

**M/S CHETANA FINANCIAL SERVICES PRIVATE LIMITED**

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

**Audit Report  
And  
Financial Statements**

**2023-24**

**: STATUTORY AUDITOR :**

**RBV & CO.**

**CHARTERED ACCOUNTANTS**

**FRNo : 027625S**

**SRI ANEGUDDE, G.P.ROAD,, SAGAR-577 401, KARNATAKA**

**| 08183-226696 | 7353765599 | bvrnath@gmail.com | www.cabvr.in |**



## **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 2024, 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 2024, 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 scepticism 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 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.
  - 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 2024, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2024, 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, 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 misstatement.
- e. The company has not declared or paid any dividends 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.

For "RBV & CO"  
Chartered Accountants  
FRNo: 027625S



A handwritten signature in green ink, appearing to read "Raveendranath BV".

Raveendranath BV  
Chartered Accountant  
M.No :028679

UDIN: 24028679BKBOIX2918

Date: 03-06-2024  
Place: Sagar



**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 2024, 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, as the company is a Non-Banking Financial Company, the company has granted loans or advances in the nature of loans to individual parties.
- (a) Since the principal business of the company is to give loans, reporting under subclause (A) and (B) is not applicable.



- (b) The terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) In respect of loans and advances in the nature of loans, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- (d) Since the principal business of the company is to give loans, reporting under this clause is not applicable.
- (e) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (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.
- (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 for long term purposes by the company.
- (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) Based on the information and explanation provided to us and our verification of records, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (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 whistleblower 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.

For "RBV & CO"  
Chartered Accountants  
FRNo: 027625S



A handwritten signature in green ink, appearing to read "Raveendranath BV".

Date: 03-06-2024  
Place: Sagar

Raveendranath BV  
Chartered Accountant  
M.No :028679

UDIN: 24028679BKBOIX2918

**CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI**

**ANNEXURE B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of M/s CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI ("the Company") as of 31st March 2024 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 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 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 2024, 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.

For "RBV & CO"  
Chartered Accountants  
FRNo: 027625S



A handwritten signature in green ink, appearing to read "Raveendranath BV".

Date: 03-06-2024  
Place: Sagar

Raveendranath BV  
Chartered Accountant  
M.No :028679

UDIN: 24028679BKBOIX2918



**AUDITORS' 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

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

We have audited the accompanying financial statements of Chetana Financial Services Private Limited, ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss and Statement of Cash Flow 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 03-06-2024.

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 29th 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.

- 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 20th June 2019 in lieu of earlier CoR Number. B.02.00139 dated 20th Nov 2012 as the Company was converted from Public Limited Company to Private Limited Company.
- In our opinion, and in term of the Companies Assets and Income pattern for the year ended as at 31st March 2024, the Company is entitled to continue to hold the certificate of registration issued by the Reserve Bank of India.
- The Company is not an asset financed company as defined under the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- In our Opinion, during the year ended 31st March 2024, the company has complied with the criteria set forth by the RBI in the Notification



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 31st March 2024.
- 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.

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 31st March 2024. 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 31st March 2024.

For "RBV & CO"  
Chartered Accountants  
FRNo: 027625S



Raveendranath BV  
Chartered Accountant  
M.No :028679  
UDIN: 24028679BKBOIX2918

Date: 03-06-2024  
Place: Sagar



**Balance Sheet as at 31st March, 2024**

Particulars	Note No	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholder's Funds</b>			
(a) Share Capital	1	86,795.00	86,795.00
(b) Reserves and Surplus	2	34,812.95	28,211.41
(c) Money received against share warrants			
<b>2) Share application money pending allotment</b>			
<b>3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	3,75,204.00	2,36,986.50
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long term provisions			
<b>4) Current Liabilities</b>			
(a) Short-term borrowings	4	1,27,836.43	62,190.76
(b) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises		0.00	0.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	5	852.63	8,148.74
(c) Other current liabilities	6	10,330.76	10,348.05
(d) Short-term provisions	7	10,003.01	7,787.46
<b>Total</b>		<b>6,45,834.77</b>	<b>4,40,467.91</b>
<b>II. ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Property, Plant and Equipment and Intangible assets			
(i) Property, Plant and Equipment	8	11,379.97	12,374.56
(ii) Intangible assets	8	537.82	362.48
(iii) Capital work-in-progress		0.00	0.00
(iv) Intangible assets under development		0.00	0.00
(b) Non-current investments	9	34,161.38	10,514.50
(c) Deferred tax assets (net)		338.64	376.15
(d) Long term loans and advances	10	2,23,271.47	1,56,085.29
(e) Other non-current assets		0.00	0.00
<b>2) Current assets</b>			
(a) Current Investments	11	34,095.44	41,529.62
(b) Inventories		0.00	0.00
(c) Trade receivables	12	0.00	0.00
(d) Cash and cash equivalents	13	4,590.04	6,424.28
(e) Short-term loans and advances	14	2,79,038.93	1,57,602.80
(f) Other current assets	15	58,421.09	55,198.24
<b>Total</b>		<b>6,45,834.77</b>	<b>4,40,467.91</b>

See accompanying significant accounting policies and notes to the financial statements 1-22

As per my report of even date

**FOR RBV & Co**  
**CHARTERED ACCOUNTANTS**

FRN: 0276255

**B V Raveendranath**  
 Chartered Accountant  
 M.No.028679  
 UDIN: 24028679BKBOIX2918



For and on behalf of the Board of Directors

**Nagendra Mali**  
 Director  
 DIN: 02235648

**Mallikarjun Bikkannavar**  
 Director  
 DIN: 09286571

Place: Sagar  
 Date: 03-06-2024

**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 Profit and Loss for the year ended 31st March, 2024**

Sl. No.	Particulars	Note No	Rs. In '000s	
			As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
I	Revenue from operations	16	86,677.15	82,469.04
II	Other Income	17	4,547.03	4,733.72
III	<b>Total Income (I + II)</b>		<b>91,224.18</b>	<b>87,202.76</b>
IV	Expenses:			
	Cost of materials consumed		0.00	0.00
	Purchases of Stock-in-Trade		0.00	0.00
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		0.00	0.00
	Employee benefit expenses	18	22,721.49	27,364.87
	Financial costs	19	50,400.85	41,315.23
	Depreciation and amortization expense	20	1,161.03	1,269.12
	Other expenses	21	7,721.72	10,116.09
	Provisions	22	297.01	35.39
	<b>Total Expenses</b>		<b>82,302.11</b>	<b>80,100.71</b>
V	<b>Profit before exceptional and extraordinary items and tax(III - IV)</b>		<b>8,922.08</b>	<b>7,102.05</b>
VI	Exceptional Items		0.00	0.00
VII	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>8,922.08</b>	<b>7,102.05</b>
VIII	Extraordinary Items		0.00	0.00
IX	<b>Profit before tax (VII - VIII)</b>		<b>8,922.08</b>	<b>7,102.05</b>
X	Tax expense:			
	1. Current tax		2,283.03	1,787.44
	Less: Short Provision for earlier year		0.00	
	2. Deferred tax		37.52	30.89
XI	<b>Profit(Loss) from the period from continuing operations( IX-X )</b>		<b>6,601.53</b>	<b>5,283.72</b>
XII	Profit/(Loss) from discontinuing operations		0.00	0.00
XIII	Tax expense of discounting operations		0.00	0.00
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		0.00	0.00
XV	<b>Profit/(Loss) for the period (XI + XIV)</b>		<b>6,601.53</b>	<b>5,283.72</b>
XVI	Earning per equity share:			
	1. Basic		0.76	0.61
	2. Diluted		0.76	0.61

See accompanying significant accounting policies and notes to the financial statements

1-22

As per my report of even date

**FOR RBV & Co**  
**CHARTERED ACCOUNTANTS**  
 FRN: 0276235

**B V Raveendranath**  
 Chartered Accountant  
 M.No.028679  
 UDIN: 24028679BKBOIX2918



**For & on Behalf of Board of Directors**

**Nagendra Mali**  
 Director  
 DIN: 02235648

**Mallikarjun Bikkannavar**  
 Director  
 DIN: 09286571

Place: Sagar  
 Date: 03-06-2024



**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 2024**

PARTICULARS	Rs. In '000s	
	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
Cash Flow from Operating Activities		
Net Profit /(Loss)	8,922.08	7,102.05
Adjustment for		
Depreciation	1,161.03	1,269.12
Operating Profit before Working capital changes	10,083.11	8,371.17
(Increase)/Decrease In Loans and Advances	(1,91,845.17)	(60,019.23)
(Increase)/Decrease In Current Investments	7,434.18	(15,158.98)
Increase/(Decrease) in Trade Payables	(7,296.11)	(9,751.06)
Increase/(Decrease) in Short Term Provisions	2,215.55	0.00
Increase/(Decrease) in Other Current Liabilities	(17.29)	0.00
Cash generated from Operations	(1,89,508.83)	(84,929.27)
Less Taxes Paid	2,283.03	1,787.44
<b>NET CASH FLOW FROM OPERATING ACTIVITIES- A</b>	<b>(1,81,708.75)</b>	<b>(78,345.54)</b>
Cash Flow From Investing Activities		
(Increase)/Decrease in Fixed Assets	(341.78)	3,759.11
Investment made in Non Current Investment	(23,646.88)	(7,365.61)
Investment made in Non Current Assets	0.00	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES - B</b>	<b>(23,988.66)</b>	<b>(3,606.51)</b>
Cash flow from Financing Activities		
Proceeds from Share Capital	0.00	3,500.00
Reserves and Surplus - Dividend outflow	0.00	0.00
Proceeds from Debenture and borrowings	2,03,863.17	83,130.42
<b>NET CASH FLOW FROM FINANCING ACTIVITIES - C</b>	<b>2,03,863.17</b>	<b>86,630.42</b>
Net Increase in Cash and Cash Equivalents - (A-B-C)	(1,834.24)	4,678.37
ADD : Cash & Cash equivalents at beginning of the period	6,424.28	1,745.91
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	<b>4,590.04</b>	<b>6,424.28</b>

As per my report of even date

**FOR RBV & Co**  
**CHARTERED ACCOUNTANTS**

FRN: 027625S

  
**B V Raveendranath**  
 Chartered Accountant  
 M.No.028679  
 UDIN: 24028679BKBOIX2918



**For & on Behalf of Board of Directors**

  
**Nagendra Mali**  
 Director  
 DIN: 02235648

  
**Mallikarjun Bikkannavar**  
 Director  
 DIN: 09286571

Place: Sagar  
 Date: 03-06-2024

# CHETANA FINANCIAL SERVICES PRIVATE LIMITED

## Notes to the Financial Statements

Note No.	Particulars	Amount in '000s			
		As at 31st March 2024 (₹)		As at 31st March 2023 (₹)	
		No of shares	Rs.	No of shares	Rs.
<b>1</b>	<b>Share Capital</b>				
	<b>a. Authorized Capital</b>				
	Equity Shares of Rs.10/- each	10,000	1,00,000	10,000	1,00,000
	<b>b. Issued, Subscribed and Paid up</b>				
	Equity Shares of 10/- each	8,680	86,795	8,680	86,795
	<b>c. Subscribed and fully paid</b>				
	Equity Shares of 10/- each	8,680	86,795	8,680	86,795
<b>1a</b>	<b>Reconciliation of the number of shares and amount outstanding at the beginning and at the end of 31st March 2024</b>	<b>Opening Balance</b>	<b>Fresh issue</b>	<b>Opening Balance</b>	<b>Fresh issue</b>
	<b>Equity shares</b>				
	<b>Year ended 31st March 2024</b>				
	Number of shares	8,680	-		
	Amount (Rs.)	86,795	-		
	<b>Year ended 31st March 2023</b>				
	Number of shares			8,330	-
	Amount (Rs.)			83,295	-
<b>1b</b>	<b>Details of shares held by each shareholder holding more than 5% shares:</b>	<b>As at 31st March 2024 (₹)</b>	<b>As at 31st March 2023 (₹)</b>		
		<b>Number of shares held</b>	<b>% holding in that class of shares</b>	<b>Number of shares held</b>	<b>% holding in that class of shares</b>
	<b>Equity shares</b>				
	<b>Sl. Name of Shareholder</b>				
	1 NAVACHETANA VIVIDODDESH SOUHARDA SAHAKARI NIYAMIT, HAVERI	7,335	84.51%	7,335	84.51%
	2 CHAIRPERSON, NAVAJEEVAN FOUNDATION	350	4.03%	350	4.03%
	3 PARVATHEVVA V MALI	313	3.60%	313	3.60%
	4 CHANDRAKALA N MALI	138	1.59%	138	1.59%
	5 NAGENDRA V MALI	433	4.98%	413	4.75%
	6 ULLAS M KOOLI	20	0.23%	20	0.23%
	7 SAMARTH SHETTAR	0	0.00%	20	0.23%
	8 VEERENDRA V MALI	18	0.20%	18	0.20%
	9 GANESH E KHAJURKAR	15	0.17%	15	0.17%
	10 KOTRAGOUDA C	15	0.17%	15	0.17%
	11 SIDDAPPA POOJAR	11	0.12%	11	0.12%
	12 NANDA V MALI	10	0.12%	10	0.12%
	13 CHANDRAPPA SIDDAPPA MANEGAR	10	0.12%	10	0.12%
	14 BASAVARAJ KARADAGI	10	0.12%	10	0.12%
	15 SHIVANANDA M K	5	0.06%	5	0.06%
	<b>TOTAL</b>	<b>8,680</b>	<b>100%</b>	<b>8,680</b>	<b>100%</b>





**CHETANA FINANCIAL SERVICES PRIVATE LIMITED**  
Notes to the Financial Statements

Note No	Particulars	Rs. In '000s	
		As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
2	<b>NOTE: 2 Reserve &amp; Surplus</b>		
	<b>Special Reserve Fund</b>		
	<b>Surplus (Profit &amp; Loss Account)</b>		
	Balance brought forward from previous year	8,664.58	7,344.27
	Less: Dividend Paid During the Year	26,148.37	20,867.14
	Add: Profit for the period	20,867.14	16,640.17
	Less: 20% transferred to Statutory Reserve	0.00	0.00
	Less: Tax expense for previous year	6,601.53	5,283.72
		-1,320.31	-1,056.74
	<b>Total</b>	0.00	0.00
		<b>34,812.95</b>	<b>28,211.41</b>
3	<b>Long Term Borrowings</b>		
	<b>NOTE: 3A Debenture</b>		
	15% Convertible Debenture - NVSSN		
	Non Convertible Debenutre	14,800.00	14,800.00
	Compulsory Convertible Debenutre	1,000.00	7,500.00
	<b>Total</b>	1,02,000.00	1,02,000.00
	<b>NOTE: 3.B. Long Term Loans</b>	<b>1,17,800.00</b>	<b>1,24,300.00</b>
	Navachetana Vividodosh Souharda Sahakari Niyamita		
	Shriram Transport Finance Company Ltd	88,000.00	13,309.48
	Laxmi Multi State Co-Operative Society Ltd	12,353.77	3,980.19
	RAR Fincare Ltd	6,111.11	3,611.01
	State Bank of India	12,744.85	6,816.08
	Finstars Capital Limited	84,768.70	34,290.29
	<u>Subordinated Debts:</u>	2,746.12	
	IDFC First Bank Ltd		
		50,679.45	50,679.45
	<b>Total</b>	2,57,404.00	1,12,686.50
	<b>Grand Total</b>	<b>3,75,204.00</b>	<b>2,36,986.50</b>
4	<b>Short-term Borrowings- Term Loans</b>		
	Dhanlaxmi Bank Ltd	0.00	5,994.55
	Finstars Capital Limited	4,129.92	0.00
	Navachetana Vividodosh Souharda Sahakari Niyamita	22,000.00	13,225.62
	Shriram Transport Finance Company Ltd	13,806.91	7,146.87
	Laxmi Multi State Co-Operative Society Ltd	9,750.00	6,916.67
	RAR Fincare Ltd	12,729.60	7,119.17
	State Bank of India	65,420.00	21,787.87
	<b>Total</b>	<b>1,27,836.43</b>	<b>62,190.76</b>
5	<b>Trade Payables</b>		
	(A) total outstanding dues of micro enterprises and small enterprises	0.00	0.00
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		
	Audit Fees Payable	200.00	200.00
	Rent Payable	176.75	134.73
	Credit Bureau Expenses Payable	57.50	7.60
	Postage and Courier Charges Payable	5.62	5.22
	Debenture Interest Payable	412.77	7,801.18
	Others		0.00
	<b>Total</b>	<b>852.63</b>	<b>8,148.74</b>



**Trade Payables Outstanding for following periods from due date of payment**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(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				200.00
Rent Payable	1,76,745				176.75
Credit Bureau Expenses Payable	57,499				57.50
Postage and Courier Charges Payable	5,616				5.62
Debenture Interest Payable	4,12,768				412.77
Others	-				0.00
<b>Total</b>	<b>8,52,628</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>852.63</b>
<b>6 Other Current Liabilities</b>					
Advance Collection				7,875.15	1,922.95
Sundry creditors for Expense				1,907.81	818.51
RSP Recovery Payable				0.00	6,501.86
BC Recovery Payable				304.58	1,104.73
LPF Payable				15.38	0.00
NVSSN Payable				227.84	0.00
<b>Total</b>				<b>10,330.76</b>	<b>10,348.05</b>
<b>7 Short Term Provisions</b>					
1 Provision For Employees Benefit					
Salary Payable				1,982.08	1,514.58
Gratuity Payable				1,101.47	734.61
Bonus Payable				683.72	919.08
				<b>3,767.27</b>	<b>3,168.27</b>
2 Provision for Standard and Doubtful Assets					
Provision for Doubtful Assets				969.20	1,148.62
Provision on Standard Assets				1,246.77	770.35
				<b>2,215.98</b>	<b>1,918.97</b>
3 Other Provisions					
Provision for Income Tax				2,283.03	1,787.44
TDS Payable				961.70	387.63
PF Payable				250.15	277.06
PT Payable				1.20	2.00
ESI Payable				60.49	54.95
GST Payable				463.20	191.14
				<b>4,019.77</b>	<b>2,700.22</b>
<b>Grand Total</b>				<b>10,003.01</b>	<b>7,787.46</b>





## CHETANA FINANCIAL SERVICES PRIVATE LIMITED

## Note 8 to the Financial Statements

Rs. In '000s

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 31.03.2024	Value as on 31.03.2023
<b>Tangible Assets</b>										
Gold Gate Plot	7,739.48	0.00	0.00	7,739.48	0.00	0.00	0.00	0.00	7,739.48	7,739.48
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Furnitures	7,271.60	0.00	0.00	7,271.60	3,275.40	665.05	0.00	3,940.44	3,331.16	3,996.20
Computer	4,005.88	0.00	0.00	4,005.88	3,887.29	74.68	0.00	3,961.97	43.91	118.59
Printer & U P S	1,816.41	82.03	0.00	1,898.44	1,458.51	179.81	0.00	1,638.32	260.12	357.90
Mobile Set	445.28	0.00	0.00	445.28	433.96	6.00	0.00	439.96	5.31	11.32
Maruti Ciaz Car	1,167.84	0.00	67.25	1,100.59	1,029.16	71.43	0.00	1,100.59	0.00	138.68
Office Equipments	97.58	0.00	0.00	97.58	85.18	12.40	0.00	97.58	0.00	12.40
<b>Intangible Assets</b>										
Software	1,079.67	327.00	0.00	1,406.67	717.20	151.66	0.00	868.85	537.82	362.48
<b>Grand Total</b>	<b>23,623.73</b>	<b>409.03</b>	<b>67.25</b>	<b>23,965.51</b>	<b>10,886.69</b>	<b>1,161.03</b>	<b>0.00</b>	<b>12,047.72</b>	<b>11,917.79</b>	<b>12,737.04</b>



**CHETANA FINANCIAL SERVICES PRIVATE LIMITED**  
**Notes to the Financial Statements**

		Rs. In '000s	
Note No	Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
<b>9</b>	<b>Non-current investments</b>		
	Fixed Deposit with Bank	34,161.38	10,514.50
	<b>Total</b>	<b>34,161.38</b>	<b>10,514.50</b>
<b>10</b>	<b>Long-term Loans and Advances</b>		
	Business Loan	57,174.39	61,779.34
	Vehicle Loan	36,030.93	25,774.90
	Mortgage Loan	1,30,066.16	68,531.05
	<b>Total</b>	<b>2,23,271.47</b>	<b>1,56,085.29</b>
<b>11</b>	<b>Current Investments</b>		
	Fixed Deposit	34,095.44	41,529.62
	<b>Total</b>	<b>34,095.44</b>	<b>41,529.62</b>
<b>12</b>	<b>Trade Receivables</b>		
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>13</b>	<b>Cash and Cash Equivalents</b>		
	Cash in hand	214.16	522.54
	Balances with banks	0.00	0.00
	ICICI Bank	145.77	0.00
	Dhanlaxmi Bank	15.77	15.89
	IDFC First Bank	2,710.53	3,820.47
	Laxmi Multi State Co Operative Society Ltd	367.78	363.97
	Navachetana Vividodesh Souharda Sahakari Niyamita	896.26	741.89
	State Bank of India	239.77	954.29
	Union Bank of India	0.00	5.24
	<b>Total</b>	<b>4,590.04</b>	<b>6,424.28</b>
<b>14</b>	<b>Short-term loans and advances</b>		
	Business Loan	2,46,133.67	1,33,714.93
	Vehicle Loans	571.83	2,883.84
	Mortgage Loan	32,333.43	21,004.03
	<b>Total</b>	<b>2,79,038.93</b>	<b>1,57,602.80</b>
<b>15</b>	<b>Other current assets</b>		
	Rent Advance	1,535.44	1,894.75
	Advance Tax	890.00	894.00
	Income Tax Receivable	849.66	853.15
	TDS Receivable	829.47	260.35
	TDS Receivable from Parties	235.37	70.26
	Advance for Staff	1,513.68	1,679.58
	Advance and Receivables	3,660.97	2,714.24
	Trade Advance	413.00	413.00
	Advance for Expenses	108.06	126.17
	HLF RSP Portfolio Receivable	0.00	315.51





IDFC payout Receivalbe	8,224.65	8,224.65
Others BC Payout receiveable	544.27	15.72
BC Recovery Receivable	37,427.47	33,627.93
RSP Recovery Receivable	0.00	1,919.88
Staff Receivable	2,189.06	2,189.06
<b>Total</b>	<b>58,421.09</b>	<b>55,198.24</b>



**CHETANA FINANCIAL SERVICES PRIVATE LIMITED**  
Notes to the Financial Statements

Note No	Particulars	Rs. In '000s	
		As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
16	<b>Revenue from Operations</b>		
	Interest on Loans		
	Application Fees	75,451.87	76,112.94
	Income from Business Correspondence	3,192.54	1,489.94
	Interest from RSP	8,032.74	3,101.22
	<b>Total</b>	<b>0.00</b>	<b>1,764.93</b>
		<b>86,677.15</b>	<b>82,469.04</b>
17	<b>Other Incomes</b>		
	Interest on FD		
	Commission Income	3,585.10	1,981.01
	Excess Provision Reversed	7.58	192.53
	Income from Other Services	158.85	0.00
	<b>Total</b>	<b>795.50</b>	<b>2,560.19</b>
		<b>4,547.03</b>	<b>4,733.72</b>
18	<b>Employee Benefits Expense</b>		
	Salary to Staff	19,376.25	23,040.44
	Staff Welfare	231.22	141.99
	Employer PF Contribution	1,513.52	2,267.77
	Employer ESI Contribution	512.68	660.41
	Employee Health Insurance	31.41	66.66
	Gratuity	366.87	261.69
	Bonus	683.72	919.08
	LWF -Employer Contribution	5.84	6.84
	<b>Total</b>	<b>22,721.49</b>	<b>27,364.87</b>
19	<b>Financial Expenses</b>		
	Bank Charges	62.43	177.79
	Interest on Loans	36,264.76	27,946.69
	Loan Processing Fees	2,157.84	1,020.28
	Debenture Interest	11,915.82	12,170.47
	<b>Total</b>	<b>50,400.85</b>	<b>41,315.23</b>
20	<b>Depreciation &amp; Amortized Cost</b>		
	Depreciation	1,161.03	1,269.12
	<b>Total</b>	<b>1,161.03</b>	<b>1,269.12</b>
21	<b>Other Expenses</b>		
	Advertisement Expenses	354.66	13.46
	Audit fees & Company law matters	216.35	200.00
	Commission	9.42	34.79
	Computer & Software Maintenance	281.34	90.35
	Credit Bureau Expenses	122.66	201.26
	Documentation charges	355.71	221.36
	Donation	0.00	50.00
	Electricity & Water Charges	255.73	269.54
	Freight and Transportation Charges	77.18	78.90
	General Insurance	9.30	69.41
	Gifts and Presentation	33.25	104.65
	Grading & Rating charges	337.90	1,074.25
	Income Tax Paid	0.00	319.85
	Interest & late filing fees	0.33	3.46
	Legal & Professional fees	610.48	522.16
	Lodging & Boarding	50.68	30.50
	Meeting & Training Expenses	101.38	153.51
	Membership Fees	10.90	11.33
	Newspaper & Periodicals	1.75	4.41
	Office Cleaning and Maintenance	325.77	549.54
	Postage & Courier	96.37	209.42
	Printing & Stationery	297.71	287.69
	Rates & Taxes	66.20	117.50
	Registration fees	11.65	14.20
	Rent	2,099.54	3,144.84
	Repairs and Maintenance	174.63	217.35
	ROC Filing charges	13.35	18.70
	Telephone Charges	364.91	420.12
	Travelling Expenses	1,440.29	1,683.57
	Training & Recruitment Expenses	2.28	
	<b>Total</b>	<b>7,721.72</b>	<b>10,116.09</b>
22	<b>Provisions</b>		
	Provision on Loan Assets	297.01	35.39
	<b>Total</b>	<b>297.01</b>	<b>35.39</b>





# **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 2024**

### **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 2024, 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 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 car with book value Rs.58,570/for Rs.49,024/-.

#### 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% Non-Convertible Debentures amounting to Rs.65,00,000/-. Further, the company has borrowed Rs.39,36,50,000/- as loans from various financial institutions. These funds have been utilised for the purposes of lending loans to the customers of the company. No funds have been utilised for the loans to the customers of the company. No funds have been utilised for the purpose other than those for which they have been borrowed.

**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. Retirement benefit in the form of Gratuity is defined benefit scheme. The company has the obligation to pay the gratuity to the employees on retirement or resignation on the basis of their eligibility.

**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.

The Company's Income Tax Returns for the AY 2017-18 was assessed by the Assessing Office. Although, the company has supplied the sufficient information about the Cash Deposits, the department has pointed that, in absence of PAN Details, all the cash deposits will be





treated as Undisclosed Cash Deposits and passed an Assessment Order by imposing a tax of Rs.30,19,539/- at a special Tax rate. The Company had preferred an Appeal against this assessment order before the Commissioner of Income Tax (Appeals). However, this appeal has been dismissed by the CIT (A). The Company had preferred an Appeal against this appeal order before the Income Tax Appellate Tribunal. The Company has paid the 20% of the demand amount as per the relevant provisions of the Income Tax Act.

**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 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 2024:

Sl	Name of Director	Designation	Remuneration (Rs. In '000s)
1	Mallikarjun Bikkannavar	Director	405.35



2) Related party Transactions during the year ended 31st March 2024:  
As per AS 18

Sl	Institution Name	Relationship	Description of the Transaction	Amount (Rs. In '000s)
1	Utthejana Trading Services Private Limited	Common Directors	Purchase of office Equipment's and Gift Items	23.40
2	Navachetana Vividoddesh Souhardha Sahakari Niyamith	Common Directors	Short term Loan	1,99,150.00
			Principal Repayment	1,17,194.14
			Term Loan interest	9,846.09
			Interest on Debenture	11,745.63
			Book Assignment	11,992.65
			Repayment Paid CCD Debenutre	1,02,000.00
			Loan Processing Fee	80.00
			Asset sales	48.78
			BC Payout Received	822.91
			Interest on FD Received	116.20
3	Laxmi Multi state Society Ltd	Common Directors	Short term Loan	17,000.00
			Principal Repayment	11,666.57
			Term Loan interest	1,242.50
			Asset sales	106.20





4	Navachetana Micro Fin Services Private Limited	Common Directors	Rent Paid During the	600.00
			Short term Loan	17,900.00
			Principle Repayment	4,883.85
			Term Loan interest	2,384.19
			BC Payout Received	5,609.54
			Asset sales	14.16
5	Chetana Chits Haveri Pvt Ltd	Common Directors	Short term Loan Paid	4,450.00
			Principal Repayment Received	3,631.40
			Interest Received on Loan	809.46
			Asset sales	27.54

3) Earnings per share: As per AS 20

Particulars	Amount (Rs.)
Profit after tax as per accounts	6,601.53
Average number of shares outstanding during the period	8,679.50
Earnings per share	0.76

4) Provisioning on Standard Assets & Non-Performing Assets:

As per RBI guidelines No: RBI/DoR/2023-24/106  
DoR.FIN.REC.No.45/03.10.119/2023-24DNBS dated: Oct 19 2023  
(as updated on Nov 10 2023), during the year Provision for Standard  
and Non-Performing Assets is made as follows-



Asset Classification	Provisioning %	Provision Amount
Standard Assets	0.25%	1,246.77
Sub Standard Assets	10%	110.74
Doubtful Assets	20-50%	858.46
Loss Assets	100%	0.00
Total Provision required		2,215.97
(-) Provision already made till previous year		1,918.97
Provision made in the current year		297.00

FOR RBV & Co  
CHARTERED ACCOUNTANTS  
FRN: 027625S



*[Signature]*

B V Raveendranath  
Chartered Accountant  
M.No.028679

For CHETANA FINANCIAL SERVICES PRIVATE  
LIMITED

*[Signature]*

Nagendra Mali  
Director  
DIN: 02235648

*[Signature]*

Mallikarjun Bikkannavar  
Director  
DIN: 09286571

Place: Sagar  
Date: 03-06-2024



5) KEY ACCOUNTING RATIOS FOR THE FINANCIAL YEAR 2023-24

Sl.No	RATIO	NUMERATOR (Rs. In '000s)	DENOMINATOR (Rs. In '000s)	CURRENT PERIOD	PREVIOUS PERIOD	% VARIANCE	REASON FOR ABOVE 25% VARIANCE
1	Current Ratio	37,61,45,497	14,90,22,828	2.524	2.947	-14.35%	The company has increased its lending. Hence, there is an increase in the current ratio which has resulted in increase in current ratio
2	Debt-Equity Ratio	50,30,40,431	12,16,07,946	4.137	3.447	20.01%	The company has borrowed loans from financial institutions and banks for lending loans. Hence, there is an increase in this ratio
3	Debt Service Coverage Ratio	89,22,079	4,81,80,580	0.185	0.177	5%	The company has been able to increase its earnings to cover the debts. Hence, there is an increase in this ratio
4	Return on Equity Ratio	66,01,535	12,16,07,946	0.054	0.046	18%	There is an increase in the profitability of the company. Hence, there is an increase in this ratio
5	Inventory Turnover Ratio	-	-				NA
6	Trade Receivable Turnover Ratio	-	-				NA
7	Trade Payable Turnover Ratio	-	-				NA
8	Net Capital Turnover Ratio	8,66,77,153	8,67,95,000	0.999	0.950	5%	There is an increase in the revenue from operations of the company. Hence, there is an increase in this ratio



9	Net Profit Ratio	66,01,535	9,12,24,185	0.072	0.0610	19%	The Net Profit of the company has increased as a result of increased income. Hence, there is an increase in the ratio.
10	Return on Capital Employed	5,71,02,658	49,68,11,946	0.11	0.13	-12%	The borrowings of the company has increased. Hence, there is decrease in this ratio
11	Return on Investment	66,01,535	8,67,95,000	0.076	0.06	25%	The company has been able to increase its earnings. Hence, there is an increase in this ratio





**CHETANA FINANCIAL SERVICES PVT LTD**  
2nd Floor, CTS No.3341/26, "Navachetana Heights", 1st Cross, Ashwini Nagar, Haveri-581110

Calculation of Capital Adequacy Ratio as at March 31, 2024			
Particulars	Sub totals Rs.	Totals Rs.	Totals Rs.
<b>Tier I Capital</b>			
<b>Add:</b>			
1. Share capital	8,67,95,000		
2. Compulsorily Convertible preference shares	-		
3. Free reserves	2,61,48,371		
4. Share premium (balance in the account)	-		
5. Capital reserve (rep. sur+ of sale proceeds of asset)	-	11,29,43,371	
<b>Less:</b>			
1. Accumulated loss in balance sheet	-		
2. Book value of intangible assets	5,37,820		
3. Deferred Tax Asset	3,38,635	8,76,455	
<b>Net owned fund</b>		11,20,66,916	
<b>Less:</b>			
1. Shares in other NBFCs	-		
2. Shares, debentures, bonds, outstanding loans and advances including hire purchase and	-		
Less: 50% of securitisation collateral	-		
<b>Tier I Capital</b>			11,20,66,916
<b>Tier II Capital</b>			
<b>Add:</b>			
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.	27,69,970		
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	-		
	3,27,69,970		
<b>Limited to the extent of Tier I and II for the purpose of capital adequacy</b>		3,27,69,970	
<b>Tier II Capital</b>			3,27,69,970
<b>Total of Tier I &amp; Tier II Capital</b>			14,48,36,886
<b>Asset particulars</b>	<b>Amount Rs.</b>	<b>% of weight</b>	<b>Risk adjusted amount Rs.</b>
Cash and Bank balances	45,90,039	0%	-
Bank Balances in earmarked accounts as collateral (Inc. Accrued Interest)	3,41,61,376	0%	-
Bank Balances in earmarked accounts as collateral for securitisation*	-	0%	-
Bank Balances in earmarked accounts as collateral for securitisation in excess of requirement	-	0%	-
Investments	-	100%	-
Loans and advances	50,03,41,693	100%	50,03,41,693
Tangible assets net of depreciation	1,13,79,973	100%	1,13,79,973
Intangible assets net of amortisation*	5,37,820	0%	-
<b>Other assets</b>			
a) TDS-income tax (net of provision)	10,64,837	0%	-
b) Advance tax paid (net of provision)	8,90,000	0%	-
c) Deferred Tax Asset	3,38,635	0%	-
d) Unamortised Expenses*	-	0%	-
e) Others to be specified	9,25,30,400	100%	9,25,30,400
<b>Total risk weighted assets</b>			60,42,52,066
<b>Capital Ratios</b>			
a) Tier-I Capital to Total risk weighted assets (%)			18.55%
b) Tier-II Capital to Total risk weighted assets (%)			5.42%
<b>CRAR</b>			23.97%
*As per RBI instructions, assets deducted to arrive at NOF have a risk weight of 0%.			
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div> <p>Place: Sagar Date: 03-06-2024</p> <p>NAGENDRA MALI DIRECTOR DIN: 02235648</p> </div> <div> <p>MALLIKARJUN BIKKANAVAR DIRECTOR DIN: 09286571</p> </div> <div> <p>RBV &amp; Co CHARTERED ACCOUNTANTS UDIN: 24028679BKB0IX2918</p> </div> </div>			

