mr.Basavaraj Karadagi		Individual Investor	10,000	100,000	0.12
	Mr.Samarth Shettar		Individual Investor	20,000	200,000	0.24
	Mr.Siddappa Poojar		Individual Investor	10,500	105,000	0.13
	Total Equity Capital (Tier I Capital)			83,29,500	8,32,95,000	100.00%
	Debentures (Tier II Capital)			1,88,000	1,88,00,000	100.00%
	Subordinate Debt				5,00,00,000	
	Total Capital				15,20,95,000	
15	NBFC Operation Details					
15.1	Year in which NBFC operations started		26/04/2012			
15.2	Target customer segment		Individual (Urban & Semi-urban)			
15.3	Collection Frequency		Monthly			
15.4	Repayment Mode		Cash, PDC, Online & NACH Mode			
15.5	Company Operations are in		Karnataka State (15 Districts)			



16	1. Loan Product Details – 1. Vehicle Loans		
Type of Vehicle	Two Wheeler	Three Wheeler	Four Wheeler
Target customer segment	Individual	Individual	Individual
Loan Amount Rs	25K-150K	75K-200K	75K-400K
Tenure in Months	12-24*	12-36	12-48**
Repayment Frequency	Monthly	Monthly	Monthly
Moratorium Period	Nil	Nil	Nil
Type of ROI	Reducing Balance	Reducing Balance	Reducing Balance
Rate Of Interest	Minimum 20% onwards and subject to credit and risk evaluation		
Processing Fee	Minimum 2%		
Security	Self-Attested ID & Address Proof, 2 applicant Photos, 1 Guarantor Photo, 1 Guarantors, RC Copy, B-Extract, Duplicate Key, Original Invoice and Insurance Copy, Vehicle Hypothecation	Self-Attested ID & Address Proof, 2 applicant Photos, 1 Guarantor Photo, Latest Bank Statement, 2 PDC Leaves, 2 Guarantors, Income Proof, Utility Bills, RC Copy, B-Extract, Duplicate Key, Original Invoice and Insurance Copy, Vehicle Hypothecation	Self-Attested ID & Address Proof, 2 applicant Photos, 1 Guarantor Photo, Latest Bank Statement, 2 PDC Leaves, 2 Guarantors, Income Proof, Utility Bills, RC Copy, B-Extract, Duplicate Key, Original Invoice and Insurance Copy, Vehicle Hypothecation
LTV	Up to 50-80% on Road Price	Up to 80% on Road Price	Up to 80% on Road Price

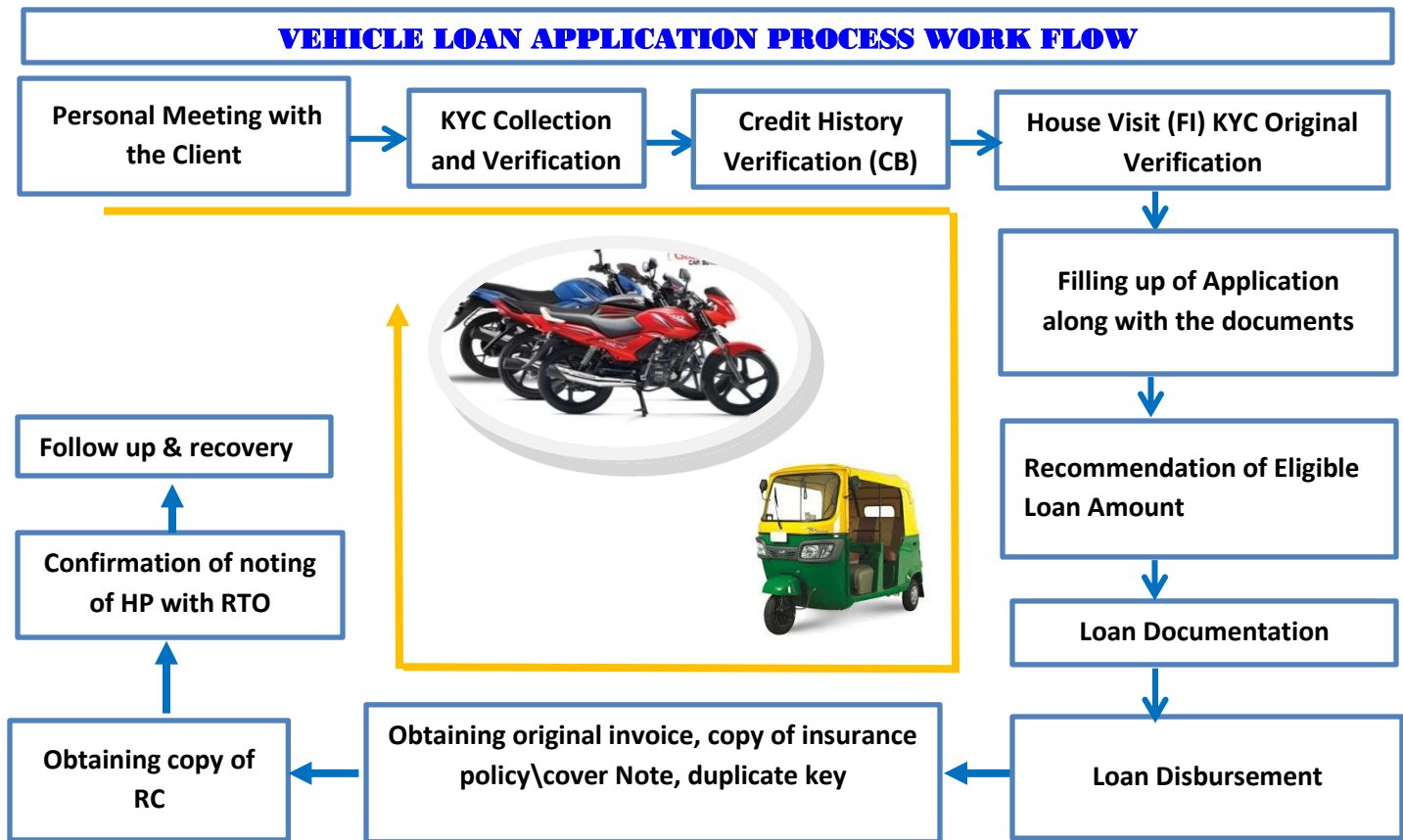
\*For Specified Two wheeler max tenure is up to 36 Months \*\* For Specified Four wheeler max tenure is up to 60 Months

Name of Product	2) Mortgage Business Loan	3) Business Loan	4) Consumer Durables
Target customer segment	Individual	Individual	Individual
Loan Amount Rs	200K to 1000K	50K- 200K	5K to 50K
Tenure in Months	Min 12- Max 60	Min 12- Max 36	Min 3- Max 24
Repayment Frequency	Monthly	Monthly	Monthly
Moratorium Period	Nil	Nil	Nil
Type of ROI	Reducing Balance	Reducing Balance	Reducing Balance
ROI	Minimum 20% onwards and subject to credit and risk evaluation		
Processing Fee	Minimum 2%		
Security	Self-Attested ID & Address Proof, 2 applicant Photos, 1 Guarantor Photo, Latest Bank Statement, 5 PDC Leaves, Utility Bills, Business & Income Proof, Property documents & MODT.	Self-Attested ID & Address Proof, 2 applicant Photos, 1 Guarantor Photo, Latest Bank Statement, 5 PDC Leaves, Utility Bills & Business Proof	Self-Attested ID & Address Proof, 2 applicant Photos, 1 Guarantor Photo, Bank Passbook, 2 PDC Leaves, Utility Bills.

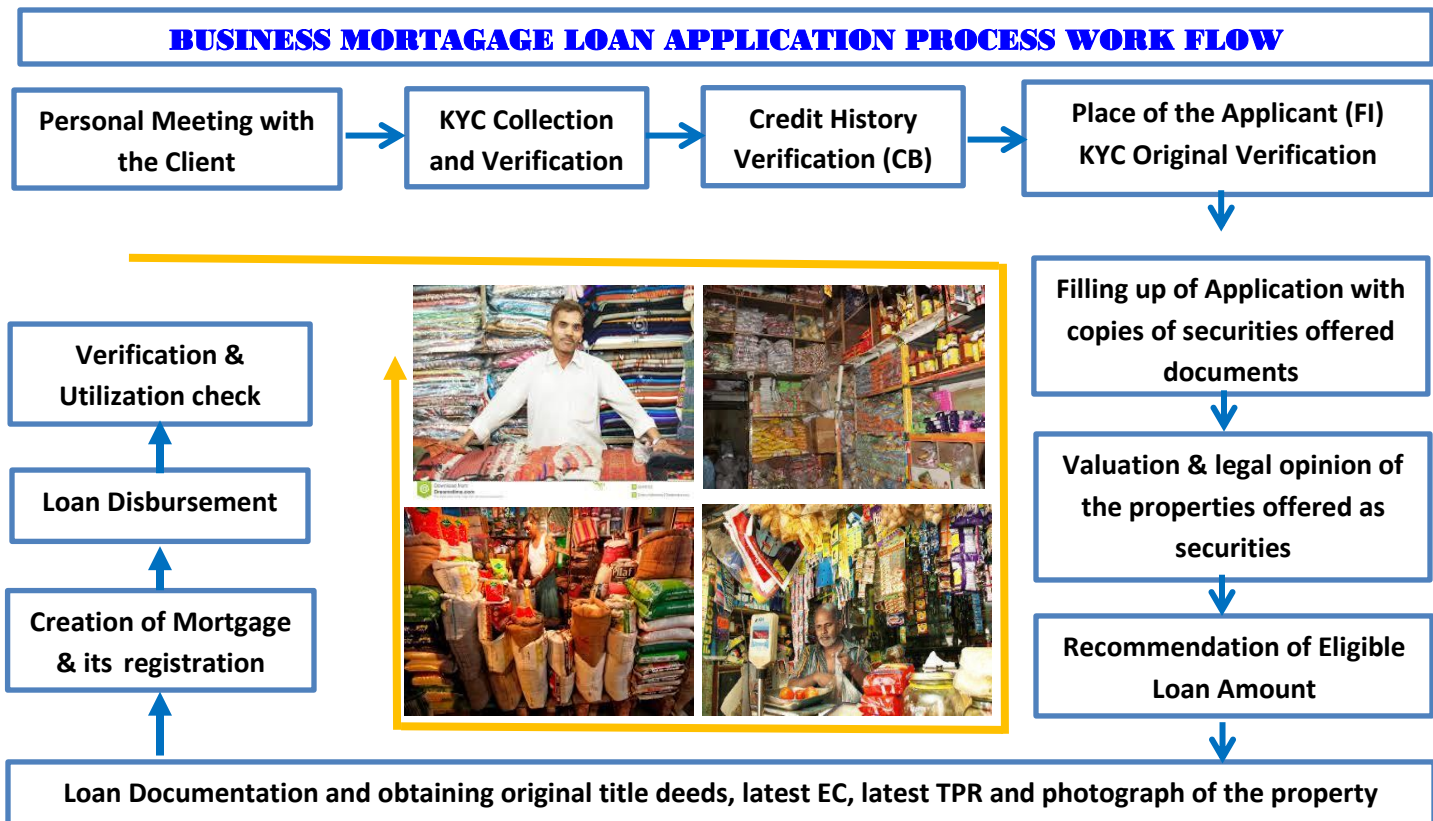
17	Credit Appraisal		
Authorizer Name	Credit Amount	Authorizer Name	Credit Amount
Branch Manager	Upto Rs.60,000/-	Senior Manager	60,001/- Upto 5,00,000/-
Divisional Manager	5,00,001 to 10,00,000/-	Chief Operation Officer	Upto 10,00,000/-

## CREDIT PROCESS

### VEHICLE LOAN APPLICATION PROCESS WORK FLOW



### BUSINESS MORTGAGE LOAN APPLICATION PROCESS WORK FLOW



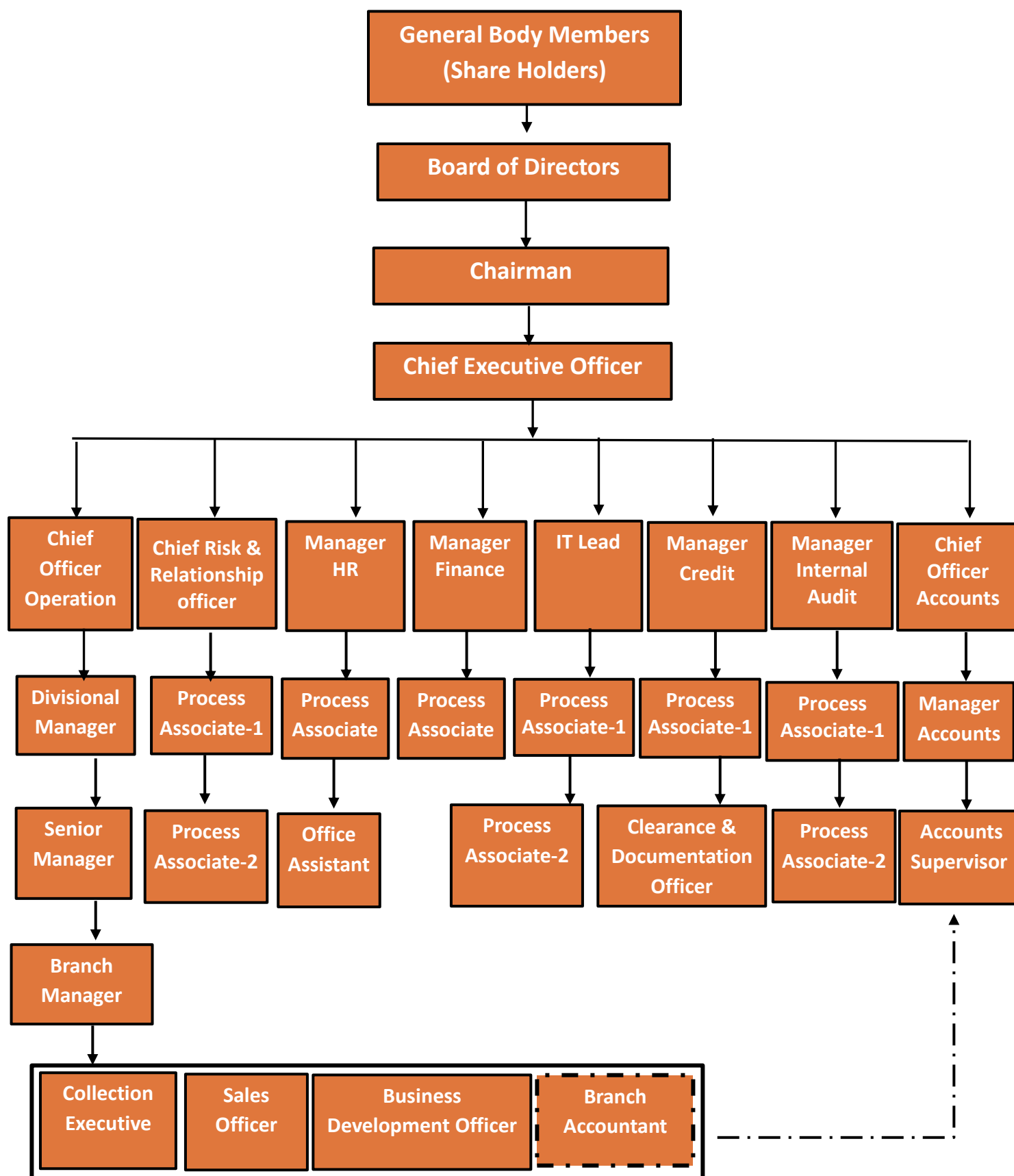
## GEOGRAPHICAL PRESENCE-KARNATAKA



### Operational Area as on Mar-2021

State	District	Branch
Karnataka	Haveri	Byadgi, Guttala, Hanagal, Haveri, Hirekerur, Ranebennur & Shiggaon
	Davanagere	Channagiri, Harappanahalli, Harihara & Honnali
	Gadag	Gadag, Gajendragada, Laxmeshwar & Mundaragi
	Vijayapura	Muddebihal, Mudhol, Nidagundi & Vijayapura
	Shimmogga	Anavatti, Shikaripura & Shiralakoppa
	Bellary	Hagaribommanhalli, Hosapete, Huvinahadagali, Kotturu, Kudluga, Khanahosalli & Shiraguppa
	Bagalkote	Badami, Beelagi & Jamkhandi
	Chitradurga	Challakere, Chitradurga, Hiriur, Hosadurga & Molakalmuru
	Uttara Kannada	Mundgod
	Hasana	Arasikere
	Koppala	Gangavathi & Kustagi
	Chikkamagaluru	Kadur
	Raichur	Lingasugur & Sindhanur
	Tumakuru	Sira & Tiptur
	Belgaum	Ramdurga

## ORGANOGRAM



### Bank & Financial Institution Borrowings (Rs in Crs)

Sl. No	Bank Name	Facility Name	Loan Sanctioned	Loan Availed	Loan Outstanding as on Mar-21
1	IDFC First Bank Ltd	Term Loan	15.00	15.00	4.21
2	Shriram Transports Finance Co Ltd	Term Loan	2.00	2.00	1.19
3	Dhanlaxmi Bank Ltd	Term Loan	3.00	3.00	2.00
4	Electronica Finance Ltd	Term Loan	4.21	4.21	0.02
5	Jain Sons Finlease Ltd	Term Loan	2.50	2.50	0.42
6	Alwar General Finance Co Ltd	Term Loan	2.00	2.00	0.30
7	Navachetana Vividdodesha Souharda Sahakari Niyamita	Term Loan	4.95	4.95	6.19
8	Eclear & Leasing Finance Ltd	Term Loan	1.00	1.00	0.14
9	IDFC First Bank Ltd	Sub-debt	5.00	5.00	5.00
<b>Total</b>			<b>41.16</b>	<b>41.16</b>	<b>19.51</b>

### CRAR Details (Rs in Crs)

Sl No	Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
1	Tier I Capital (Net Owned Funds)	4.59	7.17	7.81	8.53	9.73
2	Tier II Capital	2.61	2.64	7.64	7.04	5.00
3	Total Capital Funds	<b>7.20</b>	<b>9.81</b>	<b>15.46</b>	<b>15.58</b>	<b>14.73</b>
4	Risk Weighted Assets	26.33	31.52	28.72	23.40	25.43
	<b>Capital Adequacy Ratio</b>	<b>27.36%</b>	<b>31.14%</b>	<b>53.84%</b>	<b>66.59%</b>	<b>57.93%</b>

### PORTFOLIO at Risk for Mar 21 (Rs in Crs)

Arrear Band	Portfolio Outstanding (31-Mar-21)	Percentage %
Ontime	22,29,29,509	96.23%
1 - 30 Days	15,03,736	0.65%
31 - 60 Days	15,28,967	0.66%
61 - 90 Days	9,19,871	0.40%
91 - 120 Days	11,50,506	0.50%
121 - 180 Days	7,56,338	0.33%
181 - 365 Days	14,61,892	0.63%
>365 Days	14,11,535	0.61%
<b>Total</b>	<b>23,16,62,354</b>	<b>100.00%</b>





BRANCH NAME: SHIKARIPURA

CUSTOMER NAME: JABIVULLA K

CUSTOMER ADDRESS: S/O JAHIRUDDIN, MUSLIM KERI, BILIKI,  
 SHIKARIPURA TALUK, SHIVAMOGGA DIST,  
 KARNATAKA-577447

DISBURSEMENT AMOUNT: Rs. 10,00,000/- and Rs. 5,00,000/-

LOAN CATEGORY: MORTGAGE BUSINESS LOAN

Mr. Jabivulla K is a one of our faithful applicant since from one year. He is basically from Biliki village, Shikaripura Taluk and Shivamogga District & has 05 members in his Family. He runs his own SUPARI (Betelnut) and GINGER business. He owns several kinds of business equipment to run his business. Business covered in 4 acres of land with betel nuts & ginger. His father started this business and now has carried forward with well improvements. He has 07 years of experience in this business. He is a sole proprietor and his family also supports to his business. He has taken loan from CFSPL in 2020 for his business expansion. When his loan approved in CFSPL, he invested the money for the improvement of his business and has increased sales from his Business.



## DIRECTORS' REPORT

To  
 The Members  
 CHETANA FINANCIAL SERVICES PRIVATE LIMITED

Your directors are pleased to present the 25<sup>th</sup> Annual Report, on the working and progress of the Company, together with audited Statement of Accounts and the Auditors' Report of the company for the financial year ended 31st March, 2021.

### **FINANCIAL RESULTS**

The Company's performance for the year ended March 31, 2021 is summarized as follows:-

(Rs in Lacs)		
<b><u>Particulars</u></b>	<b><u>Year ended 31st March,</u></b> <b><u>2021</u></b>	<b><u>Year ended 31st March,</u></b> <b><u>2020</u></b>
Revenue from Operations	971.91	1159.75
Net Profit/Loss (before depreciation and tax)	77.49	109.74
Less : Depreciation	25.60	13.04
Net Profit/ (Loss) before tax	51.89	96.70
Less : Provision for Tax (including for deferred tax)	11.87	25.14
Net Profit/ (Loss) after tax	40.01	71.56

### **BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS**

The company's performance has reduced during the year under review due to covid-19 pandemic and its related consequences with a decrease in revenue from operations by 16% as compared to the previous year. The net profit of the Company has decreased by 44%.

### **DIVIDEND**

The Directors have recommended for consideration of shareholders at the ensuing general meeting dividend at the rate of Rs. 0.20 per share as final dividend.

### **RESERVES**

Pursuant to RBI Directions, NBFCs are required to transfer a sum not less than 20% of its net profit every year to reserve before declaration of any dividend. Accordingly, the Company has transferred a sum of Rs. 8,00,369 for FY 2019-20 to Statutory Reserve.

### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There has been no change in the nature of the company's business.

**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 relates and the date of this report.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has a proper and adequate system of internal control procedures, commensurate with its size and nature of business, to provide reasonable assurance that all assets and resources are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. The Internal Control system provides for well documented policies, guidelines, authorizations and approval procedures.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY THE AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

No case of fraud is reported for the Financial Year 2020-2021.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

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

**DEPOSITS**

Your Company is not covered under section 76 of the Companies Act, 2013. Therefore, disclosure regarding acceptance, unpaid or unclaimed and default in repayment of deposits or interest thereon, does not arise.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

**SHARE CAPITAL****a. INCREASE IN SHARE CAPITAL**

The authorised Share Capital of the Company stood at Rs. 10.00 Crs as at 31<sup>st</sup> Mar 2021 Comprising of Ordinary (Equity) Shares of Rs.10 each and there was no change in the Authorized share capital. During the year, the company issued shares and details of which are as under:

Sl. No.	Date of Allotment	No. of Shares	Amount in Rs.	Name of Equity Shareholder
1.	24.08.2020	20,00,000	2,00,00,000	M/s Navachetana Vividoddesh Souharda Sahakari niyamita

**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.

**NOTE ON CRAR & RATINGS**

As per audited financial statements dated 31<sup>st</sup> March 2021, Company has Capital Adequacy Ratio of 57.93% indicating company's good financial strength and solvency. As on date Company has ACUTE BB+ rating indicating stable outlook.

**EXTRACT OF THE ANNUAL RETURN**

The Extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this report as Annexure-A.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**
**A. Conservation of Energy, Technology Absorption**

The Company continues to strengthen the conservation of energy and it has consumed very less power for its day to day operations. The Company is putting all its effort to minimize the Consumption of energy wherever possible.

The Company has not adopted any foreign technology.

**B. Foreign Exchange Earnings and Outgo**

There were no foreign exchange earnings and outgo during the year under review.

**WEB ADDRESS OF ANNUAL RETURN**

Pursuant to the provisions of the Companies Act 2013 read with applicable rules made there under the extract of Annual Return of the Company has been disclosed on the website of the Company at [www.chetanafinancial.com](http://www.chetanafinancial.com)

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013 is not applicable to your company. Therefore, the Company has not developed and implemented any Corporate Social Responsibility initiatives.

### **AUDITORS**

In terms of provisions of Sec 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 Board of Directors has proposed for reappointment of Mr. B V Raveendranath Chartered Accountant, Sagar having Membership No. 28679 as the Statutory Auditors of the Company from the conclusion of 25th AGM to be held on 4<sup>th</sup> October 2021 upto the conclusion of AGM to be held in FY 2025-26 subject to approval of the same in 25<sup>th</sup> AGM.

### **CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Ms. Meenakshi R had been appointed as the Company Secretary of the Company w.e.f. 06.11.2019 and resigned from the post as on 19.05.2020.

There is no other change in the composition of the Board.

### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year 2020-21, the Board of Directors of the Company duly met Fifteen (15) times i.e. on the following dates:-

Sl. No.	Date of Board Meeting	Sl. No.	Date of Board Meeting
1	13 <sup>th</sup> April, 2020	9	24 <sup>th</sup> August, 2020
2	17 <sup>th</sup> April, 2020	10	28 <sup>th</sup> September, 2020
3	19 <sup>th</sup> May, 2020	11	20 <sup>th</sup> October, 2020
4	15 <sup>th</sup> June, 2020	12	13 <sup>th</sup> November, 2020
5	29 <sup>th</sup> June, 2020	13	5 <sup>th</sup> January, 2021
6	1 <sup>st</sup> July, 2020	14	23 <sup>rd</sup> February, 2021
7	1 <sup>st</sup> August 2020	15	16 <sup>th</sup> march, 2021
8	6 <sup>th</sup> August, 2020		

The intervening gap between the two meetings was within the period as prescribed under the Companies Act, 2013.

Further, the status of attendance of Board Meeting by each of Director is as follows:

Sl. No.	Name of Director	No. of Board meetings held	No. of Board Meetings Attended
1	Nagendra Mali	16	16
2	Chandrakala Nagendrappa Mali	16	16
3	Chandrappa Siddappa Manegar	16	16



**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The Company has not made any investment, given guarantee and securities during the year under review. Therefore, there is no need to comply with provisions of Section 186 of Companies Act, 2013.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 entered by the Company during the financial year ended 31st March, 2020 is attached in prescribed Form AOC-2 in Annexure B and forms part of this report.

**RISK MANAGEMENT POLICY**

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

**DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a vigil mechanism process wherein the employees are free to report violations of law, rules, regulations or unethical conduct by post. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, The Company has adequate system for prevention of Sexual Harassment of women at workplace and has set up a cell for the same.

Your Directors further state that during the year under review, there were no cases filed, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no such orders passed.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirms that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) The Company being unlisted, sub clause (e) of Section 134(5) of the Companies Act 2013 pertaining to laying down of internal financial control is not applicable to the Company.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**OTHER STATUTORY PARTICULARS:**

Provisions under the Companies Act, 2013 and the Rules made thereunder in respect of the following matters do not apply to the company.

- Corporate Social Responsibility (CSR)
- Declaration by an Independent Director(s) and re- appointment, if any
- Formal Annual Evaluation of Board of Directors
- Constitution of Audit Committee
- Constitution of Nomination and Remuneration Committee
- Secretarial Audit Report
- Company's policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters
- Corporate Governance Certificate

**ACKNOWLEDGEMENTS**

Your Directors take this opportunity to express their appreciation for the co-operation and assistance received from all the stake holders during the year.

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

Date: 27.07.2021

Place: Haveri

**For Chetana Financial Services Private Limited**

-SD/-

**Nagendra V Mali**  
Chairman/Director  
DIN: 02235648

-SD/-

**Chandrakala Mali**  
Director  
DIN: 03317812

**ANNEXURE B**

**FORM AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub – section (1) of section 188 of the Company Act, 2013 including certain arm's length transactions under third provision thereto;

1. Details of contracts of arrangements of transaction not at arm's length basis- Not applicable
2. Details of contracts of arrangements of transaction at arm's length basis:-
  - a) Name(s) of the related party and nature of relationship: Navachetana Enterprises Haveri Private Limited, Utthejana Trading Services Private Limited, Navachetana Vividoddesh Souhardha Sahakari Niyamitha, Navachetana Group Employee Welfare Trust, Navachetana Microfin Services Private Limited & Laxmi Multi State co-operative Credit Society Limited.
  - b) Nature of contracts/arrangements/transactions: Purchase of office Equipment's and Gift Items
  - c) Duration of the contracts/arrangements/transactions: On going
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A
  - e) Date(s) of approval by the Board, if any: 13th April, 2020
  - f) Amount paid as advances, if any: N.A

Date: 27.07.2021

Place: Haveri

**For Chetana Financial Services Private Limited**

-SD/-

**Nagendra V Mali**  
Chairman/Director  
DIN: 02235648

-SD/-

**Chandrakala Mali**  
Director  
DIN: 03317812

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of **CHETANA FINANCIAL SERVICES PRIVATE LIMITED** will be held on Monday, 4<sup>th</sup> Day of October, 2020 at 4:30 p.m. at the registered office of the Company situated at Mali Compound, Shivabasava Nagar, Haveri-581110 to transact the following business:-

**ORDINARY BUSINESS:**

1. To consider, approve and adopt the Audited Financial Statements for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: **"RESOLVED THAT** the Directors' Report and the Audited Balance Sheet as on 31st March, 2021 and the Profit and Loss Accounts for the Year ended on 31st March, 2021 along with the Auditors' Report thereon are hereby considered, approved and adopted."
2. To consider and approve declaration of dividend recommended by the Board of Directors and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: **"RESOLVED THAT** a final dividend of Rs. 0.20 per equity share as recommended by the Board of Directors be and is hereby approved."
3. To appoint Statutory Auditors from the conclusion of this 25<sup>th</sup> Annual General Meeting until the conclusion of the 29<sup>th</sup> consecutive Annual General Meeting and to fix their remuneration:

**"RESOLVED THAT"** pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. B.V.Raveendranath, Chartered Accountants (Registration No.028679), be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of 29<sup>th</sup> consecutive Annual General Meeting to be held in the Financial Year 2025-26 at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imburement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively.

Date: 27.07.2021

Place: Haveri

**By order of the Board of Directors**

**Nagendra Mali**  
**Director**  
**DIN: 02235648**

Copy To:

Directors of the Company

Shareholders of the Company

Auditors of the Company

Any other invitee

**NOTES:**

1. **Appointment of Proxy:** A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote (on a poll only) instead of himself / herself and such a proxy need not be a member of the company. Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the commencement of the meeting. *(Proxy Form MGT-11 - Annexure A)*
2. **Corporate Members:** Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. **Attendance Slip:** Members/Proxies/Representatives should bring the attendance slips *(Annexure B)* duly filled, signed and stamped in for attending the meeting and further requested to bring their copy of annual report.
4. **Inspection of Documents:** All documents referred to in the accompanying Notice and Registers shall be open for inspection at the Registered Office of the Company during business hours between 11:00 am to 01:00 P.M. except on holidays, up to and including the date of the Annual General Meeting of the Company.
5. **Queries at the AGM:** Queries proposed to be raised at Annual General Meeting may be sent to the Company at its registered office at least three days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
6. **Joint Holder:** Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.



**Annexure A**  
**Form No. MGT-11**  
**Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

CIN	U85110KA1996PTC021326
Name of the company	Chetana Financial Services Private Limited
Registered Office	Mali Compound, Shivabasava Nagar, Haveri - 581110
Name of the Member(s)	
Registered Office	
E-mail Id	
Folio No / Client ID	
DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

Name :	
Address:	
E-mail Id:	
Signature , or failing him	
Name :	
Address:	
E-mail Id:	
Signature , or failing him	
Name :	
Address:	
E-mail Id:	
Signature , or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the \_\_\_\_\_ Annual General Meeting of the company, to be held on the \_\_\_\_ day of \_\_\_\_ at \_\_\_\_ a.m. / p.m. at \_\_\_\_\_ (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. \_\_\_\_\_

2. \_\_\_\_\_

Signed this \_\_\_\_ day of \_\_\_\_ 20\_\_

Signature of Shareholder

Affix Revenue  
Stamps

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## Annexure B

### ATTENDANCE SLIP

**Twenty Fifth Annual General Meeting, 4th Day of October, 2020 at 4:30 p.m.**

Reg. Folio/DP & Client No:

No. of shares held:

I certify that I am registered shareholder/proxy/Representatives for the registered Shareholder of the Company and hereby record my presence at the Twenty Fifth Annual General Meeting of the Company on 4<sup>th</sup> Day of October, 2021 at 4:30 p.m. at Mali Compound, Shivabasava Nagar, Haveri-581110.

Member's Name:

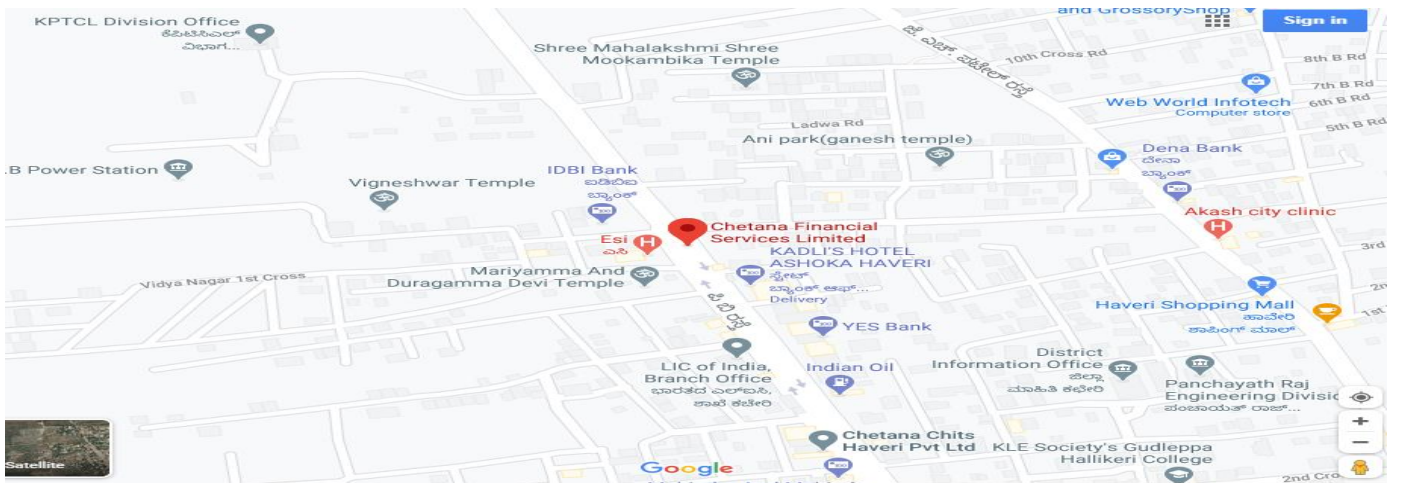
Proxy's Name:

Member's/ Proxy's Signature

### Note:

- 1) Please fill this attendance slip and hand it over at the entrance of the Hall.
- 2) Members/Proxy Holders/Authorized Representatives are requested to show their Photo ID Proof for attending the Meeting.
- 3) Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

### Route Map of venue of Annual General Meeting:



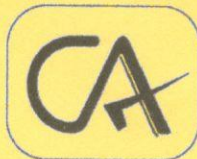
# CHETANA FINANCIAL SERVICES PRIVATE LIMITED

Regd. Office :Mali Compound, Shivabasava Nagar, Haveri-581110

CIN: U85110KA1996PTC021326

## AUDIT REPORT AND FINANCIAL STATEMENTS

2020-21



B.V. RAVEENDRANATH  
CHARTERED ACCOUNTANT  
G.P.ROAD, SAGAR – 577 401





M. No: 028679

CA. B.V.Raveendranath

B.Com, FCA, DISA(ICA), DIRM(ICA)

Chartered Accountant

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of M/s. CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI**

### **Report on the Financial Statements**

#### **Opinion:**

We have audited the accompanying financial statements of **M/s. CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI**, which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribe under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion:**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI)

together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Act and Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Emphasis of Matters:**

No Emphasis of Matters of Reporting year.

**Key Audit Matters:**

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In the audit of the current period, we do not have observed any key audit matters required to be reported separately.

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

**Information other than the Financial Statements and Auditor's Report Thereon:**

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor'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. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, 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 statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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

### **Auditor's Responsibility**

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 financial control 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.

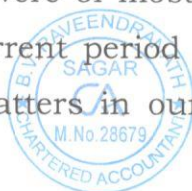


- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or





regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other Legal and Regulatory Requirements**

1. 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 the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021, from being appointed as a director in terms of Section 164(2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B'; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. As per the information and explanations given to us there are no pending litigations which would impact on the Company's financial position in the financial statements. Hence disclosure of the impact if any does not arise.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii. According to information and explanations given to us the requirement of transferring of amount to the Investor Education and Protection Fund by the Company are not applicable during the year.

PLACE: SAGAR  
DATE: 27-07-2021



**FOR B V RAVEENDRANATH  
CHARTERED ACCOUNTANT**

A handwritten signature in green ink, appearing to read "B V Raveendranath", with a horizontal line underneath.

B V RAVEENDRANATH  
CHARTERED ACCOUNTANT  
MEMBERSHIP NO.: 028679  
UDIN: 21028679AAAAHX8882





M. No: 028679

**CA. B.V.Raveendranath**

B.Com, FCA, DISA(ICAI), DIRM(ICAI)

**Chartered Accountant**

**CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI**

**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of M/s. CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI (the Company) on the financial statements for the year ended on 31st March 2021, we report that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - a) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified by the management at reasonable intervals. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
2. According to information and explanations give to us, the management of the Company has conducted physical verification at reasonable intervals of inventories during the period and no material discrepancies have been noticed during such verification.
3. The Company has not granted loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence, other reporting matters as per paragraph 3(iii) (a)(b)(c) do not apply to the Company.

4. In our opinion and according to explanations given to us, the Company has complied with the provisions of section 185 & 186 of the Act, with respect to the loans and advances and investment made.
5. In our opinion and according to the information and explanations given to us, Company has not accepted any deposits from the public.
6. In our opinion and according to the information and explanations given to us, the provisions of maintenance of cost records under sub section (1) of Section 148 of the Act are not applicable to Company for the financial year.
7. Regarding the undisputed statutory Dues, we report that :
  - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date, they become payable.
  - b) According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year.
10. In our opinion and according to the information and explanations given to us, we report that 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 is a private limited company. Hence the provisions of clause (xi) of the order are not applicable to the company.
12. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. In our opinion and according to the information and explanations given to us, 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 a Non-Banking Financial Company (NBFC) registered under section 45-IA of the Reserve Bank of India Act, 1934 vide Registration No. B-02.00139 as given by Reserve Bank of India.

**FOR B V RAVEENDRANATH  
CHARTERED ACCOUNTANT**

B V RAVEENDRANATH  
CHARTERED ACCOUNTANT  
MEMBERSHIP NO.: 028679  
UDIN: 21028679AAAAHX8882

PLACE: SAGAR  
DATE: 27-07-2021





M. No: 028679

**CA. B.V.Raveendranath**

B.Com, FCA, DISA(ICA), DIRM(ICA)

**Chartered Accountant**

**CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI**

**ANNEXURE B TO THE AUDITORS' REPORT**

The Annexure referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of M/s. CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI (the Company) for the year ended on 31st March 2021.

**Management's responsibility for internal financial controls:**

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

**Auditors' responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to



the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of internal financial controls over financial reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being

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

**Inherent Limitations of internal financial controls over financial reporting**

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

**Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR B V RAVEENDRANATH  
CHARTERED ACCOUNTANT**



PLACE: SAGAR  
DATE: 27-07-2021

A handwritten signature in green ink, appearing to read "B V Raveendranath", written over a horizontal line.

B V RAVEENDRANATH  
CHARTERED ACCOUNTANT  
MEMBERSHIP NO.: 028679  
UDIN: 21028679AAAAHX8882



**CHETANA FINANCIAL SERVICES PRIVATE LIMITED**

Regd. Office :Mali Compound, Shivabasava Nagar, Haveri-581110

CIN: U85110KA1996PTC021326

**STATEMENT OF CASH FLOW**

PARTICULARS	AS AT 31ST MARCH 2021 (₹)	AS AT 31ST MARCH 2020 (₹)
Cash Flow from Operating Activities		
Net Profit /(Loss)	51,89,116	96,70,177
Adjustment for	-	-
Depreciation	25,59,982	13,03,739
Operating Profit before Working capital changes	77,49,098	1,09,73,916
(Increase)/Decrease In Loans and Advances	12,73,411	1,17,98,801
(Increase)/Decrease In Current Investments	(2,77,06,790)	(10,00,000)
(Increase)/Decrease in Inventories	-	-
Increase/(Decrease) in Short term provisions	18,79,682	1,10,73,306
Increase/(Decrease) in Other Current Liabilities	-	-
Cash generated from Operations	(2,45,53,697)	2,18,72,107
Less Taxes Paid	14,69,124	24,53,143
<b>NET CASH FLOW FROM OPERATING ACTIVITIES- A</b>	<b>(1,82,73,723)</b>	<b>3,03,92,880</b>
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(29,58,455)	(87,00,014)
Investment made in Non Current Investment	2,94,93,406	1,67,93,785
Investment made in Non Current Assets	18,58,842	(18,58,842)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES - B</b>	<b>2,83,93,793</b>	<b>62,34,929</b>
Cash flow from Financing Activities		
Proceeds from Share Capital	2,00,00,000	-
Reserves and Surplus - Dividend outflow	(62,50,996)	-
Proceeds from Debenture and borrowings	(1,98,42,597)	(6,07,24,864)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES - C</b>	<b>(60,93,593)</b>	<b>(6,07,24,864)</b>
Net Increase in Cash and Cash Equivalents - (A-B-C)	40,26,477	(2,40,97,057)
ADD : Cash & Cash equivalents at beginning of the period	37,92,213	2,78,89,270
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	<b>78,18,690</b>	<b>37,92,213</b>

" AS PER MY REPORT OF EVEN  
DATE"

DATE:27-07-2021

PLACE: HAVERI

NAGENDRA V MALI

CHAIRMAN

DIN: 02235648

CHANDRAPPA S MANEGAR

DIRECTOR

DIN: 07745638

B V RAVEENDRANATH

CHARTERED ACCOUNTANT

M.No : 028679

UDIN: 21028679AAAAHX8882



*[Handwritten Signature]*

**CHETANA FINANCIAL SERVICES PRIVATE LIMITED**  
 Regd. Office :Mali Compound, Shivabasava Nagar, Haveri-581110  
 CIN: U85110KA1996PTC021326  
**BALANCE SHEET AS AT 31st MARCH 2021**

#	PARTICULARS	NOTE NO	AS AT 31ST MARCH 2021 (₹)	AS AT 31ST MARCH 2020 (₹)
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
1	<u>Shareholder's Funds</u>			
	(a) Share Capital	1	8,32,95,000	6,32,95,000
	(b) Reserves and Surplus	2	1,98,07,209	2,20,56,359
2	<u>Share Application money pending allotment</u>		-	-
3	<u>Non-Current Liabilities</u>			
	(a) Debentures	3A	1,88,00,000	1,88,00,000
	(b) Long-Term Borrowings - Term Loans	3B	11,23,12,687	11,23,96,288
	(c) Deferred Tax Liabilities (Net)		-	-
	(d) Long Term Provisions		-	-
4	<u>Current Liabilities</u>			
	(a) Short-Term Borrowings - Term Loans	4	8,35,01,480	10,32,60,476
	(b) Trade Payables		-	-
	(c) Other Current Liabilities		-	-
	(d) Short-Term Provisions	5	1,80,23,408	1,61,43,726
<b>Total Equity &amp; Liabilities</b>			<b>33,57,39,784</b>	<b>33,59,51,849</b>
<b>II.</b>	<b>II.ASSETS</b>			
1	<u>Non-Current Assets</u>			
	(a) <u>Fixed Assets</u>	6		
	(i) Gross Block		2,71,79,876	2,42,21,421
	(ii) Depreciation		81,00,988	55,41,006
	(iii) Net Block		1,90,78,888	1,86,80,415
	(b) Non-current investments	7	30,00,000	3,24,93,406
	(c) Deferred tax assets (net)		3,33,865	52,011
	(d) Long term loans and advances	8A	11,36,70,001	12,60,59,751
	(e) Other non-current assets	8B	-	18,58,842
2	<u>Current Assets</u>			
	(a) Current investments	9	2,87,06,790	10,00,000
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	10	78,18,690	37,92,213
	(e) Short-term loans and advances	11	16,31,31,550	15,20,15,211
	(f) Other current assets		-	-
<b>Total Assets</b>			<b>33,57,39,784</b>	<b>33,59,51,849</b>

NOTES TO ACCOUNTS:

*Schedules referred to above and notes attached there to form an integral part of Balance Sheet*

DATE:27-07-2021  
 PLACE: HAVERI

NAGENDRA V MALI  
 CHAIRMAN  
 DIN: 02235648

CHANDRAPPA S MANEGAR  
 DIRECTOR  
 DIN: 07745638

" AS PER MY REPORT OF EVEN  
 DATE"

B V RAVEENDRANATH  
 CHARTERED ACCOUNTANT  
 M.No : 028679

UDIN: 21028679AAAAHX8882



**CHETANA FINANCIAL SERVICES PRIVATE LIMITED**

Regd. Office :Mali Compound, Shivabasava Nagar, Haveri-581110

CIN: U85110KA1996PTC021326

**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31st MARCH 2021**

#	PARTICULARS	NOTE NO	AS AT 31ST MARCH 2021 (₹)	AS AT 31ST MARCH 2020 (₹)
I	Revenue from operations	12	9,71,91,263	11,59,75,249
II	Other Income	13	32,28,275	33,29,137
III	<i>Total Revenue (I +II)</i>		10,04,19,538	11,93,04,386
	<u>Expenses:</u>			
	Employee Benefit Expense	14	4,40,31,441	5,18,24,135
	Financial Costs	15	3,65,72,974	4,32,00,737
	Depreciation and Amortization Expenses	16	25,59,982	13,03,739
	Other Administrative Expenses	17	1,18,76,930	1,33,05,598
	Provision on Assets	18	1,89,095	-
IV	<i>Total Expenses (IV)</i>		9,52,30,422	10,96,34,209
V	Profit before exceptional and extraordinary items and	(III-IV)	51,89,116	96,70,177
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		51,89,116	96,70,177
VIII	Extraordinary Items			
IX	Profit before tax (VII - VIII)		51,89,116	96,70,177
X	<u>Tax expense:</u>			
	(1) Current tax		14,69,124	24,53,143
	(2) Deferred tax		(2,81,854)	61,103
XI	Profit(Loss) from the period from continuing operations	(IX-X)	40,01,846	71,55,931
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		40,01,846	71,55,931
XVI	Earning per equity share:			
	(1) Basic		0.48	0.86
	(2) Diluted		0.48	0.86

**NOTES TO ACCOUNTS :**

*Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement*

" AS PER MY REPORT OF EVEN  
DATE"

DATE:27-07-2021 NAGENDRA V MALI CHANDRAPPA S MANEGAR B V RAVEENDRANATH  
PLACE: HAVERI CHAIRMAN DIRECTOR CHARTERED ACCOUNTANT

DIN: 02235648 DIN: 07745638 M.No : 028679

UDIN: 21028679AAAAHX8882

**CHETANA FINANCIAL SERVICES PRIVATE LIMITED**

Regd. Office :Mali Compound, Shivabasava Nagar, Haveri-581110

*NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH 2021*

#	PARTICULARS	AS AT 31ST MARCH 2021 (₹)	AS AT 31ST MARCH 2020 (₹)
	<b>NOTE: 1 Share Capital</b>		
1	<b>AUTHORIZED CAPITAL</b> ( 1,00,00,000 Equity shares of Rs.10/- each)	10,00,00,000	10,00,00,000
		10,00,00,000	10,00,00,000
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	Issued Subscribed & Paid-up Capital	8,32,95,000	6,32,95,000
	Current: 83,29,500 Equity shares of Rs.10/- each		
	Previous: 63,29,500 Equity shares of Rs.10/- each		
<b>TOTAL</b>		<b>8,32,95,000</b>	<b>6,32,95,000</b>
	<b>Share Capital</b>		
	(a) Reconciliation of number of shares outstanding at beginning and end of the reporting	-	-
		-	-
	<b>Equity Share Capital</b>		
	Shares outstanding at the beginning of the year	6,32,95,000	6,32,95,000
	Shares allotted/ (Buy back) during the year	2,00,00,000	-
	Outstanding at end of the reporting period	8,32,95,000	6,32,95,000
	(b) Shares in the company held by each shareholders holding more than 5% shares specifying number of shares held	-	-
		-	-
	<u>Name</u>		
	<b>Equity Shares</b>		
	NAVACHETANA VIVIDODDESH SOUHARDA SAHAKARI NIYAMITHA, HAVERI (73,34,665 Equity shares of Rs.10/- each)	73,34,665	36,84,500
	CHAIRPERSON, NAVAJEEVAN FOUNDATION (20,00,000 Equity shares of Rs.10/- each)	-	20,00,000
	<b>NOTE: 2 Reserve &amp; Surplus</b>		
1	<b>Special Reserve Fund</b>	53,30,248	45,29,879
2	<b>Surplus (Profit &amp; Loss Account)</b>	1,44,76,961	1,75,26,480
	Balance brought forward from previous year	1,75,26,480	1,18,01,735
	Less Dividend Paid During the Year	62,50,996	-
	Add: Profit for the period	40,01,846	71,55,931
	Less: 20% transferred to Statutory Reserve	(8,00,369)	(14,31,186)
	Less: Tax expense for previous year	-	-
<b>TOTAL</b>		<b>1,98,07,209</b>	<b>2,20,56,359</b>



#	PARTICULARS	AS AT 31ST MARCH 2021 (₹)	AS AT 31ST MARCH 2020 (₹)
	<b>NOTE: 3.A. Long Term Borrowings</b>		
1	<b>Debenture</b>		
	15% Convertible Debenture -NVSSN	1,48,00,000	1,48,00,000
	16% Optionally Convertible Debenture - NGEWT	40,00,000	40,00,000
	<b>TOTAL</b>	<b>1,88,00,000</b>	<b>1,88,00,000</b>
2	<b>NOTE: 3.B. Term Loan</b>		
	Dhanlaxmi Bank Ltd	1,40,00,000	-
	Ecclar Leasing Finance Ltd	-	4,83,189
	IDFC First Bank Ltd	1,36,36,352	2,80,88,580
	Jain Sons Finlease Ltd	-	14,08,750
	Navachetana Vividodesh Souharda Sahakari Niyamita	2,66,41,948	2,30,32,626
	Shriram Transport Finance Company Ltd	73,54,935	93,83,143
	<u>Subordinated Loan</u>		
	IDFC First Bank Ltd	5,06,79,452	5,00,00,000
	<b>TOTAL</b>	<b>11,23,12,687</b>	<b>11,23,96,288</b>
	<b>NOTE: 4 Current Liabilities</b>		
1	<b>Short Term Borrowings- Term Loans</b>		
	Alwar Gen Finance Co Ltd	30,61,975	1,11,49,296
	Dhanlaxmi Bank Ltd	60,00,000	81,81,816
	Ecclar Leasing Finance Ltd	14,68,971	53,25,516
	Electronica Finance Ltd	2,76,314	23,18,350
	IDFC First Bank Ltd	2,85,62,655	3,35,66,436
	Jain Sons Finlease Ltd	42,63,649	1,33,27,358
	Navachetana Vividodesh Souharda Sahakari Niyamita	3,52,74,010	2,18,04,477
	Shriram Transport Finance Company Ltd	45,93,906	63,87,770
	Visu leasing & Finance Pvt Ltd	-	11,99,457
	<b>TOTAL</b>	<b>8,35,01,480</b>	<b>10,32,60,476</b>
	<b>NOTE: 5 Short Term Provisions</b>		
1	<u>Provision For Employees Benefit</u>		
	Salary Payable	33,71,217	32,19,009
	Gratuity Payable	2,94,519	57,692
	Bonus Payable	16,40,162	19,53,489
	<b>TOTAL</b>	<b>53,05,898</b>	<b>52,30,190</b>
2	<b>Provision for Standard and Doubtful Assets</b>		
	Provision for Doubtful Assets	13,26,252	10,30,491
	Provision on Standard Assets	5,57,324	6,63,990
	<b>TOTAL</b>	<b>18,83,576</b>	<b>16,94,481</b>





#	PARTICULARS	AS AT 31ST MARCH 2021 (₹)	AS AT 31ST MARCH 2020 (₹)
3	<u>Provision for Taxation</u>		
	Provision for Income Tax	14,69,124	24,53,143
	TDS payable	33,513	1,96,789
	PF Payable	5,02,215	4,45,322
	PT Payable	10,200	7,800
	ESI Payable	1,12,656	90,552
	GST Payable	3,01,980	8,24,353
	<b>TOTAL</b>	<b>24,29,688</b>	<b>40,17,959</b>
4	<u>Expenses Payable</u>		
	Audit Fees Payable	1,50,000	1,50,000
	Rent Payable	3,50,731	2,90,458
	Credit Bureau Expenses Payable	31,205	8,942
	Postage and Courier Charges Payable	19,493	18,369
	Debenture Interest Payable	50,281	48,921
	<b>TOTAL</b>	<b>6,01,710</b>	<b>5,16,690</b>
5	<u>Other Payables</u>		
	Advance Collection	31,22,999	19,75,041
	Down Payment	57,097	1,48,342
	Sundry creditors for Expense	36,75,608	25,19,897
	RSP Recovery Payable	-	41,126
	NVSSN Recovery Payable	24,789	-
	Insurance Payable	5,31,673	-
	Dealers Payable	3,90,370	-
	<b>TOTAL</b>	<b>78,02,536</b>	<b>46,84,406</b>
	<b>TOTAL</b>	<b>1,80,23,408</b>	<b>1,61,43,726</b>



# CHETANA FINANCIAL SERVICES PRIVATE LIMITED

Regd. Office :Mali Compound, Shivabasava Nagar, Haveri-581110

NOTE 6: FIXED ASSETS & DEPRECIATION , FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31st MARCH 2021

Particulars	Gross Block			Depreciation				Net Block		
	Value at the beginning	Addition during the year	Deletion	Value at the end	Value at the beginning	Addition during the year	Deletion	Value at the end	Value as on 31.03.2021	Value as on 31.03.2020
<u>Tangible Assets</u>										
Gold Gate Plot	72,93,036	4,46,440	-	77,39,476	-	-	-	-	77,39,476	72,93,036
Land	45,39,813	-	-	45,39,813	-	-	-	-	45,39,813	45,39,813
Furnitures	48,49,405	23,43,433	-	71,92,838	12,55,781	16,31,232	8,96,139	19,90,874	52,01,964	35,93,624
Computer	37,42,325	80,472	-	38,22,797	22,98,283	32,98,290	21,07,143	34,89,430	3,33,367	14,44,042
Software	6,14,664	25,000	-	6,39,664	3,36,231	5,09,355	3,04,248	5,41,338	98,326	2,78,433
Printer & U P S	15,15,556	19,041	-	15,34,597	6,42,890	8,80,326	5,66,160	9,57,056	5,77,541	8,72,666
Mobile Set	4,25,775	19,500	-	4,45,275	2,38,880	3,11,863	2,16,616	3,34,127	1,11,148	1,86,895
Maruti Ciaz Car	11,67,836	-	-	11,67,836	7,61,354	6,93,403	7,02,963	7,51,794	4,16,042	4,06,482
Office Equipments	73,011	57,465	32,896	97,580	7,587	29,845	1,063	36,369	61,211	65,424
Grand Total	2,42,21,421	29,91,351	32,896	2,71,79,876	55,41,006	73,54,314	47,94,332	81,00,988	1,90,78,888	1,86,80,415



**CHETANA FINANCIAL SERVICES PRIVATE LIMITED**

NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31st MARCH 2021

#	PARTICULARS	AS AT 31ST MARCH 2021 (₹)	AS AT 31ST MARCH 2020 (₹)
	<b>NOTE:7 Non-current investments</b>		
1	Fixed Deposit with Bank	30,00,000	3,24,93,406
	<b>TOTAL</b>	<b>30,00,000</b>	<b>3,24,93,406</b>
	<b>NOTE: 8.A. Long Terms Loans and Advances</b>		
1	Loans & Advances		
	Business Loan	3,01,49,167	2,35,65,889
	Vehicle Loan	5,95,23,118	3,04,27,996
	Mortgage Loan	2,39,97,716	7,20,65,866
	<b>TOTAL</b>	<b>11,36,70,001</b>	<b>12,60,59,751</b>
	<b>NOTE: 8.B. Other Non Current Assets</b>		
1	Office Interior WIP	-	18,58,842
	<b>TOTAL</b>	<b>-</b>	<b>18,58,842</b>
	<b>NOTE: 9 Current Investments</b>		
1	Fixed Deposit	2,87,06,790	10,00,000
	<b>TOTAL</b>	<b>2,87,06,790</b>	<b>10,00,000</b>
	<b>NOTE: 10 Cash &amp; Cash Equivalent</b>		
1	<u>Cash-in-Hand</u>	10,42,021	5,85,263
	<b>TOTAL</b>	<b>10,42,021</b>	<b>5,85,263</b>
2	<u>Bank Balance</u>		
	Laxmi Multi State Co Operative	3,440	-
	RBL Bank	2,39,307	-
	Bank of Maharashtra	86	86
	Bank of Baroda	-	2,077
	Axis Bank Limited	2,72,402	6,607
	Dhanlaxmi Bank	61,831	10,193
	State Bank of India	1,77,326	13,645
	KVG Bank	2,07,370	22,860
	Corporation Bank	1,77,626	28,251
	Union Bank of India	1,25,357	50,236
	Canara Bank	3,86,184	54,676
	NVSSN	15,16,872	70,687
	Equitas Bank	2,36,766	1,12,475
	Dena Bank	12,125	3,95,371
	Syndicate Bank	1,61,417	7,88,539
	IDFC Bank	31,98,560	16,51,247
	<b>TOTAL</b>	<b>67,76,669</b>	<b>32,06,950</b>
	<b>TOTAL</b>	<b>78,18,690</b>	<b>37,92,213</b>





#	PARTICULARS	AS AT 31ST MARCH 2021 (₹)	AS AT 31ST MARCH 2020 (₹)
	<b>NOTE: 11 Short Terms Loans and Advances</b>		
1	Others - Short Term Loans		
	a) Loans and Advances		
	Business Loan	6,79,03,485	5,54,60,078
	Vehicle Loans	2,88,58,371	2,03,15,287
	Mortgage Loan	2,12,30,497	2,55,81,538
	<b>TOTAL</b>	<b>11,79,92,353</b>	<b>10,13,56,903</b>
	b) Other Advances		
	Interest Recivables	1,04,18,905	-
	Rent Advance	29,02,750	26,29,092
	Advance Tax	8,50,000	14,00,000
	Income Tax Receivable	17,46,208	8,73,058
	TDS Receivable	5,27,976	16,64,749
	TDS Receivable from Parties	63,441	1,76,031
	Advance for Staff	13,70,850	4,87,061
	Advance and Receivables	28,14,137	47,65,583
	Shobha Ltd - Apartment Advance	-	9,85,540
	Trade Advance	8,77,000	6,47,000
	Advance for Expenses	25,196	1,75,885
	Deposits	-	53,341
	HLF RSP Portfolio Receivable	16,57,644	11,31,772
	IDFC payout Receivalbe	85,72,330	24,78,860
	BC Recovery Receivable	15,48,781	93,72,681
	RSP Recovery Receivable	89,24,920	2,09,78,596
	Staff Receivable	28,39,059	28,39,059
	<b>TOTAL</b>	<b>4,51,39,197</b>	<b>5,06,58,308</b>
	<b>TOTAL</b>	<b>16,31,31,550</b>	<b>15,20,15,211</b>



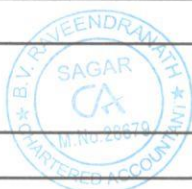
**CHETANA FINANCIAL SERVICES PRIVATE LIMITED**

**NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNTS AS AT 31st MARCH 2021**

#	PARTICULARS	AS AT 31ST MARCH 2021 (₹)	AS AT 31ST MARCH 2020 (₹)
	<b>NOTE: 12 Revenue from Operations</b>		
1	Interest on Loans	6,14,21,410	5,61,75,912
2	Application Fees	48,25,703	90,09,292
3	Income from Business Correspondence	1,40,52,057	3,12,21,515
4	Interest from RSP	1,68,92,093	1,95,68,530
<b>TOTAL</b>		<b>9,71,91,263</b>	<b>11,59,75,249</b>
	<b>NOTE: 13 Other Income</b>		
1	Interest on FD	22,77,443	17,91,274
2	Rebate Received	-	2,39,342
3	Dividend on Mutual Funds	-	2,40,250
4	Commission Income	9,50,832	10,58,271
<b>TOTAL</b>		<b>32,28,275</b>	<b>33,29,137</b>
	<b>NOTE: 14 Employment Benefit Expenses</b>		
1	Salary to Staff	3,77,75,735	4,54,53,142
2	Staff Welfare	2,23,356	2,72,964
3	Employer PF Contribution	28,70,337	29,15,384
4	Employer ESI Contribution	9,65,480	10,36,265
5	Staff Medclaim Insurance	3,08,052	77,352
6	Staff Uniform Expenses	-	57,847
7	Gratuity	2,36,827	57,692
8	Bonus	16,40,162	19,53,489
9	LWF -Employer Contribution	11,492	-
<b>TOTAL</b>		<b>4,40,31,441</b>	<b>5,18,24,135</b>
	<b>NOTE: 15 Financial Cost</b>		
1	Bank Charges	5,72,884	5,33,239
2	Interest on Loans	3,25,52,906	3,86,54,151
3	Loan Processing Fees	5,87,175	9,77,500
4	Debenture Interest	28,60,009	30,35,847
<b>TOTAL</b>		<b>3,65,72,974</b>	<b>4,32,00,737</b>
	<b>NOTE: 16 Depreciation &amp; Amortized Cost</b>		
1	Depreciation	25,59,982	13,03,739
<b>TOTAL</b>		<b>25,59,982</b>	<b>13,03,739</b>



#	PARTICULARS	AS AT 31ST MARCH 2021 (₹)	AS AT 31ST MARCH 2020 (₹)
	<b>NOTE: 17 Other Administrative Expenses</b>		
1	Advertisement Expenses	-	1,96,160
2	AMC	76,300	-
3	Audit fees & Company law matters	1,50,000	1,50,000
4	Commission	9,800	76,292
5	Computer & Software Maintenance	-	1,17,642
6	Consultation charges	47,872	1,31,548
7	Credit Bureau Expenses	3,28,445	4,08,570
8	Documentation charges	1,84,353	2,58,621
9	Donation	25,000	17,602
10	Electricity & Water Charges	3,60,928	3,33,247
11	Freight and Transportation Charges	17,395	9,068
12	General Insurance	2,32,192	1,87,815
13	Gifts and Presentation	1,49,406	2,45,291
14	Grading & Rating charges	1,93,589	-
15	Income Tax Paid	-	1,050
16	Ineligible GST	-	5,84,068
17	Interest & late filing fees	974	703
18	Legal & Professional fees	2,10,897	4,42,475
19	Lodging & Boarding	27,289	43,936
20	Meeting & Training Expenses	3,47,945	6,47,496
21	Membership Fees	5,000	12,500
22	Newspaper & Periodicals	5,122	5,974
23	Office Cleaning and Maintenance	6,85,295	7,98,814
24	Postage & Courier	5,20,036	7,29,396
25	Printing & Stationery	8,00,535	8,95,105
26	Rates & Taxes	1,59,412	1,28,500
27	Registration fees	44,154	1,10,273
28	Rent	45,09,305	40,71,876
29	Repairs and Maintenance	2,56,825	2,53,372
30	ROC Filing charges	3,600	7,800
31	Round off	(575)	(700)
32	Telephone Charges	7,44,379	4,66,210
33	Travelling Expenses	17,43,722	19,74,894
34	Loss on sale of fixed Assets	3,235	-
35	Training & Recruitment Expenses	34,500	-
	<b>TOTAL</b>	<b>1,18,76,930</b>	<b>1,33,05,598</b>
	<b>NOTE: 18 Provision on Assets</b>		
1	Provision on Loan Assets	1,89,095	-
	<b>TOTAL</b>	<b>1,89,095</b>	<b>-</b>







M. No: 028679

CA. B.V.Raveendranath

B.Com, FCA, DISA(ICA), DIRM(ICA)

Chartered Accountant

CHETANA FINANCIAL SERVICES PRIVATE LIMITED				
Calculation of Capital Adequacy Ratio as at March 31, 2021				
SI No	Particulars	Sub Total	Total	Total Rs
I	<b>Capital Funds-Tier I</b>			
	<b>Add:</b>			
i	Share Capital	8,32,95,000		
ii	Compulsory Convertible Preference Shares	-		
iii	Free Reserves	1,44,76,961		
iV	Share premium (Balance in Account)	-		
V	Capital Redemption Reserve	-	9,77,71,961	
	<b>Less:</b>			
i	Accumulated loss in Balance Sheet	-		
ii	Book Value of Intangible Assets	98,326		
iii	Deferred Tax Asset	3,33,865	4,32,191	
	<b>Capital Funds-Tier I</b>			9,73,39,770
II	<b>Capital funds-Tier II</b>			<b>9,73,39,770</b>
	<b>Add:</b>			
i	Preference shares other than compulsorily convertible shares	-		
ii	General provisions and loss reserves to the extent of (1&1/4) % of risk weighted assets	-		
iii	Hybrid debt & Capital Instruments	5,00,00,000	5,00,00,000	-
	<b>Capital funds-Tier II</b>			<b>5,00,00,000</b>
	<b>Capital funds-Tier I&amp;II</b>			<b>14,73,39,770</b>

"Sri Anegudde", G.P.Road, Sagar - 577401

| GSTIN : 29ABOPR2194P1ZK | 08183-226696 / 7353765599 | bvrnath@gmail.com | www.cabvr.in |



III	Risk weighted assets	Amount Rs	% Weight	Risk Adjusted Amount Rs
i	Loans & Advances	23,16,62,354	100%	
ii	Fixed Assets net of depreciation	1,89,80,562	100%	
iii	Fixed deposits in public financial institutions	36,77,213	100%	
	<b>Total risk weighted assets</b>	<b>25,43,20,129</b>		<b>25,43,20,129</b>
	<b>Capital Ratios</b>			
i	Tier-I Capital to Total risk weighted assets (%)			38.27%
ii	Tier-II Capital to Total risk weighted assets (%)			19.66%
	<b>Capital Adequacy Ratio</b>			<b>57.93%</b>

For Chetana Financial Services Pvt Ltd

  
NAGENDRA MALI



  
CHANDRAPPA S MANEGAR



  
B V RAVEENDRANATH  
CHARTERED ACCOUNTANT  
M. NO: 028679  
UDIN: 21028679AAAAIL2634

DATE: 12-08-2021

PLACE: SAGAR

**Notes Forming Part of Financial Statement For the year ended 31st March  
2021**

**1. Corporate Information:**

Chetana Financial Services Private Limited is a Non-Banking Financial Company. The Company was incorporated on October 30, 1996. The Company was registered as a Non-Deposit accepting Non-Banking Financial Company (NBFC-ND) with the Reserve Bank of India (RBI) with effect from November 20, 2012 and has got converted into Non-Banking Financial Company-Non Deposit Type-II with effect from June 20 2019.

The Company engaged in finance lending activities in the form of providing financial assistance to Individual who are needy and unbanked segment of the society located in Urban and Semi Urban through Business Loan and Vehicle Loan. The Company operates in Karnataka State.

**2. Significant Accounting Policies**

**a) Basis of Accounting & Preparation of Financial Statements:**

The Financial Statement 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 accounting standards notified under Section 133 of The Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the provisions of the RBI as applicable to a NBFCs. The financial statements are prepared on accrual basis and under the historical cost convention except interest on loans which have been classified as non-performing assets and are accounted for on realization basis. The accounting policies adopted in preparation of financial statements are consistent with those of previous year.



**b) Presentation and disclosure of financial statements:**

During the year ended 31st March 2021 the company has presented the accounts as per the revised Schedule III notified under The Companies Act, 2013. The company has also reclassified the previous year figures in accordance with the requirements. The Loans and Advances are subject to Reconciliation.

**3. Summary of significant accounting policies**

**a) Use of estimates:**

The Preparation of financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly 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.

**b) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company has the policy to recognize the interest income on accrual basis. Income or any other charges on Non-Performing Asset is recognized only when realized and any such income recognized before the assets become Non Performing and remaining unrealized is reversed. Interest income on deposits with bank is recognized on a time proportion accrual basis taking into account the amount outstanding and rate applicable. All other income is recognized on an accrual basis.





**c) Tangible & Intangible Fixed Assets:**

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

**d) Depreciation:**

Depreciation on Fixed Assets is provided on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also as per the useful life of the assets estimated by the management. Assets are depreciated on straight line basis method over the useful life of assets as prescribed in Part C of the Schedule II of the Companies Act, 2013.

Fixed assets value below Rs 5,000 fully charged as depreciation in the current year.

The Company changed its method of computing depreciation from WDV methods to the straight-line method for the Company's assets. Based on Statement of Financial Accounting Standards, the Company determined that the change in depreciation method from WDV method to a straight-line method is a change in accounting estimate affected by a change in accounting principle. A change in accounting estimate affected by change in accounting principle is to be applied prospectively. The change is considered preferable because the straight-line method will more accurately reflect the pattern of usage and the expected benefits of such assets and provide greater consistency with the depreciation methods used by other companies in the Company's industry.

**e) Investments:**

Investments are classified into Current & Long-term investments. Long-term investments are stated at cost and Provision for diminution in the value, other than temporary is considered wherever necessary. Current investments are valued at lower of cost and market value/net asset value.



**f) Borrowing Cost:**

All borrowing costs are expensed in the period they occur. Borrowing cost included interest and other costs incurred in connection with the arrangement of borrowings.

**g) Foreign Currency Transactions:**

There are no Transactions in Foreign Currency are recorded in the Books of Account during the year.

**h) Retirement and Other Employees Benefits:**

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the Provident Fund. The Company recognizes contribution payable to the Provident Fund scheme as expenditure, when an employee renders the related service.

**i) Income Tax:**

a) Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b) Deferred income taxes reflect the impact of timing difference taxable income and accounting income originating during the current year and reversal of timing difference for the earlier years. Deferred tax is measured using the tax rates and the laws enacted or substantively enacted at the reporting date.

**J) Earnings Per Share:**

Basic Earnings Per Share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity share holders and the weighted average number of shares outstanding

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

**K) Provisions:**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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.

**l) Contingent Liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**m) Cash and Cash Equivalents:**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise Cash in hand and Cash at bank.

**n) Grouping & rounded off:**

The figures have been rounded off to the nearest rupee. Previous year's figures have been regrouped/re-arranged wherever considered necessary to make them conform to the figures for the current year.

**i) Asset Classification and provisioning policy:**

Every applicable NBFC shall make provision against standard, sub-standard, doubtful and loss assets as provided hereunder-

- I) Standard Assets- At the present, NBFC is required to make a provision for Standard Assets at 0.25% of the outstanding.
- II) Sub-standard assets- A general provision of 10% of total outstanding shall be made
- III) Doubtful Assets- Depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion shall be made.
- IV) Loan Assets- The entire asset shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding shall be provided for.

**4. Notes To Accounts**

**1. Particulars on Managerial remuneration during the year ended March 31, 2021:**

Sl. No	Name of Director	Designation	Remuneration
1	Mrs. Chandrakala N Mali	Director	8,02,691

**2. Related party Transactions during the year ended March 31, 2021:**

Sl. No	Institution Name	Relationship	Description of the Transaction	Amount in Rs.
1	Navachetana Enterprises Haveri Private Limited	Common Directors	Purchase of Office Equipment and Gift Items	28,100
2	Utthejana Trading Services Private Limited	Common Directors	Purchase of office Equipment and Gift Items	4,000
			Loan Disbursed	41,00,000



CHETANA FINANCIAL SERVICES PRIVATE LIMITED  
Reg. Off: Mali Compound, Shivabasava Nagar, Haveri-581110  
CIN: U85110KA1996PTC021326

			Loan Interest Received	95,088
			Loan Principal Repayment Received	65,191
			Rent Advance Paid	1,37,500
			Rent Paid	27,885
3	Navachetana Vividoddesh Souhardha Sahakari Niyamith	Common Directors	Interest on Debenture Paid	22,20,002
			Loan Borrowed	4,10,00,000
			Loan Interest Paid	82,23,216
			Loan Principal Repayment Paid	2,39,21,145
			Book Assignment	6,11,26,677
4	Navachetana Group Employee Welfare Trust	Trustee	Interest on Debenture Paid	6,40,007
5	Navachetana Microfin Services Private Limited	Common Directors	Purchase of Automatic Data Processing Machine	31,780
			Purchase of Safe Locker	20,000
			Rent Advance Paid	2,50,000
			Rent Paid	3,00,000
6	Laxmi Multi State co-operative Credit Society Limited	Common Directors	Sale of Automatic Data Processing Machine	29,661





### 3. Earnings per share:

Particulars	Amount
Profit after tax as per accounts	40,01,846
Average number of shares outstanding during the period	83,29,500
Earnings per share	0.48

### 4. Provisioning on Standard Assets & Non-Performing Assets :

As per Master Direction DNBR.PD.007/03.10.119/2016-17 during the year  
Provision for Standard and Non-Performing Assets made as follows-


Asset Classification	Provisioning %	Provision Amount
Standard Assets	0.25%	5,57,324
Sub Standard Assets	10%	5,85,942
Doubtful Assets	20-50%	7,40,310
Loss Assets	100%	-

**FOR CHETANA FINANCIAL SERVICES PVT LTD**

  
**NAGENDRA V MALI**  
**CHAIRMAN**  
**DIN: 02235648**

  
**CHANDRAPPA S MANEGAR**  
**DIRECTOR**  
**DIN: 07745638**



  
**B V RAVEENDRANATH**  
**CHARTERED ACCOUNTANT**  
**MEMBERSHIP. NO: 028679**  
**UDIN: 21028679AAAAHX8882**

**Place: Haveri**  
**Date: 27-07-2021**

**Place: Sagar**  
**Date: 27-07-2021**



M. No: 028679

**CA. B.V.Raveendranath**

B.Com, FCA, DISA(ICA), DIRM(ICA)

**Chartered Accountant**

### **Auditor's Report**

*(Pursuant to the Non – Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016)*

To

The Board of Directors  
Chetana Financial Services Private Limited  
Mali Compound, Shivabasavanagar,  
Haveri – 581110

We have audited the accompanying financial statements of Chetana Financial Services Private Limited, ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information and have issued an unqualified opinion vide our report dated 31-03-2021.

As required by the paragraphs 3 and 4 of Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India ("the RBI") vide Notification No. DNBS PPD 03/66.15.001/2016-17 Dated 29<sup>th</sup> September 2016 (amended from time to time) and based on our audit, we reported on the matters specified in paragraphs 3 and 4 of the said directions.

- a. The company is engaged in the business of Non – Banking Financial Institution (without accepting or holding public deposits) and pursuant to the provisions of Section 45(1A) of the Reserve Bank of India Act, 1934(as amended) it has obtained a certificate of registration vide certificate no B-02.00139 dated 20<sup>th</sup> June 2019 in lieu of earlier CoR Number. B.02.00139 dated 20<sup>th</sup> Nov 2012 as the Company was converted from Public Limited Company to Private Limited Company.
- b. In our opinion, and in term of the Companies Assets and Income pattern for the year ended as at 31<sup>st</sup> March, 2021, the Company is entitled to continue to hold the certificate of registration issued by the Reserve Bank of India.



- c. The Company is not an asset financed company as defined under the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- d. In our Opinion, during the year ended 31st Mar 2021 the company has complied with the criteria set forth by the RBI in the Notification 'Master direction- Non-Banking Financial Company- Non-Systematically Important Non-deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time).
- e. The Company has not accepted any public deposits during the year ended 31<sup>st</sup> March 2021.
- f. In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the prudential norms issued by the Reserve Bank of India in relation to recognition of income, Accounting Standards, Asset's classification and Provisioning for Loss Assets and Standard Assets as applicable to it in terms of Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and the form DNBS-02 XBRL is filed by the company as per RBI Directions.
- g. In our opinion and to the best of our information and according to the explanations given to us, as on the date of our report, the Company does not belong to NBFCs-ND-SI. Therefore, Company is not required to submitted annual return with the Reserve bank of India in Form NBS-9 for the financial year ended 31<sup>st</sup> March 2021. However, based on our examination of the capital adequacy ratio, we report that the Company has complied with the capital to risk asset norms for the year ended 31<sup>st</sup> March 2021.

PLACE: SAGAR  
DATE: 27-07-2021



**FOR B V RAVEENDRANATH  
CHARTERED ACCOUNTANT**

B V RAVEENDRANATH  
CHARTERED ACCOUNTANT  
MEMBERSHIP NO.: 028679  
UDIN: 21028679AAAAHX8882