

RAJVANSHI & ASSOCIATES

CHARTERED ACCOUNTANTS

H-15, CHITRANJAN MARG, C-SCHEME, JAIPUR – 302001

TEL: (O) 0141- 2363340, MOBILE:- 9314668454, E-mail: - vikasrajvanshi.jaipur@gmail.com

Independent Auditor's Report

TO
THE MEMBERS OF
BHALA FINANCE PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **Bhala Finance Private Limited** which comprise of the Balance Sheet as at 31st March 2024 and the Statement of Profit and Loss and the cash flow statement for the year ended and notes to the financial statements, including 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 gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024 and its Profit and Cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Director'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 standalone 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that



RAJVANSHI & ASSOCIATES

CHARTERED ACCOUNTANTS

H-15, CHITRANJAN MARG, C-SCHEME, JAIPUR – 302001

TEL: (O) 0141- 2363340, MOBILE:- 9314668454, E-mail: - vikasrajvanshi.jaipur@gmail.com

give a true and fair view of the financial position and 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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 statements, 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 also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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



RAJVANSHI & ASSOCIATES

CHARTERED ACCOUNTANTS

H-15, CHITRANJAN MARG, C-SCHEME, JAIPUR – 302001

TEL: (O) 0141- 2363340, MOBILE:- 9314668454, E-mail: - vikasrajvanshi.jaipur@gmail.com

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.

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 it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the 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 the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) 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. The Company has pending litigations affecting on its financial position in its financial statements as reported to us refer note no 24(b).



RAJVANSHI & ASSOCIATES

CHARTERED ACCOUNTANTS

H-15, CHITRANJAN MARG, C-SCHEME, JAIPUR – 302001

TEL: (O) 0141- 2363340, MOBILE:- 9314668454, E-mail: - vikasrajvanshi.jaipur@gmail.com

- ii. The Company did not have any long-term contracts including derivative contracts hence no provisions required under the applicable law and accounting standards for material foreseeable losses.
- iii. The company is not required to transfer any amount to the Investor Education and Protection Fund account.
- iv. a) The Management has represented, that, to the best of it's knowledge and belief, no funds which are material either individually or in aggregate have advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the company to or in any other person or entity, including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, to the best of it's knowledge and belief, no funds which are material either individually or in the aggregate have 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, 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.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as mentioned under (a) and (b) above, contain any material misstatement
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

For Rajvanshi & Associates

Chartered Accountants

Firm Regn. No.: 005069C


Vikas Rajvanshi

Partner

M.No.: 073670

Place: Jaipur

Date: 20-05-2024

UDIN: 24073670 BK FMLS 3011



RAJVANSHI & ASSOCIATES

CHARTERED ACCOUNTANTS

H-15, CHITRANJAN MARG, C-SCHEME, JAIPUR – 302001

TEL: (O) 0141- 2363340, MOBILE:- 9314668454, E-mail: - vikasrajvanshi.jaipur@gmail.com

Bhala Finance Private Limited

(ANNEXURE “A” TO THE AUDITOR’S REPORT) ANNEXURES TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in our Independent Auditors’ Report in Paragraph 2 of **Report on Other Legal and Regulatory Requirements** to the members of the Company on the financial statements for the year ended 31st March 2024, we report that:

i: Reporting on Property, Plant and Equipment and Intangible Asset

- (a) (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- (ii) The company is maintaining proper records showing full particulars of intangibles assets.
- (b) As explained to us, Property, Plant & Equipment have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification, as per the explanations provided to us.
- (c) According to the information and explanations given to us the company has immovable property and the title deeds of immovable properties are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- (e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

ii: Reporting on Inventory:

- (a) According to the information and explanations given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii) (a) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, during the year, the Company is NBFC and have been sanctioned working capital limits in excess of Rs. 500 lakhs, in aggregate from banks or financial institutions on the basis of security of current assets. The Quarterly/ monthly returns/ statements filed by the Company are in agreement with the Books of Accounts of the Company.

iii: Reporting on Loan, Investment, Guarantees, Securities and Advances in nature of loan:

In our opinion and to the best of our information and according to the information and explanations given to us, since the Company’s principal business is to give loans, accordingly, the provisions of clause 3(iii)(a) - (f) of the Order are not applicable. The Company has not granted any loans or advances which are repayable on demand or without specifying any terms or period of repayment.

iv: Reporting on Compliance of section 185 and 186:

In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction in respect of loans, guarantees and securities covered under Section 185 of the Act.



RAJVANSHI & ASSOCIATES

CHARTERED ACCOUNTANTS

H-15, CHITRANJAN MARG, C-SCHEME, JAIPUR – 302001

TEL: (O) 0141- 2363340, MOBILE:- 9314668454, E-mail: - vikasrajvanshi.jaipur@gmail.com

The Company has not made any investments as referred in Section 186(1) of the Act and other requirements of Section 186 of the Act does not apply to the Company.

v: Reporting on Deposits:

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year, had no unclaimed deposits at the beginning of the year and there are no amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi: Reporting on Cost records:

As informed to us, the company is not required to maintain the cost records as prescribed under Section 148(1) of the Companies Act 2013. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

vii: Reporting on Statutory Dues:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion: -

- (a) According to the information and explanations given to us and on the basis of our examination of the record of the company, undisputed statutory dues including Income tax, Goods and Services Tax, cess, Tax Deducted at source under Income Tax and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no disputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.

viii: Reporting on Unrecorded Income:

In our opinion and according to information and explanation given to us, there are no such transactions which were not recorded in the books of accounts earlier and have been surrendered or disclosed as income during in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of Order are not applicable.

ix: Reporting on Repayment and usage Borrowings:

- (a) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender, government or any government authority.
- (c) In our opinion and according to information and explanations given to us term loans were applied for the purpose for which the loans were obtained
- (d) In our opinion and according to information and explanations given to us funds raised on short term basis have been not been utilized for long term purposes.
- (e) According to the information and explanations given to us, since the Company does not have subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix) (e) of the Order is not applicable.



RAJVANSHI & ASSOCIATES

CHARTERED ACCOUNTANTS

H-15, CHITRANJAN MARG, C-SCHEME, JAIPUR – 302001

TEL: (O) 0141- 2363340, MOBILE:- 9314668454, E-mail: - vikasrajvanshi.jaipur@gmail.com

(f) According to the information and explanations given to us, since the Company does not have subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix) (f) of the Order is not applicable.

x: Reporting to use of money raised through issue of own shares:

- (a) In our opinion and according to information and explanations given to us, the company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x) (a) of the Order are not applicable
- (b) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year as per Section 42 and 62 of Companies Act, 2013. Accordingly, the provisions of clause 3(x) (b) of the Order are not applicable.

xi: Reporting on Fraud:

- (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) No report under section 143(12) of the Companies Act, 2013 has been filed during the year by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rule 2014 with the Central Government during the year.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii: Reporting on Nidhi Company:

The company is not a Nidhi company. Accordingly, provisions of clause 3 (xii)(a), 3 (xii)(b) and 3 (xii)(c) of the Order are not applicable.

xiii: Reporting on Related Party Transactions:

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv: Reporting on Internal Audit:

The company does not fall in the criteria of internal audit system. Accordingly, provisions of clause 3(xiv)(a) and 3(xiv)(b) of the order are not applicable.

xv: Reporting on Non-cash transactions with Directors:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them. Accordingly, the provision of clause 3(XV) of the Order is not applicable.

xvi: Reporting on Registration u/s 45-IA of RBI Act:

- (a) The Company is already registered under Section 45-IA of the RBI Act, 1934 .
- (b) The Company has valid Certificate of Registration from the RBI as per the RBI Act, 1934 for doing NBFC activities.



RAJVANSHI & ASSOCIATES

CHARTERED ACCOUNTANTS

H-15, CHITRANJAN MARG, C-SCHEME, JAIPUR – 302001

TEL: (O) 0141- 2363340, MOBILE:- 9314668454, E-mail: - vikasrajvanshi.jaipur@gmail.com

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group.

xvii: Reporting on Cash Losses:

The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii: Reporting on Auditor's resignation:

The provisions of clause 3 (xviii) of the order are not applicable as there was no resignation of statutory auditors during the year.

xix: Reporting on Financial Position:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx: Reporting on CSR Compliance:

According to the information and explanations given to us, the provisions of clause 3 (xx)(a) and 3 (xx)(b) of the order are not applicable because of company not liable for CSR activities u/s 135 of the Companies Act, 2013.

xxi: In respect of CARO of Subsidiaries:

As there are no subsidiaries of the company, hence no consolidated financials are prepared. Accordingly, provisions of clause 3 (xxi) of the order is not applicable.

For Rajvanshi & Associates
Chartered Accountants
Firm Regn. No.: 005069C


Vikas Rajvanshi
Partner
M No.: 073670
Place: Jaipur
Date: 20-05-2024
UDIN : 24073670 BK FMLS3011



RAJVANSHI & ASSOCIATES

CHARTERED ACCOUNTANTS

H-15, CHITRANJAN MARG, C-SCHEME, JAIPUR – 302001

TEL: (O) 0141- 2363340, MOBILE:- 9314668454, E-mail: - vikasrajvanshi.jaipur@gmail.com

Bhala Finance Private Limited

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 Bhala Finance Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, 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.

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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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



RAJVANSHI & ASSOCIATES

CHARTERED ACCOUNTANTS

H-15, CHITRANJAN MARG, C-SCHEME, JAIPUR – 302001

TEL: (O) 0141- 2363340, MOBILE:- 9314668454, E-mail: - vikasrajvanshi.jaipur@gmail.com

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 authorization of management and directors of the company; and (3) 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 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.

For Rajvanshi & Associates
Chartered Accountants



Vikas Rajvanshi
Partner

Membership No.: 073670

Firm Regn. No.: 005069C

Place : Jaipur

Date : 20.05.2024

UDIN: 24073670 BK FMLS 3011



BHALA FINANCE PRIVATE LIMITED

6B, 4TH FLOOR, MAN UPASANA PLAZA, C-SCHEME, JAIPUR-302001

CIN: U65992RJ2015PTC046989 E-MAIL: info@bhalafinance.com CONTACT: 0141-2371137

BALANCE SHEET AS AT 31st March 2024

(Rs. in Lakhs)


PARTICULARS	NOTES	AS AT 31-03-2024	AS AT 31-03-2023
I EQUITY AND LIABILITIES			
1) SHARE HOLDERS FUNDS			
(a) Share Capital	1	2200.00	1000.00
(b) Reserves & Surplus	2	415.43	209.61
		2615.43	1209.61
2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	5103.10	2866.73
		5103.10	2866.73
3) Current Liabilities			
(a) Short term Borrowings	4	2958.10	875.64
(b) Trade Payable	5	150.37	182.03
(c) Other Current Liabilities	6	191.95	167.72
(d) Short-Term Provisions	7	145.45	63.24
		3445.87	1288.63
	TOTAL	11164.40	5364.97
II ASSETS			
1) Non-Current Assets			
(a) Property, Plant & Equipment	8	111.14	116.92
(c) Non Current Investments	9	230.08	3.72
(d) Long-Term Loans & Advances	10	7254.49	3427.46
(e) Deffered Tax Assets	11	5.02	1.45
		7600.73	3549.55
2) Current Assets			
(a) Cash and Cash Equivalents	12	455.08	158.09
(b) Short Term Loans and Advances	13	2963.69	1594.75
(c) Other Current Assets	14	144.90	62.58
		3563.67	1815.42
	TOTAL	11164.40	5364.97

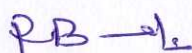
Significant Accounting Policies
and Notes on Accounts


A
1 to 25


FOR RAJVANSHI & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No:005069C

FOR BHALA FINANCE PRIVATE LIMITED


(VIKAS RAJVANSHI)
PARTNER


(RAMAKANT BHALA)
DIRECTOR & COMPANY


(HARSH BHALA)
DIRECTOR


(SNHELATA BHALA)
DIRECTOR

M. No.: 073670
PLACE : JAIPUR
DATE : 20.05.2024



SECRETARY
DIN:06930482

DIN:06930304

DIN:06930616

BHALA FINANCE PRIVATE LIMITED

6B, 4TH FLOOR, MAN UPASANA PLAZA, C-SCHEME, JAIPUR-302001

CIN: U65992RJ2015PTC046989 E-MAIL: info@bhalafinance.com CONTACT: 0141-2371137

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(Rs. in Lakhs)

PARTICULARS	NOTES	For year ended 31-Mar-2024	For year ended 31-Mar-2023
INCOME			
A) Revenue from operations	15	1471.77	610.06
B) Other Income	16	11.50	6.51
Total Income (I)		1483.27	616.57
EXPENSES			
C) Employee benefit expense	17	271.86	91.23
D) Finance Cost	18	722.06	342.78
E) Depreciation & Amortization Expense	19	17.37	13.37
F) Provision for Assets Classification	20	30.13	5.73
G) Other Expenses	21	167.13	80.30
Total (II)		1208.55	533.41
H) Profit Before Exceptional, Extraordinary Items & Tax (I-II)		274.72	83.16
I) Exceptional Items		0.00	0.00
J) Profit Before Extraordinary Items & Tax (H-I)		274.72	83.16
K) Extraordinary Items		0.00	0.00
L) Profit Before Tax (J-K)		274.72	83.16
M) Less: Tax Expense			
1) Current Tax		72.45	20.58
2) Deferred Tax Asset /(Reversal)		3.56	(1.12)
N) Profit For the Year		205.82	61.46
Earnings per equity share(In full figures)	22		
Basic		1.29	0.80
Diluted		1.29	0.80
Significant Accounting Policies and Notes on accounts	A 1 to 25		

FOR RAJVANSHI & ASSOCIATES

FOR BHALA FINANCE PRIVATE LIMITED

CHARTERED ACCOUNTANTS

Firm Reg. No:005069C

(VIKAS RAJVANSHI)
PARTNER

(RAMAKANT BHALA)
DIRECTOR & COMPANY

(HARSH BHALA)
DIRECTOR

(SNHELATA BHAI)
DIRECTOR

M. No.: 073670
PLACE : JAIPUR
DATE : 20.05.2024



SECRETARY
DIN:06930482

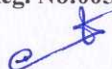
DIN:06930304

DIN:06930616

BHALA FINANCE PRIVATE LIMITED
6B, 4TH FLOOR, MAN UPASANA PLAZA, C-SCHEME, JAIPUR-302001
CIN: U65992RJ2015PTC046989 E-MAIL: info@bhalafinance.com CONTACT: 0141-2371137
Cash Flow Statement For the year ended 31st March 2024

PARTICULARS	2023-24	2022-23
<i>(Rs. in Lakhs)</i>		
(A) NET CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	274.72	83.16
Adjustments to reconcile profit before tax to net cash flows		
Depreciation of Current Year (Including Impairment)	17.37	13.37
Provision for Standard Assets	30.13	5.73
Interest Income	(1340.55)	(562.30)
Preliminary Expenses	-	-
Finance Cost	722.06	342.78
Operating Profit before working capital change	(296.27)	(117.26)
Movements in working capital:		
Increase/(Decrease) in Short Term Borrowing	2082.46	592.89
Increase/(Decrease) in Short Term Provisions	52.08	12.12
Increase/(decrease) in other current liabilities	24.23	5.82
Increase/(decrease) in trade payables	(31.67)	84.47
Decrease/(increase) in Short Term Loans & Advances	(1368.94)	(481.77)
Decrease/(increase) in other current assets	(82.32)	(16.42)
Cash generate from/(used in) operating activities	379.58	79.87
Direct taxes paid	72.45	20.58
NET CASH FLOW FROM OPERATING ACTIVITIES	307.13	59.29
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Net Loans and Advances Given	(3827.03)	(1,207.38)
Purchase of Property, Plant & Equipment	(11.59)	(19.92)
Reduction in Non Current Investment	(226.36)	(1.21)
Interest Received	1340.55	562.30
NET CASH FLOW FROM INVESTING ACTIVITIES	(2724.44)	(666.22)
(C) NET CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	1200.00	250.00
Net Proceeds from Long Term Borrowings	2236.37	842.67
Finance Cost	(722.06)	(342.78)
NET CASH FLOW FROM FINANCING ACTIVITIES	2714.31	749.89
Increase in cash & Bank Balances (A+B+C)	297.00	142.96
Add: Opening cash & Bank Balances	158.09	15.13
Closing Cash & Bank Balances	455.08	158.09

FOR RAJVANSHI & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No:005069C


(VIKAS RAJVANSHI)
PARTNER

M. No.: 073670
PLACE : JAIPUR
DATE : 20.05.2024




(RAMAKANT BHALA)
DIRECTOR & COMPANY
SECRETARY
DIN:06930482

FOR BHALA FINANCE PRIVATE LIMITED


(HARSH BHALA)
DIRECTOR
DIN:06930304


(SNHELATA BHALA)
DIRECTOR
DIN:06930616

NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2024

(Rs.in Lakhs)

Particulars	AS AT 31-03-2024	AS AT 31-03-2023
1 Share Capital		
Authorised Share Capital		
2,50,00,000 Equity Share of Rs.10/-each (Previous Year Share Capital is 1,00,00,000 Shares issued at par of Rs 10 each)	2500.00	1000.00
Issued, Subscribed & Paid up Capital		
2,20,00,000 Equity Share of Rs.10/-each (Previous Year Share Capital is 1,00,00,000 Shares issued at par of Rs 10 each)	2200.00	1000.00
	2200.00	1000.00
a) Par Value Per Share		
The Company has only one class of shares referred to as equity shares having face value of ₹ 10 issued at par. Each holder of equity shares is entitled to one vote per share and dividend		
b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period (In full figures)		
Equity Shares(In-No's)	AS AT 31-03-2024	AS AT 31-03-2023
At the beginning of the Year	1,00,00,000	75,00,000
Issued during the year	1,20,00,000	25,00,000
Total at the end of the year	2,20,00,000	1,00,00,000
c) Term /rights attached to equity shares		
The company has only one class of equity shares having a par value of Rs. 10 per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.		
d) Share held by the holding/ultimate holding company and /of their subsidiaries/associates		
There are no Subsidiaries and Holding Companies		
e) Aggregate number of issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:- Nil		
f) Details of shareholders in the company(holding more then 5 %)		
Equity shares of Rs. 10/- each fully paid	No. of share %holding	No. of share %holding
Ramakant Bhala	1,18,80,000 54%	50,62,500 50.6%
Harsh Bhala	46,20,000 21%	27,50,000 27.5%
Snhelata Bhala	44,00,000 20%	18,25,000 18.3%
g) Shareholding of Promoters as under:		
Shares held by promoters at the end of year		
Promoter Name	No of Shares	% of Total
Ramakant Bhala	1,18,80,000	54%
Harsh Bhala	46,20,000	21%
Snhelata Bhala	44,00,000	20%
Total	2,09,00,000	95%
		% Change during the year
		3.4%
		-6.5%
		1.8%
		95%
2 Reserves and Surplus	AS AT 31-03-2024	AS AT 31-03-2023
(a) Securities Premium on 100000 equity share @ 10 per Shares	10.00	10.00
(b) Special Reserve (As per Section 45-1C of RBI Act, 1934)		
Balance as per beginning of the Year	39.92	27.63
Add: Transferred during the year	41.16	12.29
Balance as per ending of the Year	81.09	39.92
(c) Surplus in the statement of P&L:-		
Balance as per beginning of the Year	159.69	110.52
Profit for the year	205.82	61.46
Less: Transfer to Special Reserve Fund (as per RBI)	41.16	12.29
	324.34	159.69
Total	415.43	209.61



3 Long Term Borrowings

Secured Loans:

From Bank

ICICI Bank Car Loan(TAIGUN)*	8.22	13.50
AU SFB Term Loan**	287.50	404.17
SBI- Term Loan***	594.38	441.30
City Union Bank OD-063021	0.00	68.79
AU SFB OD	0.00	2.73

* ICICI Bank Car Loan(TAIGUN) :

Loan was sanctioned on Oct 2023 with a tenure period of 60 months, having installment of Rs. 29,499/- with Interest rate @ 8.15% Secured by Car.

**AU SFB Term Loan :

1) AU SFB Term Loan was sanctioned with a tenure period of 36 months, having installments of Rs. 16,66,667/- with Interest rate @ 13.75% secured by Hypothecation on receivables.

2) AU SFB Term Loan was sanctioned with a tenure period of 24 months, having installments of Rs. 12,50,000/- with Interest rate @ 13.25% secured by Hypothecation on receivables.

***SBI- Term Loan:

Term Loan 1:- was sanctioned on June 2022 with a tenure period of 60 equal monthly installment of Rs. 8,33,333/- with interest rate @ 9.85 % p.a. Loan having Primary Security of hypothecation on receivables and Collateral Security on Property

Guaranted by: Directors of the company

Term Loan 2:- was sanctioned on July 2023 with a tenure period of 60 equal monthly installment of Rs. 8,33,333/- with interest rate @ 10.90% p.a. Loan having Primary Security of Hypothecation on receivables and Collateral Security on Property.

Guaranted by: Directors of the company

From Non Banking Financial Companies :

Bajaj Fianance Limited	0.00	36.79
AMBIT TL	111.95	58.25
Ambium Finserve Pvt Ltd. TL	137.50	0.00
Grow Money Capital Pvt. Ltd.	0.00	250.00
Hinduja Leyland Finance- TL-	183.35	0.00
IKF Finance Limited	157.14	0.00
Incred Financial Services Limited	29.98	0.00
MAS Financial Service Term Loan	308.33	200.00
Moneywise Financial Services - TL	300.00	0.00
Profectus Capital Private Limited	119.60	0.00
Shriram Finance Limited-TL	538.12	0.00
UC Inclusive Credit Pvt.Ltd.	522.83	500.00

Debenture @ 12.5% (NCD)

700.00 0.00

Tenure of Loans Ranging from 24 to 36 months and ROI 13.5% onwards, guaranteed by Ramakant Bhala and Harsh Bhala

3998.92 1975.53

Unsecured Loans:

From Director, Shareholders and their relatives

Harsh Bhala	13.93	22.28
Harsh Bhala HUF	20.00	0.00
Ramakant Bhala HUF	939.75	1177.00
Nikita Saboo	12.40	32.30
Ramakant Bhala	8.25	378.25
Sakshi Bhala	34.85	54.00
Others	0.00	103.00

From Inter Corporate Loan

Ram Earth Moovers Pvt Ltd. 75.00 0.00

1104.18 1766.83

Total 5103.10 2866.73

4 Short Term Borrowings

Current Maturities of Long Term Borrowings:

From Bank

ICICI Bank Car Loan(TAIGUN)	2.75	2.53
AU SFB Term Loan	354.17	269.39
SBI Term Loan	200.20	100.00
City Union Bank-O/D 063021	97.01	68.79



From Non Bank		
AMBIT Term Loan	172.06	58.25
Ambium Finserve Pvt Ltd. -TL	150.00	0.00
Grow Money Capital Pvt. Ltd.	134.76	115.24
Hinduja Leyland Finance- TL-	108.32	0.00
IKF Finance Limited	85.71	0.00
Incred Financial Services Limited	176.33	0.00
MAS Financial Services Term Loan	550.00	100.00
Moneywise Financial Services - TL	200.00	0.00
Profectus Capital Private Limited	229.20	0.00
Shriram Finance Limited-TL	221.71	0.00
UC Inclusive Credit Pvt. Ltd.	275.88	161.43
	2958.10	875.64
5 Trade Payables - Due		
To MSME Payables	-	-
(No MSME Loan with Company)		
To Others Payables		
Less than 6 Months	150.37	182.03
6 Months to 1 year	0.00	0.00
1 year to 2 year	0.00	0.00
2 years to 3 years	0.00	0.00
More than 3 years	0.00	0.00
Total (A)	-	-
Total (B)	150.37	182.03
Total (A+B)	150.37	182.03
<i>*There are no disputed or unbilled balances to MSME and Others as reported the management.</i>		
6 Other Current Liabilities		
Statutory Liabilities (TDS)	29.39	25.23
Director's Remuneration Payable	3.60	2.25
Salary Payable	21.11	10.64
GST Payable	1.29	0.21
Security Deposits	123.41	117.64
Accrued Interest Loan Liability	6.60	1.18
Payable to Parties/ Expenses Payble	6.55	10.58
	191.95	167.72
7 Short Term Provision		
Audit Fee Payable	0.85	0.65
Provision for Standard Assets	25.18	12.35
Provision for Sub Standard Assets & Doubtful Assets	46.97	29.67
Provision for Taxation	72.45	20.58
	145.45	63.24
8 Property, Plant & Equipment		
(i) Tangible	108.24	115.80
(ii) Intangible	2.90	1.12
	111.14	116.92
9 Non Current Investments		
Accrued Interest on FDR	3.36	0.21
Fixed Deposit		
FD in Banks	220.72	3.50
Shriram Finance FD	6.00	0.00
	230.08	3.72
10 Long Term Loans & Advances- Financing Activity		
Secured by way of mortgage of Movable/Immovable /Hypothecated assets		
Loans and Advances (Mortgaged)	7254.49	3427.46
	7254.49	3427.46
11 DTA calculation as per AS-22 of ICAI		
Closing Balance as per books	111.14	116.92
Closing Balance as per IT books	114.68	121.08
Difference	3.54	4.16
Provision for Standard & Sub Standard Assets (A)	30.13	5.73
Allowed Provision for Standard & Sub Standard Assets (5% of GTI as per IT Act)(B)	14.39	4.30
Provision of Standard Assets & Sub Standard Assets (DTA)[C(A-B)]	15.73	1.42
Total Timing Difference	19.27	5.58
DTA as on 31.3.2024	5.01	1.45
Opening Balance of (DTA)/DTL	1.45	2.57
DTA Reversed/(created) during the year	3.56	(1.12)
Closing Balance of DTA	5.02	1.45
12 Cash & Cash Equivalents		
Balances with Banks	452.60	154.22
Cash balance	2.48	3.87
	455.08	158.09



BHALA FINANCE PRIVATE LIMITED

6B, 4TH FLOOR, MAIN UPASANA PLAZA, C-SCHEME, JAIPUR-302001

CIN: U65992RJ2015PTC046989 E-MAIL: info@bhalafinance.com CONTACT: 0141-2371137

Note No.8

PARTICULARS OF DEPRECIATION ALLOWABLE AS PER SCHEDULE II OF COMPANIES ACT, 2013 AS AT 31-03-2024
(Rs. in Lakhs)

S.No.	Name of Assets	GROSS BLOCK				DEPRECIATION				WDV	WDV
		Balance as on 01-04-2023	Addition	Deletion	Balance as on 31.03.2024	Upto 01.04.2023	During 2023-24	Deductions	Up to 31.03.2024	As On 31.3.2023	As On 31.03.2024
1	Tangible Assets										
	Air Conditioner	2.77	0.00	-	2.77	2.51	0.07	0.00	2.59	0.26	0.18
2	Computer & Accessories	6.10	8.03	-	14.13	4.41	4.16	0.00	8.57	1.69	5.56
3	Mobile	2.40	0.02	-	2.42	1.85	0.31	0.00	2.16	0.54	0.26
4	Furniture and fittings	14.09	1.10	-	15.18	10.51	1.07	0.00	11.58	3.58	3.61
5	Electrical Installation & Equipment	1.05	0.00	-	1.05	0.91	0.04	0.00	0.94	0.14	0.10
6	Motor Car	80.72	0.00	-	80.72	59.43	6.65	0.00	66.08	21.29	14.64
7	Office Building	68.80	0.00	-	68.80	20.01	2.38	0.00	22.39	48.79	46.41
8	Office Equipment	3.83	0.00	-	3.83	3.42	0.13	0.00	3.55	0.41	0.28
9	Office No.305 at GT	43.74	0.00	-	43.74	4.64	1.90	0.00	6.55	39.10	37.19
	Total of Tangible Assets(A)	223.49	9.15	-	232.64	107.69	16.71	0.00	124.40	115.80	108.24
	Intangible Assets										
10	Software	2.13	2.44	-	4.57	1.05	0.65	0.00	1.70	1.08	2.87
11	Website	0.26	0.00	-	0.26	0.22	0.01	0.00	0.23	0.04	0.03
	Total of Intangible Assets(B)	2.39	2.44	0.00	4.83	1.27	0.66	0.00	1.93	1.12	2.90
	Gross Total (A)+(B)	225.88	11.59	-	237.47	108.96	17.37	0.00	126.33	116.92	111.14



13	Short Term Loans & Advances-Financing Activity		
	Secured-by way of mortgage of Movable/Immovable /Hypothecated assets	2963.69	1594.75
		2963.69	1594.75
14	Other Current Assets		
	Accrued Interest On Loans and Advances	98.57	38.00
	Prepaid insurance	0.96	0.60
	TDS F.Y 23-24	17.21	0.00
	TDS (Previous Years)	1.31	20.83
	Advance tax	11.00	0.00
	Other Current Assets	15.84	3.16
		144.90	62.58
		For the Year 2023-24	For the Year 2022-23
15	Revenue from Operations		
	Interest Income	1340.55	562.30
	Processing Fees	131.22	47.76
		1471.77	610.06
16	Other Income		
	Interest on FDR	6.06	0.21
	Rent Income	0.34	2.34
	Other Income	5.09	3.86
	Interest on Income Tax Refund	0.00	0.09
		11.50	6.51
17	Employee Benefit Expenses		
	Salary to Employees	235.86	77.23
	Director's Remuneration	36.00	14.00
		271.86	91.23
18	Finance Cost		
	Interest on Loan	647.56	317.94
	Processing Fees/Bank Charges	74.50	24.84
		722.06	342.78
20	Provision for Standard		
	Opening balance of NPA Provision on Standard Assets	12.35	8.26
	Provision Created During the year	12.83	4.08
	Closing Balance	25.18	12.35
	Provision for Sub Standard & Doubtful Assets		
	Opening balance of NPA Provision on Sub Standard & Doubtful Assets	29.67	28.03
	Provision Created During the year	17.30	1.64
	Closing Balance	46.97	29.67
	Total Provision made during the year	30.13	5.73
21	Other Expenses		
	Audit Fees	0.85	0.65
	Insurance	0.33	1.27
	Commission Expenses	17.00	7.62
	Telephone Expenses	0.96	0.45
	Legal Expenses	1.95	1.84
	Electricity Expenses	2.59	1.77
	Staff Welfare	11.96	0.68
	Business Promotion	0.69	0.10
	Bad Debts W/off	27.75	20.30
	Office Expenses	18.82	1.92
	Printing & Stationery	5.65	3.43
	Petrol Expenses	8.20	3.84
	Vehicle Repair & Maintenance	1.94	1.53
	Miscellaneous Expenses	2.77	0.38
	CIBIL Expense & Cersai Expenses	0.84	0.65
	Traveling expenses	8.97	4.52
	Rent Expense	20.51	7.75
	Professional fees	30.94	21.53
	Interest on TDS	0.04	0.03
	Sundry Expenses	0.87	0.00
	Office Maintainance Charges	2.50	0.00
	Donation	1.00	0.00
		167.13	80.30
		For the year ending March 31, 2024	For the year ending March 31, 2023
22	Earnings Per Equity Share		
	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	205.82	61.46
	Weighted Average number of equity Shares used as denominator for calculating EPS	159.26	77.06
	Basic Earnings per share	1.29	0.80
	Diluted Earnings Per Share	1.29	0.80
	Face Value per equity Share	10.00	10.00



23 **Key Management Personnel**

1. Ramakant Bhala
2. Harsh Bhala
3. Nikita Saboo
4. Snhe Lata Bhala

Other Related Party Disclosure & Transaction

1. Ramakant Bhala HUF
2. Sakshi Bhala
3. Purti Bhala
4. Harsh Bhala HUF

<u>Related Party Transactions</u>	For the year ending March 31, 2024	For the year ending March 31, 2023
a) Directors Remuneration		
1. Ramakant Bhala	6.00	1.00
2. Harsh Bhala	6.00	6.00
3. Snhe Lata Bhala	12.00	1.00
4. Nikita Saboo	12.00	0.00
b) Interest Paid		
Key Management Personnel		
1. Ramakant Bhala	2.72	17.64
2. Nikita Saboo	2.93	4.62
3. Snhe Lata Bhala	3.60	16.17
Other Related Party Disclosure & Transaction		
1. Ramakant Bhala HUF	117.74	137.20
2. Sakshi Bhala	4.33	5.41
3. Purti Bhala	0.00	0.99
4. Harsh Bhala HUF	0.45	0.00
c) Outstanding Unsecured Loans		
Key Management Personnel		
1. Ramakant Bhala	8.25	378.25
2. Harsh Bhala	13.93	22.28
3. Nikita Saboo	12.40	32.30
4. Snhe Lata Bhala	0.00	92.00
Other Related Party Disclosure & Transaction		
1. Ramakant Bhala HUF	939.75	1177.00
2. Sakshi Bhala	34.85	54.00
3. Purti Bhala	0.00	11.00
4. Harsh Bhala HUF	20.00	0.00

24 **Other Explanatory Notes**

- (a) Previous year figures are rearrange, recasted or regrouped , wherever considered necessary.
- (b) The Company is having thirty five parties of Rs 1.46 Crore as NPA and has Pending Litigations against parties.
- (c) Working Capital/Borrowings: Where the company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following :-
 Monthly Returns or Statements of current assets has been duly filed by the Company with banks or financial institutions are in agreement with the books of accounts:- (Yes)
 ii) If not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed. (Not applicable)

25 **Other Disclosures**

- (i) **Title deeds of Immovable Properties are held in name of the Company**
 Title deeds of immovable properties are held in the name of company
- (ii) **Revaluation of PPE and Intangible Assets**
 The Company has not revalued its Property Plant and Equipment and Intangible Asstes during the year
- (iii) **Loans and Advances to Directors or KMP**
 The company did not grant any loans or Advances to the director or KMP or any other related party during the year ended 31.03.2024
- (iv) **CWIP**
 The company does not have any Capital Work In Progress as on the year ended on 31.03.2024
- (v) **Intangible assets**
 The Company does not have any Intangible assets which are under Development.
- (vi) **Details of Benami Property held**
 There are no proceedings which have been initiated or are pending against the Company for holding Benami poperty under Benami transactions (prohibition) Act, 1988 (45 of 1988)(as amended in 2016) and rules made thereunder.
- (vii) **Borrowings**
 There are borrowings from Banks or Financials Institutions on the basis of security of assets and quarterly returns or statements of current asset filed by the company with banks or financial institutions are in agreement with books of accounts.



(viii) Wilful Defaulter

The Company is not declared wilful defaulter by any Bank or Financial Institution or Other lender

(ix) Relationship with Struck off Companies

The Company does not have any transactions with Companies Struck Off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(x) Registration of charges or satisfaction with Registrar of Companies

All charges or satisfaction are registered with Registrar Of Companies.

(xi) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(xii) Compliance with approved Scheme(s) of Arrangements

The Company does not account any schemes in its books of accounts which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(xiii) Utilisation of Borrowed funds and share premium

a) The Company does not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise).

(xiv) Undisclosed income

There are no such transactions which are not recorded in the books of accounts earlier and have been surrendered or disclosed as income during in the tax assessments under the income Tax Act, 196 (43 of 1961).

(xv) Corporate Social Responsibility (CSR)

The Company is not covered under Section 135 of Companies Act, 2013 accordingly the provision of CSR is not applicable to the Company.

(xvi) Details of Crypto Currency or Virtual Currency

The Company has not traded in any Crypto Currency or Virtual Currency during the FY 2023-24.

(xvii) Contingent Liabilities

There are no Contingent Liabilities with the Company.



(xviii) Analytical Ratios


Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.034	1.409	-27%	Increase in short term borrowings than short term Loan & Advances.
Debt Equity Ratio	Debt	Net Worth	3.082	3.094	0%	
Debt Service Coverage Ratio	Net profit	Interest + Principal Repayment	0.041	0.026	57%	DSCR has improved due to increase in Profits
Return on Equity Ratio	Net Income	Shareholder's Equity	7.87%	5.08%	55%	ROE has improved due to increase in profit
Inventory Turnover Ratio	Average Inventory	Net Sales	Not Applicable	Not Applicable	NIL	
Trade Receivable Turnover Ratio	Net Credit sales	Average Trade Receivables	Not Applicable	Not Applicable	NIL	
Trade Payable Turnover Ratio	Net Credit purchases	Average Trade Payables	Not Applicable	Not Applicable	NIL	
Net Working Capital Turnover Ratio	Net Sales	Working Capital	12.493	1.158	979%	Decrease in Current Assets and increase in current liability during the year
Net Profit Ratio	Net Profit	Net Sales	13.98%	10.07%	39%	Increase in profit
Return on Capital Employed	Earning before interest, Tax, Exceptional Items and other comprehensive	Capital Employed (Total Assets- Current Liability)	13.01%	10.39%	25%	Increase in profit
Return on Investment	Profit after Tax	Total Assets	1.84%	1.15%	61%	Increase in profit

FOR RAJVANSHI & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Reg. No:005069C



 (VIKAS RAJVANSHI)
 PARTNER


M. No.: 073670
 PLACE : JAIPUR
 DATE : 20.05.2024




 (RAMAKANT BHALA)
 DIRECTOR & COMPANY
 SECRETARY
 DIN:06930482

For BHALA FINANCE PRIVATE LIMITED


 (HARSH BHALA)
 DIRECTOR
 DIN:06930304


 (SNHELATA BHALA)
 DIRECTOR
 DIN:06930616

BHALA FINANCE PRIVATE LIMITED

6B, 4TH FLOOR, MAN UPASANA PLAZA, C-SCHEME, JAIPUR
CIN: U65992RJ2015PTC046989 E-MAIL: info@bhalafinance.com CONTACT: 0141-2371137

➤ SIGNIFICANT ACCOUNTING POLICIES NOTE NO. A

➤ CORPORATE INFORMATION

Bhala Finance Private Limited (the Company) is a private limited company domiciled in India and incorporated on 30th, January 2015 under the provisions of the Companies Act, 2013. The Company provides finance and other loans. The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs. The registration details are as follows:

Corporate Identification No. (CIN) U65992RJ2015PTC046989 AND RBI license No. B.10.00234

I. Basis of preparation of Financial Statement:

a. Basic of Accounting & Preparations:

The Company is a registered NBFC and following the prudential norms of Reserve Bank of India regarding income recognition and provisioning requirements. These financial statements of the Company are prepared under the historical cost convention and in accordance with the accepted accounting standards. Accounting policies are not changed without a reasonable cause and have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Although these estimates are based upon management best knowledge of current event & actions, accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to accounts to Financial Statements.

b. Revenue Recognition:

- a) The company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis as a going concern and duly complied AS-9.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- c) Finance Charges or Hire Purchase advances and lease rentals on equipment leasing are recognized on accrual basis to the extent installments fallen due for payments under agreement with the respective parties.
- d) Revenue Recognition in respect of assets, which have been identified as NPA, has been based on NBFC Prudential Norms Direction, 1998 & updated directions as laid down by RBI.
- e) Other income is mainly accounted on accrual basis, except dividend which is recorded on Receipt basis.

c. Property, Plant & Equipment:

Fixed assets are stated at their original cost less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their location and working condition and includes all expenses incurred up to the date of commercial utilization.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.



BHALA FINANCE PRIVATE LIMITED

6B, 4TH FLOOR, MAN UPASANA PLAZA, C-SCHEME, JAIPUR
CIN: U65992RJ2015PTC046989 E-MAIL:info@bhalafinance.com CONTACT: 0141-2371137

Depreciation on fixed assets is provided to the extent of Depreciable amount on Written Down Value Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Salvage Value of the assets has been taken @ 5% of Original Cost as prescribed in Schedule II.

d. Borrowing Cost:

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds. Borrowing Cost attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Statement of Profit & Loss. However, there is no borrowing cost during the year.

e. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of notes. Contingent assets are neither recognized nor disclosed in the financial statements.

II. Investments:

The Investment is stated at cost as per AS-13. Carrying amount of each current investment is lower of cost or Net realizable value. Long term investment is usually valued at cost.

III. Earnings Per Share:

The Company reports basic Earnings per Share (EPS) in accordance with Accounting Standard - 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

IV. Current Assets, Loan & Advances & Deferred Revenue Expenditure:

In the opinion of the board Current Assets, Loans and Advances are approximate of the value as stated in Balance sheet, if realized in the ordinary course of business and provision of all known liabilities have been made.

V. Provisioning norms as per RBI:

Provisioning norms as per RBI are:

For Loss Assets- 100% of Outstanding balances

For Doubtful Assets -100% if advances are not covered by realizable value of security and for secured portion if remains in doubtful category upto 1 year- 20%, 1-3 years-30%, more than 3 years- 50%

For Sub-Standard Assets-

As per regulatory framework of NBFC issued by Reserve Bank of India the company follows provision requirements for sub-standard assets @ 10%.

For Standard Assets-

As per regulatory framework of NBFC issued by Reserve Bank of India the company follows provision requirements for standard assets. The compliance to the norm will be phased in as 0.25%.



BHALA FINANCE PRIVATE LIMITED

6B, 4TH FLOOR, MAN UPASANA PLAZA, C-SCHEME, JAIPUR

CIN: U65992RJ2015PTC046989 E-MAIL:info@bhalafinance.com CONTACT: 0141-2371137

VI. Receivables under Financing Activity:

- The Company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets and delinquent assets not yet NPAs as considered necessary including by accelerating provision to an early stage, emerging trends and estimates. However, the Company ensures that the said provisions are not lower than the provisions stipulated in the applicable Reserve Bank of India (RBI) Regulations/Guidelines.
- A general provision, as required by RBI Regulations, is also made by the Company on the standard assets outstanding at year end.
- If amount is not recoverable then receivables are written off after approval of the board.

VII. Taxes on Income:

Tax Expense comprises of Current Tax 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 and tax laws prevailing in the respective jurisdiction where the company operates. In accordance with AS- 22 "Accounting on Taxes on Income", the Company has recognized the Deferred Tax Liability prior to adoption of the standard is to be recognized with a corresponding credit/ change to the revenue reserves and computed as if the standard has been applied from the beginning.

VIII. Segment Reporting:

The company is a one segment Company in the business of NBFC.

IX. Impairment of Assets:

An Asset is considered as impaired in accordance with AS 28 on impairment of assets when at Balance Sheet date there are indication of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e., the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit & Loss.

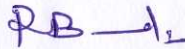
For RAJVANSHI & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Regn. No. 005069C)

For BHALA FINANCE PRIVATE LIMITED

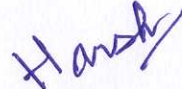


VIKAS RAJVANSHI
PARTNER

M.NO. 073670
PLACE: JAIPUR
DATE: 20.05.2024



RAMAKANT BHALA
DIRECTOR & COMPANY
SECRETARY
DIN: 06930482



HARSH BHALA
DIRECTOR

DIN: 06930304



SNHELATA BHALA
DIRECTOR

DIN: 06930616

