



M. No: 028679

CA. B.V.Raveendranath

B.Com, FCA, DISA(ICAI), DIRM(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 2022, 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 March 31, 2022, 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

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

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



Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained,



whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2022, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B'; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. As per the information and explanations given to us there are no pending litigations which would impact on the Company's financial position in the financial statements. Hence disclosure of the impact if any does not arise.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii. According to information and explanations given to us the requirement of transferring of amount the Investor Education and Protection Fund by the Company are not applicable during the year.

PLACE: SAGAR
DATE: 20-05-2022



**FOR B V RAVEENDRANATH
CHARTERED ACCOUNTANT**

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

**B V RAVEENDRANATH
CHARTERED ACCOUNTANT
MEMBERSHIP NO.: 028679
UDIN: 22028679AJUQSJ7940**



MNo: 028679

B.V.RAVEENDRANATH
BCom., FCA., DISA(ICAI), DIRM(ICAI)

CHARTERED ACCOUNTANT

GST : 29ABOPR2194P1ZK

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, HAVERI (the Company) on the financial statements for the year ended on 31st March 2022, we report that:

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



under section 189 of the Companies Act 2013. Hence, other reporting matters as per paragraph 3(iii) (a)(b)(c) do not apply to the Company.

4. In our opinion and according to explanations given to us, the Company has complied with the provisions of section 185 & 186 of the Act, with respect to the loans and advances and investment made.
5. In our opinion and according to the information and explanations given to us, Company has not accepted any deposits from the public.
6. In our opinion and according to the information and explanations given to us, the provisions of maintenance of cost records under sub section (1) of Section 148 of the Act are not applicable to Company for the financial year.
7. Regarding the undisputed statutory Dues, we report that:
 - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Goods and Services tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date, they become payable.
 - b) According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to a financial institution, bank, Government, or debenture holder, as applicable to the company
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year.



10. In our opinion and according to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The company is a private limited company. Hence the provisions of clause (xi) of the order are not applicable to the company.
12. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. The company has made private placement of shares under review and the requirement of section 42 of the Companies Act, 2013 have been complied with and according to information and explanations given to us, the amount raised have been used for the purposes for which the funds were raised.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
17. According to information and explanations give to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. 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 1 year from the balance sheet date.





CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI

ANNEXURE B TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of M/s. CHETANA FINANCIAL SERVICES PRIVATE LIMITED, HAVERI (the Company) for the year ended on 31st March 2022.

Management's responsibility for internal financial controls:

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

Auditors' responsibility

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



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

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

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal financial controls over financial reporting

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



Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR B V RAVEENDRANATH
CHARTERED ACCOUNTANT**



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

PLACE: SAGAR
DATE: 20-05-2022

B V RAVEENDRANATH
CHARTERED ACCOUNTANT
MEMBERSHIP NO.: 028679
UDIN: 22028679AJUQSJ7940

CHETANA FINANCIAL SERVICES PRIVATE LIMITED

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

CIN: U85110KA1996PTC021326

BALANCE SHEET AS AT 31ST MARCH 2022

#	PARTICULARS	NOTE NO	AS AT 31ST MARCH 2022 (₹)	AS AT 31ST MARCH 2021 (₹)
I.	EQUITY AND LIABILITIES			
1	<u>Shareholder's Funds</u>			
	(a) Share Capital	1	8,32,95,000	8,32,95,000
	(b) Reserves and Surplus	2	2,29,27,690	1,98,07,209
2	<u>Share Application money pending allotment</u>		-	-
3	<u>Non-Current Liabilities</u>			
	(a) Debentures	3A	1,83,00,000	1,88,00,000
	(b) Long-Term Borrowings - Term Loans	3B	12,56,08,819	11,23,12,687
	(c) Deferred Tax Liabilities (Net)		-	-
	(d) Long Term Provisions		-	-
4	<u>Current Liabilities</u>			
	(a) Short-Term Borrowings - Term Loans	4	7,21,38,025	8,35,01,480
	(b) Trade Payables		-	-
	(c) Other Current Liabilities		-	-
	(d) Short-Term Provisions	5	3,60,35,304	1,80,23,408
	Total Equity & Liabilities		35,83,04,838	33,57,39,784
II.	II.ASSETS			
1	<u>Non-Current Assets</u>			
	(a) <u>Fixed Assets</u>	6		
	(i) Gross Block		2,73,82,834	2,71,79,876
	(ii) Depreciation		96,17,572	81,00,988
	(iii) Net Block		1,77,65,262	1,90,78,888
	(b) Non-current investments	7	31,48,888	30,00,000
	(c) Deferred tax assets (net)		4,07,037	3,33,865
	(d) Long term loans and advances	8A	11,38,58,627	11,36,70,001
2	<u>Current Assets</u>			
	(a) Current investments	9	2,63,70,640	2,87,06,790
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	10	17,45,915	78,18,690
	(e) Short-term loans and advances	11	19,50,08,467	16,31,31,550
	(f) Other current assets		-	-
	Total Assets		35,83,04,838	33,57,39,784

NOTES TO ACCOUNTS:

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

"AS PER MY REPORT OF EVEN DATE"

DATE: 20-05-2022

NAGENDRA V MALI

MALLIKARJUN BIKKANAVAR

PLACE: HAVERI

DIRECTOR

DIRECTOR

DIN: 02235648

DIN: 09286571



B V RAVEENDRANATH
CHARTERED ACCOUNTANT
UDIN:22028679AJUQSJ7940

CHETANA FINANCIAL SERVICES PRIVATE LIMITED

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

CIN: U85110KA1996PTC021326

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH 2022

#	PARTICULARS	NOTE NO	AS AT 31ST MARCH 2022 (₹)	AS AT 31ST MARCH 2021(₹)
I	Revenue from operations	12	8,32,93,340	9,71,91,263
II	Other Income	13	32,16,706	32,28,275
III	Total Revenue (I +II)		8,65,10,046	10,04,19,538
	Expenses:			
	Employee Benefit Expense	14	3,43,78,301	4,40,31,441
	Financial Costs	15	3,55,98,831	3,65,72,974
	Depreciation and Amortization Expenses	16	15,16,584	25,59,982
	Other Administrative Expenses	17	89,04,806	1,18,76,930
	Provision on Assets	18	-	1,89,095
IV	Total Expenses (IV)		8,03,98,521	9,52,30,422
V	Profit before exceptional and extraordinary items and tax	(III-IV)	61,11,525	51,89,116
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		61,11,525	51,89,116
VIII	Extraordinary Items			
IX	Profit before tax (VII - VIII)		61,11,525	51,89,116
X	Tax expense:			
	(1) Current tax		13,98,316	14,69,124
	(2) Deferred tax		(73,172)	(2,81,854)
XI	Profit(Loss) from the period from continuing operations	(IX-X)	47,86,381	40,01,846
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)		47,86,381	40,01,846
XVI	Earning per equity share:			
	(1) Basic		0.57	0.48
	(2) Diluted		0.57	0.48

NOTES TO ACCOUNTS :

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

[Handwritten Signature]

[Handwritten Signature]

"AS PER MY REPORT OF EVEN DATE"



[Handwritten Signature]

DATE: 20-05-2022

NAGENDRA V MALLI

SHALLIKARJUN BIKKANAVAR

CA B V RAVEENDRANATH

PLACE: HAVERI

DIRECTOR

DIRECTOR

CHARTERED ACCOUNTANT

DIN: 02235648



DIN: 09286571

UDIN:22028679AJUQSJ7940

STATEMENT OF CASH FLOW

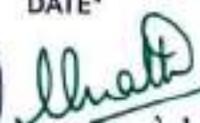
PARTICULARS	AS AT 31ST MARCH 2022 (₹)	AS AT 31ST MARCH 2021(₹)
Cash Flow from Operating Activities		
Net Profit /(Loss)	61,11,525	51,89,116
Adjustment for		
Depreciation	15,16,584	25,59,982
Operating Profit before Working capital changes	76,28,108	77,49,098
(Increase)/Decrease In Loans and Advances	(3,20,65,544)	12,73,411
(Increase)/Decrease In Current Investments	23,36,150	(2,77,06,790)
Increase/(Decrease) in Short term provisions	1,80,11,896	18,79,682
Increase/(Decrease) in Other Current Liabilities	-	-
Cash generated from Operations	(1,17,17,498)	(2,45,53,697)
Less Taxes Paid	13,98,316	14,69,124
NET CASH FLOW FROM OPERATING ACTIVITIES- A	(54,87,706)	(1,82,73,723)
Cash Flow From Investing Activities		
(Increase)/Decrease in Fixed Assets	(2,02,958)	(29,58,455)
Investment made in Non Current Investment	(1,48,888)	2,94,93,406
Investment made in Non Current Assets	-	18,58,842
NET CASH FLOW FROM INVESTING ACTIVITIES - B	(3,51,846)	2,83,93,793
Cash flow from Financing Activities		
Proceeds from Share Capital	-	2,00,00,000
Reserves and Surplus - Dividend outflow	(16,65,900)	(62,50,996)
Proceeds from Debenture and borrowings	14,32,677	(1,98,42,597)
NET CASH FLOW FROM FINANCING ACTIVITIES - C	(2,33,223)	(60,93,593)
Net Increase In Cash and Cash Equivalents - (A-B-C)	(60,72,775)	40,26,477
ADD : Cash & Cash equivalents at beginning of the period	78,18,690	37,92,213
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	17,45,915	78,18,690



NAGENDRA V MALI, MALLIKARJUN BIKKANAVAR
DIRECTOR DIRECTOR
DIN: 02235648 DIN: 09286571



*AS PER MY REPORT OF EVEN
DATE*

V RAVEENDRANATH
CHARTERED ACCOUNTANT
UDIN:22028679AJUQSJ7940

DATE: 20-05-2022
PLACE: HAVERI

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 INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH 2022

#	PARTICULARS	AS AT 31ST MARCH 2022 (₹)	AS AT 31ST MARCH 2021 (₹)
	<i>NOTE: 1 Share Capital</i>		
1	AUTHORIZED CAPITAL (1,00,00,000 Equity shares of Rs.10/- each)	10,00,00,000	10,00,00,000
		10,00,00,000	10,00,00,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL Issued Subscribed & Paid-up Capital Current: 83,29,500 Equity shares of Rs.10/- each Previous: 83,29,500 Equity shares of Rs.10/- each	8,32,95,000	8,32,95,000
TOTAL		8,32,95,000	8,32,95,000
	Share Capital		
	(a) Reconciliation of number of shares outstanding at beginning and end of the reporting		
	Equity Share Capital		
	Shares outstanding at the beginning of the year	8,32,95,000	6,32,95,000
	Shares allotted/ (Buy back) during the year	-	2,00,00,000
	Outstanding at end of the reporting period	8,32,95,000	8,32,95,000
	(b) Shares in the company held by each shareholders holding more than 5% shares specifying number of shares held		
	<u>Name</u>		
	Equity Shares		
	NAVACHETANA VIVIDODDESH SOUHARDA SAHAKARI NIYAMITHA, HAVERI (73,34,665 Equity shares of Rs.10/- each)	73,34,665	73,34,665
	<i>NOTE: 2 Reserve & Surplus</i>		
1	Special Reserve Fund	62,87,524	53,30,248
2	Surplus (Profit & Loss Account)	1,66,40,166	1,44,76,961
	Balance brought forward from previous year	1,44,76,961	1,75,26,480
	Less: Dividend Paid During the Year	16,65,900	62,50,996
	Add: Profit for the period	47,86,381	40,01,846
	Less: 20% transferred to Statutory Reserve	(9,57,276)	(8,00,369)
	Less: Tax expense for previous year	-	-
TOTAL		2,29,27,690	1,98,07,209



#	PARTICULARS	AS AT 31ST MARCH 2022 (₹)	AS AT 31ST MARCH 2021(₹)
	NOTE: 3 Long Term Borrowings		
1	NOTE: 3A Debenture		
	15% Convertible Debenture -NVSSN	1,48,00,000	1,48,00,000
	16% Optionally Convertible Debentures - NGEWT	-	40,00,000
	14.75% Convertible Debentures - Shilpa .G	35,00,000	-
	TOTAL	1,83,00,000	1,88,00,000
2	NOTE: 3.B. Long Term Loans		
	Dhanlaxmi Bank Ltd	60,00,000	1,40,00,000
	IDFC First Bank Ltd	-	1,36,36,352
	Navachetana Vividodesh Souharda Sahakari Niyamita	5,78,02,306	2,66,41,948
	Shriram Transport Finance Company Ltd	1,11,27,061	73,54,935
	<u>Subordinated Debts:</u>		
	IDFC First Bank Ltd	5,06,79,452	5,06,79,452
	TOTAL	12,56,08,819	11,23,12,687
	NOTE: 4 Current Liabilities		
1	Short Term Borrowings- Term Loans		
	Alwar Gen Finance Co Ltd	-	30,61,975
	Dhanlaxmi Bank Ltd	79,98,852	60,00,000
	Eclear Leasing Finance Ltd	-	14,68,971
	Electronica Finance Ltd	-	2,76,314
	IDFC First Bank Ltd	1,36,36,352	2,85,62,655
	Jain Sons Finlease Ltd	-	42,63,649
	Navachetana Vividodesh Souharda Sahakari Niyamita	4,43,13,652	3,52,74,010
	Shriram Transport Finance Company Ltd	61,89,169	45,93,906
	TOTAL	7,21,38,025	8,35,01,480
	NOTE: 5 Short Term Provisions		
1	<u>Provision For Employees Benefit</u>		
	Salary Payable	24,33,998	33,71,217
	Gratuity Payable	4,72,917	2,94,519
	Bonus Payable	12,05,274	16,40,162
		41,12,189	53,05,898
2	Provision for Standard and Doubtful Assets		
	Provision for Doubtful Assets	13,32,777	13,26,252
	Provision on Standard Assets	5,50,799	5,57,324
	TOTAL	18,83,576	18,83,576



#	PARTICULARS	AS AT 31ST MARCH 2022 (₹)	AS AT 31ST MARCH 2021(₹)
3	<u>Other Provisions</u>		
	Provision for Income Tax	13,98,316	14,69,124
	TDS Payable	2,09,714	33,513
	PF Payable	3,71,195	5,02,215
	PT Payable	3,400	10,200
	ESI Payable	68,764	1,12,656
	GST Payable	88,128	3,01,980
	TOTAL	21,39,517	24,29,688
4	<u>Expenses Payable</u>		
	Audit Fees Payable	2,00,000	1,50,000
	Rent Payable	2,18,341	3,50,731
	Credit Bureau Expenses Payable	16,848	31,205
	Postage and Courier Charges Payable	12,956	19,493
	Debenture Interest Payable	2,09,154	50,281
	TOTAL	6,57,299	6,01,710
5	<u>Other Payables</u>		
	Advance Collection	34,17,909	31,22,999
	Down Payment	-	57,097
	Sundry creditors for Expense	45,46,804	36,75,608
	RSP Recovery Payable	1,85,24,785	-
	BC Recovery Payable	13,051	24,789
	Insurance Payable	4,05,431	5,31,673
	Dealers Payable	3,34,743	3,90,370
	TOTAL	2,72,42,723	78,02,536
	TOTAL	3,60,35,304	1,80,23,408



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 INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH 2022

#	PARTICULARS	AS AT 31ST MARCH 2022 (₹)	AS AT 31ST MARCH 2021(₹)
	NOTE:7 Non-current investments		
1	Fixed Deposit with Bank	31,48,888	30,00,000
TOTAL		31,48,888	30,00,000
	NOTE: 8. A Long Terms Loans and Advances		
1	Loans & Advances		
	Business Loan	2,78,16,533	3,01,49,167
	Vehicle Loan	4,65,59,136	5,95,23,118
	Mortgage Loan	3,94,82,958	2,39,97,716
TOTAL		11,38,58,627	11,36,70,001
	NOTE: 9 Current Investments		
1	Fixed Deposit	2,63,70,640	2,87,06,790
TOTAL		2,63,70,640	2,87,06,790
	NOTE: 10 Cash & Cash Equivalent		
1	<u>Cash-in-Hand</u>	3,97,237	10,42,021
TOTAL		3,97,237	10,42,021
2	<u>Bank Balance</u>		
	Axis Bank Limited	59,616	2,72,402
	Bank of Maharashtra	86	86
	Canara Bank	86,839	3,86,184
	Corporation Bank	36,279	1,77,626
	Dena Bank	-	12,125
	Dhanlaxmi Bank	15,887	61,831
	Equitas Bank	-	2,36,766
	IDFC Bank	7,85,189	31,98,560
	KVG Bank	7,137	2,07,370
	Laxmi Multi State Co Operative Society Ltd	1,45,400	3,440
	Navachetana Vividodesh Souharda Sahakari Niyamita	1,61,103	15,16,872
	RBL Bank	-	2,39,307
	State Bank of India	42,599	1,77,326
	Syndicate Bank	-	1,61,417
	Union Bank of India	8,542	1,25,357
TOTAL		13,48,678	67,76,669



#	PARTICULARS	AS AT 31ST MARCH 2022 (₹)	AS AT 31ST MARCH 2021(₹)
	TOTAL	17,45,915	78,18,690
	NOTE: 11 Short Terms Loans and Advances		
1	Others - Short Term Loans		
	a) Loans and Advances		
	Business Loan	7,03,55,974	6,79,03,485
	Vehicle Loans	1,99,80,135	2,88,58,371
	Mortgage Loan	1,96,34,350	2,12,30,497
	TOTAL	10,99,70,459	11,79,92,353
	b) Other Advances		
	Interest Recivables	3,38,94,246	1,04,18,905
	Rent Advance	26,82,750	29,02,750
	Advance Tax	8,00,000	8,50,000
	Income Tax Receivable	8,53,148	17,46,208
	TDS Receivable	5,75,824	5,27,976
	TDS Receivable from Parties	65,395	63,441
	Advance for Staff	15,96,526	13,70,850
	Advance and Receivables	16,16,029	28,14,137
	Trade Advance	5,51,000	8,77,000
	Advance for Expenses	33,564	25,196
	HLF RSP Portfolio Receivable	2,50,464	16,57,644
	IDFC payout Receivalbe	79,74,075	85,72,330
	BC Recovery Receivable	2,92,74,092	15,48,781
	RSP Recovery Receivable	20,31,836	89,24,920
	Staff Receivable	28,39,059	28,39,059
	TOTAL	8,50,38,008	4,51,39,197
	TOTAL	19,50,08,467	16,31,31,550



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 INTEGRAL FORM OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31-03-2022

#	PARTICULARS	AS AT 31ST MARCH 2022 (₹)	AS AT 31ST MARCH 2021(₹)
	NOTE: 12 Revenue from Operations		
1	Interest on Loans	6,37,87,654	6,14,21,410
2	Application Fees	11,86,169	48,25,703
3	Income from Business Correspondence	64,66,110	1,40,52,057
4	Interest from RSP	1,18,53,406	1,68,92,093
TOTAL		8,32,93,340	9,71,91,263
	NOTE: 13 Other Income		
1	Interest on FD	19,06,945	22,77,443
2	Commission Income	12,93,834	9,50,832
3	Income from Other Services	15,928	-
TOTAL		32,16,706	32,28,275
	NOTE: 14 Employment Benefit Expenses		
1	Salary to Staff	2,93,45,893	3,77,75,735
2	Staff Welfare	1,16,301	2,23,356
3	Employer PF Contribution	25,92,697	28,70,337
4	Employer ESI Contribution	7,99,927	9,65,480
5	Staff Health Insurance	1,31,971	3,08,052
6	Gratuity	1,78,398	2,36,827
7	Bonus	12,05,274	16,40,162
8	LWF -Employer Contribution	7,840	11,492
TOTAL		3,43,78,301	4,40,31,441
	NOTE: 15 Financial Cost		
1	Bank Charges	3,31,712	5,72,884
2	Interest on Loans	3,14,71,726	3,25,52,906
3	Loan Processing Fees	7,25,216	5,87,175
4	Debenture Interest	30,70,177	28,60,009
TOTAL		3,55,98,831	3,65,72,974
	NOTE: 16 Depreciation & Amortized Cost		
1	Depreciation	15,16,584	25,59,982
TOTAL		15,16,584	25,59,982



#	PARTICULARS	AS AT 31ST MARCH 2022 (₹)	AS AT 31ST MARCH 2021(₹)
	NOTE: 17 Other Administrative Expenses		
1	AMC	-	76,300
2	Audit fees & Company law matters	2,00,000	1,50,000
3	Commission	1,14,248	9,800
4	Computer & Software Maintenance	1,26,148	-
5	Consultation charges	-	47,872
6	Credit Bureau Expenses	3,53,758	3,28,445
7	Documentation charges	1,76,875	1,84,353
8	Donation	-	25,000
9	Electricity & Water Charges	3,14,101	3,60,928
10	Frieght and Transportation Charges	8,210	17,395
11	General Insurance	7,956	2,32,192
12	Gifts and Presentation	81,789	1,49,406
13	Grading & Rating charges	1,53,030	1,93,589
14	Income Tax Paid	1,64,220	-
15	Loss on sale of Fixed Asset	-	3,235
16	Interest & late filing fees	21,264	974
17	Legal & Professional fees	3,46,261	2,10,897
18	Lodging & Boarding	6,150	27,289
19	Meeting & Training Expenses	1,33,852	3,47,945
20	Membership Fees	10,225	5,000
21	Newspaper & Periodicals	4,041	5,122
22	Office Cleaning and Maintenance	4,84,366	6,85,295
23	Postage & Courier	3,25,201	5,20,036
24	Printing & Stationery	2,53,080	8,00,535
25	Rates & Taxes	1,27,500	1,59,412
26	Registration fees	16,600	44,154
27	Rent	38,29,966	45,09,305
28	Repairs and Miantenance	2,04,673	2,56,825
29	ROC Filing charges	14,132	3,600
30	Round off	86	(575)
31	Telephone Charges	2,66,001	7,44,379
32	Travelling Expenses	11,43,375	17,43,722
33	Training & Recruitment Expenses	17,700	34,500
	TOTAL	89,04,806	1,18,76,930
	NOTE: 18 Provision on Assets		
1	Provision on Loan Assets	-	1,89,095
	TOTAL	-	1,89,095



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 INTEGRAL PART OF THE BALANCE SHEET AS AT 31st March 2022

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	Value as on 31.03.2021
<u>Tangible Assets</u>										
Gold Gate Plot	77,39,476	-	-	77,39,476	-	-	-	-	77,39,476	77,39,476
Land	45,39,813	-	-	45,39,813	-	-	-	-	45,39,813	45,39,813
Furnitures	71,92,838	53,509	-	72,46,347	19,90,874	6,62,361	26,53,235	26,53,235	45,93,112	52,01,964
Computer	38,22,797	88,684	-	39,11,481	34,89,430	2,73,173	37,62,603	37,62,603	1,48,878	3,33,367
Printer & U P S	15,34,597	64,800	4,035	15,95,362	9,57,056	2,68,668	12,25,724	12,25,724	3,69,638	5,77,541
Mobile Set	4,45,275	-	-	4,45,275	3,34,127	78,264	4,12,391	4,12,391	32,884	1,11,148
Maruti Ciaz Car	11,67,836	-	-	11,67,836	7,51,794	1,38,681	8,90,475	8,90,475	2,77,361	4,16,042
Office Equipments	97,580	-	-	97,580	36,369	24,790	61,159	61,159	36,421	61,211
<u>Intangible Assets</u>										
Software	6,39,664	-	-	6,39,664	5,41,338	70,647	6,11,985	6,11,985	27,679	98,326
Grand Total	2,71,79,876	2,06,993	4,035	2,73,82,834	81,00,988	15,16,584	96,17,572	1,77,65,262	1,90,78,888	



**Notes Forming Part of Financial Statement For the year ended 31st March
2022**

1. Corporate Information:

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

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

2. Significant Accounting Policies

a) Basis of Accounting & Preparation of Financial Statements:

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

b) Presentation and disclosure of financial statements:

During the year ended 31st March 2022 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, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Revenue Recognition:

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

c) Tangible & Intangible Fixed Assets:

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



d) Depreciation:

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

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

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 16% Optionally Convertible Debentures amounting to Rs.40,00,000/- and has issued 14.75% Convertible Debentures. 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:

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

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

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 declared and paid dividends at the rate of 2% of the paid-up share capital amounting to Rs.16,65,900/- to the shareholders. The dividend has been paid out of the profits of the company arrived at after providing for depreciation as per Schedule II of the Companies Act, 2013 and is in compliance with Section 123 of the Act.

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) Loan Assets- The entire asset shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding shall be provided for.

4. Notes To Accounts

1. Particulars on Managerial remuneration during the year ended March 31, 2022:

Sl. No	Name of Director	Designation	Remuneration
1	Mrs. Chandrakala N Mali	Director	8,17,160/-

2. Related party Transactions during the year ended March 31, 2022:

Sl. No	Institution Name	Relationship	Description of the Transaction	Amount in Rs.
1	Utthejana Trading Services Private Limited	Common Directors	Purchase of office Equipment and Gift Items	36,000/-
			Loan Disbursed	550,000/-
			Loan Principal Repayment Received	4,584,809/-
			Loan Interest Received	381,977/-
2	Navachetana Vividoddesh Souhardha Sahakari Niyamith	Common Directors	Interest on Debenture Paid	2,220,002/-
			Short term Loan Received	44,000,000/-
			Loan Interest Paid	14,987,879/-
			Loan Principal Repayment	3,800,000/-
			Book Assignment	30,375,007/-
3	Navachetana Group Employee Welfare Trust	Trustee	Interest on Debenture Paid	336,750/-
4	Navachetana Microfin Services Private Limited	Common Directors	Rent Paid During the Year	600,000/-
5	Chetana Chits Haveri Pvt Ltd	Common Directors	Short term Loan Paid	3,200,000/-
			Principal Repayment Received	355,950/-



		Interest Received on Loan	456,630/-
--	--	---------------------------	-----------

3. Earnings per share:

Particulars	Amount
Profit after tax as per accounts	47,86,381
Average number of shares outstanding during the period	83,29,500
Earnings per share	0.57

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

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

Asset Classification	Provisioning %	Provision Amount
Standard Assets	0.25%	5,50,799
Sub Standard Assets	10%	83,530
Doubtful Assets	20-50%	10,05,526
Loss Assets	100%	-

FOR CHETANA FINANCIAL SERVICES PVT LTD

NAGENDRA V MALI

**MALLIKARJUN
BIKKANAVAR**

B V RAVEENDRANATH



CHAIRMAN

DIN: 02235648

DIRECTOR

DIN: 09286571

CHARTERED ACCOUNTANT

MEMBERSHIP. NO: 028679

UDIN: 22028679AJUQSJ7940

Place: Haveri

Date: 20-05-2022

Place: Sagar

Date: 20-05-2022



MNo: 028679

B.V.RAVEENDRANATH
BCom., FCA., DISA(ICA), DIRM(ICA)

CHARTERED ACCOUNTANT

GSTIN : 29ABOPR2194P1ZK

Auditor's Report

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

To

The Board of Directors
Chetana Financial Services Private Limited
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 31 March, 2022, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information and have issued an unqualified opinion vide our report dated 31-03-2022.

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.

a. The company is engaged in the business of Non - Banking Financial Institution (without accepting or holding public deposits) and pursuant to the provisions of Section 45(1A) of the Reserve Bank of India Act, 1934(as amended) it has obtained a certificate of registration vide certificate no B-02.00139 dated 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.

SRI ANEGUDDE, G.P.ROAD, SAGAR-577 401, KARNATAKA
08183-226696 | 7353765599 | www.cabvr.in | bvroffice@gmail.com



- b. In our opinion, and in term of the Companies Assets and Income pattern for the year ended as at 31st March, 2022, the Company is entitled to continue to hold the certificate of registration issued by the Reserve Bank of India.
- c. The Company is not an asset financed company as defined under the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- d. In our Opinion, during the year ended 31st Mar 2022 the company has complied with the criteria set forth by the RBI in the Notification 'Master direction- Non-Banking Financial Company- Non-Systematically Important Non-deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time).
- e. The Company has not accepted any public deposits during the year ended 31st March 2022.
- f. In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the prudential norms issued by the Reserve Bank of India in relation to recognition of income, Accounting Standards, Asset's classification and Provisioning for Loss Assets and Standard Assets as applicable to it in terms of Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and the form DNBS-02 XBRL is filed by the company as per RBI Directions.
- g. In our opinion and to the best of our information and according to the explanations given to us, as on the date of our report, the Company does not belong to NBFCs-ND-SI. Therefore, Company is not required to submitted annual return with the Reserve bank of India in Form NBS-9 for the financial year ended 31st March 2022. 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 2022.

**FOR B V RAVEENDRANATH
CHARTERED ACCOUNTANT**



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

PLACE: SAGAR
DATE:20-05-2022

B V RAVEENDRANATH
CHARTERED ACCOUNTANT
MEMBERSHIP NO.: 028679
UDIN: 22028679AJUQSJ7940

CHETANA FINANCIAL SERVICES PRIVATE LIMITED

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

EQUITY SHAREHOLDING PATTERN AS ON 31-03-2022

SL. NO.	NAME OF SHAREHOLDER	NO. OF SHARES HELD	TOTAL AMOUNT (IN RS.)	% OF SHARES HELD	CATEGORY
1	NAVACHETANA VIVIDODESH SOUHARDA SAHAKARI NIYAMIT, HAVERI	73,34,665	7,33,46,650	88.06	PROMOTER
2	CHAIRPERSON, NAVAJEEVAN FOUNDATION	3,49,835	34,98,350	4.20	PROMOTER
3	PARVATHEVVA V MALI	3,12,500	31,25,000	3.75	PROMOTER
4	CHANDRAKALA N MALI	1,38,000	13,80,000	1.66	PROMOTER
5	NAGENDRA V MALI	62,500	6,25,000	0.75	PROMOTER
6	ULLAS M KOOLI	20,000	2,00,000	0.24	NON-PROMOTER
7	SAMARTH SHETTAR	20,000	2,00,000	0.24	NON-PROMOTER
8	VEERENDRA V MALI	17,500	1,75,000	0.21	PROMOTER
9	GANESH E KHAJURKAR	14,500	1,45,000	0.17	NON-PROMOTER
10	KOTRAGOUDA C	14,500	1,45,000	0.17	PROMOTER
11	SIDDAPPA POOJAR	10,500	1,05,000	0.13	NON-PROMOTER
12	NANDA V MALI	10,000	1,00,000	0.12	PROMOTER
13	CHANDRAPPA SIDDAPPA MANEGAR	10,000	1,00,000	0.12	PROMOTER
14	BASAVARAJ KARADAGI	10,000	1,00,000	0.12	NON-PROMOTER
15	SHIVANANDA M K	5,000	50,000	0.06	NON-PROMOTER
	TOTAL	83,29,500	8,32,95,000	100.00	

DEBENTURE LIST AS ON 31-03-2022

SL.NO	NAME OF DEBENTURE HOLDER	TYPE	UNITS OF DEBENTURE	DEBENTURE AMOUNT	% OF DEBENTURE HELD
1	NAVACHETANA VIVIDODESHA SOUHARDHA SAHAKARI NIYAMITA	INSTITUTIONAL INVESTOR	1,48,000	1,48,00,000	80.87
2	SHILPA G	INDIVIDUAL INVESTOR	35,000	35,00,000	19.13
	TOTAL		1,83,000	1,83,00,000	100.00

FOR CHETANA FINANCIAL SERVICES PRIVATE LIMITED

"AS PER MY REPORT OF EVEN DATE"

NAGENDRA V MALI
DIRECTOR
DIN: 02235648

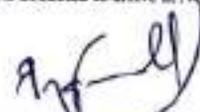


MARJUN BIKKANAVAR
DIRECTOR
DIN: 09286571



CA B V RAVEENDRANATH
CHARTERED ACCOUNTANT
UDIN: 22028679AJUQSJ7940

PLACE: HAVERI
DATE: 20-05-2022

Particulars	Sub totals Rs.	Totals Rs.	Totals Rs.
Tier I Capital			
Add:			
1. Share capital	8,22,95,000		
2. Compulsorily Convertible preference shares	-		
3. Free reserves	1,65,40,166		
4. Share premium (balance in the account)	-		
5. Capital reserve (rep. sur- of sale proceeds of asset)	-	9,95,35,166	
Less:			
1. Accumulated loss in balance sheet	-		
2. Book value of intangible assets	27,679		
3. Deferred Tax Asset	4,07,037	4,34,716	
Net owned fund		9,95,00,450	
Less:			
1. Shares in other NBFCs	-		
2. Shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding 10% of owned fund.	-		
Less: 50% of securitisation collateral	-		
Tier I Capital		9,95,00,450	
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.	23,54,470		
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	2,00,00,000		
Less: 50% of securitisation collateral	-		
	2,23,54,470		
Limited to the extent of Tier I and II for the purpose of capital adequacy (the total tier II capital at any point of time shall not exceed 100% of tier I)		2,23,54,470	
Tier II Capital		2,23,54,470	
Total of Tier I & Tier II Capital			12,18,54,920
Asset particulars	Amount Rs.	% of weight	Risk adjusted amount Rs.
Cash and Bank balances	17,45,915	0%	-
Bank Balances in earmarked accounts as collateral (Inc. Accrued Interest)	31,48,888	0%	-
Investments	-	100%	-
Loans and advances	22,07,29,550	100%	22,07,29,550
Tangible assets net of depreciation	1,77,37,583	100%	1,77,37,583
Intangible assets net of amortisation*	27,679	0%	-
Other assets			
a) TDS-income tax (net of provision)	8,53,148	0%	-
b) Advance tax paid (net of provision)	8,00,000	0%	-
c) Deferred Tax Asset	4,07,037	0%	-
d) Unamortised Expenses*	-	0%	-
e) Others to be specified	11,28,55,037	100%	11,28,55,037
Total risk weighted assets			35,13,22,170
Capital Ratios			
a) Tier-I Capital to Total risk weighted assets (%)			28.32%
b) Tier-II Capital to Total risk weighted assets (%)			6.36%
CRAR			34.68%
*As per RBI instructions, assets deducted to arrive at RWF have a risk weight of 0%.			
 NAGENDRA MALI DIRECTOR DIN: 02235648	 MALLIKARJUN BIKKANNAVA DIRECTOR DIN: 09286571	"AS PER MY REPORT OF EVEN DATE"  B.V. RAVENDRANATH CHARTERED ACCOUNTANT UDIN: 23028679AJUCS7940	
DATE: 20-05-2022 PLACE: HAVERI			



STATUTORY AUDITORS' CERTIFICATE (SAC)

We have examined the books of accounts and other records of CHETANA FINANCIAL SERVICES PRIVATE LIMITED for the Financial Year ending March 31, 2022. On the basis of the information submitted to us, we certify the following:

Sl. No	Particulars	Details
1	Name of the company	CHETANA FINANCIAL SERVICES PRIVATE LIMITED
2	Certificate of Registration No.	B. 02-00139
3	Registered office Address	2nd Floor, CTS No.3341/26, "Navachetana Heights", 1st Cross, Ashwini Nagar, Haveri-581110
4	Corporate office Address	No. 201, 3rd Floor, 60 Feet Main Road, Industrial Workers Layout, Shankara Nagar, Nandini Layout, Bangalore - 560096, Karnataka
5	The company has been classified by RBI as : (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IDF- NBFC)	Loan Company
6	Net Owned Fund (in Rs. Crore) (Calculation of the same is given in the Annexure)	10.58
7	Total Assets (in Rs. Crore)	35.83
8	Asset-Income pattern: (in terms of RBI Press Release 199899/1269 dated April 8, 1999) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income (NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below).	a) % of Financial Assets to Total Assets - 70.71% [(Total loans and advances + FD with Bank + Mutual Fund Investment)/Total Assets] b) % of Financial Income to Gross Income - 96.28% [(Revenue from Operation + Fee Income)/Total Income]
9	Whether the company was holding any Public Deposits, as on March 31, 2022? If Yes, the amount in Rs. Crore	NA
10	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund?	Yes



	<i>(in terms of Sec 45-IC of the RBI Act, 1934).</i>	
11	Has the company received any FDI? <i>If Yes, did the company comply with the minimum capitalization norms for the FDI?</i>	NA
12	If the company is classified as an NBFC Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	NA
13	If the company is classified as an NBFC MFI; % of Qualifying Assets to Net Assets <i>(refer to Notification DNBS.PD.No.234 CGM (US) 2011 dated December 02, 2011)</i>	NA
14	If the company is classified as an AFC; a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	NA
15	If the company is classified as an NBFC-IFC % of Infrastructure Loans to Total Assets	NA
16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI? <i>((please refer to per DNBR (PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015 on the subject for details)</i>	NO

In terms of Chapter II of the Master Direction- Non-Banking financial Companies Auditor's Report (Reserve bank) Directions, 2016, a separate report to the Board of Directors of the company has been prepared.

We have read and understood Chapter III of the Master Direction- Non-Banking financial Companies Auditor's Report (Reserve bank) Directions, 2016. Signature and Stamp of the Statutory Auditor:

PLACE: SAGAR
DATE: 20-05-2022



**FOR B V RAVEENDRANATH
CHARTERED ACCOUNTANT**

B.V. Raveendranath

**B V RAVEENDRANATH
MEMBERSHIP NO.: 028679
CHARTERED ACCOUNTANT
UDIN: 22028679AJUQSJ7940**

Annexure

Capital Funds - Tier I		(` In crore)
1.	Paid up Equity Capital	8.33
2.	Pref. shares to be compulsorily converted into equity	0.00
3.	Free Reserves:	
	a. General Reserve	0.00
	b. Share Premium	0.00
	c. Capital Reserves	0.00
	e. Capital Redemption Reserve	0.00
	f. Credit Balance in P&L Account	1.67
	g. Other free reserves- Statutory Reserve (RBI Sec-45-IC)	0.62
4.	Special Reserves	0.00
	Total of 1 to 4	10.62
5.	Less:	
	i. Accumulated balance of loss	-
	ii. Deferred Revenue Expenditure	0.00
	iii. Deferred Tax Assets (Net)	0.04
	iv. Other intangible Assets	0.00
	Owned Fund	10.58
6.	Investment in shares of	0.00
	(i) Companies in the same group	
	(ii) Subsidiaries	0.00
	(iii) Wholly Owned Subsidiaries	0.00
	(iv) Other NBFCs	0.00
7.	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with	0.00
	(i) Companies in the same group	
	(ii) Subsidiaries	0.00
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	0.00
8.	Total of 6 and 7	0.00
9.	Amount in item 8 in excess of 10% of Owned Fund	0.00
	Net Owned Fund	10.58

