



Composition of the Board:	PADAM J CHALLANI, Managing Director
	SWAPNA PAWAN KOCHAR Woman Director
	RAMESHKUMAR MALLELA Independent Director
	Mr. SELVAMANI GOWRISHANKARAN Independent Director (from 09 th Aug 2024)
	RADHAKRISHNAN PREMKUMAR Independent Director (Upto 09 th Aug 2024)
Registered Office:	No.15, New Giri Road, T. Nagar, Chennai-600017, TamilNadu, India. Phone:044-28342111, Fax:044-28341280 Email: info@challanicapital.com Website: www.challanicapital.com
Company Secretary	V. Sundar
Auditors:	M/s. RSM & ASSOCIATES, Chartered Accountant Firm Reg.No.:002813S Membership No.:205295 No.1,Bharathi Street, West Mambalam, Chennai - 600033, Phone:044-42035545
Bankers/Financial Institutions:	PUNJAB NATIONAL BANK, Mount Road Branch, HDFCBANK, G.N. Chetty Road, T. Nagar, Branch, RBLBANK, G.N. Chetty Road, T.Nagar, Branch,
Share Listed with:	The Bombay Stock Exchange Limited (BSELtd.), Mumbai
Registrars and Share Transfer Agent	M/s. Cameo Corporate Services Limited "SubramanianBuildings",1, Clubhouse Road, Chennai-600002 Phone:044-28460390/94,Fax:044-28460129. E-mail: investor@cameoindia.com



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **Thirty-Fourth** Annual General Meeting of the Members of M/s **CHALLANI CAPITAL LIMITED** (Formerly INDO ASIA FINANCE LIMITED) will be held on Thursday, 19th September 2024 from 11. a.m through Video conferencing / Other Audio Visual Means ("VC/OAVM") Facility to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet, Profit & Loss Account and CashFlow Statement for the year ended 31st March, 2023 and as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint M/s. RSM & Associates, Chartered Accountants, 1, Bharathi Street, West Mambalam, Chennai – 600033. (FRN: 28135) as Statutory auditors of the company who shall hold the office as statutory auditors till the conclusion of Annual General Meeting of the year 2029 on such remuneration as may be decided by the Board.

"RESOLVED THAT pursuant to the provisions of Section 139 (8) of the Companies Act, 2013 and other applicable provisions of the Act, if any, including any statutory modifications, amendments or re-enactments thereof, consent of the Company be and is hereby accorded to appoint M/s. RSM & Associates, Chartered Accountants, 1, Bharathi Street, West Mambalam, Chennai – 600033. (FRN: 0028135) as Statutory auditor of the company who shall hold the office as statutory auditor till the conclusion of Annual General Meeting of the year 2029 on such remuneration as may be decided by the Board."

3. To appoint a Director in place of Ms. Swapna Pawan Kochar (DIN: 02262562), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To Regularise the appointment of Independent Director Mr. Selvamani Gowrishankaran.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and applicable clauses of the Listing Agreement with Bombay Stock Exchange of India Limited, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mr. Selvamani Gowrishankaran (DIN: 09499541), who was appointed as Additional Non-executive Independent Director w.e.f 09th August, 2024 pursuant to the provisions of section



161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent of the Company, who shall hold office for hold office for 5 (Five) consecutive years for a term up to 8th August 2029.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Padam J Challani and Ms. Swapna Pawan Kochar, Directors of the Company and V. Sundar – Company Secretary of the Company be and are hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, Chennai.

5. To consider and approve the re-appointment of Managing Director and to fix his remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 152, 196, 197 and other applicable provisions if any of the Companies Act, 2013 read with the Company (incorporation) rules, 2014, approval of members of the company be and are hereby accorded for the re appointment of Mr. Padam J Challani (DIN:00052216) as Managing Director without remuneration for a further period of one year with effect from 1st April 2024.

**By Order of the Board
For Challani Capital Limited**

Date : 09.08.2024
Place: Chennai

**Padam J Challani
Managing Director
DIN:00052216**



NOTES

1. At the ensuing Annual General Meeting Mrs. Swapna Pawan Kochar retire by rotation and being eligible, offer herself for re-appointment.
2. Details of Director seeking reappointment at the 34th Annual General Meeting in pursuance of provisions of the Companies Act, 2013 & Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are given as an Annexure to the Notice.
3. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 34th AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 34th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Corporate members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (pdf/jpeg format) authorizing their representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Company by email from its registered email address to info@challanicapital.com
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 ("the Act") and Register of Contracts or Arrangements in which directors are interested maintained under section 189 of the Act will be available electronically for inspection by the members during the time of AGM. However, for easy access, interested stakeholders shall send us a request for the same through email from its registered address to info@challanicapital.com on or before 16th September 2024.
7. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 12th September 2024 through email on info@challanicapital.com. The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
9. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email



addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website <https://www.challanicapital.com>, website of the Stock Exchange i.e. Bombay Stock Exchange Limited at www.bseindia.com and on the website of CDSL i.e. www.e-Votingindia.com.

10. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for a long time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
11. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1 April 2019. In view of the above, Members are advised to dematerialize shares held by the min physical form.

General instructions for accessing and participating in the 34th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.



4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.challanicapital.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation to this Ministry's **General Circular No. 20/2020** dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (i) The voting period begins on 15th September 2024 9:00 AM and ends on 18th September 2024 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 11th September 2024 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.



- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none">1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab.2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.



	<p>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting</p>



demat mode)
login through
their
**Depository
Participants
(DP)**

option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.



- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;info@challanicapital.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@challanicapital.com and



sofia@cameoindia.com.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**

3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

OTHER INSTRUCTIONS:

- I. Shareholders can update their mobile numbers and e-mail IDs (which may be used for sending future communication(s)) by writing to sofia@cameoindia.com
- II. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 11th September 2024 may obtain the login ID and password by sending an email to info@challanicapital.com or sofia@cameoindia.com or helpdesk.e-Voting@cdslindia.com by mentioning their Folio No./DP ID and Client ID No.
- III. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the Meeting.
- IV. Mr. R. Alagar, Company Secretary (CP No. 3913) has been appointed as the Scrutinizer to scrutinize the remote e-voting and e-voting during the meeting in a fair and transparent manner.
- V. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
- VI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at <https://www.Challanicapital.com> and on the website of CDSL at www.e-Voting.india.com immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- VII. Members are requested to address all the correspondences, to the Registrar and Share Transfer Agents, M/s. Cameo Corporation Services Limited, No.1, Subramanian Building, Club House Road, Anna Salai, Chennai, Tamil Nadu - 600002
- VIII. All communication relating to shares may be addressed to the Company at: No.15, New Giri Road, T.Nagar, Chennai – 600017.
- IX. The Register of Members and Share Transfer Books of the Company will remain closed from 12th



September 2024 to 19th September 2024 (both days inclusive).

E voting cutoff date : 11.09.2024

Remote E voting starts : 15.09.2024, 9.00 A.M.

Remote E voting ends : 18.09.2024, 5.00 P.M.

1. Brief resume of Director proposed to be appointed / re-appointed as required under the Listing Agreement with the Stock Exchanges is given below:

Name	Mrs. Swapna Pawan Kochar	Mr. Selvamani Gowrishankaran
Director Identification number (DIN)	02262562	09499541
Date of Birth & Age	30/12/1982 (42 years)	05/05/1987 (37 years)
Nationality	Indian	Indian
Date of Appointment on the Board	04/03/2016	09/08/2024
Qualifications	B.Com	C.A
Expertise in functional area	Accounting and Finance	Accounting, Finance & Taxation
No. of Shares held	NIL	NIL
Number of Directorship held In other Companies as on date	5	1
Chairman/Member of the Committees of the Board of other Companies in which he is Director as on date	-	-
PAN	AFEPJ8714M	AQVPG9002H

**By Order of the Board
For Challani Capital Limited**

**Date: 09.08.2024
Place : Chennai**

**Padam J Challani
Managing Director
DIN-00052216**



Explanatory Statement:

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4 – To Regularise the Appointment of Mr. Selvamani Gowrishankaran as non executive Independent Director.

Being a Listed Company, it was required to appoint an Independent Director to satisfy the statutory requirement that arose on the resignation of Mr. Premkumar Radhakrishnan (Non-Executive Independent Director). Mr. Selvamani Gowrishankaran (DIN: 09499541), being eligible and offered himself for an appointment, his candidature was considered for appointment as additional director in Independent Director Category of the Company, recommended by the Nomination and Remuneration Committee he was appointed as additional director in Independent Director Category on 09th August, 2024 for a period of 5 years and to hold office upto this ensuing General Meeting. Further Mr. Selvamani Gowrishankaran is being proposed to be appointed as Non-Executive Independent Director, for which the members approval is required in order to regularize the appointment. A brief profile of Mr. Selvamani Gowrishankaran is given below.

Mr.Selvamani Gowrishankaran is a Qualified Chartered Accountant, Cost Accountant and Company Secretary having expertise in the field of Finance, Taxation and costing matters, Banking audits, business planning, Due diligence, business development, treasury, capital raising, business structuring, investor relations, commercial, people development and strategic planning, corporate negotiations, financial control.

His functional expertise is in the areas of

IFRS & Ind AS, Valuation, Business modeling and M& A

Internal Audit,

He handled concurrent audits of Nationalised Banks

Visiting faculty of CMA Institute

His association with the Company will undoubtedly prove to be an advantage to our organization.

No Director, Key Managerial Personnel or their relatives except Mr. Selvamani Gowrishankaran to whom the resolution relates, is interested or concerned in the resolution. Your Directors recommend the above resolution for approval of members..

None of the directors, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no. 4.

Item No.5 - APPOINTMENT OF MANAGING DIRECTOR

The appointment of Mr. Padam J Challani ,Managing Director of the Company (DIN: 00052216) is due for renewal as on 31st March 2024. Mr. Padam J Challani informed his willingness to extend his services on same terms and conditions. The recommendation of Nomination and Remuneration Committee was also considered by Board.The Board considers that his



association would be of immense benefit to the Company and it is desirable to avail his service as Managing Director. Accordingly, the Board recommends the resolution No. 5 in relation to re- appointment of Shri Padam J Challani as Managing Director for a further period of one year with effect from 1st April 2024 without remuneration and on the terms and conditions as agreed between Shri. Padam J Challani and the Company, for the approval by the shareholders of the Company vide special resolution.

None of the directors except Mr. Padam J challani and Ms. Swapna Pawan Kochar, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no. 3.

A brief profile of the Director is given in the notes above.

By Order of the Board
For Challani Capital Limited

Place: Chennai
Date : 09.08.2024

Padam J Challani
Managing Director
DIN-00052216



DIRECTORS' R EPORT

To the Members,

The Directors have great pleasure in presenting their 34th Annual Report along with the audited financial statements for the financial year ended 31st March, 2024.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2024 are summarized below:

Sl.No.	Particulars	Current FY ended	Previous FY ended
		31st March, 2024	31st March, 2023
		INR in Lakhs	INR in Lakhs
(i)	Revenue from operations (net)	119.33	87.57
(ii)	Other Income	-	44.46
(iii)	Total Income	119.33	132.03
(iv)	Operating Expenditure	68.27	61.70
(v)	Profit before Interest, Depreciation and Amortization and Tax	51.06	70.33
(vi)	Finance Costs (net)	-	-
(vii)	Depreciation and Amortization	0.40	1.10
(viii)	Profit / (Loss) before exceptional items and tax	50.66	69.23
(ix)	Exceptional items	-	41.85
(x)	Profit before Taxes	50.66	111.08
(xi)	Tax Expenses		
	a) Current Tax	-	-
	b) Deferred Tax	-	-
(xii)	Net Profit (or) Loss for the Year	50.66	111.08
(xiii)	Balance Brought Forward from Previous Year	(1308.39)	(1419.47)
(e)	Balance carried to Balance Sheet	(1290.08)	(1308.39)

PERFORMANCE OF THE COMPANY

During the year, your Company registered a total income of ₹119.33 Lakhs against that of the previous year ₹ 132.03 Lakhs. Your Company registered a Net Profit after Tax of ₹ 50.66 Lakhs as compared to previous year Net profit of ₹ 111.08 Lakhs.



DIVIDEND

The Directors have not recommended any Dividend for the period ended 31.03.2024.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve during the Financial Year.

CAPITAL STRUCTURE

There was no change in the Authorized Share Capital of the Company during the year.

The Authorized Share Capital of the Company is Rs. 15,51,00,000/- (Rupees Fifteen Crores and Fifty One Lakh only) divided into 1,55,10,000 (One Crore Fifty Five Lakh and Ten Thousand Only) Equity Shares of Rs. 10/- (Rupee Ten) each.

CHANGE OF NMAE OF COMPANY

During the year the name of the company has been changed from M/s. Indo Asia Finance Limited to M/s. Challani Capital Limited effective from 03rd August 2023.

DEPOSITS

Your Company has been converted to Category B, i.e. Non-Deposit accepting Company in accordance with the RBI regulations and hence does not accept deposits.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your directors wish to present the details of Business operations done during the year under review:

a. **Business Operations and Profitability:** The Company is a Non-Banking Finance Company listed on BSE Ltd. The Company was able to maintain its revenue targets.

b. **Sales of Services:** The company is covered under the category of Loan Company within the broad category of Non Deposit accepting Non-Banking Finance Company. The target sector of the Company is Small business and middle class households. Accordingly main products offered by the company are Secured Loan against property, Commercial Vehicle and Gold Loans besides sales and purchase factoring.

c. **Marketing and Market environment:** The Company is carrying on its business activities on medium scale and therefore huge and extensive marketing strategies are not adopted by the company. The company has adopted small scale business marketing strategies. The company is carrying on business of providing finance and there is huge competition in the market in this type of business sector.

d. **Future Prospects including constraints affecting due to Government policies:** The Company is putting in extensive efforts to enhance its customer base. The company is expecting more revenue in upcoming years. There are no specific industrial or Government policies which restrict the business or growth of the company.



MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED SINCE 31.03.2024 TILL THE DATE OF THIS REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of Section 135 of the Companies Act, 2013 do not apply to our Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SEC.186

The company did not give any Loan or Guarantee or provided any security or make investment covered under Section 186 of the Companies Act, 2013 during the year.

AUDITORS

Statutory Auditors

During the year, M/s Kannan Associates (FRN No:001736S) resigned as auditor on 02nd Nov 2023 and M/s. RSM & Associates, Chartered Accountants (FRN 002813S) were appointed as the statutory auditors of the company effective from 20th Dec 2023 to fill the casual vacancy till the Annual General meeting. It is recommended to appoint them as statutory auditors for a period of 5 years from the AGM of 2024 till the conclusion of the AGM to be held in 2029 for the financial year ending 31st March 2029 as per the terms mutually agreed subject to the approval of the members.

Secretarial Auditor:

Mr. R. Alagar Practicing Company Secretary having COP: 3913 was appointed to conduct the Secretarial audit of the Company for the financial year 31st March, 2024, as required under Section 204 of the Companies Act, 2013 and Rules there under. The Secretarial Audit Report for the Financial Year 2024 forms part of the Annual Report and is enclosed in **Annexure – I**.

AUDITORS REPORT STATUTORY AUDITOR

The Statutory Auditor's report is self-explanatory in nature. There is no audit qualification, reservation or adverse remarks for the year under review.



SECRETARIAL AUDITOR

Your Company believes in best investor relation practices. Hence, Management of the Company ensures to be more careful /proactive and dedicated in all of the compliances including SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Observations:

- a) 99.76% of promoters' shareholding is in dematerialization form and still 0.24% of the shares are in physical form.
- b) Pursuant to Section 134 (1) of the Companies Act, 2013, Financial Statements of the Company for the Financial year 2022-2023 was not signed by Company Secretary and Chief Financial Officer of the Company.
- c) Few forms were filed with delay to the Ministry of Corporate affairs.
- d) During the financial year 2022-23, the Company had received email from the Bombay Stock Exchange Limited (BSE) pursuant to the Regulations 19(1) and 42(2) of SEBI (LODR) for the penalties levied on the Company amounting to Rs.2,12,400 /- and Rs.10,000/- respectively. As informed by the management, the Company has applied for waiver to the Stock Exchange for Rs. 2,12,400 as the Regulation of 19(1) is substantially complied and paid penalty of Rs. 10,000/- however, the Regulation 42(2) of SEBI (LODR) was complied, except the intimation was not in particular category to the Stock Exchange.

Reply to the Observation

- a) Only 0.24% amounting to 26,800 shares from the total of 52,13,460 Promoters shares are not dematerialized due to some procedural reasons and the same is in progress.
- b) This was not done due to health related issues of the concerned individuals on the date of the financial statements. The Company has ensured that this is adhered to going forward.
- c) The Company faced some technical issues previously with the filing of forms and is taking all steps to ensure that there is no delay in future.
- d) The Company has taken steps to ensure strict compliance with the SEBI (LODR) in future.

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished is available on the website of the Company at <https://www.challanicapital.com/>

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished herewith as **Annexure – II** as well as available on the website of the Company at <https://www.challanicapital.com/>



RELATED PARTY TRANSACTIONS

Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure – III**.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has held 04 Board meetings during the financial year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- i. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- ii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The directors have prepared the annual accounts on a going concern basis.
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating efficiently.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

No companies have become or ceased to be its subsidiaries, joint ventures or associate companies during the year.

DEPOSITS

Our company is a Non deposit accepting Non-Banking Financial Company, during the year under review the Company has neither accepted nor renewed any deposit during the year under review.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. Mr. Padam J Challani was re-appointed as Managing Director of the Company with effect from 1st April, 2023.
2. Mr. C Madhavan was appointed as Chief Financial Officer of the Company with effect from 23rd May, 2022.



3. Resignation of Ms. Akila Balu as the Company Secretary and Compliance Officer of the Company w.e.f 14th May, 2023.
4. Appointment of Mr. V. Sundar as Company Secretary and Compliance Officer of the Company w.e.f 10th November 2023.
5. Appointment of Mr. Selvamani Gowrishankaran as Additional independent Director w.e.f 09th August 2024.
6. Resignation of Mr. Radhakrishnan Premkumar as Independent Director w.e.f 09th August 2024.

Apart from this, there are no changes in the composition of Board of Directors during the financial year 2023-24.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PARTICULARS OF EMPLOYEES:

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given below

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year.

Name of the Director	Ratio of median remuneration
NIL	

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year: NIL

c. Median remuneration of all the employees of the Company for the Financial Year 2024: 0

d. Percentage increase in the median remuneration of employees in the financial year ended on 31.03.2024:

There was an increase of nil in the median remuneration of employees in the financial year ended on 31.03.2024.

There were 3 permanent employees on the rolls of Company as on 31.3.2024.



e. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increases in the salaries of employees other than the managerial personnel : NIL

Average percentile increases in the salaries of the managerial personnel: NA

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid to the managing/whole-time Directors and other executives/employees of the Company is as per the remuneration policy of the Company.

None of the other employee is in respect of remuneration exceeding Rs. 850000/- P.M or 10200000 P.A as prescribed under sub-rule 2 of Rule 5 of Companies (Appointment and Remuneration) Rules, 2014

EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an annual performance evaluation of the performance of the Board, the Directors individually as well as the evaluation of the working of the Board Committees was carried out based on the criteria and framework adopted by the Board.

The Independent Directors evaluation was done with main focus on their adherence to the Corporate Governance practices and their efficiency in monitoring the same. They are also being evaluated on various parameters viz., active participation in strategic planning, fiduciary responsibilities, participation in Board and Committee meetings, etc. The performance evaluation of the Non-Independent Directors was carried out by the entire Board of Directors (excluding the Director being evaluated) and they have expressed their satisfaction with the evaluation process which considered their commitment and the exercise of their responsibilities in the best interest of the Company. The Board approved the evaluation results as collated by the Nomination and Remuneration committee.

WHISTLEBLOWER POLICY

The Board has adopted whistleblower mechanism in the company. The policy adopted by the company is available on the website of the Company at <https://www.challanicapital.com/>

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

During the period from 01st April, 2023 to 31st March, 2024 - Four Board Meetings were convened and held, the details of which are given below.



Date of Board Meeting	Names of Directors who attended the meeting
14 th May, 2023	Padam J Challani, Radhakrishnan Premkumar, Rameshkumar Mallela, Swapna P Kochar
14 th August, 2023	Padam J Challani, Radhakrishnan Premkumar, Rameshkumar Mallela, Swapna P Kochar
10 th November, 2023	Padam J Challani, Radhakrishnan Premkumar, Rameshkumar Mallela, Swapna P Kochar
09 th February, 2024	Padam J Challani, Radhakrishnan Premkumar, Rameshkumar Mallela, Swapna P Kochar

DETAILS OF COMMITTEES AND THEIR MEETINGS

The Board has three primary committees namely, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The Composition of the primary Committees and their meeting dates are given below:

Name of the Committee	Composition	Details of Meetings held during the year
Audit Committee	Premkumar Radhakrishnan(Chairperson) Rameshkumar Mallela(Member) Padam J Challani(Member)	4 meetings were held during the period on the following dates:- <ul style="list-style-type: none">• 14th May, 2023• 14th August, 2023• 10th November, 2023• 09th February, 2024
Stakeholders' Relationship Committee	Premkumar Radhakrishnan (Chairperson) Rameshkumar Mallela(Member) Padam J Challani(Member) Swapna P Kochar(Member)	1 Meeting were held during the period on the following date:- <ul style="list-style-type: none">• 18th December 2023
Nomination and Remuneration Committee	Premkumar Radhakrishnan (Chairperson) Rameshkumar Mallela (Member) Padam J Challani (Member)	3 Meetings were held during the period on the following dates:- <ul style="list-style-type: none">• 13th May, 2023• 10th August, 2022• 10th November, 2023



SHARES

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has no such cases of sexual harassment at workplace for the FY 2023-24.

CASH FLOW STATEMENT

In conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and requirements of Companies Act, 2013, the Cash flow Statement for the financial year ended 31.03.2024 is annexed here to as a part of the Financial Statements.

DISCLOSURE OF MAINTENANCE OF COST RECORDS

Maintenance of Cost records as specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Managing Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the



Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

CORPORATE GOVERNANCE REPORT

In accordance with Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 Corporate Governance Report forms part of this Annual Report and attached **Annexure IV**.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is enclosed as a part of this report as **Annexure V**.

CORPORATE GOVERNANCE CERTIFICATE

The certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in **Annexure VI** to the report.

ENVIRONMENT PROTECTION AND POLLUTION CONTROL

The Company has always been a socially conscious corporate and has always carried forward all its operations and procedures for environment friendly norms with all necessary clearances.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings. As required in terms of Secretarial Standard (SS)-4, it is hereby confirmed that there is no corporate insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016.

RISK MANAGEMENT POLICY

The Board of Directors of your Company has adopted a Risk Management Policy which details the procedures to be followed by the Company with regard to risk management. The Board evaluates and reviews the risk factors associated with the operations of the Company and recommend to the Board the methods to mitigate the risk and advise from time to time various measures to minimizing the risk and monitor the risk management for the Company.

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, members, customers, bankers, and associates for the continued support given by them to the Company and their confidence reposed in the management.

For and on behalf of the Board

Place: Chennai
Date: 09.08.2024

(Padam J Challani)
Managing Director
(DIN-00052216)

(Swapna Pawan Kochar)
Director
(DIN- 02262562)



Annex I

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

Challani Capital Limited

(Formerly Indo Asia Finance Limited)

[CIN: L65191TN1990PLC019060]

15 New Giri Road

T.Nagar,

Chennai,-600017

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. Challani Capital Limited (hereinafter called "the Company"). I have conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing my opinion there on.

I am issuing this report based on my verification of the books, papers, minutes books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company, during the financial year ended 31st March, 2024 and also after 31st March, 2024 but before the issue of this report and the information provided by the Company, its officers, agents and authorized representatives during my conduct of secretarial audit.

I hereby report that in my opinion, during the audit period covering the financial year ended on 31st March 2024 (hereinafter referred to as "the year"), the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent.

The members are requested to read this report along with my letter of even date annexed to this report as Annexure-A.

1. I have examined the books, papers, minutes books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act), the rules made there under.
- ii. The Companies Act, 1956.
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- iv. The Depositories Act, 1996 and the regulations and bye-laws framed there under.



v. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable during the audit period);

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable during the audit period);

(g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the audit period)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable during the audit period)

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; To the extent applicable

(j) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable for the year under review).

(k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable for the year under review).

2. I am informed that, during the year the Company was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of the following Regulations and Guidelines prescribed under the SEBI Act:

(l) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(m) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



(n) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;

(o) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2021;

3. In my opinion and as identified and informed by the Management, the following law is specifically applicable to the Company.

The Reserve Bank of India Act, 1934 to the extent applicable to a Non- Banking Finance Company not accepting deposits.

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial and labour laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals.

I have relied on the representation made by the company and its officers for the systems and mechanisms formed by the company for compliances under the other applicable Acts, Laws and Regulations as mentioned by the company in its Management Representation letter.

4. i) I have also examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its Equity Shares;

5. During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2024 but before the issue of this report, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable, except for:

a) 99.76% of promoters' shareholding is in dematerialization form and still 0.24% of the shares are in physical form.

b) Pursuant to Section 134 (1) of the Companies Act, 2013, Financial Statements of the Company for the Financial year 2022-2023 was not signed by Company Secretary and Chief Financial Officer of the Company.

c) Few forms were filed with delay to the Ministry of Corporate affairs.

d) During the financial year 2022-23, the Company had received email from the Bombay Stock Exchange Limited (BSE) pursuant to the Regulations 19(1) and 42(2) of SEBI (LODR) for the penalties levied on the Company amounting to Rs.2,12,400 /- and Rs.10,000/- respectively. As informed by the management, the Company has applied for waiver to the Stock Exchange for Rs. 2,12,400 as the Regulation of 19(1) is substantially complied and paid penalty of Rs. 10,000/- however, the Regulation 42(2) of SEBI (LODR) was complied, except the intimation was not in particular category to the Stock Exchange.



6. I further report that:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days in advance

(iii) A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.

(iv) There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(v) The name of the Company was changed to Challani Capital Limited vide Certificate received from MCA dated 03-08-2023.

Place: Chennai
Date: 31-07-2024

Signature:
Name of Company
Secretary: R.Alagar
C.P.No.3913
UDIN -
F004720F000868220
PR No. I2001TN218300



Annexure –II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2023
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHERDETAILS:

1.	CIN	L65191TN1990PLC019060
2.	Registration Date	17/04/1990
3.	Name of the Company	CHALLANI CAPITAL LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares / Non- Govt. Company
5.	Address of the Registered office & contact details	No.15, New Giri Road, T. Nagar, Chennai-600017.
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Cameo Corporate Services Ltd., “ Subramanian Buildings”, 1, Club House Road, Chennai-600002. Ph;91-44-28460390-94, e-mail: investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.no.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Other financial service activities, except insurance and pension funding activities, n.e.c.	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SNo.	Name and address of the Company	CIN/GLN	Holding/subsidiary/associate	% of holding	Applicable Section
	NA				



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2023]				No. of Shares held at the end of the year [As on 31-March-2024]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5213460	26800	5240260	34.94	5213460	26800	5240260	34.94	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	6002009	0	6002009	40.01	6002009	0	6002009	40.01	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1):-	11215469	26800	11242269	74.95	11215469	26800	11242269	74.95	0
(2) Foreign:									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
(b) Other- Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp	0	0	0	0	0	0	0	0	0
(d) Banks/FI	0	0	0	0	0	0	0	0	0
(e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A) (1) + (A) (2)	11215469	26800	11242269	74.95	11215469	26800	11242269	74.95	+4.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0



e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	22847	9600	32447	0.22	21825	9600	31425	0.2095	-0.0068
b) Individuals -									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	702835	455600	1158435	7.7229	715016	446750	1161766	7.7451	+0.0222
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2071442	78600	2150042	14.3336	2061713	78600	2140313	14.2687	-0.0648
c) Others (specify) Escrow account	0	90600	90600	0.6040	0	90600	90600	0.6040	0
Clearing Members	7	0	7	0	7	0	7	0	0
Hindu Undivided Families	322348	0	322348	2.1489	329421	0	329421	2.1961	0.0471
Non Resident Indians	3852	0	3852	0.0256	4206	0	4206	0.0280	0.0023
Sub-total (B)(2):-	3123331	634400	3757731	25.05	3132181	625550	3757731	25.05	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3132931	624800	3757731	25.05	3132931	624800	3757731	25.05	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B)	14338800	661200	15000000	100	14347650	652350	15000000	100	0

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ii). Share Holding of Promoters:

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares
1	SHOBHA PADAM CHALLANI JTI : PADAM J CHALLANI	4554154	30.36	0.0000	4554154	30.36	0.0000
2	SHOBHA PADAM CHALLANI	600000	4.00	0	600000	4.00	0.00
3	SUMTHI A CHALLANI	52061	0.35	0.0000	52061	0.35	0.0000
4	AMARABAI J JTI : JAYANTILAL R J	20700	0.14	0.0000	20700	0.14	0.0000
5	J HEMALATHA . HAVING SAME PAN	7245	0.05	0.0000	7245	0.05	0.0000
6	HEMALATHA J	400	0.00	0.0000	400	0.00	0.0000
7	LALITHA J A JTI : PADAM CHALLANI J	5700	0.04	0.0000	5700	0.04	0.0000
8	M/s SARAVANA GLOBAL HOLDINGS LIMITED	6002009	40.01	0.0000	6002009	40.01	0.0000

iii). Change In Promoters' Shareholding (Please specify, if there is no change): As Mentioned above

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**iv). Shareholding Pattern of top ten Shareholders (other than Directors,
Promoters and Holders of GDRs and ADRs):**

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	AASHISH CHOPRA				
	At the beginning of the year 01-Apr-2023	450000	3.0000	450000	3.0000
	At the end of the Year 30-Mar-2024	450000	3.0000	450000	3.0000
2	NIRMAL BHURATH				
	At the beginning of the year 01-Apr-2023	218000	1.4533	218000	1.4533
	At the end of the Year 30-Mar-2024	218000	1.4533	218000	1.4533
3	PRAKASH CHAND JAIN				
	At the beginning of the year 01-Apr-2023	215600	1.4373	215600	1.4373
	Sale 13-Oct-2023	-2334	0.0155	213266	1.4217
	At the end of the Year 30-Mar-2024	213266	1.4217	213266	1.4217
4	INDU N BHURAT				
	At the beginning of the year 01-Apr-2023	213542	1.4236	213542	1.4236
	At the end of the Year 30-Mar-2024	213542	1.4236	213542	1.4236
5	VISHAL				
	At the beginning of the year 01-Apr-2023	149000	0.9933	149000	0.9933
	At the end of the Year 30-Mar-2024	149000	0.9933	149000	0.9933
6	VIKAS JAIIN HUF				
	At the beginning of the year 01-Apr-2023	146978	0.9798	146978	0.9798
	At the end of the Year 30-Mar-2024	146978	0.9798	146978	0.9798
7	VISHAL JAIN HUF				
	At the beginning of the year 01-Apr-2023	146545	0.9769	146545	0.9769
	At the end of the Year 30-Mar-2024	146545	0.9769	146545	0.9769
8	SAPNAA .				
	At the beginning of the year 01-Apr-2023	141180	0.9412	141180	0.9412
	At the end of the Year 30-Mar-2024	141180	0.9412	141180	0.9412
9	VIKAS BHURAT JAIN				
	At the beginning of the year 01-Apr-2023	138124	0.9208	138124	0.9208
	At the end of the Year 30-Mar-2024	138124	0.9208	138124	0.9208
10	PAWANKUMAR JAIN				
	At the beginning of the year 01-Apr-2023	80600	0.5373	80600	0.5373
	At the end of the Year 30-Mar-2024	80600	0.5373	80600	0.5373



(v) Shareholding of Directors and Key Managerial Personnel:

Name of the DIRECTOR/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the company	No of shares	% of total shares of the company
PADAM J CHALLANI (Joint Holder)				
At the beginning of the year 01-Apr-2022	4554154	30.3610	4554154	30.3610
At the end of the Year 31-Mar-2023	4554154	30.3610	4554154	30.3610

V. INDEBTEDNESS-Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	8,761,616	-	8,761,616
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	8,761,616	-	8,761,616
Change in Indebtedness during the financial year	-			
* Addition	-	-	-	-
* Reduction	-	8,761,616	-	8,761,616
Net Change	-	8,761,616	-	8,761,616
Indebtedness at the end of the financial year	-			
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

B. Remuneration to other Directors

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board / Committee	Salary	Others, please specify	
Independent Directors					
1.	Mr. Premkumar Radhakrishnan	40000	Nil	Nil	40000
2.	Mr. Ramesh Kumar Mallela	40000	Nil	Nil	40000
Total (1)		80000	Nil	Nil	80000
Other Non-Executive Directors					
1.	Nil	Nil	Nil	Nil	Nil
Total (2)		Nil	Nil	Nil	Nil
Total (A) = (1 + 2)		80000	Nil	Nil	80000
Total Managerial remuneration			Nil	Nil	
Overall Ceiling as per the Companies Act, 2013		5,00,000	Nil	Nil	5,00,000

The Overall ceiling limit is calculated as per Sec-197(5) read with Rule-4 of the Companies Act, 2013

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C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

S.No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CS SUNDAR V	CS AKILA BALU	CFD	
1	Gross salary	573264	67500	720000	1360764
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	573264	67500	720000	1360764
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option		NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify		NIL	NIL	NIL
	Total (A)	573264	67500	720000	1360764

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Place: Chennai

(Padam J Challani)

(Swapna Pawan Kochar)

Date: 09.08.2024

Managing Director

Director

(DIN-00052216)

(DIN- 02262562)

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ANNEXURE-III FORM

NO.AOC-2

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

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

1. Details of material contracts or arrangement or transactions not at arm's length basis – **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements / transactions	Duration of the contracts/ arrangements / transactions	Date(s) of approval by the Board, if any:	Amount paid as advances
1. SARAVANA GLOBAL ENERGY LIMITED	Related Party under Sec. 2(76) Of Companies Act, 2013	Factoring	5 years From FY 2022-23 to FY 2026-27	10.08.2022	6,10,23,703

For and on behalf of the Board

Place: Chennai
Date:09.08.2024

(Padam J Challani)
Managing Director
(DIN-00052216)

(Swapna Pawan Kochar)
Director
(DIN- 02262562)



ANNEXURE “4” TO DIRECTORS’ REPORT

REPORT ON CORPORATE GOVERNANCE

(Pursuant to regulation 34(3) and 53(f) of Listing Obligation and Disclosure Regulation, 2015)

COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance. The Company’s activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting the best practices.

The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company’s goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India, while upholding the core values of transparency, integrity, honesty and accountability.

Our corporate Governance report ensures effective engagement with our stakeholders and helps us evolve with changing times. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the company.

Our corporate governance philosophy is based on the following principles:-

- Corporate Governance standards should satisfy both the spirit of the law and the letter of the law.
- Ensure transparency and maintain a high level of disclosure.
- Communicate externally and truthfully about how the company is run internally.
- Comply with the laws of all countries in which we operate.
- The management is the trustee of the shareholder’s capital and not the owner.

We firmly believe that Board independence is essential to bring objectivity and transparency in the management and in the dealings of the Company. As on March 31, 2024, the Board consists of 4 members out of which two members are independent directors. An independent director is nominated as the chairperson of each of the audit, nomination and remuneration, Stakeholders relationship committees.

BOARD OF DIRECTORS

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board. As on 31st March, 2024 the Board consists of four members, one of whom is Executive Director and three are Non-Executive Directors.



A. Composition of Board and Directorships held as on March 31, 2024

Name of the Director	Category	Number of Board Meetings during the year ended 31.03.2024		Whether attended last AGM	Number of Directorships in Companies & LLPs		Number of Committee positions held in other Public Companies	
		Held	Attended		Yes / No	Chairman	Member	Chairman
Padam J Challani	Chairman cum- Managing Director (Promoter)	4	4	Yes	0	4	--	--
Premkumar Radhakrishnan	Non-Executive Independent Director	4	4	Yes	--	2	--	--
Rameshkumar Mallela	Non-Executive Independent Director	4	4	Yes	--	3	--	--
Swapna Pawan Kochar	Non-Executive-Non Independent Director	4	4	Yes	--	5	--	--

*Note: None of the Directors of the Company are holding office of Directorship in any Listed Entities other than Challani Capital Limited as on March 31, 2024.

B. Remuneration paid to Directors

Remuneration paid to Managing Director- NIL

Remuneration paid to Executive Director- NIL

None of the non-executive directors is paid any remuneration except sitting fee to Independent Directors.

C. Number of shares held by Non-Executive Director-NIL

Familiarisation Programme imparted to Independent Director is available on the website of the Company (URL: <https://www.challanicapital.com/>)

D. Directors Relationship inter-se:

Mr. Padam J Challani and Ms. Swapna Pawan Kochar are father and daughter. None of the other directors have any relations inter-se.



E. Board meetings:

During the period from 01 April, 2023 to 31 March, 2024 - Four Board Meetings were convened and held, the details of which are given below.

Date of Board Meeting	Names of Directors who attended the meeting
13th May, 2023	Padam J Challani, Radhakrishnan Premkumar, Rameshkumar Mallela, Swapna P Kochar
14th August, 2023	Padam J Challani, Radhakrishnan Premkumar, Rameshkumar Mallela, Swapna P Kochar
10th November, 2023	Padam J Challani, Radhakrishnan Premkumar, Rameshkumar Mallela, Swapna P Kochar
28th December, 2022	Padam J Challani, Radhakrishnan Premkumar, Rameshkumar Mallela, Swapna P Kochar
09th February, 2024	Padam J Challani, Radhakrishnan Premkumar, Rameshkumar Mallela, Swapna P Kochar

All the directors have made necessary disclosures about the committee positions, they occupy in other companies.

In the opinion of Board of Directors, all the independent Directors fulfill the conditions specified in the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and are independent of the management.

F. Code of Conduct:

The Board has laid down a code of conduct for Board members and senior management personnel of the Company. The Board members and senior management personnel have affirmed compliance with the said code of conduct.

The Code of conduct is also hosted on the website of the company.

G. Board Committees

Currently the company has three committees i.e. Audit Committee, Nomination & remuneration Committee and Stakeholders relationship committee.

I. AUDIT COMMITTEE:

Our Audit Committee comprises of following three Directors as on 31.03.2024.

1. Mr. Premkumar Radhakrishnan - Chairman, Non-Executive and Independent Director
2. Mr. Ramesh Kumar Mallela – Member, Non-Executive and Independent Director
3. Mr. Padam J Challani- Member, Executive Director



Mr. Premkumar Radhakrishnan, Non-Executive and Independent Director is the Chairman of the Audit Committee. The members of the Committee have the relevant experience in the field of finance, taxation and accounting.

The Audit Committee reviewed financial results for the year under Corporate Governance.

The powers and role of the Audit Committee over the matters specified under Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 such as monitoring the Company's financial reporting process, recommending the appointment/ re-appointment of statutory auditors; reviewing with the management annual financial statements; quarterly financial statements and matters as covered under role of audit committee in Part C of Schedule II of the aforesaid Regulations. The audit committee has powers inter alia, to investigate any activity within its terms of reference and to seek outside legal and professional advice.

The role of Audit Committee and terms of reference specified by the Board to the Audit Committee are the following:

- Review of the Company's Financial reporting process, the financial statements and financial / risk managerial policies.
- Review Quarterly, Half – yearly and Annual Financial Accounts of the Company and discuss with Auditors.
- To meet and review with External and Internal Auditors the Internal Control Systems and to ensure their Compliance.
- To review matters as required under the terms of Listing Agreement.
- To investigate matters referred to it by the Board.

MEETING AND ATTENDANCE OF THE COMMITTEE:

Name of the Committee	Composition	Details of Meetings held during the year
Audit Committee	Premkumar Radhakrishnan (Chairperson) Rameshkumar Mallela (Member) Padam J Challani (Member)	4 meetings were held during the period on the following dates:- <ul style="list-style-type: none">• 13rd May, 2023• 14th August, 2023• 10th November, 2023• 09th February, 2024

II. NOMINATION AND REMUNERATION COMMITTEE

Our Nomination and remuneration committee comprises of 3 directors as on 31st March, 2024.

1. Mr. Premkumar Radhakrishnan -Chairman, Non-Executive and Independent Director
2. Mr. Ramesh Kumar Mallela – Member, Non-Executive and Independent Director
3. Mr. Padam J Challani- Member, Executive Director



In accordance with the requirements of section 178 of the Companies Act, 2013 and as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Nomination and Remuneration Committee. The purpose of the committee is to oversee the nomination process for the top level management and the executive remuneration structure. The committees identifies, screens and reviews individuals qualified to serve as executive directors, non executive directors and independent directors consistent with criteria approved by the Board and recommends, for the approval by the Board nominees for the election at the AGM. The committee will review and discuss all matters pertaining to candidates and will evaluate the candidates in accordance with a process that it sees fit, passing on the recommendations to the Board. The committee coordinates and oversees the annual self-evaluation of the Board and of the individual Director.

The brief terms of reference of the Nomination and Remuneration Committee include: –

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3) devising a policy on diversity of board of directors;
- 4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Name of the Committee	Composition	Details of Meetings held during the year
Nomination and Remuneration Committee	Premkumar Radhakrishnan (Chairperson) Rameshkumar Mallela (Member) Padam J Challani (Member)	3 Meetings were held during the period on the following dates:- <ul style="list-style-type: none">● 13th May, 2023● 10th November, 2023

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement. A separate meeting of Independent Directors was conducted as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 9th February, 2022. All the independent directors were present for the meeting.



The criteria and remuneration policy are subject to review by the Nomination & Remuneration Committee & the Board of Directors of the Company and has been uploaded website of the Company (URL: challanicapital.com/)

Disclosures as required under Schedule V of the Companies Act, 2013:

1. Remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors: NIL
2. Details of fixed component and performance linked incentives along with the performance criteria: The remuneration is payable as per the Nomination and Remuneration Policy of the Company.
3. Service contracts, notice period, severance fees: NIL
4. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: Not applicable

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The company has the mandate to review and redress shareholder grievances.

Our Stakeholders' Relationship Committee comprised of two independent directors as on 31st March, 2023.

1. Mr. Premkumar Radhakrishnan -Chairman, Non-Executive and Independent Director
2. Mr. Ramesh Kumar Mallela – Member, Non-Executive and Independent Director
3. Mr. Padam J Challani- Member, Executive Director
4. Ms. Swapna Pawan Kochar- Member, Non-Executive and Non- Independent Director

The brief terms of reference of the Stakeholder's Relationship Committee include:

The Stakeholder's Relationship Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non- receipt of annual report and non-receipt of declared dividends.

The committee deals with various matters relating to:

- Transfer / transmission of shares
- Issue of Share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defacedCertificates.
- Consolidation / splitting of folios
- Review of shares dematerialized and all other related matters.
- Investors grievance and redressal mechanism and recommend measures to improve the level of investor's services.



Name of the Committee	Composition	Details of Meetings held during the year
Stakeholders' Relationship Committee	Premkumar Radhakrishnan (Chairperson) Rameshkumar Mallela (Member) Padam J Challani (Member) Swapna P Kochar (Member)	1 Meeting was held during the period on the following date:- 18 th December, 2023

Information on Investor Grievances for the period from 1st April, 2023 to 31st March 2024:

There are no outstanding complaints at the close of financial year which were received from shareholders during the year. The Company has no transfers pending at the close of the financial year. The total no. of complaints received and complied during the year were:

Opening: Nil

Complaints Received: Nil

Complied: Nil

Pending: Nil

The Outstanding complaints as on 31st March 2024 – Nil

H. GENERAL BODY MEETING

Date	Venue	Time	Special Resolution
30.09.2020	Video Conference	11.00 AM	Ratification of the Appointment of the Managing Director
16.09.2021	Video Conference	11.00 AM	1. Ratification of the Appointment of the Managing Director 2. Regularisation of Additional Independent Director, Mr. Radhakrishnan Premkumar by appointing him as Independent Director of the Company



10.09.2022	Video Conference	10.30 AM	1. Regularisation Of Additional Independent Director, Mr. Rameshkumar Mallela By Appointing Him As Independent Director Of The Company. 2. To Approve Material Related Party Transactions With The Saravana GlobalEnergy Limited
22.06.2023	Video Conference	11.00 AM	1. Alteration in Name clause of MoA. 2. Alteration in Name clause of AoA.

No postal ballots were used for voting at these meetings; however the Company has allowed remote E-voting facility in its all Annual General meeting.

DISCLOSURES

i. Related parties Transaction:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business and the policy is available on www.challanicapital.com.

ii. Statutory Compliance, Penalties and Structures:

No penalty was imposed on the company by the SEBI, Stock Exchange, Registrar of the Company and/ or any other statutory Authority in any manner related to Capital market.

iii. Whistle Blower Policy:

The board has adopted the Whistle Blower policy and the policy is available on www.challanicapital.com. The company had established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct and ethics. It also provides for adequate safeguards against the victimization of directors and employees who avail of the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. We further affirm that no personnel have been denied access to the audit committee during fiscal 2024.

iv. Compliance with Mandatory requirement:

The company has complied with all the applicable mandatory requirements in respect of corporate governance report as applicable as per the applicable SEBI Regulations.



v. Management:

A separate report on Management Discussion and Analysis which forms part of the report is annexed.

vi. Policy on Material Subsidiary:

The Company does not have any subsidiary as on date.

MEANS OF COMMUNICATION:

The quarterly report, along with additional information and official news releases are posted on our website, www.challanicapital.com. There were no presentations made to the institutional investors or analyst.

Quarterly / Half yearly financial results sent to each shareholder's residence	No, but published in the newspapers
In Which Newspapers Quarterly, half yearly & annual results were normally Published.	Trinity Mirror(English) Makkal Kural (Tamil)
Any website, where results or official news are displayed.	www.bseindia.com www.challanicapital.com

The Board of Directors of the Company approved and took on record the Un- Audited / Audited financial results within 45 days and *60 days of quarter / half year respectively and communicated the result to the Stock Exchange where the shares of the Company is listed.

GENERAL SHAREHOLDERS' INFORMATION

1. Annual General Meeting Held
Through Video Conferencing &
other Audio Visual Means : 19th September, 2024 at 11 AM
2. Financial Year : 2023-2024
3. Date of Book Closure : 11th September, 2023 to 18September, 2024.
4. Dividend Payment Date : Not Applicable
5. Listing on stock Exchanges : BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001.

The Company hereby confirms that it has paid the annual listing fees to BSE Limited.

6. Stock Code : 530747



7. Market Price Data :

From 01.04.2023 to 31.03.2024

Month	Open Price	High Price	Low Price	Close Price
Apr 23	11.55	13.50	10.60	12.89
May 23	12.65	12.90	9.77	10.37
June 23	10.80	12.35	9.57	11.17
July 23	11.17	11.45	9.80	10.40
Aug 23	10.40	13.25	9.69	11.50
Sep23	11.01	12.48	10.55	12.00
Oct 23	12.73	24.83	11.37	24.83
Nov 23	24.83	28.64	17.56	20.19
Dec 23	19.55	22.07	18.16	19.60
Jan 24	19.65	21.56	16.81	19.22
Feb 24	19.23	20.19	14.41	17.91
Mar 24	18.12	19.00	15.27	16.85

Financial Calendar:

The Company follows the period of 01st April to 31st March, as the Financial Year.

For the Financial Year 2024-25, Financial Results will be announced as per the following tentative schedule.

*1st Quarter ending June, 2024	By 09th August, 2024
2nd Quarter & Half Year ending September, 2024	By 14th November, 2024
3rd Quarter ending December, 2024	By 14th February, 2025
4th Quarter / year ending March, 2025	Within 60 days from 31st March, 2025
Annual General Meeting for the Year 2024-25	By 30th September, 2025

Listing:

The Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE)

Listing Fees to Stock Exchanges:

The Listing Fees for the year 2023-24 is paid to exchange.

Details relating to utilization of IPO Proceeds:

During the year, your Company did not raise any funds by way of Public Issues, Rights Issues etc.



9. Registrar and Transfer Agents

Cameo Corporate Services Limited

Address:

'Subramanian Building', No.1, Club House Road,
Chennai-600 002.

Phone: (D) 044-40020710 / 044-2846 0390, Fax: 044-2846 0129

E-mail: cameo@cameoindia.com Website: www.cameoindia.com

10. Share Transfer System

For shares held in electronic mode, transfers are effected under the depository system of CDSL. For shares held in physical mode, certificates are to be submitted to the RTA along with the required security transfer forms. The RTA shall effect the transfers within fifteen days, if the documents are found in order and the certificates are sent to the transferees. In the case of defective documents, the same are returned with the reasons to the transferees within fifteen days.

a) Distribution of Shareholding as on 31st March, 2024:

Range of Shareholding	Number of Shareholders	% of Total	Number of sharesheld	% of Total
1-100	1194	51.9130	28074	0.1871
101-500	408	17.7391	111512	0.7434
501-1000	334	14.5217	255704	1.7046
1001-2000	175	7.6086	257355	1.7157
2001-3000	71	3.0869	179979	1.1998
3001-4000	18	0.7826	64188	0.4279
4001-5000	16	0.6956	73601	0.4906
5001-10000	40	1.7391	276936	1.8462
10001- and above	44	1.9130	13752651	91.6843
Total	2300	100.0000	15000000	100.0000

11. Shareholding Pattern (Category Wise) as on 31st March, 2024.

Particulars	Total Shareholders	% shareholders	No. of shares	% to total share Capital
Resident	2264	98.4347	3631500	24.21
Non Resident Indians	9	0.3913	4206	0.02804
Corporate Bodies	19	0.8260	6033434	40.2228
Promoters	7	0.3043	5240260	34.9350
Others	1	0.0434	90600	0.6040

Outstanding GDRs / ADRs/ Warrants or any convertible instruments conversion date and likely impact on equity : **Not Applicable**



12. Dematerialization of shares and Liquidity

The Company holds its shares in dematerialize form with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

b) Commodity price risk or foreign exchange risk and hedging activities - Not Applicable

I. Address for Correspondences:

Registered Office

No.15, New Giri Road, T.Nagar, Chennai, Tamil Nadu – 600017

Phone: 044- 2834 2111, Fax: 044- 2834 1280

Email: info@challanicapital.com Website: www.challanicapital.com

J. Auditor Fees FY 2023-24:

For the Financial year 2023-24, the total fees paid by the Company to M/s. RSM & Associates., Statutory Auditor and all entities in the network firm/network entity of which the statutory Auditors are part thereof or the services provided by them Rs. 50,000/-

K. List of all credit rating obtained by the entity along with revisions thereto for all debtinstruments:

Since the entity has not issued any debt instruments or any fixed deposit programme or any scheme or any proposal of listed entity involving mobilization of funds whether in India or abroad. There is no requirement to obtain the credit ratings including revision by the entity

L. Disclosures on compliance with corporate governance requirements:

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 to the extent applicable to the Company. All Compliances under Part E of Schedule II and Regulation 17 to 27 of the Listing Regulations have been complied with by the Company to the extent Applicable

M. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year- Nil
- b. number of complaints disposed of during the financial year- Nil
- c. number of complaints pending as on end of the financial year- Nil

N. Certificate under Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

The Company has obtained Certificate from Practicing Company Secretary confirming that Directors have not been debarred or not been disqualified from being appointed or continuing as Directors by SEBI/MCA or any other authority.



O. CEO/CFO Certification:

As required by Regulation 17(8), the *CEO and CFO certification* is provided in this Annual Report as **Annexure VII**.

As required under Regulation 46(2) of SEBI (LODR) Regulations, 2015 the following information have been duly disseminated in the Company's website: www.challanicapital.com.

- Policy on Determination of Materiality of Events.
- Policy on Materiality of Related Party Transactions.
- Risk Management Policy.
- Familiarization Programme for Independent Directors.
- Policy on Determining Material Subsidiaries.
- Nomination and Remuneration Policy.
- Whistle Blower Policy.
- Code of Conduct of Board of Directors and Senior Management Personnel.
- Composition of Various Committees of the Board.

P. Declaration:

As provided Listing Obligation Disclosure Regulation, 2015 the Board members and the senior management personnel have affirmed compliance with the Code of Conduct for the Board of Directors and senior management for the year ended 31st March, 2024.

For and on behalf of the Board

Place: **Chennai**
Date: 09.08.2024

(Padam J Challani)
Managing Director
(DIN-00052216)

(Swapna Pawan Kochar)
Director
(DIN- 02262562)



ANNEXURE“V” TO DIRECTORS’ REPORT FOR THE YEAR ENDED 31.03.2024

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The company is a public limited company carrying on business of providing financial services to the public. Company has its registered office in Chennai, Tamilnadu. The company is listed on BSE Limited. Financial statements of the company are prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India and guide lines issued by the Securities and Exchange Board of India(SEBI). Accounting policies 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 hither to in use.

1. INDUSTRY STRUCTURE AND DEVELOPMENT:

Challani Capital Limited is a Non-Deposit Accepting Non-Banking Finance Company. The main functions of the company are to offer loans to its customers i.e. both retail customers and corporate customers. The company is engaged in providing loan against property, commercial vehicles and gold, besides sales and purchase factoring, etc. The organization is making efforts to increase the business of the company by expanding its customer base in different areas.

2. OPPORTUNITIES AND THREATS:

The company is a non-banking finance company. The non-banking finance sector is a fast growing industry in the present scenario. It also involves high level of risk and competition in the market and to overcome such situations the Company is adopting different types of marketing strategies to enhance its business activities. The corona virus outbreak has forced companies to re-evaluate how contact centers are leveraged, how employees deliver relevant customer experiences, where they work, and how digital channels can be used to support business continuity through the crisis and beyond.

3. SEGMENT-WISE PERFORMANCE:

The Company operates only in one segment and the operational results are mentioned in the Directors’ report.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems and procedures commensurate with its size and nature of its business for its extension of non-banking financial services. The adequacy of the internal control system is also periodically reviewed by the Audit Committee.

5. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial performance of the Company has been discussed at length in the Directors’ report to the members.

6. MATERIAL DEVELOPMENTS IN HUMANRESOURCES/INDUSTRIALRELATIONS FRONT:

The Company has required number of skilled / semi-skilled persons and places emphasis on training for improving quality and productivity.



7. CAUTIONARY STATEMENT:

Statements made in this report regarding the Company's objectives, projections, expectations and predictions may be forward looking statements under the applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Some of the important factors that could make a difference to the Company's operations include domestic demand-supply conditions, interest rates, changes in government regulations and tax structure, economic developments in the domestic market and other incidental factors.

8. DETAILS OF SIGNIFICANT CHANGES:

	2023-2024	2022-2023
(i)DebtorsTurnover	NA	NA
(ii)InventoryTurnover	NA	NA
(iii)InterestCoverageRatio	NA	NA
(iv)CurrentRatio	103.64	5.88
(v)DebtEquityRatio	0.01	0.18
(vi)OperatingProfitMargin(%)	44.73	99.35
(vii)NetProfitMargin(%)	42.45	79.06

9. DETAILS OF CHANGE IN RETURN ON NET WORTH

The return on net worth for the current financial year 2023-24 is 34.91% as compared to the previous financial year 2022-23 which is 31.53%.

For and on behalf of the Board

Place: Chennai
Date:09.08.2024

(Padam J Challani)
Managing Director
(DIN-00052216)

(Swapna Pawan Kochar)
Director
(DIN-02262562)



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Challani Capital Limited

I have examined the compliance of conditions of Corporate Governance by **Challani Capital Limited** for the year ended on 31st March, 2024, as stipulated in Para E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

As per the information and explanation provided by the management, there was no investor grievances remaining unattended/pending as on 31st March 2024.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 31-07-2024

Signature:
Name of Company Secretary:
R.Alagar
C.P.No.3913
UDIN - F004720F000868176
PR No. I2001TN218300



ANNEXURE VII TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2024

MANAGING DIRECTOR AND CFO CERTIFICATION

To
The Board of Directors,
CHALLANI CAPITAL LIMITED
Chennai

(a) We have reviewed the balance sheet, profit and loss account and all its schedules and notes on accounts, as well as the cash flow statement as at 31st March, 2024 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) We further certify that, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware. We have taken necessary steps or propose to take necessary actions to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee that there is:

- No significant change in internal control over financial reporting during the year.
- No significant change in accounting policies during the year under review and
- No instance of any fraud in the Company in which the management has any role.

**PLACE: CHENNAI
DATE: 09/08/2024**

**Padam J Challani
Managing Director
DIN: 00052216**

**C Madhavan
Chief Financial Officer**



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
Challani Capital Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Challani Capital Limited** having CIN:L65191TN1990PLC019060 and having registered office at No. 15, New Girdi Road, T. Nagar, Chennai 600017, TamilNadu (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with the Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 31-07-2024

Signature:
Name of Company Secretary:
R. Alagar
C.P.No.3913
UDIN - F004720F000868187
PR No. I2001TN218300



INDEPENDENT AUDITORS' REPORT

To

The Members of **Challani Capital Limited** (Previously Indo Asia Finance Limited.)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of **CHALLANI CAPITAL LIMITED** (Previously Indo Asia Finance Limited (the "Company")), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Profit and total comprehensive Profit, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act



and the 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 standalone financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexure to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 responsible for overseeing the Company's financial reporting process. process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 standalone 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, 2015, 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 and the statement of profit and loss dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act
 - e) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g) With respect to the adequacy of the internal financial control over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".



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 disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Ref: Note No.36 to the standalone Ind AS financial statements
- 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.
- iii. During the current financial year, the company has not declared any dividend due to accumulated loss.
- iv. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For RSM AND ASSOCIATES

Chartered Accountants

FRN : 002813S

CA RENUKA RAMESH

Partner

M.No. 205295

UDIN: 24205295BKDBFL6025

Date : 25.05.2024

Place : Chennai



“Annexure A” to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2024, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner on regular intervals. In accordance with this program, certain 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.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the company, No proceedings have been initiated during the year or are pending against the company as at March 31st 2024 for holding any benami property under the Benami Transaction (Prohibition) Act. 1988 (As amended in 2016) and rules made thereunder.
- (ii) According to the information and explanations given to us, the company has granted loans, Secured or unsecured to companies, firms, or other parties covered in the Register maintained under Sec 189 of the Companies Act, 2013, in respect of which:
 - a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the company's interest.
 - b. The schedule of repayment principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - c. There is no amount of overdue for more than 90 days at the balance sheet date.
- (iii) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activity of the company does not involve any purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.



- (vi) The central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.. As explained to us, the Company did not have any dues on account of employees' state insurance. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, GST duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March, 2024 for a period of more than six months from the date they became payable.
- (vi) Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions and banks during the year.
- (vii) The Company has appointed an internal auditor who submits reports on a monthly basis to the board of directors and based on his observations corrective action is being initiated by the board. For the purpose of this audit we have taken into consideration the internal audit reports and corrective actions initiated and arrived at our conclusions.
- (viii) The company as per requirements of Stock exchange has appointed a woman director in the board.
- (x) The company as per the norms stipulated for NBFC by RBI has provided for bad debts. Detailed picture of provision has been provided in the notes on accounts
- (xi) The company does not have any debentures outstanding as at the end of the financial year.
- (xii) The company has not entered into any non-cash transactions with directors or persons connected with him as specified under the provisions of section 192 of Companies Act 2013.
- (xiii) The company on account of accumulated losses has not declared any dividend to the shareholders during the current year.



- (xiv) The company had paid TDS, Income Tax, and other statutory liabilities in time and we observe that there is no default in this regard. However certain Income Tax proceeding are pending and according to the information and explanations given to us there is the net Income Tax Refund due to company. Hence no provision has been made in the accounts.
- (xv) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company did not have any term loan outstanding during the year.
- (xvii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For RSM AND ASSOCIATES

Chartered Accountants

FRN : 002813S

CA RENUKA RAMESH

Partner

M.No. 205295

UDIN: 24205295BKDBFL6025

Date : 25.05.2024

Place : Chennai



“Annexure B” to the Independent Auditors' Report of even date on the Standalone Financial Statements of Challani Capital Limited (Previously Indo Asia Finance Limited)

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

We have audited the internal financial control over financial reporting of Challani Capital Limited (Previously Indo Asia Finance Limited) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial control based on Internal Audit Report which is reviewed by the board on monthly basis and action initiated wherever necessary. 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 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.



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 authorizations 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.

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 March 31, 2024, based on Internal Audit Report which is reviewed by the board on monthly basis and action initiated wherever necessary.

For RSM AND ASSOCIATES

Chartered Accountants

FRN : 002813S

CA RENUKA RAMESH

Partner

M.No. 205295

UDIN: 24205295BKDBFL6025

Date : 25.05.2024

Place : Chennai



CHALLANI CAPITAL LIMITED
(Previously Indo Asia Finance Limited)
CIN:L65191TN1990PLC019060
NO.15, New Giri Road, T Nagar, Chennai- 600 017
BALANCE SHEET

(All Amounts are in Indian Rupees unless Specifically Mentioned)

PARTICULARS	Note No.	As at		
		31-Mar-24	31-Mar-23	31-Mar-22
ASSETS				
[a] Financial Assets				
Cash and cash equivalents	5	6,14,925	70,50,018	2,19,19,741
Receivables				
(i) Other receivables				
Loans	6	3,37,45,626	3,07,69,203	15,51,600
Investments	7	3,03,495	3,03,495	3,03,495
Other financial assets	8	4,18,019	4,10,837	13,75,837
[b] Non-Financial Assets				
Current Tax Assets	9	1,36,33,514	1,36,32,116	1,34,90,028
Deferred tax assets		42,61,415	42,61,415	42,61,415
Property, Plant & Equipment	10	31,27,396	31,67,381	36,02,368
Other Intangible Assets		-		
Other Non-Financial Assets	11	10,00,000	10,00,000	-
TOTAL ASSETS		5,71,04,390	6,05,94,465	4,65,04,484
LIABILITIES AND EQUITY				
LIABILITIES				
[a] Financial liabilities				
Payables				
(i) Other payables				
(a) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	72,043	23,582	6,293
Debt securities				
Borrowings (other than debt securities)	13	-	87,61,616	55,36,867
Other financial liabilities	14	3,25,758	2,13,041	2,86,212
[b] Non-Financial Liabilities				
Other Non-Financial Liabilities	15	81,887	37,456	2,24,900
TOTAL LIABILITIES [a+b]		4,79,688	90,35,695	60,54,272
[c] Equity				
Equity share capital	16	15,00,00,000	15,00,00,000	15,00,00,000
Other equity	17	(9,33,75,297)	(9,84,41,230)	(10,95,49,788)
TOTAL EQUITY [c]		5,66,24,703	5,15,58,770	4,04,50,212
TOTAL LIABILITIES & EQUITY [a+b+c]		5,71,04,390	6,05,94,465	4,65,04,484

Summary of Significant Accounting Policies are covered under Note 4

The Accompanying notes are an integral part of Financial Statements

As per our report of even date

For RSM AND ASSOCIATES
Chartered Accountants
FRN : 002813S

Padam J Challani
Managing Director
DIN : 00052216

Swapna Pawan Kochar
Director
DIN : 02262562

CA RENUKA RAMESH
Partner
M.No. 205295
UDIN: 24205295BKDBFL6025

C Madhavan
Chief Financial Officer

V Sundar
Company Secretary

Place : Chennai
Date : 25.05.2024



**CHALLANI CAPITAL LIMITED
(Previously Indo Asia Finance Limited)
CIN:L65191TN1990PLC019060
NO.15, New Giri Road, T Nagar, Chennai- 600 017
CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024**

PARTICULARS	FOR THE YEAR ENDED 31-03-2024		FOR THE YEAR ENDED 31-03-2023	
I CASH FLOW FROM OPERATING ACTIVITY				
a. Net profit before tax & Extraordinary item	50,65,933		1,11,08,559	
b. Adjustment for non-cash & non-operating items				
Add : Non-operating & Non-Cash Expenses				
Depreciation debited to P&L A/c	39,985		1,10,867	
profit on sale of Fixed assets	-		(41,75,880)	
Interest of Fixed Deposits	-		(2,70,587)	
Exceptional items	-		(41,85,000)	
Provision and written off	2,31,596		16,66,218	
	53,37,514		42,54,177	
Less : Non-Operating & Non-Cash income				
Dividend	(14,940)		(8,660)	
c. Operating Profit before Working Capital changes	53,22,574		42,45,517	
Adjustment for working capital changes				
- Decrease / (Increase) in working capital	(1,17,72,608)		(3,11,19,236)	
d. Cash Generated from operations	(64,50,034)		(2,68,73,719)	
e. Less : Taxes Paid	-		-	
i. Income Taxes Paid				
f. Cash Flow Before Extra ordinary item	(64,50,034)		(2,68,73,719)	
g. Extraordinary Item			-	
Net Cash from Operating Activity	(64,50,034)	(64,50,034)	(2,68,73,719)	(2,68,73,719)
II CASH FLOW FROM INVESTMENTS ACTIVITY				
a. Dividend Received	14,940		8,660	
b. Interest on Fixed Deposits	-		2,70,587	
c. Sale of Fixed Asset			45,00,000	
Net cash used in Investing activity	14,940	14,940	47,79,247	47,79,247
III CASH FLOW FROM FINANCING ACTIVITY				
a. Proceeds from unsecured loans			72,24,749	
Net Cash used in financing activity	-	-	72,24,749	72,24,749
IV NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (I+II+III)		(64,35,094)		(1,48,69,723)
V Opening Cash & Cash Equivalents				
a. Cash in Hand & Nationalized banks	70,50,018		2,19,19,741	
		70,50,018		2,19,19,741
VI Closing balance of cash & Cash Equivalents		6,14,925		70,50,018
Reconciliation				
Closing balance of Cash & Cash Equivalents				
a. Cash in Hand & Nationalized banks	6,14,925		70,50,018	
	NIL	6,14,925		70,50,018

Notes :

- Figures in brackets represents outflows.
- Previous year figures have been recast/restated wherever necessary.
- Gross effect given for item No. I(b) and III(d)

As Per our Report of Even date

For RSM AND ASSOCIATES

Chartered Accountants
FRN : 002813S

CA RENUKA RAMESH

Partner
M.No. 205295
UDIN: 24205295BKDBFL6025
Place : Chennai
Date : 25.05.2024

for and on behalf of the Board
for Challani Capital Limited

Padam J Challani
Managing Director
DIN : 00052216

C Madhavan
Chief Financial Officer

Swapna Pawan Kochar
Director
DIN : 02262562

V Sundar
Company Secretary



CHALLANI CAPITAL LIMITED
CIN:L65191TN1990PLC019060
(Previously Indo Asia Finance Limited)
NO.15, New Giri Road, T Nagar, Chennai- 600 017
Statement of Profit and Loss

(All Amounts are in Indian Rupees unless Specifically Mentioned)

Particulars	Note No.	For the Year Ended	
		31-Mar-24	31-Mar-23
[a] REVENUE FROM OPERATIONS			
Interest income	18	83,19,333	62,69,412
Dividend income		14,940	8,660
Other Operating Income	19	35,98,320	24,79,738
		1,19,32,593	87,57,810
[b] OTHER INCOME			
Other Income	20	-	44,46,467
TOTAL INCOME [a+b]		1,19,32,593	1,32,04,277
[c] EXPENSES			
Finance cost			
Fee and Consultancy Expense	21	30,94,120	18,32,292
Employee Benefits Expenses	22	20,52,207	18,02,026
Depreciation, Amortisation and Impairment	10	39,985	1,10,867
Provisions /Write offs	23	2,31,596	16,66,218
Other Expenses	24	14,48,751	8,69,316
TOTAL EXPENSES [c]		68,66,660	62,80,719
[d] Profit / (Loss) before Exceptional Items and Tax [(a+b)-c]		50,65,933	69,23,559
[e] Exceptional Items	25	-	41,85,000
[f] Profit / (Loss) Before Tax [d+e]		50,65,933	1,11,08,559
[g] Tax Expense:			
Current tax		-	-
Deferred tax		-	-
		-	-
[h] Profit / (Loss) after Tax [d-e]		50,65,933	1,11,08,559
[i] Other Comprehensive Income			
<i>Items that will be reclassified to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>		-	-
TOTAL OTHER COMPREHENSIVE INCOME [g]		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [h]		50,65,933	1,11,08,559
EARNINGS PER SHARE			
Basic (Rs.)		0.34	0.74
Diluted (Rs.)		0.34	0.74

Summary of Significant Accounting Policies are covered under Note 4

The Accompanying notes are an integral part of Financial Statements

As per our report of even date

For RSM AND ASSOCIATES
Chartered Accountants
FRN : 002813S

Padam J Challani
Managing Director
DIN : 00052216

Swapna Pawan Kochar
Director
DIN : 02262562

CA RENUKA RAMESH
Partner
M.No. 205295
UDIN: 24205295BKDBFL6025

C Madhavan
Chief Financial Officer

V Sundar
Company Secretary

Place : Chennai
Date : 25.05.2024



1. CORPORATE INFORMATION

Challani Capital Limited (Previously Indo Asia Finance Limited) (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and are primarily engaged in the business of financing commercial vehicles. The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs.

The Company is registered with the Reserve Bank of India (RBI) with Registration No. 07-00308 as a non – deposit accepting NBFC and also with the Ministry Of Corporate affairs vide CIN L65191TN1990PLC019060 operating from its registered office located at No.15, New Giri Road, T Nagar, Chennai - 600 017.

The audited financial statements were subject to review and approval of Board of Directors on 25.05.2024 subject to which the same was recommended as the audited financial statements for consideration and adoption by the shareholders in its annual general meeting.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company– Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (‘the NBFC Master Directions’) issued by RBI. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

3. PRESENTATION OF FINANCIAL STATEMENT

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

4. Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Income

(i) Interest income

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset



or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no. 3.4(i)] regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired [as outlined in note no. 3.4(i)], the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/nonpayment of contractual cash flows is recognised on realisation. Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

(ii) Dividend income

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(iii) Other revenue from operations

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115

'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Fees and commission

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognised on rendering of services and products to the customer.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

(b) Net gain on fair value changes

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses



on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

(c) Sale of services

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets for a fee is retained, recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit or loss and, correspondingly creates a service asset in Balance Sheet. Any subsequent increase in the fair value of service assets is recognised as service income and any decrease is recognized as an expense in the period in which it occurs. The embedded interest component in the service asset is recognised as interest income in line with Ind AS 109 ‘Financial instruments’.

Other revenues on sale of services are recognised as per Ind AS 115 ‘Revenue from Contracts with Customers’ as articulated above in ‘other revenue from operations’.

(d) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

(iv) Taxes

Incomes are recognised net of the Goods and Services Tax/Service Tax, wherever applicable.

(b) Expenditures

(i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR [refer note no. 3.1(i)].

(ii) Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Taxes

Expenses are recognised net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



(d) Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

(i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment inequity and debt instruments, trade receivables and cash and cash equivalents.

Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at FVOCI
- Debt instruments at FVTPL
- Equity instruments designated at FVOCI
- Debt instruments at amortised cost

Debt Instruments at amortised Cost

The Company measures its financial assets at amortised cost if both the following conditions are met:

1. The asset is held within a business model of collecting contractual cash flows; and
2. Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the



Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios in the books of the Company, it may sell these portfolios to banks and/or asset reconstruction companies.

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR). For further details, refer note no. 3.1(i). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

Debt instruments at FVOCI

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
2. Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Debt instruments such as long term investments in Government securities to meet regulatory liquid asset requirement of the Company's deposit program and mortgage loans portfolio where the Company periodically resorts to partially selling the loans by way of assignment to willing buyers are classified as FVOCI.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

Debt instruments at FVTPL

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

The Company's investments into mutual funds, Government securities (trading portfolio) and certificate of deposits for trading and short term cash flow management have been classified under this category.



Equity investments designated under FVOCI

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value another comprehensive income. *The classification is made on initial recognition and is irrevocable.*

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

Derecognition of Financial Assets

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

1. The right to receive cash flows from the asset have expired; or
2. The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.

The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised at fair value if the fee to be received is not expected to compensate the Company adequately for performing the service. If the fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:

1. the carrying amount (measured at the date of derecognition) and
2. the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Impairment of financial assets

ECL are recognised for financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for



which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

1. Contractual payments of either principal or interest are past due for more than 90 days;
2. The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default is done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the



identified homogenous portfolios. These past trends factor in the past customer behavioral trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioral trends witnessed

for each homogenous portfolio using application/behavioral score cards and other performance indicators, determined statistically.

Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

1. Determination of PD is covered above for each stages of ECL.
2. EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
3. LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

(ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

Initial measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.



Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(e) Investment in subsidiaries

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period.

Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost. The company does not have any subsidiary on the reporting date.

(f) Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Property, plant and equipment

Property, plant, and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

Depreciation on property, plant, and equipment

(a) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets, except buildings which is determined on written down value method.

(b) Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

(c) Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.

(d) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.

(e) Tangible assets which are depreciated over a useful life that is different than those indicated in Schedule II areas under:

(f) Assets having unit value up to H 5,000 is depreciated fully in the financial year of purchase of asset.



(g) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised.

(h) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(h) Intangible assets and Amortisation thereof

Intangible assets, representing software's are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(i) Impairment of non-financial assets

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

(j) Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(k) Foreign currency translation

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency. The recognition and conversion process of foreign currency are not been mentioned here as the company doesn't deal with any foreign currency transactions during the aforesaid period.



(l) Labour Law Coverage

The Company have analyzed the applicability and recognition of Gratuity liability, Provident Fund, Superannuation Payments, Employee State Insurance Schemes, etc. and have observed that the number of employees engaged in the business operations are less than the statutory limits to make the entity covered under the provisions of the respective Act.

With respect to payments of Provident Fund the entity ensures to discharge the statutory liability within the due dates by creating a liability on the period ending monthly for the relevant months.

(m) Employee Stock Option Scheme

The Company does not operate Employee Stock Option Scheme hence there is no recognition or revaluation pertaining to the ESOP Scheme.

(n) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on these of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company acting as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Basis of the above principle, all leases entered into by the Company as a lessee have been classified as operating leases.

Lease payments under an operating lease is recognised on an accrual basis in the Statement of Profit and Loss.

(o) Fair value measurement

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest



level input that is significant to the fairvalue measurement as a whole. For a detailed information on the fair value hierarchy.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(p) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) 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 shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.



CHALLANI CAPITAL LIMITED
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(All Amounts are in Indian Rupees unless Specifically Mentioned)

Statement of Changes in Equity

Equity Share Capital

Particulars	For the year ended	
	31-Mar-24	31-Mar-23
Balance at the Beginning of the Year	15,00,00,000	15,00,00,000
Changes in Equity during the Year	-	-
Balance at the end of the year	15,00,00,000	15,00,00,000

Other Equity

For the year ending 31 March 2024

Particulars	Note No.	Reserves & Surplus				Total
		Reserve Fund as per RBI Act	Capital Reserve	General Reserve	Retained Earnings	
Balance as at 31 March 2023	17	2,80,75,550	72,000	42,50,000	(13,08,38,780)	(9,84,41,230)
Profit after Tax					50,65,933	50,65,933
Transfer to reserve fund in terms of section 45-1C(1) of the Reserve Bank of India Act, 1934		32,34,898	-	-	(32,34,898)	-
Balance as at 31 March 2024		3,13,10,448	72,000	42,50,000	(12,90,07,746)	(9,33,75,297)

As per our report of even date

For RSM AND ASSOCIATES

Chartered Accountants
FRN : 002813S

Padam J Challani
Managing Director
DIN : 00052216

Swapna Pawan Kochar
Director
DIN : 02262562

CA RENUKA RAMESH

Partner
M.No. 205295
UDIN: 24205295BKDBFL6025

Place : Chennai
Date : 25.05.2024

C Madhavan
Chief Financial Officer

V Sundar
Company Secretary



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Note : 5 - Cash & Cash Equivalents

Particulars	3/31/2024	3/31/2023	3/31/2022
Cash on hand	10,847	16,115	35,982
Balances with banks	6,04,078	70,33,904	2,18,83,760
Total	6,14,925	70,50,018	2,19,19,741

The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

Note : 6 - Loans

Particulars	At Amortized Cost		
	3/31/2024	3/31/2023	3/31/2022
(a) Term Loans	-	-	-
Less : Impairment Loss Allowance	-	-	-
(b) Commercial Vehicle Finance	35,01,980	35,01,980	25,86,000
Less : Impairment Loss Allowance	28,17,000	25,90,066	10,34,400
	6,84,980	9,11,914	15,51,600
(b) Loan Against Property	2,40,26,342	1,65,10,454	
Less : Impairment Loss Allowance	56,606	63,602	
	2,39,69,736	1,64,46,852	
(c) Factoring	90,90,910	1,34,10,437	
Less : Impairment Loss Allowance	-	-	-
	90,90,910	1,34,10,437	
TOTAL	3,37,45,626	3,07,69,203	15,51,600
(c) Out of Above			
Secured			
Against Hypothecation of Vehicle	35,01,980	35,01,980	25,86,000
Against Hypothecation of Property	2,40,26,342	1,65,10,454	
Less : Impairment Loss Allowance	28,73,606	26,53,668	10,34,400
	2,46,54,716	1,73,58,766	15,51,600
Unsecured	-	-	-
Factoring	90,90,910	1,34,10,437	
Less : Impairment Loss Allowance	-	-	-
	90,90,910	1,34,10,437	
TOTAL	3,37,45,626	3,07,69,203	15,51,600
(d) Out of Above			
Loans in India			
(i) Public Sector Lending	-	-	-
Less : Impairment Loss Allowance	-	-	-
(ii) Other Lending	3,66,19,232	3,34,22,871	25,86,000
Less : Impairment Loss Allowance	28,73,606	26,53,668	10,34,400
	3,37,45,626	3,07,69,203	15,51,600
Loans Outside India	-	-	-
TOTAL	3,37,45,626	3,07,69,203	15,51,600



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Summary of Loan by Stage Distribution

Particulars	As at 31st March 2024		
	Stage 1	Stage 2	Stage 3
Gross Carrying Amount	3,31,17,252	35,01,980	-
Less : Impairment Loss Allowance	56,606	28,17,000	-
Net Carrying Amount	3,30,60,646	6,84,980	-

Particulars	As at 31st March 2023		
	Stage 1	Stage 2	Stage 3
Gross Carrying Amount	2,99,20,891	35,01,980	-
Less : Impairment Loss Allowance	63,602	25,90,066	-
Net Carrying Amount	2,98,57,289	9,11,914	-

Particulars	As at 31st March 2022		
	Stage 1	Stage 2	Stage 3
Gross Carrying Amount	-	25,86,000	-
Less : Impairment Loss Allowance	-	10,34,400	-
Net Carrying Amount	-	15,51,600	-

Note : 7 - Investments

Particulars	At Amortized Cost		
	3/31/2024	3/31/2023	3/31/2022
(a) At Amortized Cost	-	-	-
(b) At fair value through other comprehensive income	-	-	-
(c) At fair value through Profit and Loss Account			
(i) Government Securities	-	-	-
(ii) Other Equity Instruments			
Equity Shares	3,03,495	3,03,495	3,03,495
	3,03,495	3,03,495	3,03,495
(d) At Cost			
Investment in Subsidiaries	-	-	-
Details are given in Annexure			
TOTAL	3,03,495	3,03,495	3,03,495
Out of Above			
(a) In India	3,03,495	3,03,495	3,03,495
(b) Outside India	-	-	-
TOTAL	3,03,495	3,03,495	3,03,495

Note : 8 - Other Financial Asset

Particulars	3/31/2024	3/31/2023	3/31/2022
Security deposits			
Rental Advance	2,05,000	2,05,000	11,70,000
Telephone /Electricity Deposits	1,01,232	1,01,232	1,01,232
Deposits with Sales -tax Department	92,120	92,120	92,120
Other Advances recoverable in Cash or in kind or Value to be received	19,667	12,485	12,485
Total	4,18,019	4,10,837	13,75,837



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Note : 9 - Current Tax Asset

Particulars	3/31/2024	3/31/2023	3/31/2022
Income Tax Net	1,36,33,514	1,36,32,116	1,34,90,028
Total	1,36,33,514	1,36,32,116	1,34,90,028

• Provision for current tax is made after taking into consideration benefits admissible under provisions of Income Tax Act, 1961. Deferred Tax resulting from 'timing difference' between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The Deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future. While company has made provision for deferred tax no provision has been made for current tax on account of losses. After examining the status of the various tax proceedings at the assessment and appellate levels, the quantum of income tax refund receivable has been revised and the differential amount in this regard amounting to Rs78,66,676 lakhs which is no longer considered as receivable has been written off for the FY 2021-22.

Note : 11 - Other Non- Financial Asset

Particulars	3/31/2024	3/31/2023	3/31/2022
Other Receivables	10,00,000	-	-
TOTAL	10,00,000	-	-

Note : 12 - Financial Liability - Other Payable

Particulars	3/31/2024	3/31/2023	3/31/2022
(a) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	72,043	23,582	6,293
TOTAL	72,043	23,582	6,293

Note : 13 - Borrowings other than Debt Securities

Particulars	3/31/2024	3/31/2023	3/31/2022
(a) At Amortized Cost			
(i) Secured	-	-	-
(ii) Unsecured			
Borrowings from related parties	-	87,61,616	55,36,867
TOTAL	-	87,61,616	55,36,867
Out of Above			
(i) In India	-	87,61,616	55,36,867
(ii) Out of India	-	-	-
	-	87,61,616	55,36,867
Party	Relationship		
Saravana Global Holdings Ltd.	Associate Company		



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Note : 14 - Other Financial Liabilities

Particulars	3/31/2024	3/31/2023	3/31/2022
Salary Payable	2,00,758	1,38,041	2,36,212
Audit Fees Payable	1,25,000	75,000	50,000
TOTAL	3,25,758	2,13,041	2,86,212

Note : 15 - Other Non- Financial Liabilities

Particulars	3/31/2024	3/31/2023	3/31/2022
TDS Payable	61,637	21,706	24,150
Rent Payable	20,250	15,750	2,00,750
TOTAL	81,887	37,456	2,24,900

Note : 16 - Equity Share Capital

Particulars	3/31/2024	3/31/2023	3/31/2022
Authorized: 1,55,10,000 Equity Shares of Rs.10/- each	15,51,00,000	15,51,00,000	15,51,00,000
Issued share capital 15000000 (Preceding the Previous year 9000000) Equity Shares of Rs.10/- each	15,00,00,000	15,00,00,000	15,00,00,000
Subscribed share capital 15000000 (Preceding the Previous year 9000000) Equity Shares of Rs.10/- each	15,00,00,000	15,00,00,000	15,00,00,000
Paid up (fully paid up) Share Capital Equity shares 15000000 (Preceding the Previous year 9000000) Equity Shares of Rs.10/- each	15,00,00,000	15,00,00,000	15,00,00,000
Share Application Money			
TOTAL	15,00,00,000	15,00,00,000	15,00,00,000

Equity Shares : The Company has one class of equity shares having a face value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	No.s	Amount
As at 01.04.2021	90,00,000	9,00,00,000
Movements during the year	60,00,000	6,00,00,000
As at 31.03.2022	1,50,00,000	15,00,00,000
As at 01.04.2022	1,50,00,000	15,00,00,000
Movements during the year		-
As at 31.03.2023	1,50,00,000	15,00,00,000
As at 01.04.2023	1,50,00,000	15,00,00,000
Movements during the year		
As at 31.03.2024	1,50,00,000	15,00,00,000



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Details of Share Holders more than 5%

Share Holder	Percentage of Shares held	No of Shares Held
Saravana Global Holdings Ltd.	40.01%	6002009
Mrs. P Shobha	34.36%	5154154

Note : 17 - Other Equity

Particulars	3/31/2024	3/31/2023	3/31/2022
Reserve Fund as per RBI Act			
Balance at the beginning of the year	2,80,75,550	2,80,75,550	2,80,75,550
Movement during the year	32,34,898	-	-
Balance at the end of the year	3,13,10,448	2,80,75,550	2,80,75,550
Capital Reserve			
Balance at the beginning of the year	72,000	72,000	72,000
Movement during the year	-	-	-
Balance at the end of the year	72,000	72,000	72,000
General Reserve			
Balance at the beginning of the year	42,50,000	42,50,000	42,50,000
Movement during the year	-	-	-
Balance at the end of the year	42,50,000	42,50,000	42,50,000
Retained Earnings			
Balance at the beginning of the year	(13,08,38,780)	(14,19,47,338)	(5,26,98,410)
Movement during the year	18,31,035	1,11,08,558	(8,92,48,928)
Balance at the end of the year	(12,90,07,746)	(13,08,38,780)	(14,19,47,338)
Total Other Equity	(9,33,75,297)	(9,84,41,230)	(10,95,49,788)



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(All Amounts are in Indian Rupees unless Specifically Mentioned)

Note 10 : Statement of Property, Plant & Equipment

S.No.	Particulars	Gross Block (Cost / Valuation)			DEPRECIATION					Net Block		
		As At	Additions	Disposals	As At	Up to	Charge during the Period		Disposals	Up to	As At	As At
		31.03.2023			31.03.2024		31.03.2023	TO P&L			TO R&S	31.03.2024
	<i>Tangibles</i>											
1	Land	19,56,985	-	-	19,56,985	-	-	-	-	-	19,56,985	19,56,985
2	Building	15,67,658	-	-	15,67,658	4,47,400	23,082	-	-	4,70,482	11,20,258	10,97,176
3	Plant & Machinery	9,66,850	-	-	9,66,850	9,54,353	2,656	-	-	9,57,009	12,497	9,841
4	Furniture & Fittings	52,33,322	-	-	52,33,322	52,33,322	-	-	-	52,33,322	-	-
5	Electrical Installation	2,36,464	-	-	2,36,464	2,36,464	-	-	-	2,36,464	-	-
6	Office Equipments	73,84,826	-	-	73,84,826	73,07,185	14,247	-	-	73,21,432	77,641	63,394
7	Vehicles	79,14,504	-	-	79,14,504	79,14,504	-	-	-	79,14,504	-	-
		2,52,60,609	-	-	2,52,60,609	2,20,93,228	39,985	-	-	2,21,33,213	31,67,381	31,27,396
	<i>Intangibles</i>											
8	Computer Software	8,89,461	-	-	8,89,461	8,89,461	-	-	-	8,89,461	-	-
		8,89,461	-	-	8,89,461	8,89,461	-	-	-	8,89,461	-	-
	TOTAL	2,61,50,070	-	-	2,61,50,070	2,29,82,689	39,985	-	-	2,30,22,674	31,67,381	31,27,396

Valuation:

Fixed Assets are stated at historical cost less accumulated depreciation.

Depreciation:

Depreciation on owned assets have been provided under Straight Line Method at the rates prescribed in Schedule II of the Companies Act, 2013. Pursuant to schedule II of the Companies Act, 2013 the changes in the useful life of the assets are adjusted against reserves & surplus.

Summary of Significant Accounting Policies are covered under Note 4

The Accompanying notes are an integral part of Financial Statements

As per our report of even date

For RSM AND ASSOCIATES

Chartered Accountants

FRN : 0028135

Padam J Challani
Managing Director
DIN : 00052216

Swapna Pawan Kochar
Director
DIN : 02262562

CA RENUKA RAMESH

Partner

M.No. 205295

UDIN: 24205295BKDBFL6025

Place : Chennai

Date : 25.05.2024

C Madhavan
Chief Financial Officer

V Sundar
Company Secretary



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Note : 18 - Interest Income

Particulars	Financial Assets - Measures at Amortized Cost	
	3/31/2024	3/31/2023
Interest on Loan	64,91,762	54,14,637
Interest on factoring	18,27,571	8,54,775
Total	83,19,333	62,69,412

Note : 19 - Other Operating Income

Particulars	3/31/2024	3/31/2023
Bad Debts Recovered	34,38,152	24,77,699
Penal Interest Received	1,60,168	2,039
Total	35,98,320	24,79,738

Note : 20 - Other Income

Particulars	3/31/2024	3/31/2023
Interest on Fixed Deposit	-	2,70,587
Profit From Sale of Fixed Assets	-	41,75,880
Total	-	44,46,467

Note : 21 - Fee & Consultancy Expense

Particulars	3/31/2024	3/31/2023
Fees and Subscription	6,12,662	5,07,955
Professional and Consultation Fees	24,81,458	13,24,337
Total	30,94,120	18,32,292

Note : 22 - Employee Benefit Expenses

Particulars	3/31/2024	3/31/2023
Salaries, other allowance and bonus	20,46,357	18,01,426
Staff welfare expenses	5,850	600
Total	20,52,207	18,02,026

Note : 23 - Provision and Write off

Particulars	3/31/2024	3/31/2023
Provision for Standard and substandard assets	2,19,939	16,19,267
Write off- Non Performing Assets	11,657	46,951
Total	2,31,596	16,66,218



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Note : 24 - Other Expenses

Particulars	3/31/2024	3/31/2023
Rent	2,55,000	2,10,000
Rates and Taxes	1,07,373	50,862
Communication expenses	1,51,204	1,32,616
Commission expense	85,000	
Travelling and Conveyance	1,02,891	1,01,822
Printing and Stationery	1,81,215	18,078
Advertisement charges	47,220	67,913
Electricity expenses	1,31,612	1,22,372
Bank charges and Commission	631	3,265
Audit Fees	50,000	25,000
Directors remuneration & Sitting fees	80,000	1,00,000
Computer maintenance	3,540	15,000
Repairs and Office maintenance	2,00,782	11,000
Miscellaneous Expenses	52,284	11,388
Total	14,48,751	8,69,316

Note : 25 - Exceptional Items

Particulars	3/31/2024	3/31/2023
Income- Write back of Loan	-	(40,00,000)
Income - Write back of Rent Payable	-	(1,85,000)
Total	-	(41,85,000)



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(All Amounts are in Indian Rupees unless Specifically Mentioned)

Note : 26 - Earnings Per Share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	3/31/2024	3/31/2023
(a) Net Profit attributable to equity Share holders	50,65,933	1,11,08,559
(b) Weighted average number of equity shares for basic earnings per share	1,50,00,000	1,50,00,000
Effect of Dilution	-	-
(c) Weighted average number of equity shares for diluted earnings per share	1,50,00,000	1,50,00,000
Earnings Per Share (Basic) (A/B)	0.34	0.74
Earnings Per Share (Diluted) (A/C)	0.34	0.74

Note : 27 - Segmental Information

The Company operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e. domestic.

Note : 28 - Leasing Commitments

The Company's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. Certain agreements provide for cancellations by either party or certain agreements contains clause for escalation of lease payments. The non-cancellable operating lease agreements are ranging from 36 to 60 months.

The total future minimum lease rentals payable at the Balance Sheet date for non-cancellable portion of the leases are as under:

Particulars	3/31/2024	3/31/2023
Minimum Lease Obligations:		
Not Later than one year	67,500	67,500
Later than one year but not later than five years	-	-
Later than five years	-	-

Note : 29 - Unhedged Foreign Currency Exposure

The Company operates in domestic area and does not involve any foreign currency. Hence the company does not have any foreign currency exposure



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Note : 30 - Disclosure of related party transaction

Name	Relationship	Nature of transaction
Saravana Global Energy Limited	Associate Company	Factoring
Saravana Global Holdings Ltd.	Associate Company	Borrowings
Saravana Housing Ltd.	Associate Company	Sale of Fixed Asset

Particulars	3/31/2024	3/31/2023
Loan Write Back Saravana Global Holdings Limited		40,00,000
Factoring Saravana Global Energy Limited	6,10,23,703	
Receivable Saravana Global Energy Limited Saravana Housing Ltd.	90,90,910 10,00,000	

Related parties as defined under clause 9 of the Ind AS 24 'Related party disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on an arms' length basis. All outstanding balances are to be settled in cash and are unsecured.

Note : 31 - Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

(f) Capital management

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavors to maintain a higher capital base than the mandated regulatory capital at all times.



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Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability

Management Committee (ALCO)

The Company endeavors to maintain its CRAR higher than the mandated regulatory norm.

Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Company's dividend distribution policy states that subject to profit, the Board shall endeavor to maintain a dividend payout (including dividend distribution tax) of around 15% of profits after tax on standalone financials, to the extent possible.

Regulatory Capital

In Lakhs

Particulars	3/31/2024	3/31/2023
Tier I Capital	523.63	472.97
Tier II Capital	-	-
	523.63	472.97
Risk Weighted Assets (RWA)	385.07	380.09
Tier I CRAR (%)	135.98	124.44
Tier II CRAR	-	-

Particulars	3/31/2023	3/31/2022
Tier I Capital	472.97	364.48
Tier II Capital	-	-
	472.97	364.48
Risk Weighted Assets (RWA)	380.09	68.68
Tier I CRAR [%]	124.44	530.69
Tier II CRAR	-	-

Note : 32 - Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

Note : 33 - Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques. This note describes the fair value measurement of both financial and non-financial instruments.



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Valuation framework

The Company has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Company's valuation framework includes:

1. Benchmarking prices against observable market prices or other independent sources;
2. Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with accounting standards.

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Fair Value of investments held in the long run by the entity for which the company has adopted to value the same to fair value through Profit and Loss Account as the same is not having a more effect on the financial position of the entity

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

Note : 34 - Risk Management objectives and Policies

A summary of the major risks faced by the Company, its measurement monitoring and management are described as under:

Liquidity Risk

Liquidity risk arises from mismatches in the timing of cash flows.

Funding risk arises:

1. when long term assets cannot be funded at the expected term resulting in cashflow mismatches;
2. Amidst volatile market conditions impacting sourcing of funds from banks and money markets

The company actively measures the gap and held meetings to mitigate and overcome this risk factor. A separate responsibility is held with the treasury team which oversees and manages this risk

Interest Rate Risk

Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios.

Interest rate risk is:

1. measured using Valuation at Risk ('VaR'), and modified duration analysis and other measures, including the sensitivity of net interest income.
2. Monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities.

The same is managed by the Company's treasury team under the guidance of ALCO.



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Credit Risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. The company assesses the credit quality of all financial instruments that are subject to credit risk.

Credit risk is:

1. Measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various metrics such as EMI default rate, overdue position, collection efficiency, customers non performing loans etc. are used as leading indicators to assess credit risk.

2. Monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer and portfolio concentration risks.

3. Managed by a robust control framework by the risk department which continuously align credit policies, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12 month allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12 month Point in Time (PIT) probability weighted probability of default (PD).

For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD. The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro economic conditions

For a detailed note for methodology of computation of ECL please refer to significant accounting policies to the financial statements. Financial instruments other than loans were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

Note : 35

Amounts less than Rs. 50,000 have been shown at actuals against respective line items statutorily required to be disclosed.

Note 36.

The pending litigations as on 31st March 2024 have been compiled by the company and reviewed by the Statutory Auditors. The current position of the litigation has been evaluated and there is no likely adverse impact on the financial position.



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Note 37 : Risk management objectives and policies

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

(All Amounts are in Indian Rupees unless Specifically Mentioned)

PARTICULARS	For the Period Ended								
	31-Mar-24	Within 12 Months	After 12 Months	31-Mar-23	Within 12 Months	After 12 Months	31-Mar-22	Within 12 Months	After 12 Months
ASSETS									
[a] Financial Assets									
Cash and cash equivalents	6,14,925	6,14,925		70,50,018	70,50,018	-	2,19,19,741	2,19,19,741	-
Receivables									
(i) Other receivables	-	-							
Loans	3,37,45,626	1,29,59,025	2,07,86,601	3,07,69,203	-	3,07,69,203	15,51,600	-	15,51,600
Investments	3,03,495		3,03,495	3,03,495	-	3,03,495	3,03,495	-	3,03,495
Other financial assets	4,18,019	4,18,019		4,10,837	4,10,837	-	13,75,837	13,75,837	-
[b] Non-Financial Assets									
Current Tax Assets	1,36,33,514	1,36,33,514		1,36,32,116	1,36,32,116	-	1,34,90,028	1,34,90,028	-
Deferred tax assets	42,61,415		42,61,415	42,61,415	-	42,61,415	42,61,415	-	42,61,415
Property, Plant & Equipment	31,27,396		31,27,396	31,67,381	-	31,67,381	36,02,368	-	36,02,368
Other Intangible Assets									
Other Non-Financial Assets	10,00,000		10,00,000	10,00,000		10,00,000			
TOTAL ASSETS	5,71,04,390	2,76,25,483	2,94,78,907	6,05,94,465	2,10,92,971	3,95,01,494	4,65,04,484	3,67,85,606	97,18,878
LIABILITIES AND EQUITY									
LIABILITIES									
[a] Financial liabilities									
Payables									
(i) Other payables									
(a) Total outstanding dues of creditors other than micro enterprises and small enterprises	72,043	72,043		23,582	23,582	-	6,293	6,293	-
Debt securities	-								
Borrowings (other than debt securities)	-			87,61,616	87,61,616		55,36,867	55,36,867	
Other financial liabilities	3,25,758	3,25,758		2,13,041	2,13,041	-	2,86,212	2,86,212	-
[b] Non-Financial Liabilities									
Other Non-Financial Liabilities	81,887	81,887		37,456	37,456	-	2,24,900	2,24,900	-
TOTAL LIABILITIES [a+b]	4,79,688	4,79,688	-	90,35,695	90,35,695	-	60,54,272	60,54,272	-
[c] Equity									
Equity share capital	15,00,00,000		15,00,00,000	15,00,00,000	-	15,00,00,000	15,00,00,000	-	15,00,00,000
Other equity	(9,33,75,297)		(9,33,75,297)	(9,84,41,230)		(9,84,41,230)	(10,95,49,788)		(10,95,49,788)
TOTAL EQUITY [c]	5,66,24,703	-	5,66,24,703	5,15,58,770	-	5,15,58,770	4,04,50,212	-	4,04,50,212
TOTAL LIABILITIES & EQUITY [a+b+c]	5,71,04,390	4,79,688	5,66,24,703	6,05,94,465	90,35,695	5,15,58,770	4,65,04,484	60,54,272	4,04,50,212

Summary of Significant Accounting Policies are covered under Note 4

The Accompanying notes are an integral part of Financial Statements

As per our report of even date

For RSM AND ASSOCIATES
Chartered Accountants
FRN : 002813S

Padam J Challani
Managing Director
DIN : 00052216

Swapna Pawan Kochar
Director
DIN : 02262562

CA RENUKA RAMESH
Partner
M.No. 205295
UDIN: 242052958KDBFL6025

C.Madhavan
Chief Financial Officer

V Sundar
Company Secretary

Place : Chennai
Date : 25.05.2024

Place : Chennai
Date : 25.05.2024

Place : Chennai
Date : 25.05.2024



Annexure to Note No.7

NOTE NO.	PARTICULARS	For the year ended		For the year ended		For the year ended	
		31.03.2024		31.03.2023		31.03.2022	
		No. of shares	Amount in (Rs.)	No. of shares	Amount in (Rs.)	No. of shares	Amount in (Rs.)
12	NON-CURRENT INVESTMENT						
	A.Trade Investments			-	NIL	-	NIL
	B.OTHER INVESTMENTS						
	Investment in Equity shares						
	1) Associates			-	NIL	-	NIL
	2) Others						
	Equity Shares fully paid-up						
	QUOTED-DEMAT						
	KOPRAN LIMITED	2,000	2,51,100	2,000	2,51,100	2,000	2,51,100
	HINUSTHAN UNILEVER LIMITED						
	INDIAN BANK						
	UMANG DAIRIES LIMITED	200	2,000	200	2,000	200	2,000
	WIM PLAST LTD.						
	Subtotal A	2,200	2,53,100	2,200	2,53,100	2,200	2,53,100
	Less: Investment Sold During the Year						
	Equity Shares Fully Paid up						
	Hindustan Uniliver						
	Indian Bank						
	WIM Plast Limited						
	Sub total B	-	-	-	-	-	-
	Total Quoted - Demat C (A-B)	2,200	2,53,100	2,200	2,53,100	2,200	2,53,100
	QUOTED -PHYSICAL						
	GNFC LTD.	266	2,660	266	2,660	266	2,660
	GRUH FINANCE LTD.	100	1,000	100	1,000	100	1,000
	Comp-U-Learntec india Ltd.	1,000	13,735	1,000	13,735	1,000	13,735
	Sub total D	1,366	17,395	1,366	17,395	1,366	17,395
	Total C+D	3,566	2,70,495	3,566	2,70,495	3,566	2,70,495
	UNQUOTED-DEMAT						
	COMPUTER POWER (INDIA) LTD.	25,000	25,000	25,000	25,000	25,000	25,000
	ONIDA FINANCE LIMITED	800	8,000	800	8,000	800	8,000
	Total	25,800	33,000	25,800	33,000	25,800	33,000
	Fixed Deposit						
	PNB CC Fixed Deposit						
	Total investments in Equity Shares	29,366	3,03,495	29,366	3,03,495	29,366	3,03,495
	Investment in Government Securities		NIL		NIL		NIL
	TOTAL NON CURRENT INVESTMENTS		3,03,495		3,03,495		3,03,495
	Quoted Investments						
	Cost		2,70,495		2,70,495		2,70,495
	Market Value		7,29,583		3,29,343		1,16,664
	Provision Made for Diminutions in investment						1,53,831

Note

Long-term investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary.

Current investments are valued at lower of cost and market value/net asset value.