

CHETANA FINANCIAL SERVICES PRIVATE LIMITED

Regd. Office: 2nd Floor, CTS No.3341/26, "Navachetana Heights", 1st
Cross, Ashwini Nagar, Haveri-581110

AUDIT REPORT AND FINANCIAL STATEMENTS

2022-23



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



M. No: 028679

CA. B.V.Raveendranath

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

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 comprises the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 prescribed 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 31st March 2023, 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.



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

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:

- i. 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.
- ii. 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv. 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.
- v. 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, 2020 ("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 company does not have any branches audited by a person other than us and hence provisions of section sub-section (8) of section 143 of the Companies Act, 2013 does not apply.
 - d) 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 and returns.
 - e) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standard) Rules, 2021;
 - f) In our opinion, the company has not undertaken any financial transactions or involved in any matters which have any adverse effect on its functioning
 - g) On the basis of written representations received from the directors as on 31st March 2023, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - h) We do not have any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
 - i) 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
 - j) 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:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding,



whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- e. The company has not declared and paid the dividend during the year.
- f. The company, in respect of financial years commencing on or after the 1st April, 2022, has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

PLACE: SAGAR
Date: 26-05-2023



FOR B V RAVEENDRANATH
CHARTERED ACCOUNTANT

B V RAVEENDRANATH
CHARTERED ACCOUNTANT
UDIN: 23028679BGSUFY9440



M. No: 028679

CA. B.V.Raveendranath

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

Chartered Accountant

CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI

ANNEXURE A 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 (the Company) on the financial statements for the year ended on 31st March 2023, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(B) The company does not have any intangible assets and hence reporting in this sub-clause is not applicable.
- (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and hence reporting under this clause is not applicable.
- (e) There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The company is not dealing in inventories. Hence, reporting under this clause is not applicable
- (b) The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and therefore reporting under this clause is not applicable.
- (iii) During the year, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause (iii)(a) to (f) is not applicable.
- (iv) In respect of loans, investments, guarantees, and security, the provisions of sections 185 and 186 of the Companies Act have been complied with by the company
- (v) The company has not accepted any deposits from the public and neither have any amounts been deemed as deposits, hence the provisions of section 73 to 76 of the Companies Act, directives issued by the Reserve Bank of India and any other relevant provisions of the Companies Act and the rules made thereunder are not applicable. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, in this regard.



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

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

(vi) Based on the information and explanation provided to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act in respect of the company and hence maintenance of such records is not required.

(vii) (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

(b) The company has not deposited statutory dues on account of a dispute in the following cases

Name of the Statute	Forum where the dispute is pending	Amount involved
Nil	Nil	Nil

(viii) There are no transactions not recorded in the books of account, now being surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under this clause is not applicable.

(ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) Based on the information and explanation provided to us and our verification of relevant documents, we observe that the company is not declared as a wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion, the term loans borrowed by the company have been applied for the purpose for which they were borrowed and no cases of deviation were observed.

(d) Based on the information and explanation provided to us and our verification of records, we observe that funds raised on short term basis have not been utilised

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) Being the Private Limited Company, it cannot raise money by way of initial public offer or further public offer (including debt instruments) hence reporting under paragraph 3(x) (a) of the Order is not applicable.

(b) The company has made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

(xi) (a) There have been no frauds by the company or any fraud on the company that has been noticed or reported during the year

(b) Based upon the audit procedures performed and the information and explanations given by the management and as per the records available, we report that there was no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year. Therefore, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form



ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) Based on the information and explanation provided to us, there were no whistle-blower complaints received by the company.
- (xii) (a) Based on information and explanation provided to us and as per the records available, we observe that the company is not a Nidhi Company reporting under this clause is not applicable.
(b) Based on information and explanation provided to us and as per the records available, since the company is not a Nidhi Company, reporting under this clause is not applicable.
(c) Based on information and explanation provided to us and as per the records available, the company has not accepted deposits during the year and therefore reporting under this clause is not applicable.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- (xiv) In our opinion, the company does not require an internal audit system in accordance with section 138 r.w Rule 13 of the Companies (Accounts) Rules, 2014.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him and therefore reporting under this clause is not applicable.
- (xvi) (a) Based on the information and explanation provided to us and our verification of records of the company, it is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
(b) In our opinion, the company has conducted the Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
(c) & (d) Based on the information provided to us and our verification we observe that the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and neither is it a part of any CIC group.
- (xvii) Based on our observation of the books and records, we report that the company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and hence reporting under this clause is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) Based on the information provided to us and our verification of records, we are of the opinion that the compliance with the provisions of section 135 of the said Act are not applicable to the company.



- (b) Based on the information provided to us and our verification of records, we are of the opinion that the compliance with the provisions of section 135 of the said Act are not applicable to the company.
- (xxi) There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

PLACE: SAGAR
Date: 26-05-2023



FOR B V RAVEENDRANATH
CHARTERED ACCOUNTANT

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

B V RAVEENDRANATH
CHARTERED ACCOUNTANT
UDIN: 23028679BGSUFY9440



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(i) 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 (the Company) on the financial statements for the year ended on 31st March 2023, we report that:

We have audited the internal financial controls over financial reporting of M/s CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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



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

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:

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material aspects, an adequate financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal controls 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.

PLACE: SAGAR
Date: 26-05-2023



FOR B V RAVEENDRANATH
CHARTERED ACCOUNTANT

A handwritten signature in blue ink, appearing to read "B V Raveendranath".

B V RAVEENDRANATH
CHARTERED ACCOUNTANT
UDIN: 23028679BGSUFY9440

Balance Sheet as at 31st March, 2023

Particulars	Note No	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
I. EQUITY AND LIABILITIES			
1) Shareholder's Funds			
(a) Share Capital	1	8,67,95,000	8,32,95,000
(b) Reserves and Surplus	2	2,82,11,411	2,29,27,690
(c) Money received against share warrants			
2) Share application money pending allotment			
3) Non-Current Liabilities			
(a) Long-term borrowings	3	23,69,86,501	14,39,08,819
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long term provisions			
4) Current Liabilities			
(a) Short-term borrowings	4	6,21,90,762	7,21,38,025
(b) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	5	81,48,736	6,57,299
(c) Other current liabilities	6	1,03,48,048	2,72,42,723
(d) Short-term provisions	7	77,87,457	81,35,282
Total		44,04,67,914	35,83,04,838
II. ASSETS			
1) Non-current assets			
(a) Property, Plant and Equipment			
(i) Tangible assets	8	1,23,74,562	1,77,65,262
(ii) Intangible assets	8	3,62,478	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	9	1,05,14,498	31,48,888
(c) Deferred tax assets (net)		3,76,153	4,07,037
(d) Long term loans and advances	10	15,60,85,289	11,38,58,627
(e) Other non-current assets		-	-
2) Current assets			
(a) Current Investments	11	4,15,29,617	2,63,70,640
(b) Inventories		-	-
(c) Trade receivables	12	-	-
(d) Cash and cash equivalents	13	64,24,284	17,45,915
(e) Short-term loans and advances	14	15,76,02,796	10,99,70,459
(f) Other current assets	15	5,51,98,238	8,50,38,008
Total		44,04,67,914	35,83,04,838

See accompanying significant accounting policies and notes to the financial statements



1-22

As per my report of even date


B V Raveendranath
 Chartered Accountant
 Membership No: 28679
 UDIN: 23028679BGSUFY9440



For and on behalf of the Board of Directors

 
Nagendra V Mali **Mallikarjun Bikkannavar**
 Director Director
 DIN: 02235648 DIN: 09286571

Place: Sagar
 Date: 26-05-2023

Statement of Profit and Loss for the year ended 31st March, 2023

Sl. No.	Particulars	Note No	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
I	Revenue from operations	16	8,24,69,041	8,32,93,340
II	Other Income	17	47,33,719	32,16,707
III	Total Revenue (I + II)		8,72,02,760	8,65,10,046
IV	Expenses:			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefit expenses	18	2,73,64,874	3,43,78,301
	Financial costs	19	4,13,15,234	3,55,98,831
	Depreciation and amortization expense	20	12,69,117	15,16,584
	Other expenses	21	1,01,16,091	89,04,806
	Provisions	22	35,393	-
	Total Expenses		8,01,00,710	8,03,98,521
V	Profit before exceptional and extraordinary items and tax(III - IV)		71,02,050	61,11,525
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		71,02,050	61,11,525
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		71,02,050	61,11,525
X	Tax expense:			
	1. Current tax		17,87,444	13,98,316
	Less: Short Provision for earlier year		-	-
	2. Deferred tax		30,884	(73,172)
XI	Profit(Loss) from the period from continuing operations(IX-X)		52,83,721	47,86,381
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)		52,83,721	47,86,381
XVI	Earning per equity share:			
	1. Basic		0.61	0.57
	2. Diluted		0.61	0.57

See accompanying significant accounting policies and notes to the financial statements

1-22

As per my report of even date


B V Raveendranath
 Chartered Accountant
 Membership No: 28679
 UDIN: 23028679BGSUFY9440



For & on Behalf of Board of Directors


Nagendra V Mali
 Director
 DIN: 02235648


Mallikarjun Bikkannavar
 Director
 DIN: 09286571

Place: Sagar
 Date: 26-05-2023

CHETANA FINANCIAL SERVICES PRIVATE LIMITED

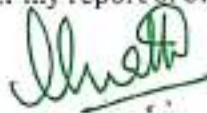
Regd. Office: 2nd Floor, CTS No.3341/26, "Navachetana Heights", 1st Cross, Ashwini Nagar, Haveri-581110

CIN: U85110KA1996PTC021326

STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH 2023

PARTICULARS	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
Cash Flow from Operating Activities		
Net Profit / (Loss)	67,65,250	61,11,525
Adjustment for		
Depreciation	12,69,117	15,16,584
Operating Profit before Working capital changes	80,34,367	76,28,108
(Increase)/Decrease In Loans and Advances	(5,96,82,428)	(3,20,65,544)
(Increase)/Decrease In Current Investments	(1,51,58,977)	23,36,150
Increase/(Decrease) in Short term provisions	(97,51,064)	1,80,11,896
Increase/(Decrease) in Other Current Liabilities	-	-
Cash generated from Operations	(8,45,92,468)	(1,17,17,498)
Less Taxes Paid	17,87,444	13,98,316
NET CASH FLOW FROM OPERATING ACTIVITIES- A	(7,83,45,545)	(54,87,706)
Cash Flow From Investing Activities		
(Increase)/Decrease in Fixed Assets	37,59,105	(2,02,958)
Investment made in Non Current Investment	(73,65,610)	(1,48,888)
Investment made in Non Current Assets	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES - B	(36,06,505)	(3,51,846)
Cash flow from Financing Activities		
Proceeds from Share Capital	35,00,000	-
Reserves and Surplus - Dividend outflow	-	(16,65,900)
Proceeds from Debenture and borrowings	8,31,30,419	14,32,677
NET CASH FLOW FROM FINANCING ACTIVITIES - C	8,66,30,419	(2,33,223)
Net Increase in Cash and Cash Equivalents - (A-B-C)	46,78,369	(60,72,775)
ADD : Cash & Cash equivalents at beginning of the period	17,45,915	78,18,690
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	64,24,284	17,45,915

As per my report of even date



B V Raveendranath
Chartered Accountant
Membership No: 28679
UDIN: 23028679BGSUFY9440



For & on Behalf of Board of Directors



Nagendra V Mali
Director
DIN: 02235648



Mallikarjun Bikkannavar
Director
DIN: 09286571

Place: Sagar

Date: 26-05-2023

CHETANA FINANCIAL SERVICES PRIVATE LIMITED

Notes to the Financial Statements

Note No.	Particulars	As at 31st March 2023 (₹)		As at 31st March 2022 (₹)	
		No of shares	Rs.	No of shares	Rs.
1	Share Capital				
	a. Authorized Capital				
	Equity Shares of Rs.100/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
	b. Issued, Subscribed and Paid up				
	Equity Shares of 100/- each	86,79,500	8,67,95,000	83,29,500	8,32,95,000
	c. Subscribed and fully paid				
	Equity Shares of 100/- each	86,79,500	8,67,95,000	83,29,500	8,32,95,000
1a	Reconciliation of the number of shares and amount outstanding at the beginning and at the end of 31st March 2023				
	Equity shares				
	Year ended 31st March 2023				
	Number of shares	83,29,500	3,50,000		
	Amount (Rs.)	8,32,95,000	35,00,000	83,29,500	-
	Year ended 31st March 2022				
	Number of shares			83,29,500	-
	Amount (Rs.)			8,32,95,000	-
1b	Details of shares held by each shareholder holding more than 5% shares:				
	Equity shares				
Sl.	Name of Shareholder	As at 31st March 2023 ()	As at 31st March 2022 ()		
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
1	NAVACHETANA VIVIDODDESH SOUHARDA SAHAKARI NIYAMIT, HAVERI	73,34,665	84.51%	73,34,665	88.05%
2	CHAIRPERSON, NAVAJEEVAN FOUNDATION	3,49,835	4.03%	3,49,835	4.20%
3	PARVATHEVA V MALI	3,12,500	3.60%	3,12,500	3.75%
4	CHANDRAKALA N MALI	1,38,000	1.59%	1,38,000	1.66%
5	NAGENDRA V MALI	4,12,500	4.75%	62,500	0.75%
6	ULLAS M KOOLI	20,000	0.23%	20,000	0.24%
7	SAMARTH SHETTAR	20,000	0.23%	20,000	0.24%
8	VEERENDRA V MALI	17,500	0.20%	17,500	0.21%
9	GANESH E KHAJURKAR	14,500	0.17%	14,500	0.17%
10	KOTRAGOUDA C	14,500	0.17%	14,500	0.17%
11	SIDDAPPA POOJAR	10,500	0.12%	10,500	0.13%
12	NANDA V MALI	10,000	0.12%	10,000	0.12%
13	CHANDRAPPA SIDDAPPA MANEGAR	10,000	0.12%	10,000	0.12%
14	BASAVARAJ KARADAGI	10,000	0.12%	10,000	0.12%
15	SHIVANANDA M K	5,000	0.06%	5,000	0.06%
	TOTAL	86,79,500	100.00%	83,29,500	100.00%



CHETANA FINANCIAL SERVICES PRIVATE LIMITED

Notes to the Financial Statements

Note No	Particulars	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
2	NOTE: 2 Reserve & Surplus		
	Special Reserve Fund	73,44,268	62,87,524
	Surplus (Profit & Loss Account)	2,08,67,143	1,66,40,166
	Balance brought forward from previous year	1,66,40,166	1,44,76,961
	Less: Dividend Paid During the Year	-	16,65,900
	Add: Profit for the period	52,83,721	47,86,381
	Less: 20% transferred to Statutory Reserve	(10,56,744)	(9,57,276)
	Less: Tax expense for previous year	-	-
	Total	2,82,11,411	2,29,27,690
3	Long Term Borrowings		
	NOTE: 3A Debenture		
	15% Convertible Debenture - NVSSN	1,48,00,000	1,48,00,000
	14.75% Convertible Debentures - Shilpa .G	-	35,00,000
	Non Convertible Debenture	75,00,000	-
	Compulsory Convertible Debenture	10,20,00,000	-
	Total	12,43,00,000	1,83,00,000
	NOTE: 3.B. Long Term Loans		
	Dhanlaxmi Bank Ltd	-	60,00,000
	Navachetana Vividodesh Souharda Sahakari Niyamita	1,33,09,482	5,78,02,306
	Shriram Transport Finance Company Ltd	39,80,191	1,11,27,061
	Laxmi Multi State Co-Operative Society Ltd	36,11,007	-
	RAR Fincare Ltd	68,16,079	-
	State Bank of India	3,42,90,290	-
	Subordinated Debts:		
	IDFC First Bank Ltd	5,06,79,452	5,06,79,452
	Total	11,26,86,501	12,56,08,819
	Grand Total	23,69,86,501	14,39,08,819
4	Short-term Borrowings- Term Loans		
	Dhanlaxmi Bank Ltd	59,94,554	79,98,852
	IDFC First Bank Ltd	-	1,36,36,352
	Navachetana Vividodesh Souharda Sahakari Niyamita	1,32,25,619	4,43,13,652
	Shriram Transport Finance Company Ltd	71,46,870	61,89,169
	Laxmi Multi State Co-Operative Society Ltd	69,16,673	-
	RAR Fincare Ltd	71,19,174	-
	State Bank of India	2,17,87,872	-
	Total	6,21,90,762	7,21,38,025
5	Trade Payables		
	(A) total outstanding dues of micro enterprises and small enterprises	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		
	Audit Fees Payable	2,00,000	2,00,000
	Rent Payable	1,34,730	2,18,341
	Credit Bureau Expenses Payable	7,603	16,848
	Postage and Courier Charges Payable	5,224	12,956
	Debenture Interest Payable	78,01,179	2,09,154
	Others	-	-
	Total	81,48,736	6,57,299
6	Other Current liabilities		
	Advance Collection	19,22,946	34,17,909
	Sundry creditors for Expense	8,18,506	45,46,804
	RSP Recovery Payable	65,01,865	1,85,24,785
	BC Recovery Payable	11,04,732	13,051
	Insurance Payable	-	4,05,431
	Dealers Payable	-	3,34,743
	Total	1,03,48,048	2,72,42,723



7 Short Term Provisions

1 Provision For Employees Benefit

Salary Payable	15,14,582	24,33,998
Gratuity Payable	7,34,605	4,72,917
Bonus Payable	9,19,079	12,05,274
	31,68,266	41,12,189

2 Provision for Standard and Doubtful Assets

Provision for Doubtful Assets	11,48,615	13,32,777
Provision on Standard Assets	7,70,354	5,50,799
	19,18,969	18,83,576

3 Other Provisions

Provision for Income Tax	17,87,444	13,96,316
TDS Payable	3,87,625	2,09,714
PF Payable	2,77,060	3,71,195
PT Payable	2,000	3,400
ESI Payable	54,954	68,764
GST Payable	1,91,138	88,128
	27,00,221	21,39,517

Grand Total	77,87,457	81,35,282
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CHETANA FINANCIAL SERVICES PRIVATE LIMITED

Note 8 to Financial Statements

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 31.03.2022
Tangible Assets									
Gold Gate Plot	77,39,476	-	-	77,39,476	-	-	-	-	77,39,476
Land	45,39,813	-	45,39,813	-	-	-	-	-	45,39,813
Furnitures	72,46,347	25,252	-	72,71,599	26,53,235	6,22,163	-	32,75,398	45,93,112
Computer	39,11,481	94,400	-	40,05,881	37,62,603	1,24,689	-	38,87,292	1,48,878
Printer & U P S	15,95,362	2,21,046	-	18,16,408	12,25,724	2,32,787	-	14,58,511	3,69,638
Mobile Set	4,45,275	-	-	4,45,275	4,12,391	21,569	-	4,33,960	32,884
Maruti Ciaz Car	11,67,836	-	-	11,67,836	8,90,475	1,38,681	-	10,29,156	2,77,361
Office Equipments	97,580	-	-	97,580	61,159	24,017	-	85,176	36,421
Intangible Assets									
Software	6,39,664	4,40,010	-	10,79,674	6,11,985	1,05,211	-	7,17,196	27,679
Grand Total	2,73,82,834	7,80,708	45,39,813	2,36,23,729	96,17,572	12,69,117	-	1,08,86,689	1,77,65,262



CHETANA FINANCIAL SERVICES PRIVATE LIMITED
Notes to the Financial Statements

Note No	Particulars	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
9	Non-current investments		
	Fixed Deposit with Bank	1,05,14,498	31,48,888
	Total	1,05,14,498	31,48,888
10	Long-term Loans and Advances		
	Loans & Advances		
	Business Loan	6,17,79,342	2,78,16,533
	Vehicle Loan	2,57,74,901	4,65,59,136
	Mortgage Loan	6,85,31,046	3,94,82,958
	Total	15,60,85,289	11,38,58,627
11	Current Investments		
	Fixed Deposit	4,15,29,617	2,63,70,640
	Total	4,15,29,617	2,63,70,640
12	Trade Receivables		
	More than six months	-	-
	Less than six months	-	-
	Total	-	-
13	Cash and Cash Equivalents		
	Cash in hand	5,22,541	3,97,237
	Balances with banks	-	-
	Axis Bank Limited	-	59,616
	Bank of Maharashtra	-	86
	Canara Bank	-	86,839
	Corporation Bank	-	36,279
	Dhanlaxmi Bank	15,887	15,887
	IDFC First Bank	38,20,468	7,85,189
	KVG Bank	-	7,137
	Laxmi Multi State Co Operative Society Ltd	3,63,971	1,45,400
	Navachetana Vividoddesh Souharda Sahakari		
	Niyamit	7,41,890	1,61,103
	State Bank of India	9,54,291	42,599
	Union Bank of India	5,236	8,542
	Total	64,24,284	17,45,915
14	Short-term loans and advances		
	Business Loan	13,37,14,929	7,03,55,974
	Vehicle Loans	28,83,842	1,99,80,135
	Mortgage Loan	2,10,04,025	1,96,34,350
	Total	15,76,02,796	10,99,70,459
15	Other current assets		
	Interest Receivables	-	3,38,94,246
	Rent Advance	18,94,750	26,82,750
	Advance Tax	8,94,000	8,00,000
	Income Tax Receivable	8,53,148	8,53,148



TDS Receivable	2,60,350	5,75,824
TDS Receivable from Parties	70,259	65,395
Advance for Staff	16,79,580	15,96,526
Advance and Receivables	27,14,237	16,16,029
Trade Advance	4,13,000	5,51,000
Advance for Expenses	1,26,171	33,564
HLF RSP Portfolio Receivable	3,15,511	2,50,464
IDFC payout Receivable	82,24,649	79,74,075
Ambit BC Payout Receivable	15,721	-
BC Recovery Receivable	3,36,27,925	2,92,74,092
RSP Recovery Receivable	19,19,878	20,31,836
Staff Receivable	21,89,059	28,39,059
Total	5,51,98,238	8,50,38,008



CHETANA FINANCIAL SERVICES PRIVATE LIMITED
Notes to the Financial Statements

Note No	Particulars	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
16	Revenue from Operations		
	Interest on Loans	7,61,12,942	6,37,87,654
	Application Fees	14,89,943	11,86,169
	Income from Business Correspondence	31,01,223	64,66,110
	Interest from RSP	17,64,932	1,18,53,406
	Total	8,24,69,041	8,32,93,340
17	Other Incomes		
	Interest on FD	19,81,006	19,06,945
	Commission Income	1,92,526	12,93,834
	Income from Other Services	25,60,187	15,928
	Total	47,33,719	32,16,707
18	Employee Benefits Expense		
	Salary to Staff	2,30,40,444	2,93,45,893
	Staff Welfare	1,41,993	1,16,301
	Employer PF Contribution	22,67,769	25,92,697
	Employer ESI Contribution	6,60,406	7,99,927
	Employee Health Insurance	66,655	1,31,971
	Gratuity	2,61,688	1,78,398
	Bonus	9,19,079	12,05,274
	LWF - Employer Contribution	6,840	7,840
	Total	2,73,64,874	3,43,78,301
19	Financial Expenses		
	Bank Charges	1,77,791	3,31,712
	Interest on Loans	2,79,46,695	3,14,71,726
	Loan Processing Fees	10,20,275	7,25,216
	Debenture Interest	1,21,70,474	30,70,177
	Total	4,13,15,234	3,55,98,831
20	Depreciation & Amortized Cost		
	Depreciation	12,69,117	15,16,584
	Total	12,69,117	15,16,584
21	Other Expenses		
	Advertisement Expenses	13,460	-
	Audit fees & Company law matters	2,00,000	2,00,000
	Commission	34,788	1,14,248
	Computer & Software Maintenance	90,351	1,26,148
	Credit Bureau Expenses	2,01,256	3,53,758
	Documentation charges	2,21,361	1,76,875
	Donation	50,000	-
	Electricity & Water Charges	2,69,543	3,14,101
	Freight and Transportation Charges	78,902	8,210
	General Insurance	69,406	7,956
	Gifts and Presentation	1,04,645	81,789
	Grading & Rating charges	10,74,250	1,53,030
	Income Tax Paid	3,19,845	1,64,220
	Interest & late filing fees	3,457	21,264



Legal & Professional fees	5,22,159	3,46,261
Lodging & Boarding	30,500	6,150
Meeting & Training Expenses	1,53,513	1,33,852
Membership Fees	11,325	10,225
Newspaper & Periodicals	4,407	4,041
Office Cleaning and Maintenance	5,49,543	4,84,366
Postage & Courier	2,09,425	3,25,201
Printing & Stationery	2,87,688	2,53,080
Rates & Taxes	1,17,500	1,27,500
Registration fees	14,200	16,600
Rent	31,44,839	38,29,966
Repairs and Maintenance	2,17,347	2,04,759
ROC Filing charges	18,700	14,132
Telephone Charges	4,20,116	2,66,001
Travelling Expenses	16,83,565	11,43,375
Training & Recruitment Expenses	-	17,700
Total	1,01,16,091	89,04,806

22

Provisions

Provision on Loan Assets	35,393	-
Total	35,393	-



CHETANA FINANCIAL SERVICES PRIVATE LIMITED

Regd. Office: 2nd Floor, CTS No.3341/26, "Navachetana Heights", 1st Cross, Ashwini Nagar, Haveri-581110

CIN: U85110KA1996PTC021326

Notes Forming Part of Financial Statement For the year ended 31st March 2023

1) Corporate Information:

M/s 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 2023, 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.

During the previous year, the company has sold a land with book value Rs.45,39,813/- for Rs.68,85,000/- and has earned profit of Rs.23,45,187/-

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.

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) Long-term Borrowings:

The has repaid 14.75% Convertible Debentures amounting to Rs.35,00,000/- and has issued 14% Non-Convertible Debentures of Rs.65,00,000/-, 12% Non-Convertible Debentures of Rs.10,00,000/- and 16.5% Compulsorily Convertible Debentures of Rs.10,20,00,000/-. Full amount of the debentures has been received. Other long-term borrowings include borrowings from financial institutions and subordinated debts.

g) 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.

h) Foreign Currency Transactions:

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

i) 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.

j) Income Tax:

i. 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.

ii. 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.



k) 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.

l) Dividends:

The company has not declared and paid dividends during the year.

m) 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.

n) Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not 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.

o) Cash and Cash Equivalents:

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

p) 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.

q) 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. Loss 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 31st March 2023:

Sl	Name of Director	Designation	Remuneration
1	Mrs. Chandrakala N Mali	Director	2,07,000
2	Mallikarjun Bikkannavar	Director	3,89,066

2) Related party Transactions during the year ended 31st March 2023:

Sl	Institution Name	Relationship	Description of the Transaction	Amount in Rs.
1	Utthejana Trading Services Private Limited	Common Directors	Purchase of office Equipment's and Gift Items	5,000
2	Navachetana Vividoddesh Souhardha Sahakari Niyamit	Common Directors	Short term Loan Received	2,55,00,000
			Principal Repayment	10,24,01,490
			Term Loan interest Paid	1,12,57,274
			Interest on Debenture Given	1,11,65,260
			Book Assignment	1,30,75,444
			CCD Debenutre Received	10,20,00,000
			Interest on FD Received	2,58,516
			BC Payout Received	9,31,307
			Loan Processing Fee Paid	85,000
			Asset sales	12,000
3	Laxmi Multi State Co Operative Society Ltd.	Common Directors	Short term Loan Received	1,65,00,000
			Principal Repayment	59,72,320
			Term Loan interest Paid	15,63,781
			Loan Processing Fee Paid	32,500
			Asset sales	1,63,000
4	Navachetana Micro Fin Services Private Limited	Common Directors	Rent Paid During the Year	6,00,000
			Short term Loan Received	1,00,00,000
			Principal Repayment Paid	1,00,00,000
			Term Loan interest Paid	1,76,889
			BC Payout Received	13,90,630
			Loan Processing Fee Paid	1,00,000
			Asset sales	16,000
5	Chetana Chits Haveri Pvt Ltd	Common Directors	Short term Loan Paid	10,70,000
			Principal Repayment Received	2,82,648
			Interest Received on Loan	2,86,158

3) **Earnings per share:**

Particulars	Amount (Rs.)
Profit after tax as per accounts	52,83,721
Average number of shares outstanding during the period	86,79,500
Earnings per share	0.61



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%	7,70,354
Sub Standard Assets	10%	2,81,428
Doubtful Assets	20-50%	8,67,187
Loss Assets	100%	-
Total Provision required		19,18,969
(-) Provision already made till previous year		18,83,576
Provision made in the current year		35,393



5) Key Accounting Ratios for the year ended 31st March 2023:

SLN o	RATIO	NUMERATOR	DENOMINATOR	CURRENT PERIOD	PREVIOUS PERIOD	% VARIANCE	REASON FOR ABOVE 25% VARIANCE
1	Current Ratio	26,07,54,935	8,84,75,002	2.947	2.063	42.884%	The company has paid off the short term payables which has resulted in reduction of current liabilities. Hence, the ratio has increased
2	Debt-Equity Ratio	23,69,86,501	11,50,06,411	2.061	1.355	52.101%	The company has borrowed long-term loans from banks and other financial institutions. Hence, this has resulted in increase in borrowings.
3	Debt Service Coverage Ratio	71,02,050	4,01,17,169	0.177	0.177	0.058%	
4	Return on Equity Ratio	52,83,721	11,50,06,411	0.046	0.045	1.960%	
5	Inventory Turnover Ratio	-	-	-	-	-	
6	Trade Receivable Turnover Ratio	-	-	-	-	-	
7	Trade Payable Turnover Ratio	-	-	-	-	-	
8	Net Capital Turnover Ratio	8,24,69,041	8,67,95,000	0.950	1.000	-4.982%	The Company has issued new equity shares worth Rs.35,00,000 during the year. Hence, the ratio has decreased.
9	Net Profit Ratio	52,83,721	8,72,02,760	0.061	0.0553	9.514%	
10	Return on Capital Employed	52,83,721	11,50,06,411	0.046	0.05	1.960%	The Net Profit of the company has increased as a result of increased income and reduced expenses. Hence, there is a significant increase in the ratio.



11	Return on Investment	52,83,721	8,67,95,000	0.061	0.05	35.100%	The Net Profit of the company has increased as a result of increased income and reduced expenses. Hence, there is a significant increase in the ratio
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As per my report of even date



B V Raveendranath
Chartered Accountant
Membership No: 28679
UDIN: 23028679BGSUFY9440



For CHETANA FINANCIAL SERVICES PRIVATE LIMITED


Nagendra V Mali
Director

DIN: 02235648


Mallikarjun Bikkannavar
Director

DIN: 09286571

Place: Sagar

Date: 26-05-2023

Calculation of Capital Adequacy Ratio as at March 31, 2023

Particulars	Sub totals Rs.	Totals Rs.	Totals Rs.
Tier I Capital			
Add:			
1. Share capital	8,67,95,000		
2. Compulsorily Convertible preference shares	-		
3. Free reserves	2,08,67,143		
4. Share premium (balance in the account)	-		
5. Capital reserve (rep. sur+ of sale proceeds of asset)	-	10,76,62,143	
Less:			
1. Accumulated loss in balance sheet	-		
2. Book value of intangible assets	3,62,478		
3. Deferred Tax Asset	3,76,153	7,38,631	
Net owned fund		10,69,23,512	
Less:			
1. Shares in other NBFCs	-		
2. Shares, debentures, bonds, outstanding loans and advances including hire	-		
Less: 50% of securitisation collateral	-		
Tier I Capital		10,69,23,512	
Tier II Capital			
Add:			
1. Preference shares other than compulsorily convertible shares	-		
2. Revaluation reserve at discounted rate of 55%	-		
3. General provisions and loss reserves to the extent of (1&1/4)% of risk weighted assets.	19,18,969		
4. Hybrid debt and capital instruments	-		
5. Subordinated debt - Discounted Value (Discounted at 40% as the Residual Maturity is more than 3 Years but not exceeding 4 Years)	-		
To the extent the discounting value does not exceeding 50% of Tier-I Capital	3,00,00,000		
Less: 50% of securitisation collateral	-		
	3,19,18,969		
Limited to the extent of Tier I and II for the purpose of capital adequacy		3,19,18,969	
Tier II Capital		3,19,18,969	
Total of Tier I & Tier II Capital			13,88,42,482
Asset particulars	Amount Rs.	% of weight	Risk adjusted amount Rs.
Cash and Bank balances	64,24,284	0%	-
Bank Balances in earmarked accounts as collateral (Inc. Accrued Interest)	1,05,14,498	0%	-
Bank Balances in earmarked accounts as collateral for securitisation*	-	0%	-
Bank Balances in earmarked accounts as collateral for securitisation in excess of Investments	-	100%	-
Loans and advances	30,29,90,916	100%	30,29,90,916
Tangible assets net of depreciation	1,23,74,562	100%	1,23,74,562
Intangible assets net of amortisation*	3,62,478	0%	-
Other assets			
a) TDS-income tax (net of provision)	3,30,609	0%	-
b) Advance tax paid (net of provision)	8,94,000	0%	-
c) Deferred Tax Asset	3,76,153	0%	-
d) Unamortised Expenses*	-	0%	-
e) Others to be specified- As per Annexure- I	10,62,00,414	100%	10,62,00,414
Total risk weighted assets			42,15,65,891
Capital Ratios			
a) Tier-I Capital to Total risk weighted assets (%)			25.36%
b) Tier-II Capital to Total risk weighted assets (%)			7.57%
CRAR			32.93%

*As per RBI Instructions, assets deducted to arrive at NOF have a risk weight of 0%.

As per my report of even date


B V Barendranath
Chartered Accountant

Membership No: 28679

UDIN: 23028679DGSUFY9440



For CHETANA FINANCIAL SERVICES PRIVATE LIMITED


Nagendra V. Mall
Director

DIN: 02235648


Mallikarjun Bikkannavar
Director

DIN: 09286571

Annexure- 1: Other Assets

Particulars	Amount Rs.
Rent Advance	18,94,750
Income Tax Receivable	8,53,148
Advance for Staff	16,79,580
Advance and Receivables	27,14,237
Trade Advance	4,13,000
Advance for Expenses	1,26,171
HLF RSP Portfolio Receivable	3,15,511
IDFC payout Receivable	82,24,649
Ambit BC Payout Receivable	15,721
BC Recovery Receivable	3,36,27,925
RSP Recovery Receivable	19,19,878
Staff Receivable	21,89,059
Fixed Deposit	4,15,29,617
Staff Loans	1,06,97,169
Total	10,62,00,414

