

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

GENERAL INFORMATION DOCUMENT

Reference No.: BFL/GID/2024-2025/1



BERAR FINANCE LIMITED

("Issuer" / "Company")

A public limited company incorporated under the Companies Act, 1956 and validly existing under the Companies Act, 2013.

Registered with the Reserve Bank of India as a deposit accepting non-banking finance company bearing registration number: 13.01109.

General Information Document for issue of Non-Convertible Securities on a private placement basis dated: 18th April 2024.

ISSUE OF SENIOR / UNSUBORDINATED / SUBORDINATED, SECURED / UNSECURED, RATED, LISTED, TAXABLE, PRINCIPAL PROTECTED OR NOT, MARKET LINKED OR NOT, GREEN DEBT SECURITIES OR NOT, NON-CONVERTIBLE SECURITIES AGGREGATING FOR AN AMOUNT AS SHALL BE MORE PARTICULARLY SET OUT IN THE RESPECTIVE KEY INFORMATION DOCUMENT(S), IN MULTIPLE TRanches / ISSUANCES, FOR CASH, AT PAR OR AT PREMIUM OR AT DISCOUNT, EITHER FULLY PAID ISSUANCE OR PARTLY PAID ISSUANCE, IN A DEMATERIALIZED FORM ON A PRIVATE PLACEMENT BASIS (OR THE ISSUE OF GUARANTEED OR NOT, LISTED COMMERCIAL PAPERS (THE "ISSUE") BY BERAR FINANCE LIMITED (THE "COMPANY") OR ("ISSUER").

PART A: DISCLOSURES AS PER SEBI NCS Regulations:



*** Please refer pages 1-4 for all information required to be placed on the front page of a General Information Document as per Schedule I of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.*



Please see below the disclosures as required under the terms of the SEBI NCS Regulations (as defined below): The below disclosures as set out in this General Information Document shall be valid and applicable unless otherwise modified in the respective Key Information Document as shall be issued by the Issuer from time to time.

This General Information Document is valid for a period of 1 (one) year.

S. No.	Particulars	Relevant Disclosure
1.	Corporate Identity Number of the Issuer:	U65929MH1990PLC057829
2.	Permanent Account Number of the Issuer:	AAACB5861B
3.	Date and place of Incorporation of the Issuer:	Date of incorporation: 22 nd August 1990 Place of incorporation: Nagpur, India

S. No.	Particulars	Relevant Disclosure
4.	Latest registration / identification number issued by any regulatory authority which regulates the Issuer (in this case the RBI):	13.01109
5.	Registered Office address of the Issuer:	Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur, Maharashtra - 440012, India
6.	Corporate Office address of the Issuer:	Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur, Maharashtra - 440012, India
7.	Telephone No of the Issuer:	0712-666 3999
8.	Details of Compliance officer of the Issuer:	Name: Ms. Deepali Balpande Telephone Number: +91 9146033554 Email address: deepali.balpande@berarfinance.com
9.	Details of Company Secretary of the Issuer:	Name: Ms. Deepali Balpande Telephone Number: +9146033554 Email address: deepali.balpande@berarfinance.com
10.	Details of Chief Financial Officer of the Issuer:	Name: Mr. Ravindra Dorle Telephone Number: 8237116677 Email address: ravindra.dorle@berarfinance.com
11.	Details of Promoter(s) of the Issuer:	Promoter 1: Name: Mr. Maroti G. Jawanjar Telephone Number: +91 9011014966 Email address: maroti.jawanjar@berarfinance.com Promoter 2: Name: Mr. Sandeep M. Jawanjal Telephone Number: +91 9922200096 Email address: sandeep.jawanjal@berarfinance.com
12.	Website address of the Issuer:	www.berarfinance.com
13.	Email address of the Issuer:	investor.relations@berarfinance.com
14.	Details of debenture trustee for the Issue:	Name: IDBI Trusteeship Services Limited

S. No.	Particulars	Relevant Disclosure
		 <p>Logo:</p> <p>Address: Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Rd, Fort, Mumbai, Maharashtra-400 001</p> <p>Telephone Number: (91) (22) 40807068</p> <p>Fax No.: NA</p> <p>Website: www.idbitrustee.com</p> <p>Email address: naresh.sachwani@idbitrustee.com/ itsl@idbitrustee.com</p> <p>Contact Person: Mr. Naresh Sachwani</p> <p>Or such other Debenture Trustee as shall be set out in the respective Key Information Document.</p>
15.	Details of credit Rating Agent for the Issue:	<p>Name: India Ratings and Research Private Limited</p>  <p>Logo:</p> <p>Address: Wockhardt Tower, Level 4, West Wing, Plot C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051, India.</p> <p>Telephone Number: +91 22 4000 1700</p> <p>Fax No.: +91 22 4000 1701</p> <p>Website: www.indiaratings.co.in</p> <p>Email address: pankaj.naik@indiaratings.co.in</p> <p>Contact Person: Mr. Pankaj Naik</p> <p>Or such other Rating Agent as shall be set out in the respective Key Information Document.</p>
16.	Disclosure of filing	Given this is a private placement of non-convertible securities, there shall be no requirement of filing the same with the Registrar of Companies pursuant to the Section 26(4) of the Act.
17.	Date of General Information Document	18 th April 2024 This General Information Document is valid for a period of 1 (one) year from the first issue opening date.
18.	Type of General Information Document	This General Information Document is being issued in relation to the private placement basis of Non-Convertible Securities.

S. No.	Particulars	Relevant Disclosure
19.	The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable	<p>Base Issue: Kindly refer to the respective Key Information Document</p> <p>Green Shoe: Kindly refer to the respective Key Information Document</p>
20.	The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the General Information Document (applicable only in case of public issuance)	Not Applicable.
21.	Details of Registrar to the Issue:	<p>Name: Bigshare Services Private Limited</p>  <p>Logo:</p> <p>Address: Office no S6-2, 6th floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai-400093, Maharashtra, India.</p> <p>Telephone Number: +91 7045454397</p> <p>Fax No.: N.A</p> <p>Website: www.bigshareonline.com</p> <p>Email address: investor@bigshareonline.com/</p> <p>Contact Person: Mr. Rohan Kadam</p> <p>Or such other Registrar as shall be set out in the respective Key Information Document.</p>
22.	Legal Counsel	<p>Name: Juris Corp, Advocates & Solicitors</p>  <p>Logo:</p> <p>Contact Person: Partner, Securities</p> <p>Address: 302, Century Bhavan, 3rd Floor,</p>

S. No.	Particulars	Relevant Disclosure
		<p>Dr Annie Besant Road, Worli, Mumbai - 400 030, India</p> <p>Email: securities@juriscorp.in</p> <p>Tel: 022 6720 5555</p> <p>Website: www.juriscorp.in</p> <p>Or such other Legal Counsel as shall be set out in the respective Key Information Document.</p>
23.	Statutory Auditor	<p>Logo: N.A</p> <p>Name: Manubhai & Shah LLP</p> <p>Address: G-4, Capstone, Opp. Chirag Motors, Sheth Mangaldas Road, Ellisbridge, Anmedabad - 380 006.</p> <p>Website: www.msglobal.co.in</p> <p>Email address: GetInTouch@msglobal.co.in</p> <p>Telephone Number: +91-79-2647 0000</p> <p>Contact Person: Mr. Ashish Shah</p> <p>Peer review certificate no.: 014039</p> <p>(A copy of the same is attached in Annexure XI of this General Information Document)</p> <p>Or such other Statutory Auditor as shall be set out in the respective Key Information Document.</p>
24.	Issue Schedule	<p>Date of opening of the Issue: As set out in the respective Key Information Document.</p> <p>Date of closing of the Issue: As set out in the respective Key Information Document.</p> <p>Date of earliest closing of the Issue (if any): As set out in the respective Key Information Document.</p> <p>This General Information Document shall be issued as on 18th April 2024 and shall be valid for a period of 1 (one) year from the first issue opening date under this General Information Document.</p>
25.	Credit Rating of the Issue	<p>The Rating Agent has vide its letter dated April 16, 2024 and rating rationale and its press release dated April 16, 2024 assigned a rating of “IND BBB / Outlook Positive” (pronounced as “IND Triple B”) in respect of the Debentures. Please refer to Annexure II of this General Information Document for the credit rating letter and rating rationale received from the Rating Agent assigning the credit rating abovementioned and the press release by the Rating Agent in this respect.</p> <p>Link for the press release: https://www.indiaratings.co.in/pressrelease/69519</p>

S. No.	Particulars	Relevant Disclosure
		Or such other rating as shall be assigned from time to time and as shall be set out in the respective Key Information Document.
26.	All the ratings obtained for the private placement of Issue	Please refer to S.no 25 (<i>Credit Rating of the Issue</i>) above.
27.	The name(s) of the stock exchanges where the securities are proposed to be listed, subject to change	<p>The Non-Convertible Securities are proposed to be listed on the wholesale debt market of the BSE Limited (“BSE”).</p> <p>Please refer to Annexure VI (<i>In-Principle approval received from BSE</i>) of this General Information Document for the in-principle approval for listing obtained from BSE).</p> <p>BSE shall be the ‘Designated Stock Exchange’ for the purpose of maintenance of the recovery expense fund prescribed by SEBI under the SEBI Debenture Trustees Master Circular, as may be amended from time to time.</p>
28.	The details about eligible investors	As shall be more particularly set out in the respective Key Information Document.
29.	Coupon rate, coupon payment frequency, redemption date, redemption amount and details of debenture trustee	<p>As specified in the respective Key Information Document.</p> <p>The details of Debenture Trustee are provided under S. No. 14 of this table above.</p>
30.	Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable	<p>Issue Size - Kindly refer to the respective Key Information Document.</p> <p>Base Issue Size - As set out in the respective Key Information Document.</p> <p>Green shoe option - As set out in the respective Key Information Document.</p>
31.	Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters:	Kindly refer to the respective Key Information Document
32.	Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the General Information Document on the Electronic Book	The issuance has to be complied with the provisions of EBP mechanism as per the SEBI Master Circular upon the issue size exceeding the prescribed threshold. As of the date of this General Information Document, the prescribed threshold is INR 50,00,00,000/- (Indian Rupees Fifty Crores Only). Until the aggregate issue size does not exceed the above threshold in a given financial year, the EBP Guidelines will not be applicable. In case the issue size exceeds the above threshold in a given financial year, the final subscription to the Non-Convertible Securities shall be made by the Eligible Investors through the electronic

S. No.	Particulars	Relevant Disclosure														
	Provider Platform, if applicable.	<p>book mechanism as prescribed by SEBI under the EBP Guidelines by placing bids on the electronic book platform during the Issue period. In case the Eligible Investors are not registered on the EBP, they will have to register themselves as investor on the said platform (as a one-time exercise) and also complete the mandatory KYC verification process. The Eligible Investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines are set out hereinbelow:</p> <table border="1" data-bbox="628 618 1481 1424"> <tr> <td data-bbox="628 618 1043 741">Details of size of the Issue including green shoe option, if any</td> <td data-bbox="1043 618 1481 741">Total Issue size of Issue: Kindly refer to the respective Key Information Document</td> </tr> <tr> <td data-bbox="628 741 1043 987">Bid opening and closing date</td> <td data-bbox="1043 741 1481 987"> Bid opening date: Kindly refer to the respective Key Information Document Bid closing date: Kindly refer to the respective Key Information Document </td> </tr> <tr> <td data-bbox="628 987 1043 1070">Minimum Bid lot</td> <td data-bbox="1043 987 1481 1070">Kindly refer to the respective Key Information Document</td> </tr> <tr> <td data-bbox="628 1070 1043 1153">Manner of bidding in the Issue</td> <td data-bbox="1043 1070 1481 1153">Kindly refer to the respective Key Information Document</td> </tr> <tr> <td data-bbox="628 1153 1043 1236">Manner of allotment in the Issue</td> <td data-bbox="1043 1153 1481 1236">Kindly refer to the respective Key Information Document</td> </tr> <tr> <td data-bbox="628 1236 1043 1341">Manner of settlement in the Issue</td> <td data-bbox="1043 1236 1481 1341">Kindly refer to the respective Key Information Document</td> </tr> <tr> <td data-bbox="628 1341 1043 1424">Settlement cycle</td> <td data-bbox="1043 1341 1481 1424">Kindly refer to the respective Key Information Document</td> </tr> </table>	Details of size of the Issue including green shoe option, if any	Total Issue size of Issue: Kindly refer to the respective Key Information Document	Bid opening and closing date	Bid opening date: Kindly refer to the respective Key Information Document Bid closing date: Kindly refer to the respective Key Information Document	Minimum Bid lot	Kindly refer to the respective Key Information Document	Manner of bidding in the Issue	Kindly refer to the respective Key Information Document	Manner of allotment in the Issue	Kindly refer to the respective Key Information Document	Manner of settlement in the Issue	Kindly refer to the respective Key Information Document	Settlement cycle	Kindly refer to the respective Key Information Document
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33.	Specific declaration requested by BSE (Stock Exchange): non-equity regulatory capital	Kindly refer to the respective Key Information Document														

Background

This General Information Document (as defined below) is related to the issue of senior / unsubordinated / subordinated, secured / unsecured, rated, listed, taxable, non-convertible securities to be issued in multiple tranches/issuances, secured/unsecured, principal protected or not, market linked or not, redeemable/perpetual, green debt securities or not, for cash at par or at premium or at discount, either fully paid issuance or partly paid issuance, in a dematerialised form on a private placement basis by Berar Finance Limited (the "Issuer" or "Company") and contains relevant information and disclosures required for the purpose of issuing of the Non-Convertible Securities. The issue of the Non-Convertible Securities comprised in the Issue and described under this General Information Document shall be authorised by the Issuer through resolutions of the shareholders of the Issuer and the Board of Directors of the Issuer, the details of which shall be more

particularly set out in the respective Key Information Document and has been authorised by the Memorandum and Articles of Association of the Company. The details of the corporate authorizations i.e. the resolution passed by the board of directors of the Issuer and the resolution passed by the shareholders of the Issuer shall be set out in each of the relevant Key Information Document that shall be issued by the Company from time to time for the purpose of issuance of the Non-Convertible Securities. The Issuer shall ensure that at all times, such relevant issuance of the Non-Convertible Securities shall be within the limits as shall be prescribed in such relevant resolution.

THIS GENERAL INFORMATION DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF A PROSPECTUS AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC GENERALLY TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE NON-CONVERTIBLE SECURITIES TO BE ISSUED UNDER THE ISSUE.

THIS GENERAL INFORMATION DOCUMENT IS PREPARED AND ISSUED IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, ISSUED VIDE NOTIFICATION NUMBER SEBI/LAD-NRO/GN/2021/39 DATED 09TH AUGUST 2021, AS AMENDED FROM TIME TO TIME, READ WITH THE CIRCULARS ISSUED THEREUNDER; THE MASTER CIRCULAR FOR ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES, SECURITISED DEBT INSTRUMENTS, SECURITY RECEIPTS, MUNICIPAL DEBT SECURITIES AND COMMERCIAL PAPER ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA, ISSUED VIDE CIRCULAR NO. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 DATED 10TH AUGUST, 2021, AS AMENDED FROM TIME TO TIME, THE PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER PURSUANT TO SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND PURSUANT TO SECTION 71 OF THE COMPANIES ACT, 2013 READ WITH RULE 18 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 (AS APPLICABLE) FOR ISSUE OF NON-CONVERTIBLE SECURITIES ON A PRIVATE PLACEMENT BASIS.

Wilful Defaulters

The Issuer, its directors and promoters have not been declared as a wilful defaulter by RBI or any other authority. Please refer to Section 6 (*Disclosures pertaining to wilful defaulters*) for the disclosures pertaining to wilful default.

Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this General Information Document contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the General Information Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

Particulars	Date
Validity period of the General Information Document	From 18 th April 2024 to 17 th April 2025
Issue Opening Date	Kindly refer to the respective Key Information Document
Issue Closing Date	Kindly refer to the respective Key Information Document

Pay In Date	Kindly refer to the respective Key Information Document
Deemed Date of Allotment	Kindly refer to the respective Key Information Document

GENERAL RISK

INVESTMENT IN THE NON-CONVERTIBLE SECURITIES INVOLVES A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS ISSUE UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT AND SUCH RISKS AS ATTACHED TO SUCH INVESTMENTS. PROSPECTIVE INVESTORS ARE ADVISED TO MAKE AN INFORMED DECISION AND TO READ **SECTION 3 (RISK FACTORS)** OF THIS GENERAL INFORMATION DOCUMENT CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE OF NON-CONVERTIBLE SECURITIES. FOR THE PURPOSES OF TAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER, THE ISSUE, THE GENERAL INFORMATION DOCUMENT AND THE KEY INFORMATION DOCUMENT TO BE ISSUED FROM TIME TO TIME INCLUDING THE RISKS INVOLVED IN IT. SPECIFIC ATTENTION OF THE PROSPECTIVE INVESTORS IS INVITED TO THE STATEMENT OF RISK FACTORS CONTAINED UNDER **SECTION 3 (RISK FACTORS)** OF THIS GENERAL INFORMATION DOCUMENT. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE NON-CONVERTIBLE SECURITIES OR PROSPECTIVE INVESTOR'S DECISION TO PURCHASE SUCH NON-CONVERTIBLE SECURITIES.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN LEGAL, REGULATORY, TAX, FINANCIAL AND/OR ACCOUNTING ADVISORS ABOUT RISKS ASSOCIATED WITH AN INVESTMENT IN SUCH NON-CONVERTIBLE SECURITIES AND THE SUITABILITY OF INVESTING IN SUCH NON-CONVERTIBLE SECURITIES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

THE ISSUE OF NON-CONVERTIBLE SECURITIES HAS NOT BEEN RECOMMENDED OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("**SEBI**") NOT DOES SEBI GUARANTEE THE ACCURACY AND ADEQUACY OF THE INFORMATION CONTAINED HEREIN.

Listing

The Non-Convertible Securities are proposed to be listed on the wholesale debt market of the BSE. The Issuer has obtained an in-principle approval from the Stock Exchange(s), a copy of which is attached herewith in **Annexure VI** of this General Information Document.

The Issuer, with prior notice to the Debenture Trustee, may get the Non-Convertible Securities listed on other material stock exchanges as it deems fit. The Issuer shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis.

TABLE OF CONTENTS

SECTION 1:	DEFINITIONS AND ABBREVIATIONS	11
SECTION 2:	NOTICE TO INVESTORS AND DISCLAIMERS	20
SECTION 3:	RISK FACTORS	26
SECTION 4:	FINANCIAL STATEMENTS	32
SECTION 5:	REGULATORY DISCLOSURES	33
SECTION 6:	DISCLOSURES PERTAINING TO WILFUL DEFAULT	78
SECTION 7:	TRANSACTION DOCUMENTS AND KEY TERMS	79
SECTION 8:	OTHER INFORMATION AND APPLICATION PROCESS	81
SECTION 9:	UNDERTAKING	91
SECTION 10:	FORM NO. PAS-4	96
SECTION 11:	DECLARATION BY THE DIRECTORS	121
ANNEXURE I:	TERM SHEET FOR THE ISSUER OF NON-CONVERTIBLE SECURITIES / COMMERCIAL PAPERS	
ANNEXURE II:	RATING LETTER, RATING RATIONALE AND DETAILED PRESS RELEASE FROM THE RATING AGENT	
ANNEXURE III:	CONSENT LETTER AND ENGAGEMENT LETTER FROM THE DEBENTURE TRUSTEE	
ANNEXURE IV:	APPLICATION FORM	
ANNEXURE V:	LAST AUDITED FINANCIAL STATEMENTS	
ANNEXURE VI:	IN-PRINCIPLE APPROVAL	
ANNEXURE VII:	ALM STATEMENTS AS ON 31ST MARCH 2023	
ANNEXURE VIII:	BOARD RESOLUTION	
ANNEXURE IX:	SHAREHOLDERS RESOLUTION	
ANNEXURE X:	DUE DILIGENCE CERTIFICATES	
ANNEXURE XI:	STATUTORY AUDITOR PEER REVIEW CERTIFICATE	

SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires or unless a different meaning is provided to it in the respective Key Information Document or the relevant Transaction Document, the following terms shall have the meanings given below in this General Information Document.

Act	means the Companies Act 2013 and includes any rules, circulars, notifications and orders framed/ issued thereunder and any statutory modifications, re-enactments or amendments thereof or of such rules, circulars, notifications, orders, as issued from time to time.
Allot/Allotment/Allotted	The allotment of the Non-Convertible Securities pursuant to this Issue.
Applicable Accounting Standards	shall mean (a) until the adoption of Indian Accounting Standards (Ind-AS) in accordance with Applicable Law, generally accepted accounting principles in India, and (b) thereafter, Indian Accounting Standards, in each case as amended, supplemented or re-issued from time to time, applied on a consistent basis both as to amounts and to classification of items.
Applicable Law	shall mean any statute, national, state, provincial, local, municipal or other law, regulation, ordinance, rule, judgment, order, decree, byelaws, approval of Governmental Authority, directives, guidelines, policy requirement, circulars or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law in India of any of the foregoing by Governmental Authority in India.
Applicant	means a Person who is eligible to invest in the Non-Convertible Securities and has submitted / will be submitting an Application for subscribing to the Non-Convertible Securities in accordance with the terms of the General Information Document and other Transaction Documents.
Application Form	means an application for subscribing to the Non-Convertible Securities, which is in the form annexed to this General Information Document and marked as Annexure IV .
Application Monies	means money paid or payable by an Applicant on its Application for subscription to the Non-Convertible Securities.
Assets	means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with the Applicable Accounting Standards.
Beneficial Owner(s)/Debenture Holder(s)	means the Persons who are, for the time being, and from time to time, and who will become the owners of the Tranches/Issuances of the Non-Convertible Securities in electronic (dematerialized) form, and whose names appear in the list of the beneficial owner(s)/register of beneficial owners(s) prepared, held and given by the Depository and shall mean the Secured Debenture Holders and/or the Unsecured Debenture Holders and/ or such other holders of the Non-Convertible Security, as may be contextually applicable, and “ Beneficial Owner ” means each such Person and includes their respective successors/ transferees and assigns.

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

Board / Board of Directors	The Board of Directors of the Issuer for the time being and from time to time.
BSE	means the BSE Limited.
Business Day	As specified in the relevant Key Information Document.
CDSL	Central Depository Services (India) Limited.
CERSAI	means the Central Registry of Securitisation Asset Reconstruction and Security Interest.
Client Loan	means each loan disbursed by the Issuer as a lender and “Client Loans” shall construed accordingly.
Commercial Papers	Shall mean listed, rated, guaranteed or not, commercial papers to be issued by the Company pursuant to the RBI CP Directions and as per the terms as more particularly set out in the relevant Key Information Document at a discount to the face value.
Company/Issuer	shall mean Berar Finance Limited, a company incorporated under the provisions of the Companies Act, 1956 and validly existing under the Companies Act 2013 and registered with the Reserve Bank of India as a systemically important deposit taking non-banking finance company with corporate identification number U65929MH1990PLC057829 and having its registered office at Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur, Maharashtra - 440012 India.
Conditions Precedent	As specified in the relevant Key Information Document.
Conditions Subsequent	As specified in the relevant Key Information Document.
Constitutional Documents / Charter Documents	means the certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI to the Issuer.
Control	shall mean right to appoint majority of the directors or to control the management or policy decisions by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
Debenture Obligations	(a) in respect of Secured Debentures, means the Secured Obligations; and (b) in respect of the Unsecured Debentures mean the Unsecured Obligations.
Debenture Trust Deed	means each of the trust deed to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the respective Tranche/Issuance of the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Debenture Trustee	IDBI Trusteeship Services Limited, or such other debenture trustee appointed for respective Tranche / Issuance of the Debentures as more particularly mentioned in the respective Debenture Trustee Agreement.

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

Debenture Trustee Agreement	means each of the agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the respective Tranche/Issuance of the Debentures.
Debenture Trustees Regulations	means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
Debentures	Listed, rated, taxable, redeemable or perpetual, secured or unsecured, senior / unsubordinated / subordinated, principal protected or not, market linked or not, green debt securities or not, non-convertible debentures to be issued by the Company on a private placement basis not or green debt securities or not) having either zero coupon or Coupon as set out in the relevant Key Information Document or redemption premium or redemption discount, or whose Coupon is linked to the performance of the reference index etc.) as more particularly set out in the Key Information Document and shall be collectively referred to as the Secured Debentures or Unsecured Debentures (as applicable).
Deed of Guarantee	shall mean each of the deed of corporate guarantee dated on or around the date of the issuance of Tranche / Issuance of the Debentures / Commercial Papers (if applicable) to be executed by the Guarantor in favor of the Debenture Trustee for the relevant Tranche / Issuance of the Debentures / Commercial Papers, to the extent applicable.
Deed of Hypothecation	shall mean each of the deed of hypothecation dated on or around the date of the relevant Tranche / Issuance of the Debentures (if applicable) to create a charge over the Hypothecated Assets for the respective Tranche/Issuance of Debentures, to be executed between the Issuer and the Debenture Trustee to secure the Secured Obligations in relation to the respective Tranche/Issuance of the Secured Debentures, to the extent applicable.
Deemed Date of Allotment	shall mean the date on which the Debentures shall have been deemed to be allotted to the Debenture Holders - as mentioned in detail in the respective Key Information Document.
Demat	means dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories	means the depositories with which the Issuer has made arrangements for dematerialising the Non-Convertible Securities, being NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant / DP	A depository participant as defined under the Depositories Act
Designated Stock Exchange	The stock exchange designated by the Issuer under the General Information Document being BSE for the purposes of maintaining the recovery expense fund in terms of Regulation 11 of the SEBI NCS

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	Regulations read with SEBI Debenture Trustees Master Circular.
Director(s)	Director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
DRR	has the meaning given to it in Section 5.35 (a)
Due Date	means the date on which any interest or liquidated damages, any Redemption Payment or premature redemption amount and/or any other amounts payable, are due and payable, including but not limited to each of Redemption Dates, and any other date on which any payment is to be made by the Issuer under the respective Transaction Documents.
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism under the terms of the SEBI Master Circular and the operational guidelines issued by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.
EFT	Electronic Fund Transfer
Electronic Book Provider/ EBP	Shall have the meaning assigned to such term under the EBP Guidelines.
Eligible Investors	As set out in the respective Key Information Document.
Events of Default	As set out in the respective Key Information Document.
Final Redemption Date	With respect to any Tranche / Issuance shall mean the date on which repayment of Redemption Payment together with all other Debenture Obligations in respect of that Tranche / Issuance will be made and shall be as specified in the relevant Key Information Document issued for such Tranche / Issuance.
Final Settlement Date	means the date on which all Debenture Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.
Financial Indebtedness	As shall be more particularly set out in the respective Key Information Document.
Financial Statements	means in relation to a company, its audited financial statements (on a consolidated and non-consolidated basis) for a Financial Year.
Financial Year End Date	shall mean 31 st March of each year.
Financial Year/ FY	means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.
Form PAS-3	The return of allotment required to be filed by the Issuer pursuant to the Companies (Prospectus and Allotment of Securities) Rules, 2014 relating to the Non-Convertible Securities.
Form PAS-5	The record of private placement maintained by the Issuer pursuant to the Companies (Prospectus and Allotment of Securities) Rules, 2014 relating to the Non-Convertible Securities.
General Information	means this General Information Document issued by the Issuer for the

Document	issue of the Non-Convertible Securities on a private placement basis in accordance with Applicable Laws.
Governmental Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organization, established under any Applicable Law.
Guarantor	As specified in the relevant Key Information Document, if applicable.
Hypothecated Assets	As shall be more particularly set out in the respective Key Information Document.
Hypothecated Assets Report	As shall be more particularly set out in the respective Key Information Document.
Interest Payment Dates	means the payment dates as specified in the relevant Key Information Document.
Interest Rate/Coupon Rate	As specified in the relevant Key Information Document.
Issue	means the private placement of the Non-Convertible Securities.
Issue Closing Date	As specified in the relevant Key Information Document.
Issue Opening Date	As specified in the relevant Key Information Document.
Key Information Document	The Key Information Document to be issued by the Issuer in respect of each Tranche / Issuance containing inter alia the issue price, Tranche / Issuance size, interest / coupon (if any), redemption premium (if any), any material change to the disclosures and other terms and conditions vis-à-vis the General Information Document for that Tranche / Issuance of Non-Convertible Securities issued under the Issue. The Company shall be free to amend the format of Key Information Document depending upon the terms and conditions of the Non-Convertible Securities being issued in each Tranche / Issuance.
Listing Period	has the meaning given to it in Section 5.37 (<i>Issue Details</i>).
LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, modified or restated from time to time.
Majority Debenture Holders	As specified in the relevant Key Information Document.
Majority Resolution	means a resolution approved by the Majority Debenture Holders who are present and voting or if a poll is demanded, by the Majority Debenture Holders who are present and voting in such poll.
NA	Not Applicable
NBFC	Non-banking financial company
NBFC Master Directions	means the Master Direction- Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 issued by the RBI for non-banking financial companies as may be applicable for the Company (as amended or modified or restated from time to

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	time).
Net Worth	As shall be more particularly set out in the respective Key Information Document.
Non-Convertible Securities	means the Debentures and / or perpetual debt instruments and/or other securities as specified by SEBI and under the Applicable Law.
NSDL	National Securities Depository Limited
Outstanding Amounts	As shall be more particularly set out in the respective Key Information Document.
Outstanding Principal Amount	As shall be more particularly set out in the respective Key Information Document.
PAN	Permanent Account Number
Payment Default	As shall be more particularly set out in the respective Key Information Document.
Person	shall include an individual, natural person, corporation, partnership, joint venture, incorporated or unincorporated body or association, company, Government Authority and in case of a company and a body corporate shall include their respective successors and assigns and in case of any individual his/her respective legal representative, administrators, executors and heirs and in case of trust shall include the trustee(s) for the time being and from time to time. The term "Persons" shall be construed accordingly.
Private Placement Offer cum Application Letter/PPOAL	The offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Purpose	As shall be more particularly set out in the respective Key Information Document.
Quarterly Date	means each of March 31, June 30, September 30 and December 31 of a calendar year, and " Quarterly Dates " shall be construed accordingly.
R&T Agent/Registrar	As specified in the relevant Key Information Document.
Rating	As specified in the respective Key Information Document.
Rating Agent	As specified in the respective Key Information Document.
RBI	Reserve Bank of India.
RBI CP Directions	Shall mean the directions for the issue of Commercial Papers issued by the RBI dated 03rd January 2024.
Record Date	As shall be more particularly set out in the respective Key Information Document.
Recovery Expense Fund / REF	means the recovery expense fund established/to be established and maintained by the Issuer in accordance with the provisions of the SEBI Debenture Trustees Master Circular.
Redemption Date	As shall be more particularly set out in the respective Key Information Document.

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Redemption Payment	As shall be more particularly set out in the respective Key Information Document.
Register of Beneficial Owners	means the register of beneficial owners of the Non-Convertible Securities maintained in the records of the Depositories
Register of Debenture Holders	means the register of debenture holders maintained by the Issuer in accordance with Section 88 of the Act
Related Party	has the meaning given to it in the Act.
ROC	Registrar of Companies.
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Centralized Database Requirements	means the requirements prescribed in Chapter IV (<i>Centralized Database for corporate bonds/ debentures</i>) of the SEBI Master Circular.
SEBI Debenture Trustees Master Circular	shall mean a master circular dated 31 st March 2023 issued by SEBI titled " <i>Master Circular for Debenture Trustees</i> ", bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/109 under SEBI (Debenture Trustee) Regulations, 1993, as amended from time to time.
SEBI NCS Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 together with the SEBI Master Circular, as amended from time to time.
SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (<i>Standardization of timelines for listing of securities issued on a private placement basis</i>) of the SEBI Master Circular.
SEBI Master Circular	means the circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on " <i>Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</i> ", as amended, modified, or restated from time to time.
Secured Debenture Holders	Holders of the Secured Debentures from time to time.
Secured Debentures	Debentures issued/to be issued by the Company which shall be secured by creation of charge over the assets of the Company and/or any other security provider.
Secured Obligations	As shall be more particularly set out in the respective Key Information Document.
Security Cover	has the meaning given to it in the Section 5.37 (<i>Issue Details</i>).

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Special Resolution	means resolution approved by the Special Majority Debenture Holders who are present and voting or if a poll is demanded, by the Special Majority Debenture Holders who are present and voting in such poll.
Stock Exchange	shall mean BSE, as the case may be
Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019, on "Prudential Framework for Resolution of Stressed Assets", as may be amended, modified or restated from time to time.
Tax	shall mean any present or future tax, including but not limited to indirect taxes such as goods and services tax, service tax, value added tax or other similar taxes), levy, duty deductions, withholdings, imposts, cesses, fees or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by Applicable Laws.
Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under the relevant Tranche / Issuance Debenture Trust Deed.
TDS	Tax Deducted at Source.
Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Total Assets	As shall be more particularly set out in the respective Key Information Document.
Tranche/Issuance	Any tranche/issuance of Non-Convertible Securities issued by the Issuer from time to time under this General Information Document pursuant to such terms as set out in the respective Key Information Document.
Transaction Documents	As shall be more particularly set out in the respective Key Information Document.
Transaction Security	has the meaning given to it in the Section 5.37 (<i>Issue Details</i>).
Trustee	Shall mean the Trustee to be appointed by the Issuer for the purpose of providing guarantee for the issue of guaranteed Commercial Papers.
Unsecured Debenture Holders	The holders of the Unsecured Debentures from time to time.
Unsecured Debentures	Debentures which are issued/to be issued by the Company which shall be unsecured.
Unsecured Obligations	As shall be more particularly set out in the respective Key Information Document.
WDM	Wholesale Debt Market segment of the relevant stock exchange
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as

	such.
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SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This General Information Document is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Non-Convertible Securities to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This General Information Document does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Non-Convertible Securities to the public in general.

As per the applicable provisions, it is not necessary for a copy of this General Information Document to be filed or submitted to the SEBI for its review and/or approval. This General Information Document has been prepared in conformity with the SEBI NCS Regulations as amended from time to time and applicable RBI regulations governing private placements of Non-Convertible Securities by NBFCs. This General Information Document has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Non-Convertible Securities. This General Information Document does not purport to contain all the information that any Eligible Investor may require. Further, this General Information Document has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this General Information Document nor any other information supplied in connection with the Non-Convertible Securities is intended to provide the basis of any credit or other evaluation and any recipient of this General Information Document should not consider such receipt as a recommendation to subscribe to any Non-Convertible Securities. Each potential Investor contemplating subscription to any Non-Convertible Securities should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Non-Convertible Securities and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this General Information Document (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this General Information Document or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this General Information Document and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI NCS Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the General Information Document or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this General Information Document would be doing so at its own risk.

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This General Information Document, the Private Placement Offer cum Application Letter and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Non-Convertible Securities. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this General Information Document and/or the Private Placement Offer cum Application Letter are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this General Information Document and/or Key Information Document and / or the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the General Information Document and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this General Information Document and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This General Information Document and/or the Key Information Document and / or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this General Information Document) without retaining any copies hereof. If any recipient of this General Information Document and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this General Information Document and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the General Information Document and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of General Information Document and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer, save and except the disclosures that shall be made in the Key Information Document at the time of subsequent issuances, from time to time.

Neither the delivery of this General Information Document and/or the Private Placement Offer cum Application Letter nor any sale of Non-Convertible Securities made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This General Information Document and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Non-Convertible Securities or the distribution of this General Information Document and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this General Information Document and/or the Private Placement Offer cum

Application Letter comes are required to inform themselves of, and to observe, any such restrictions. The General Information Document is made available to potential Investors in the Issue on the strict understanding that it is confidential.

This General Information Document is for the exclusive use of the addressee and restricted for only the intended recipient and it should not be circulated or distributed to third party(ies). This Issue is made strictly on private placement basis. Apart from this General Information Document, no offer document or prospectus has been prepared in connection with the offering of this Issue or in relation to the Issuer.

It is not necessary for the General Information Document to be registered under Applicable Laws. Accordingly, this General Information Document has neither been delivered for registration nor is it intended to be registered.

The General Information Document does not include a statement purporting to be made by an expert. In case any such statement is made, it shall be made by an expert who is not, and has not been, engaged or interested in the formation or promotion or management, of the Company and has given his written consent to the issue of the General Information Document and has not withdrawn such consent before the delivery of a copy of the General Information Document, as applicable.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGE

As required, a copy of this General Information Document has been filed with the BSE in terms of the SEBI NCS Regulations. It is to be distinctly understood that submission of this General Information Document to the BSE should not in any way be deemed or construed to mean that this General Information Document has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this General Information Document, nor does the BSE warrant that the Issuer's Non-Convertible Securities will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

The company is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.4 DISCLAIMER CLAUSE OF SEBI

AS PER THE PROVISIONS OF THE SEBI NCS REGULATIONS, IT IS NOT STIPULATED THAT A COPY OF THIS GENERAL INFORMATION DOCUMENT HAS TO BE FILED WITH OR SUBMITTED TO THE SEBI FOR ITS REVIEW / APPROVAL. IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS GENERAL INFORMATION DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED OR VETTED BY SEBI AND THAT THIS ISSUE IS NOT RECOMMENDED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR

FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE GENERAL INFORMATION DOCUMENT.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled “Eligible Investors” of this General Information Document, who shall be/have been identified upfront by the Issuer. This General Information Document and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Non-Convertible Securities offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals as specified in the relevant Key Information Document. This General Information Document and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Non-Convertible Securities herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCY

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agent has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agent does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agent have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 DISCLAIMER OF DEBENTURE TRUSTEE

- (I) The Debenture Trustee or its agents or advisers associated with the Issue do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this General Information Document and do not have any responsibility to advise any Investor or prospective Investor in the Non-Convertible Securities of any information available with or subsequently coming to the attention of the Debenture Trustee, its agents or advisers except as specifically provided for in the relevant Tranche/Issuance Debenture Trust Deed.
- (II) The Debenture Trustee does not guarantee the terms of payment regarding the issue as stated in this General Information Document and shall not be held liable for any default in the same.
- (III) The Debenture Trustee or its agents or advisers associated with the Issue have not separately verified the information contained in this General Information Document. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by Debenture Trustee as to the accuracy or any other information provided by the Issuer. Accordingly, the Debenture Trustee associated with the issue shall have no liability in relation to the information contained in this General Information Document or any other information provided by the Issuer in connection with the issue.
- (IV) The Debenture Trustee is neither a principal debtor nor a guarantor of the Debentures.

2.8 ISSUE OF NON-CONVERTIBLE SECURITIES IN DEMATERIALIZED FORM

The Non-Convertible Securities will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Non-Convertible Securities in dematerialised form. Investors will have to hold the Non-Convertible Securities in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Non-Convertible Securities allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

ASSUMPTIONS

EACH PERSON RECEIVING THIS GENERAL INFORMATION DOCUMENT SHALL BE DEEMED TO HAVE AGREED THAT AND ACCORDINGLY THE COMPANY SHALL BE ENTITLED TO PRESUME THAT SUCH PERSON:

- (1) HAS REVIEWED THE TERMS AND CONDITIONS APPLICABLE TO THE NON-CONVERTIBLE SECURITIES AS CONTAINED HEREIN AND HAS UNDERSTOOD THE SAME, AND, ON AN INDEPENDENT ASSESSMENT THEREOF, FOUND THE SAME ACCEPTABLE FOR THE INVESTMENT MADE AND HAS ALSO REVIEWED THE RISK FACTORS CONTAINED HEREIN AND HAS UNDERSTOOD THE RISKS, AND THE RISKS INVOLVED IN INVESTING IN THE NON-CONVERTIBLE SECURITIES INCLUDING FOR ANY REASON HAVING TO SELL THEM OR BE MADE TO REDEEM THEM BEFORE THE FINAL REDEMPTION DATE AND DETERMINED THAT NON-CONVERTIBLE SECURITIES ARE A SUITABLE INVESTMENT AND THAT THE INVESTOR CAN BEAR THE ECONOMIC RISK OF THAT INVESTMENT;
- (2) HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW AND HAS RECEIVED AND REVIEWED THIS GENERAL INFORMATION DOCUMENT AND ALL THE ADDITIONAL INFORMATION CONSIDERED BY AN INDIVIDUAL TO BE NECESSARY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN BELIEVED BY IT TO BE NECESSARY AND APPROPRIATE OR MATERIAL IN CONNECTION WITH, AND FOR, INVESTMENT IN THE NON-CONVERTIBLE SECURITIES;
- (3) ACKNOWLEDGES THAT THE COMPANY DOES NOT UNDERTAKE TO UPDATE THE GENERAL INFORMATION DOCUMENT TO REFLECT SUBSEQUENT EVENTS AFTER THE DATE OF THE GENERAL INFORMATION DOCUMENT AND, THUS, IT SHOULD NOT BE RELIED UPON WITH RESPECT TO SUCH SUBSEQUENT EVENTS WITHOUT FIRST CONFIRMING ITS ACCURACY WITH THE ISSUER. NEITHER THE DELIVERY OF THIS GENERAL INFORMATION DOCUMENT NOR ANY SALE OF NON-CONVERTIBLE SECURITIES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF;
- (4) ACKNOWLEDGES THAT THIS GENERAL INFORMATION DOCUMENT DOES NOT CONSTITUTE, NOR MAY IT BE USED FOR OR IN CONNECTION WITH, AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. NO ACTION IS BEING TAKEN TO PERMIT AN OFFERING OF THE NON-CONVERTIBLE SECURITIES OR THE

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DISTRIBUTION OF THIS GENERAL INFORMATION DOCUMENT IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE DISTRIBUTION OF THIS GENERAL INFORMATION DOCUMENT AND THE OFFERING AND SALE OF THE NON-CONVERTIBLE SECURITIES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THIS GENERAL INFORMATION DOCUMENT COMES ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS;

- (5) HAS BEEN AFFORDED AN OPPORTUNITY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN;
- (6) HAS SUFFICIENT KNOWLEDGE, EXPERIENCE AND EXPERTISE AS AN INVESTOR, TO MAKE THE INVESTMENT IN THE NON-CONVERTIBLE SECURITIES;
- (7) HAS NOT RELIED ON EITHER THE ISSUER OR ANY OF ITS AFFILIATE, ASSOCIATE, HOLDING, SUBSIDIARY OR ANY PERSON ACTING IN ITS OR THEIR BEHALF FOR ANY INFORMATION, ADVICE OR RECOMMENDATIONS OF ANY SORT EXCEPT AS REGARDS THE ACCURACY OF THE SPECIFIC FACTUAL INFORMATION ABOUT THE TERMS OF THE NON-CONVERTIBLE SECURITIES SET OUT IN THIS GENERAL INFORMATION DOCUMENT;
- (8) HAS UNDERSTOOD THAT INFORMATION CONTAINED IN THIS GENERAL INFORMATION DOCUMENT IS NOT TO BE CONSTRUED AS BUSINESS OR INVESTMENT ADVICE;
- (9) HAS MADE AN INDEPENDENT EVALUATION AND JUDGMENT OF ALL RISKS AND MERITS BEFORE INVESTING IN THE NON-CONVERTIBLE SECURITIES;
- (10) HAS THE LEGAL ABILITY TO INVEST IN THE NON-CONVERTIBLE SECURITIES AND THE INVESTMENT DOES NOT CONTRAVENE ANY PROVISION OF ANY LAW, REGULATION OR CONTRACTUAL RESTRICTION OR OBLIGATION OR UNDERTAKING BINDING ON OR AFFECTING THE DEBENTURE HOLDER OR ITS ASSETS; AND
- (11) HAS NOT RELIED ON ANY INTERMEDIARY OR ADVISORS THAT MAY BE ASSOCIATED WITH THE ISSUE IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION.

SECTION 3: RISK FACTORS

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors in this General Information Document and/or Key Information Document and / or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this General Information Document and/or Key Information Document and / or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3.1 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES:

(a) **REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.**

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

(b) **THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.**

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

(c) **CREDIT RISK & RATING DOWNGRADE RISK**

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

(d) **TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS**

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

(e) **ACCOUNTING CONSIDERATIONS**

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

(f) **MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.**

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

(g) **LEGALITY OF PURCHASE**

Potential Investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

(h) **POLITICAL AND ECONOMIC RISK IN INDIA**

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

3.2 **RISKS RELATED TO THE BUSINESS OF THE ISSUER**

(a) ***Non-Performing Assets (NPA)***

The Company makes provisions for NPAs in accordance with the provisions prescribed by the RBI. The Company believes that its overall financial profile and capitalization levels provide significant risk mitigation. However, the occurrence of NPAs or an increase in the level of NPAs may adversely affect the Company's business, financial results and/or operations.

(b) ***Interest Rate Risk***

The Company's interest income from lending is dependent upon interest rates and their movement. Interest rates are highly sensitive to many factors beyond the control of the Company, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. Consequently, there can be no assurance that significant interest rate movements will not have an adverse effect on the Company's financial results and/or operations.

(c) **Access to Capital Market and Commercial Borrowings**

With the growth of its business, the Company will increasingly rely on funding from the debt capital markets and commercial borrowings. The Company's growth and financial performance will depend on its continued ability to access funds at competitive rates which in turn will depend on various factors including its ability to maintain its credit ratings.

(d) **Operational and System Risk**

The Company is faced with operational and system risks, which may arise because of various factors, viz., improper authorizations, failure of employees to adhere to approved procedures, inappropriate documentation, failure in maintenance of proper security policies, frauds, inadequate training and employee errors. Further, the Company also faces security risk in terms of system failures, information system disruptions, communication systems failure which involves certain risks like data loss, breach of confidentiality and adverse effect on business continuity and network security.

If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company's operations and/or result in financial loss, disruption of the Company's businesses, regulatory intervention and/or damage to its reputation. In addition, the Company's ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located.

(e) **Any inability of the company to attract or retain talented professionals may impact its business operations**

The business in which the Company operates is very competitive and ability to attract and retain quality talent impacts the successful implementation of growth plans. The Company may lose business opportunities and its business would suffer if such required manpower is not available on time. The inability of the Company to replace manpower in a satisfactory and timely manner may adversely affect its business and future financial performance.

(f) **Employee Misconduct**

Any kind of employee misconduct may impair the Company's ability to service clients. It is not always possible to deter employee misconduct and the precautions the Company takes to detect and prevent this activity may not be effective in all cases.

(g) **Downgrading in credit rating**

The Company cannot guarantee that any rating will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

(h) **Debenture Redemption Reserve**

NBFCs registered with RBI are exempt from the requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the Debentures.

(i) **Action upon default**

The Debentures are proposed to be secured / unsecured (as shall be set out in the relevant Key Information Document). In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture

Trustee may take action as per the terms of Debenture Trust Deed and the relevant Security Document.

(j) ***Tax and other Considerations***

Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

(k) ***The Debentures may be illiquid***

The Company intends to list the Debentures on the WDM segment of BSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange and that there would be any market for the Debentures. It is not possible to predict if and to what extent a secondary market may develop for the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

(l) ***Future legal and regulatory obstructions***

Future government policies and changes in laws and regulations in India (including their interpretation and application to the operations of the Company) and comments, statements or policy changes by any regulator and any regulatory action, including but not limited to SEBI or RBI, may adversely affect the Debentures, and restrict the Company's ability to do business. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on its business, financial results and/or operations. Further, SEBI, the relevant Stock Exchange(s) or other regulatory authorities may require clarifications on this General Information Document and/or relevant Key Information Document and / or the Private Placement Offer cum Application Letter, which may cause a delay in the issuance of Debentures or may result in the Debentures being materially affected or even rejected.

(m) ***A slowdown in economic growth in India***

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy may adversely affect its business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general downtrend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

3.3 RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES. FURTHER, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

(a) Security and Guarantee may be insufficient to redeem the Secured Debentures

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Secured Debentures, the Debenture Trustee may enforce the Security and/or invoke the Guarantee as per the terms of security documents, and other related documents executed in relation to the Secured Debentures. The Debenture Holder(s)' recovery in relation to the Secured Debentures will be subject to (i) the market value of such Security (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture

Holder(s)' amounts outstanding under the Secured Debentures. There is a risk that the value realised from the enforcement of the Security may be insufficient to redeem the Secured Debentures.

Even though the Secured Debentures are to be secured to the extent of at least 100% (One Hundred percent) of the principal and interest amount or as per the terms of this General Information Document, in favor of the Debenture Trustee, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

3.4 RISKS RELATING TO THE DEBENTURES

(a) *Debentures that are listed or quoted or admitted to trading may not lead to greater liquidity*

It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. If so specified in this General Information Document and/or Key Information Document and / or the Private Placement Offer cum Application Letter, application has been made to list or quote or admit to trading the Debentures on the stock exchange or quotation system(s) specified. If the Debentures are so listed or quoted or admitted to trading, no assurance is given that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. The listing of the Debentures is subject to receipt of the final listing and trading approval from the Stock Exchange.

The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to redemption of the Debentures.

(b) *Changes in government policies and laws in India may adversely affect the Debentures*

Future government policies and changes in laws and regulations in India and comments, statements or policy changes by any regulator, including but not limited to the SEBI or the RBI, may adversely affect the Debentures. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on market for and the price of the Debentures.

(c) *Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally*

Since 1991, successive Indian governments have pursued policies of economic liberalization. The role of the Central and State Governments in the Indian economy as producers, consumers and regulators has remained significant. If there was to be any slowdown in the economic policies, or a reversal of steps already taken, it could have an adverse effect on the debt market which as such is exposed to the risks of the Indian regulatory and policy regime.

(d) *You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Debentures.*

Our ability to pay interest accrued on the Debentures and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay

the principal amount outstanding from time to time on the Debentures and/or the interest accrued thereon in a timely manner or at all.

(e) *There may be no active market for the non-convertible debentures on the WDM segment of the stock exchange. As a result, the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.*

There can be no assurance that an active market for the Debentures will develop. If an active market for the Debentures fails to develop or be sustained, the liquidity and market prices of the Debentures may be adversely affected. The market price of the Debentures would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country; (ii) the market for listed debt securities; (iii) general economic conditions; and (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the Debentures, which may trade at a discount to the price at which you purchase the Debentures and/or be relatively illiquid.

3.5 REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD

As of date, the Issuer has not been refused in listing of any security during the last 3 (three) years by any of the stock exchanges in India or abroad and therefore, this would not be applicable.

3.6 LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON THE STOCK EXCHANGES

As of date, we are not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on the stock exchanges.

3.7 IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE

As of date, the Issuer has not defaulted in compliance with above material covenants.

SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended 31st March 2023, 31st March 2022, and 31st March 2021 along with the unaudited limited review financial statements for the period ended 31st December 2023 are set out in **Annexure V** hereto.

It shall be noted that the audited financial statements have been certified by the statutory auditor who holds a valid certificate issued by the peer review board of the Institute of Chartered Accountants of India.

SECTION 5: REGULATORY DISCLOSURES

The General Information Document is prepared in accordance with the provisions of SEBI NCS Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI NCS Regulations.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted along with the listing application to the BSE and with the Debenture Trustee:

- (a) This General Information Document;
- (b) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Non-Convertible Securities;
- (c) Copies of the resolutions passed by the shareholders of the Company at the Annual General Meeting under Section 180(1)(a) and Section 180(1)(c) of the Act held on September 21, 2019 authorising the Company to borrow, upon such terms as the board may think fit, up to an aggregate limit of INR 2000,00,00,000/- (Indian Rupees Two Thousand Crores Only) and create charge over its assets for the purpose of providing security for such indebtedness. In case of any further resolution passed by the Issuer in relation to the subject (as shall be required) shall be annexed in the relevant Key Information Document from time to time;
- (d) Copy of the resolution passed by the board of directors of the Company dated March 27, 2024 authorizing the issuance of the Debentures and creation of security there on. In case of any further resolution passed by the Issuer in relation to the subject (as shall be required) shall be annexed in the relevant Key Information Document from time to time;
- (e) Copy of the resolution passed by the Board of Directors of the Company for each Tranche / Issuance shall be annexed at the time of issuance of the Key Information Document;
- (f) Copy of last 3 (three) years audited Annual Reports;
- (g) Reports about the business or transaction to which the proceeds of the securities are to be applied directly or indirectly;
- (h) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (i) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where such debt securities are proposed to be listed;
- (j) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained;
- (k) Any other particulars or documents that the recognized stock exchange may call for as it deems fit; and
- (l) Due diligence certificates from the Debenture Trustee as per the format specified in Annexure A of the SEBI Debenture Trustees Master Circular and Schedule IV of the SEBI NCS Regulations.

The following documents have been / shall be submitted to BSE at the time of filing the draft


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of this General Information Document:

- (a) Due diligence certificates from the Debenture Trustee as per the format specified in Annexure A of the SEBI Debenture Trustees Master Circular and Schedule IV of the SEBI NCS Regulations.


5.2 Details of Promoters of the Issuer:

Promoter 1:

S. No.	Details of Promoter Management	Description
1.	Name of promoter	Maroti Jawanjar
2.	Date of Birth	20 th October, 1951
3.	Age	72
4.	Personal Addresses	19, Process Server Society, Swawlambi Nagar, Nagpur - 440022
5.	Education Qualifications	M. Com, LL.B. & Company Secretary
6.	Experience in the business or employment	42 years
7.	Positions/posts held in the past by the promoter management	<u>Company Secretary at Bajaj Plastics Limited</u>
8.	Directorships held by the promoter management	Executive Chairman at Berar Finance Limited
9.	Other ventures of the promoter management	-
10.	Special achievements	-
11.	Business and financial activities of the promoter management	-
12.	Photograph	
13.	Permanent Accountant Number	ABDPJ8457E
14.	Other Details	-

Promoter 2:


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S. No.	Details of Promoter Management	Description
1.	Name of promoter	Sandeep Marotrao Jawanjar
2.	Date of Birth	03 rd February 1984
3.	Age	40
4.	Personal Addresses	707,7 th floor, Wing D, Leela Garden Building, Joggers park road, Joggers Park, New Sneh Nagar, Nagpur- 440025
5.	Education Qualifications	Graduate in commerce
6.	Experience in the business or employment	18 years
7.	Positions/posts held in the past by the promoter management	-
8.	Directorships held by the promoter management	Managing Director at Berar Finance Limited
9.	Other ventures of the promoter management	-
10.	Special achievements	-
11.	Business and financial activities of the promoter management	-
12.	Photograph	
13.	Permanent Accountant Number	AFQPJ0768M
14.	Other Details	-

Declaration

The Issuer confirms that (to the extent applicable) the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the Non-Convertible Securities are proposed to be listed, at the time of filing the draft General Information Document.

5.3 Details of specific entities in relation to the current Issue of Non-Convertible Debentures:

S. No.	Particulars	Details
1.	Legal Counsel (if any)	Name: Juris Corp, Advocates & Solicitors  Logo: Contact Person: Partner, Securities Address: 302, Century Bhavan, 3 rd Floor, Dr Annie Besant Road, Worli, Mumbai - 400 030, India Email: securities@juriscorp.in Tel: 022 6720 5555 Website: www.juriscorp.in Or such other Legal Counsel as shall be set out in the respective Key Information Document.
2.	Guarantor (if applicable)	As set out in the respective Key Information Document
3.	Arrangers, if any	As set out in the respective Key Information Document

5.4 About the Issuer: A brief summary of business / activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least the following information:

(a) Overview and brief summary of the business activities of the Issuer:

Berar Finance Limited ("Berar" or "BFL") is a Nagpur based public, debt listed, deposit-taking NBFC (Asset Financing Company registered with RBI), primarily into the business of financing of two-wheelers since 1990. The company was incorporated 22 August 1990 and received a certificate of registration from the RBI on 24 November 1998. The company operates in six states through a network of 116 branches.

Berar Finance is promoted by Mr. M.G. Jawanjar, a first generation entrepreneur. He is Company Secretary by qualification and has more than 40 years' of experience in finance. Prior to founding the Company in 1990 he was professor in several colleges and was Company Secretary in Bajaj Plastics Limited, a Nagpur based company. Mr. Sandeep Jawanjar his son is the Managing Director of the Company actively involved in the operations of the Company and looks after the IT infrastructure and debt raising from other NBFCs and Banks. Its operations are concentrated in Maharashtra and have expanded to five other states in central India i.e. Chhattisgarh, Madhya Pradesh, Gujarat, Telangana and Karnataka.

MAIN OBJECTS AND BUSINESS OF THE ISSUER

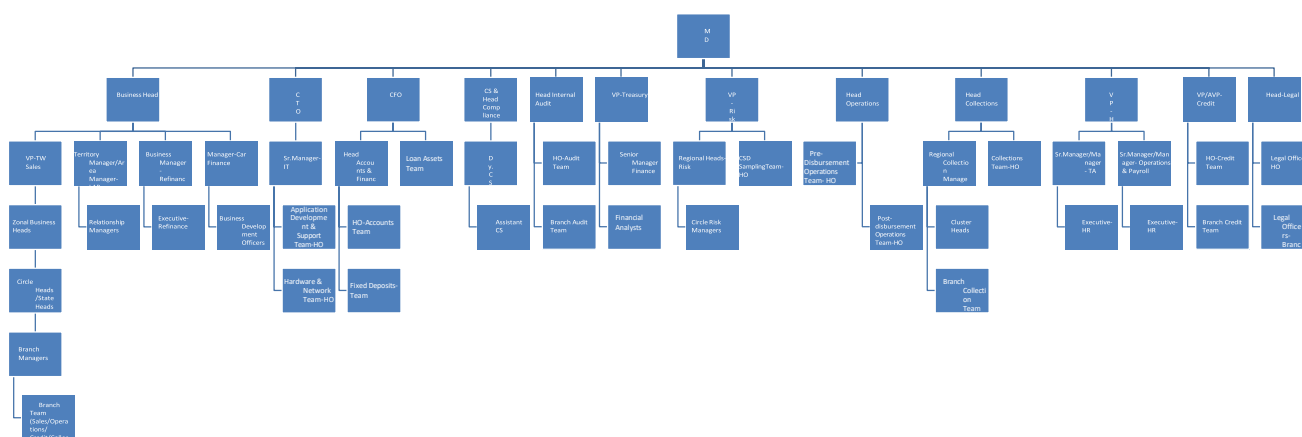
(b) Branch details:

As of the date of this General Information Document, the Company has 116 branches across six states.

(c) Corporate Structure of the Issuer:

Berar Finance Limited

Organisation Chart:



(d) Project cost and means of financing, in case of funding of new projects

As set out in the relevant Key Information Document, if applicable.

(e) Corporate Structure of the Group:

Not Applicable

(f) A brief summary of the business activities of the subsidiary(ies)

Not Applicable

(g) Expenses of the issue:

Particulars of expenses	Amount	Percentage of total expenses	Percentage of total issue size
Lead Manager Fees	As shall be set out in the Key Information Document		
Underwriting Commission	As shall be set out in the Key Information Document		
Brokerage, selling commission and upload fees	As shall be set out in the Key Information Document		
Fees payable to the registrar to the issue	As shall be set out in the Key Information Document		

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Particulars of expenses	Amount	Percentage of total expenses	Percentage of total issue size
Fees payable to the legal advisors	As shall be set out in the Key Information Document		
Advertising and marketing expenses	As shall be set out in the Key Information Document		
Fees payable to the regulators including stock exchange	As shall be set out in the Key Information Document		
Expenses incurred on printing and distribution of issue stationary	As shall be set out in the Key Information Document		
Any other fees, commission or payments under whatsoever nomenclature	As shall be set out in the Key Information Document		

- (h) **Key Operational and Financial Parameters for the last 3 audited years and period ended 31st December 2023 (unaudited) on a consolidated basis (wherever available) else on a standalone basis:**

Standalone basis:

Particulars	31.12.2023 (Unaudited)	31.03.2023 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
BALANCE SHEET (INR in Lakhs)				
Assets				
Property, Plant and Equipment	1883.32	1866.62	1794.81	1722.16
Financial Assets	120987.91	110281.09	1,01,439.42	86629.87
Non-financial Assets excluding property, plant and equipment	1894.29	1960.43	1131.83	791.72
Total Assets	124765.52	114108.14	1,04,366.06	89143.75
Liabilities				
Financial Liabilities				
-Derivative financial instruments	-	-	-	-
-Trade Payables	753.55	489.29	462.55	425.34
-Debt Securities	9881.70	14641.10	12224.08	12066.02
-Borrowings (other than Debt Securities)	62398.54	49983.76	48064.97	48803.49
-Subordinated liabilities-	20147.70	18011.68	15064.14	11318.39
-Other financial liabilities	1736.56	2543.93	1,924.93	1420.80

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Non-Financial Liabilities				
-Current tax liabilities (net)	23.22	143.04	140.66	74.08
-Provisions	471.90	407.11	360.26	209.01
-Deferred tax liabilities (net)	0	0	0	0
-Other non-financial liabilities	238.58	364.63	210.28	184.23
Equity (Equity Share Capital and Other Equity)	29113.77	27523.60	25914.20	14642.39
Total Liabilities and Equity	1,24,765.52	114108.14	1,04,366.06	89143.75
PROFIT AND LOSS (INR in Lakhs)				
Revenue from operations	18529.39	21788.93	17550.31	13485.33
Other Income	28.18	7.23	9.59	0.86
Total Income	18287.57	21796.16	17559.90	13486.19
Total Expense	16007.61	19623.38	15322.49	11430.53
Profit after tax for the year	1699.64	1708.12	1741.97	1537.67
Other Comprehensive income	-5.32	1.15	-92.14	0.99
Total Comprehensive Income	1694.32	1709.27	1649.83	1538.66
Earnings per equity share (Basic)	13.78	13.85	17.28	16.01
Earnings per equity share (Diluted)	13.72	13.79	17.18	15.91
CASH FLOW (INR in Lakhs)				
Net cash from / used in (-) operating activities	-	-7724.54	-14858.40	-18625.58
Net cash from / used in (-) investing activities	-	2430.89	2621.61	-7006.87
Net cash from / used in (-) financing activities	-	9634.98	12571.10	32008.80
Net increase/decrease (-) in cash and cash equivalents	-	4341.33	334.31	6376.35
Cash and cash equivalents as per Cash	-	8956.17	4,614.84	4280.54

Flow Statement as at end of Half Year				
Additional Information				
Net worth	29113.77	27523.60	25914.20	14642.39
Cash and cash equivalents	* 9061.49	8956.16	4614.84	4280.54
Loans (Gross)	108516.13	94704.78	83197.84	67180.56
Loans (Principal Amount)	109628.60	96433.43	85081.89	68475.73
Total Debts to Total Assets	0.74	0.73	0.66	0.82
Interest Income	16274.89	20605.04	15888.76	12104.33
Interest Expense	7,484.94	9994.54	9021.06	6752.88
Impairment on Financial Instruments (Profit and Loss Account)	2559.71	3067.99	964.44	1203.28
Bad Debts to Loans	1.70%	1.92%	1.02%	1.01%
% Stage 3 Loans on Loans (Principal Amount)	5.03%	4.67%	3.05%	2.51%
% Net Stage 3 Loans on Loans (Principal Amount)	3.07%	3.03%	2.25%	1.74%
Tier I Capital Adequacy Ratio (%)	24.18%	25.90%	28.51%	19.56%
Tier II Capital Adequacy Ratio (%)	0.40%	0.43%	0.33%	0.90%

*This is Closing Cash Balance as on December 31, 2023 as per Balance Sheet

Consolidated basis: Not Applicable

5.5 Details of any other contingent liabilities of the Issuer based on the latest audited financial statements including amount and nature of liability:

Nil

5.6 The amount of corporate guarantee or letter of comfort issued by the Company along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued:

Not Applicable

5.7 A brief history of Issuer since its incorporation giving details of its following activities:

(a) Details of Share Capital as on last quarter end, i.e., December 31, 2023:

Share Capital	Amount (in Rs.)
Authorised Share Capital	

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

Share Capital	Amount (in Rs.)
1,45,00,000 equity shares at ₹10/- each	14,50,00,000
5,00,000 Cumulative Compulsorily Convertible Participating Preference shares at ₹10/- each	50,00,000
TOTAL	15,00,00,000
Issued, Subscribed and Fully Paid- up Share Capital	
1,23,36,846 Equity shares of Rs. 10/- each, fully paid	12,33,68,460
TOTAL	12,33,68,460

- (b) **Changes in its capital structure as at last quarter end i.e., December 31, 2023 for the preceding three financial years and the current year:**

Date (AGM / EGM)	Existing Capital	Revised Capital	Remark
03/02/2020- EGM	8,00,00,000	9,11,11,110	Nil
03/02/2020- EGM	9,11,11,110	9,66,66,670	Nil
28/09/2020- AGM	9,66,66,670	10,23,80,950	Nil
28/09/2020- AGM	10,23,80,950	10,61,90,480	Includes 936509 CCPS
NA	10,00,77,980	10,00,77,980	Being Cumulative Compulsorily Convertible Participating Preference shares (CCPS) converted into Equity share as per the terms of issue
22/02/2022- EGM	10,00,77,980	12,33,68,460	Nil

- (c) **Details of the Equity Share Capital of the Company, for the preceding three financial years and the current financial year (as of 31st December 2023):**

Date of Allotment	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Nature of Allotment	Cumulative Paid-Up Capital			Remarks
						No of Equity Shares	Equity Share Capital (in Rs.)	Equity Share Premium (in Rs.)	
20/02/2020	11,11,111	10	180	Cash	Private Placement	91,11,111	9,11,11,110	18,88,88,870	Nil

20/02/2020*	5,55,556	10	180	Cash	Private Placement	96,66,667	9,66,66,670	28,33,33,390	Nil
27/10/2020	5,71,428	10	210	Cash	Private Placement	1,02,38,095	10,23,80,950	39,76,18,990	Nil
27/10/2020*	3,80,953	10	210	Cash	Private Placement	1,06,19,048	10,61,90,480	47,38,09,590	Nil
30/03/2021	3,25,259	10	-	-	Conversion of CCPS into Equity	1,00,07,798	10,00,77,980	-	Nil
21/03/2022	2,329,048	10	429.36	Cash	Private Placement	1,23,36,846	12,33,68,460	1,45,05,19,159	Nil

Notes, if any: * Cumulative Compulsorily Convertible Participating Preference shares (CCPS)

5.8 Details of any Acquisition or Amalgamation with any entity in the preceding 1 (one) year:

There has been no acquisition or amalgamation in the last 1 (one) year.

5.9 Details of any Reorganization or Reconstruction in the preceding 1 (one) year:

There has been no reorganization or reconstruction in the last 1 (one) year.

Type Of Event	Date Of Announcement	Date Of Completion	Details
Nil	Nil	Nil	Nil

5.10 Details of the shareholding of the Company as at the latest quarter end, i.e., December 31, 2023:

(a) **Shareholding pattern of the Company as on last quarter end, i.e. December 31, 2023:**

Particulars	Equity- Fully Paid Up		
	No of Shares	Amount	% to Total
Indian			
Promoters			
Individuals	27,17,716	2,71,77,160	21.61
Bodies Corporate	14,88,484	148,84,840	11.84
Non-Promoters			
Institutional Investors	43,36,846	4,33,68,460	34.48
Non-Institutional Investors	-	-	-
Private Corporate Bodies	17,550	1,75,500	0.14
Directors and relatives	2,36,100	23,61,000	1.88

Particulars	Equity- Fully Paid Up		
Indian public	35,35,600	3,53,56,000	28.11
Others (including Non-resident Indians)	2,44,550*	24,45,500	1.94
Grand Total	1,25,76,846	12,57,68,460	100

*Includes 4,550 number of shares transferred to Investors Education and Protection Fund and 2,40,000 options outstanding as part of Berar Employee Stock Option Plan 2019

(b) **List of top 10 holders of equity shares of the Company as at the latest quarter end, i.e. December 31, 2023:**

S. No	Name of the shareholders	Total no. of Equity shares	No. of shares in demat form	Total shareholding as % of total no. equity shares
1.	AMICUS CAPITAL PRIVATE EQUITY I LLP	21,28,263	21,28,263	17.25
2.	MAJ INVEST FINANCIAL INCLUSION FUND III K/S	19,79,691	19,79,691	16.05
3.	AVINO CAPCONS PVT LTD	14,88,484	14,88,484	12.07
4.	MAROTI GENDARU JAWANJAR	10,22,894	10,22,894	8.29
5.	MAROTI JAWANJAR(HUF)	8,68,954	8,68,954	7.04
6.	SANDEEP MAROTRAO JAWANJAL	3,31,218	3,31,218	2.67
7.	JYOTI MAROTI JAWANJAR	2,74,550	2,74,550	2.23
8.	RAVINDRA KACHORE	2,33,484	2,33,484	1.89
9.	AMICUS CAPITAL PARTNERS INDIA FUND I	2,28,892	2,28,892	1.86
10.	NARENDRA GHANSHYAM KACHORE	1,98,482	1,98,482	1.61
	Total Equity Shares	87,54,912	87,54,912	70.96

5.11 Following details regarding the directors of the Company:

(a) **Details of the current directors of the Company:**

This table sets out the details regarding the Company's Board of Directors as on date of this General Information Document:

Name of the Directors	Age	Address	DIN	Director of the company since	Director in other company
CS. Maroti Gendaru Jawanjar	72	19,Process Server Society, Swawlambi	00379916	22-08-1990	-

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Name of the Directors	Age	Address	DIN	Director of the company since	Director in other company
		Nagar, Nagpur-440022			
Mr. Sandeep Marotrao Jawanjale	40	707, 7 th floor, Wing D, Leela Garden Building, Joggers park road, Joggers Park, New Sneha Nagar, Nagpur-440025	01490054	01-04-2007	-
Mr. Vishwas Bhaskarrao Pathak	72	28, Suyash Apartments, NIT Layout, Swawlambi Nagar, Nagpur – 440 022	00452917	01-09-1990	-
Mr. Shantaram Krishnarao Mahakalkar	70	93, Shastri Layout, Khamla, Nagpur – 440 025	00379988	25-09-2002	-
Mr. Atul Dilip Sarda	40	87, Wardhaman Nagar, Nagpur – 440 008	02161209	05-04-2008	-
Ms. Rashmi Sagar Mitkary	38	Plot No.11, Panchadeep Nagar, Somalwada, Nagpur-440025	08960192	13-11-2020	-
Mr. Avishek Gautam Addy	43	C-1401, Salarpuria Serenity, 5th Main Road, HSR Layout Sector-7, Bangalore - 560 102	07973542	19-01-2021	Opendoors Fintech Private Limited D2C Insurance Broking Private Limited; and Altum Credo Home Finance Private Limited
Mr. Harishchandra Namaji Sukhdeve	70	Capitol Heights Tower 3 Apartment 702, Rambagh Road, Trillium Mall, Medical Square, Ajni, Nagpur Maharashtra, India 440003	09289094	23-08-2021	-
Mr. Siva Vadivel Alagan	31	HIG 1685, TNHB Layout, Avadi, Chennai (600054), Tamil Nadu, India	08242283	21-03-2022	SAVE Solutions Private Limited; SAVE Microfinance Private Limited; and SAVE Financial Services Private Limited

Name of the Directors	Age	Address	DIN	Director of the company since	Director in other company
Mr. Himanshu Joshi	65	B-802, Omkar Meridia, Match Factory Lane, Near Equivinox, Kurla West, Mumbai-400070	07214254	01-06-2023	Altum Credo Home Finance Private Limited

(b) **Details of change in directors in the preceding three financial years and the current financial year:**

Name	Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Mr. Mahesh Parasuraman	Non - Executive Director	00233782	20-02-2020	01-10-2020	01-10-2020	Resigned on his own will
Ms. Rashmi Mitkary	Independent Director	08960192	13-11-2020	-	-	Appointed as a director in the capacity of Independent Director
Mr. Avishek Addy	Non – Executive Director	07973542	19-01-2021	-	-	Appointed as a director
Mr. Ashok Kachore	Non – Executive Director	00380102	30-01-2002	08-07-2021	08-07-2021	Resigned on his own will
Mr. Harishchandra Sukhdeve	Non – Executive Director	09289094	23-08-2021	-	-	Appointed as a director
Mr. Dattatraya Prabhakar Dalal	Non – Executive Director	00380199	25-09-2002	09-03-2022	09-03-2022	Resigned on his own will
Mr. Siva Vadivel Alagan	Non – Executive Director	08242283	21-03-2022	-	-	Appointed as a director
Mr. Himanshu Joshi	Independent Director	07214254	01-06-2023	-	-	Appointed as Independent Director

- (c) **Details of directors' remuneration, and such particulars of the nature and extent of their interests in the Company (during the current year and preceding three financial years):**

Remuneration payable or paid to a director by the Company, its subsidiary or associate company; shareholding of the director in the company, its subsidiaries and associate companies on a fully diluted basis.	(INR – In Crores)				
	Director	Fiscal FY 23-24 (Up to February 2024)	Fiscal FY 22-23	Fiscal FY 21-22	Fiscal FY 20-21
	Mr. Shantaram Mahakalkar	49,000	28,000	46,000	36,000
	Mr. Vishwas Pathak	58,000	38,000	66,000	62,000
	Mr. Atul Sarda	95,000	60,000	58,000	48,000
	Ms. Rashmi Mitkary	44,000	34,000	44,000	14,000
	Mr. Harishchandra Sukhdeve	39,000	22,000	22,000	0
	Mr. Maroti Jawanjar	41,80,000	8,576,000	10,507,100	8,665,000
	Mr. Sandeep Jawanjal	39,60,000	7,793,400	8,846,700	7,583,415
	Mr. Himanshu Joshi	55,000	-	-	-
Appointment of any relatives to an office or place of profit of the issuer, its subsidiary or associate company	Ms. Deepali Balpande appointed as a Company Secretary & Compliance officer of the Company				
Full particulars of the nature and extent of interest, if any, of every director: A. in the promotion of the issuer company; or B. in any immovable property acquired by	The Directors, Promoters or Key Managerial Personnel don't have any financial or other material interest in the Offer.				

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<p>the issuer company in the two years preceding the date of the issue document or any immovable property proposed to be acquired by it; or</p> <p>C. where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company shall be disclosed</p>	
<p>Contribution being made by the directors as part of the offer or separately in furtherance of such objects</p>	<p>Nil</p>

5.12 Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the offer and the effect of such interest in so far as it is different from the interests of other persons

The Directors, Promoters or Key Managerial Personnel don't have any financial or other material interest in the Offer.

5.13 Following details regarding the auditors of the Company:

(a) **Details of the auditor of the Company:**

Name of the Auditor	Address	Date of appointment
Manubhai & Shah LLP	G-4, Capstone, Opp. Chirag Motors, Sheth Mangaldas Road, Ellisbridge, Anmedabad - 380 006.	26/09/2022

(b) **Details of change in auditor for preceding three financial years and current financial year:**

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable
Pravin Dhiran & CO.	Manish Sadan, Opp. Raman Cycle Industries, Krishna Nagar, Wardha, Maharashtra - 442001	21/09/2019	26/09/2022	26/09/2022

5.14 DETAILS OF THE BORROWING OF THE ISSUER

Details of the following liabilities of the Issuer, as at the end of the last quarter, i.e December 31, 2023 or if available, a later date:

(a) **Details of Outstanding Secured Loan Facilities as on the preceding quarter (as on December 31, 2023):**

Note: All Loan facility are having exclusive security.

Name of lender Bank / FI Name	Type of Facility	Amount Sanctioned (INR in Crore)	Availed Amount (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Security	Repayment date /schedule	Credit Rating, if applicable	Asset Classification
Bank of Maharashtra	Cash Credit	20.00	-2.19	-2.19	30%	Cash Credit	BBB (Stable)	Standard
IDBI Bank Limited	Cash Credit	10.00	0.87	0.87	30%	Cash Credit	BBB (Stable)	Standard

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Name of lender Bank / FI Name	Type of Facility	Amount Sanctioned (INR in Crore)	Availed Amount (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Security	Repayment date /schedule	Credit Rating, if applicable	Asset Classification
PNB National Bank	Cash Credit	10.00	0.33	0.33	30%	Cash Credit	BBB (Stable)	Standard
AU Small Finance Bank Ltd	Cash Credit	10.00	0.56	0.56	30%	Cash Credit	BBB (Stable)	Standard
IDFC First Bank Ltd	Cash Credit	10.00	3.05	3.05	30%	Cash Credit	BBB (Stable)	Standard
Federal Bank Ltd	Cash Credit	1.00	-0.01	-0.01	10%	Cash Credit	BBB (Stable)	Standard
Kotak Mahindra Bank	Cash Credit	1.00	0.00	0.00	15%	Cash Credit	BBB (Stable)	Standard
Sundaram Finance Limited 15th	Term Loan	20.00	20.00	1.98	15%	Monthly	BBB (Stable)	Standard
Sundaram Finance Limited 16th	Term Loan	20.00	20.00	12.50	15%	Monthly	BBB (Stable)	Standard
Hinduja Leyland Finance Ltd 9th	Term Loan	14.50	14.50	5.34	20%	Monthly	BBB (Stable)	Standard
IDFC First Bank Ltd 9th-I	Term Loan	10.00	10.00	2.50	10%	Monthly	BBB (Stable)	Standard
IDFC First Bank	Term Loan	20.00	20.00	7.50	10%	Monthly	BBB (Stable)	Standard

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Name of lender Bank / FI Name	Type of Facility	Amount Sanctioned (INR in Crore)	Availed Amount (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Security	Repayment date /schedule	Credit Rating, if applicable	Asset Classification
Ltd 9th-II								
IDFC First Bank Ltd 10th	Term Loan	50.00	50.00	37.50	10%	Monthly	BBB (Stable)	Standard
IDFC First Bank Ltd 11th	Term Loan	30.00	30.00	29.17	10%	Monthly	BBB (Stable)	Standard
MAS Financial Services Ltd 17th	Term Loan	5.00	5.00	1.67	10%	Monthly	BBB (Stable)	Standard
MAS Financial Services Ltd 18th	Term Loan	5.00	5.00	1.94	10%	Monthly	BBB (Stable)	Standard
MAS Financial Services Ltd 19th	Term Loan	7.50	7.50	4.38	10%	Monthly	BBB (Stable)	Standard
MAS Financial Services Ltd 20th	Term Loan	7.50	7.50	4.38	10%	Monthly	BBB (Stable)	Standard
MAS Financial Services Ltd 21st	Term Loan	7.50	7.50	4.58	10%	Monthly	BBB (Stable)	Standard
MAS Financial Services Ltd 22nd	Term Loan	7.50	7.50	4.58	10%	Monthly	BBB (Stable)	Standard

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Name of lender Bank / FI Name	Type of Facility	Amount Sanctioned (INR in Crore)	Availed Amount (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Security	Repayment date /schedule	Credit Rating, if applicable	Asset Classification
MAS Financial Services Ltd 23rd	Term Loan	10.00	10.00	9.44	10%	Monthly	BBB (Stable)	Standard
MAS Financial Services Ltd 24th	Term Loan	10.00	10.00	9.44	10%	Monthly	BBB (Stable)	Standard
MAS Financial Services Ltd 25th	Term Loan	10.00	10.00	9.44	10%	Monthly	BBB (Stable)	Standard
MAS Financial Services Ltd 26th	Term Loan	10.00	10.00	10.00	10%	Monthly	BBB (Stable)	Standard
Northern ARC Capital Ltd 12th	Term Loan	25.00	25.00	13.84	10%	Monthly	BBB (Stable)	Standard
Northern ARC Capital Ltd 13th	Term Loan	10.00	10.00	4.16	10%	Monthly	BBB (Stable)	Standard
Northern ARC Capital Ltd 14th	Term Loan	15.00	15.00	9.12	10%	Monthly	BBB (Stable)	Standard
Northern ARC Capital Ltd 15th	Term Loan	50.00	50.00	47.77	10%	Monthly	BBB (Stable)	Standard
Au Small Finance	Term Loan	20.00	20.00	3.33	20%	Monthly	BBB (Stable)	Standard

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Name of lender Bank / FI Name	Type of Facility	Amount Sanctioned (INR in Crore)	Availed Amount (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Security	Repayment date /schedule	Credit Rating, if applicable	Asset Classification
Bank Ltd 9th								
Au Small Finance Bank Ltd 10th	Term Loan	15.00	15.00	8.75	10%	Monthly	BBB (Stable)	Standard
Au Small Finance Bank Ltd 11th	Term Loan	25.00	25.00	22.92	10%	Monthly	BBB (Stable)	Standard
Vivriti Capital Pvt Ltd 4th	Term Loan	10.00	10.00	2.22	10%	Monthly	BBB (Stable)	Standard
Vivriti Capital Pvt Ltd 5th	Term Loan	10.00	2.00	2.00	10%	Monthly	BBB (Stable)	Standard
Ujjivan Small Finance Bank Ltd TL 2nd-II	Term Loan	10.00	10.00	5.56	10%	Monthly	BBB (Stable)	Standard
Moneywise Financial Services Pvt LTD 2ND	Term Loan	6.75	6.75	1.77	10%	Monthly	BBB (Stable)	Standard
State Bank of India 1st	Term Loan	40.00	40.00	1.10	25%	Monthly	BBB (Stable)	Standard
State Bank of India 2nd	Term Loan	50.00	50.00	48.61	25%	Monthly	BBB (Stable)	Standard

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Name of lender Bank / FI Name	Type of Facility	Amount Sanctioned (INR in Crore)	Availed Amount (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Security	Repayment date /schedule	Credit Rating, if applicable	Asset Classification
DCB Bank Limited TL 4TH	Term Loan	10.00	10.00	4.44	25%	Monthly	BBB (Stable)	Standard
Federal Bank Ltd	Term Loan	10.00	10.00	0.83	10%	Quarterly	BBB (Stable)	Standard
Suryoday Small Finance Bank TL 1ST	Term Loan	5.00	5.00	0.30	20%	Monthly	BBB (Stable)	Standard
Suryoday Small Finance Bank TL 2ND	Term Loan	15.00	15.00	10.93	20%	Monthly	BBB (Stable)	Standard
Kisetsu Saison Finance Ltd TL 1ST	Term Loan	20.00	20.00	2.00	10%	Monthly	BBB (Stable)	Standard
Kisetsu Saison Finance Ltd TL 2ND-I	Term Loan	10.00	10.00	5.00	20%	Monthly	BBB (Stable)	Standard
Kisetsu Saison Finance Ltd TL 2ND-II	Term Loan	15.00	15.00	8.50	20%	Monthly	BBB (Stable)	Standard
Bajaj Finance Ltd TL 2nd	Term Loan	15.00	15.00	8.00	20%	Monthly	BBB (Stable)	Standard
ESAF Small Finance Ltd	Term Loan	5.00	5.00	1.28	15%	Monthly	BBB (Stable)	Standard

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Name of lender Bank / FI Name	Type of Facility	Amount Sanctioned (INR in Crore)	Availed Amount (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Security	Repayment date /schedule	Credit Rating, if applicable	Asset Classification
UTKARSH SFB	Term Loan	10.00	10.00	2.78	15%	Monthly	BBB (Stable)	Standard
Electronica Finance Ltd	Term Loan	4.90	4.90	1.74	0%	Monthly	BBB (Stable)	Standard
Cholam andalam Invest & Finance TL 1ST	Term Loan	5.00	5.00	1.78	20%	Monthly	BBB (Stable)	Standard
Cholam andalam Invest & Finance TL 2nd	Term Loan	5.95	5.95	3.72	20%	Monthly	BBB (Stable)	Standard
Cholam andalam Invest & Finance TL 3RD	Term Loan	7.50	7.50	7.50	20%	Monthly	BBB (Stable)	Standard
Capital Small Finance Bank Ltd 1st	Term Loan	15.00	15.00	5.63	10%	Monthly	BBB (Stable)	Standard
Capital Small Finance Bank Ltd 2nd	Term Loan	8.00	8.00	7.17	10%	Monthly	BBB (Stable)	Standard
HDFC Bank Ltd TL 1st	Term Loan	15.00	15.00	6.00	15%	Monthly	BBB (Stable)	Standard
HDFC Bank Ltd TL 2nd	Term Loan	20.00	20.00	12.00	15%	Monthly	BBB (Stable)	Standard

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Name of lender Bank / FI Name	Type of Facility	Amount Sanctioned (INR in Crore)	Availed Amount (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Security	Repayment date /schedule	Credit Rating, if applicable	Asset Classification
WCDL-HDFC BANK	WCDL	4.98	4.98	4.98	15%	Monthly Intt	BBB (Stable)	Standard
TATA Capital Financial Services Ltd	Term Loan	10.00	10.00	4.33	15%	Monthly	BBB (Stable)	Standard
OXYZO FINANCIAL SERVICES 1ST	Term Loan	20.00	20.00	12.01	10%	Monthly	BBB (Stable)	Standard
OXYZO FINANCIAL SERVICES 2ND	Term Loan	20.00	20.00	20.00	10%	Monthly	BBB (Stable)	Standard
Bandhan Bank Ltd	Term Loan	15.00	15.00	6.25	20%	Monthly	BBB (Stable)	Standard
AK Capital Finance Ltd	Term Loan	25.00	25.00	15.28	20%	Monthly	BBB (Stable)	Standard
STCI Finance Ltd	Term Loan	20.00	20.00	14.88	10%	Monthly	BBB (Stable)	Standard
IDBI BANK LTD	Term Loan	25.00	25.00	19.44	30%	Monthly	BBB (Stable)	Standard
Indian Overseas Bank TL 1ST	Term Loan	15.00	15.00	9.00	15%	Monthly	BBB (Stable)	Standard
Indian Overseas Bank TL 2ND	Term Loan	25.00	25.00	24.48	15%	Monthly	BBB (Stable)	Standard

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Name of lender Bank / FI Name	Type of Facility	Amount Sanctioned (INR in Crore)	Availed Amount (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Security	Repayment date /schedule	Credit Rating, if applicable	Asset Classification
Bank of Maharashtra	Term Loan	25.00	25.00	21.87	15%	Monthly	BBB (Stable)	Standard
Manappuram Finance Ltd	Term Loan	20.00	20.00	18.60	10%	Monthly	BBB (Stable)	Standard
Shine Star Build Cap Pvt Ltd	Term Loan	30.00	30.00	22.86	10%	Monthly	BBB (Stable)	Standard
UNIFI AIF I	NCD	18.00	18.00	1.00	10%	Monthly	BBB (Stable)	Standard
UNIFI AIF II	NCD	30.00	30.00	15.00	10%	Monthly Intt	BBB (Stable)	Standard
Creation Investment FPI, LLC	NCD	34.00	34.00	27.20	10%	Monthly Intt	BBB (Stable)	Standard
N-ARC INCOME BUILDER FUND	NCD	25.00	25.00	34.68	11%	Bullet	BBB (Stable)	Standard
MAS FINANCIAL & SK FINANCE	NCD	40.00	40.00	20.35	20%	Half Yearly	BBB (Stable)	Standard
VAM	PTC	15.84	14.26	14.72		Monthly	A-(SO)	Standard
Total		1,207.42	1,199.42	726.63				

*The amount as mentioned above and the amount as per balance sheet will have difference of INDAS Adjustment.

(b) **Details of Outstanding Unsecured Loan Facilities as on the preceding quarter (as on December 31, 2023):**

Name of Lender	Type of Facility	Amount Sanctioned (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Repayment Date / Schedule	Credit Rating, if applicable
General Public	Deposits	133.55	148.22	On Maturity	BBB (Stable)
General Public	Deposits	55.76	55.76	Monthly interest payment	BBB (Stable)
Total		189.31	203.98	-	-

(c) **Details of Outstanding Non-Convertible Securities as on the preceding quarter (as on December 31, 2023):**

Series of NCS	ISIN	Tenor / Maturity Period (in months)	Coupon	Amount Outstanding (In lakhs)	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
NA	INE998Y07071	36	13.18%	1.00	24.02.2021	23.02.2024	BBB (Stable)	Secured	Receivables
NA	INE998Y07139	30	11.50%	15.00	16.09.2022	16.03.2025	BBB (Stable)	Secured	Receivables
NA	INE998Y07089	46	13.91%	27.20	24.03.2021	05.02.2025	BBB (Stable)	Secured	Receivables
NA	INE998Y07097	38				31.10.2024/	BBB (Stable)	Secured	Receivables
	INE998Y07105/	39	13.63%	34.68	17.09.2021	30.11.2024			
NA	INE998Y07113	24	11.25%	20.35	05.08.2022	05.08.2024/	BBB (Stable)	Secured	Receivables
	INE998Y07121/					07.08.2024			

(d) **Details of Outstanding commercial papers as on the preceding quarter (as on December 31, 2023):**

Series of NCS	ISIN	Tenor / Maturity Period	Coupon	Amount Outstanding	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security	Other details viz. details of Issuing and Paying Agent, details of credit rating agencies
NA										

5.15 List of top 10 holders of non-convertible securities in terms of value as on the preceding quarter (as on December 31, 2023) (in cumulative basis):

Sl. No	Name of holder	Category of holder	Face Value of holding	Amount	Principal Amount Outstanding	% of total commercial paper security outstanding of the Issuer
1	CREATION INVESTMENTS FPI LLC	Foreign Portfolio Investor (Corporate)- Category II-VRR - Non-Resident Indians (Repatriable)	Rs. 10,00,000	340,000,000	27.20	27.79%
2	NORTHERN ARC INCOME BUILDER FUND (SERIES II)	Alternate Investment Fund - Domestic Companies	Rs 10,00,000	250000000	25.00	25.54%
3	NORTHERN ARC CAPITAL LIMITED	Corporate Bodies - Domestic Companies	Rs 10,00,000	98000000	4.90	5.01%
4	UNIFI AIF	Alternate Investment Fund - Domestic Companies	Rs 10,00,000	38,000,000	1.90	1.94%
5	MANGALAM EQUITY MANAGE	Corporate Bodies - Domestic Companies	Rs 100,000	36500000	0.20	0.21%

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Sl. No	Name of holder	Category of holder	Face Value of holding	Amount	Principal Amount Outstanding	% of total commercial paper security outstanding of the Issuer
	MENT PVT LTD					
6	UNIFI AIF	Alternate Investment Fund - Domestic Companies	Rs 100,000	32200000	0.18	0.18%
7	UNIPART S INDIA LTD	Corporate Bodies - Domestic Companies	Rs 10,00,000	28,000,000	1.40	1.43%
8	INDIUM SOFTWARE INDIA PRIVATE LIMITED	Corporate Bodies - Domestic Companies	Rs 10,00,000	21,000,000	1.05	1.07%
9	PRAKASH COTTON MILLS PRIVATE LIMITED	Corporate Bodies - Domestic Companies	Rs 10,00,000	14,000,000	0.70	0.72%
10	AMBIUM FINSERVE	Corporate Bodies - Domestic Companies	Rs.10,000	13060000	0.65	0.67%

5.16 List of top 10 holders of commercial papers in terms of value as on the preceding quarter (as on December 31, 2023) (in cumulative basis):

No Commercial papers are outstanding.

5.17 Details of the bank fund-based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors:

Name of Party (in case of facility) / Name of Instrument	Type of facility / Instrument	Amount sanctioned / issued	Principal Amount outstanding	Date of Repayment / Schedule	Credit Rating	Secured /Unsecured	Security
Please refer 5.14 (a) hereinabove							

- 5.18 The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.**

Not Applicable

- 5.19 Details of any outstanding borrowing taken / debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing / debt securities have been taken / issued: (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not:**

Not Applicable

- 5.20 Details of all defaults and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Company, in the preceding 3 (three) years, including the current financial year:**

Nil

- 5.21 Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:**

As set out in **Annexure VII** hereinbelow.

5.22 Financial Information

- (a) **The audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both a standalone and consolidated basis for a period of three completed years and unaudited financial statements for the period ended 31st December 2023:**

The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.

The audited financial statements of the Issuer for the year ended 31st March 2023, 31st March 2022, and 31st March 2021 along with the unaudited limited review financial statements for the period ended 31st December 2023 are set out in Annexure V hereto.

It shall be noted that the audited financial statements have been certified by the statutory auditor who holds a valid certificate issued by the peer review board of the Institute of Chartered Accountants of India.

As set out in Annexure V hereinbelow.

- (b) **However, if the issuer being a listed REIT/listed InvIT has been in existence for a period less than three completed years and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three**

years and interim period, then the combined financial statements need to be disclosed for the periods when such historical financial statements are not available.

Not Applicable

- (c) **Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the General Information Document, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in General Information Document including risk factors.**

Please refer to **Annexure V** for the financial statements for the financial year ending March 31, 2023, March 31, 2022 and March 31, 2021 along with the unaudited limited review financial statements for the period ended 31st December 2023.

- (d) **Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:**

- (i) The issue is made on the EBP platform irrespective of the issue size; and
- (ii) The issue is open for subscription only to Qualified Institutional Buyers.

Not Applicable as the Issuer has been in existence for a period of more than 3 (three) years prior to the date of this General Information Document.

- 5.23 Any material event/ development or change having implications on the financials/ credit quality (e.g. any material regulatory proceedings against the Issuer/ promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the non-convertible securities / commercial papers.**

The Issuer hereby declares that there has been no material event, development or change at the time of the Issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

- 5.24 Any litigation or legal action pending or taken by a Government Department or a statutory body or a regulatory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company.**

There is no such litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of the Company during the last 3 (three) years immediately preceding the year of the circulation of this General Information Document.

- 5.25 Details of default and non-payment of statutory dues for the preceding three financial years and current financial year:**

- (a) Statutory dues: - Nil
- (b) Debentures and interest thereon: - Nil
- (c) Deposits and interest thereon: - Nil
- (d) Loan from any bank or financial institution and interest thereon: - Nil

5.26 Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/or non-convertible redeemable preference shares.

No such pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/or non-convertible redeemable preference shares.

5.27 Details of acts of material frauds committed against the Company in the preceding 3 (three) financial years and current financial year, if any, and if so, the action taken by the Company:

Nil

5.28 Details of pending proceedings initiated against the Company for economic offences, if any

Nil

5.29 Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates to the issue, legal advisors to the issue, lead managers to the issue, Registrar to the Issue, and lenders (if required, as per the terms of the agreement) and experts.

This has been procured to the extent applicable.

5.30 The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.

As specified in the relevant Key Information Document.

5.31 Details of credit rating along with reference to the rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies in relation to the issue shall be disclosed. The detailed press release of the Credit Rating Agencies along with rating rationale(s) adopted (not older than one year on the date of opening of the issue) shall also be disclosed.

As specified in the relevant Key Information Document.

5.32 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document

does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the General Information Document.

As specified in the relevant Key Information Document.

5.33 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention

- (a) ***The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made:***

Coupon and all other charges shall accrue based on actual/actual day count convention in accordance with Chapter III (*Day count convention, disclosure of cash flows and other disclosures in the offer document*) of the SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", as may be amended and modified from time to time;

- (b) ***Procedure and time schedule for allotment and issue of securities:***

Please refer to the column on "*Issue Timing*" under Section 5.37 (*Issue Details*) of this General Information Document; and

- (c) ***Cash flows emanating from the non-convertible securities shall be mentioned in the General Information Document, by way of an illustration:***

The cashflows emanating from the Non-Convertible Securities, by way of an illustration, are set out in the respective Key Information Document.

5.34 Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being/has been created as specified by the Board:

The Non-Convertible Securities are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

The Issuer has obtained the in-principle approval for the listing of the Non-Convertible Securities from BSE and the same is annexed in **Annexure VI** hereto. The Issuer shall also be creating the recovery expense fund prescribed as per the SEBI Debenture Trustees Master Circular and relevant applicable SEBI regulations with BSE.

The Non-Convertible Securities are not proposed to be listed on more than one stock exchange.

5.35 Other details:

(a) **Creation of Debenture Redemption Reserve ("DRR") – relevant legislations and applicability:**

- (i) The Company hereby agrees and undertakes that, if required under Applicable Law, it will create a debenture redemption reserve ("DRR") in accordance with the provisions of the Act (and the rules and regulations made thereunder) and the guidelines issued by the relevant Governmental Authorities.
- (ii) If any guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of the DRR prior to the Final Settlement Date, then the Company shall comply with such guidelines and shall do all deeds, acts and things as may be required by the Debenture Trustee in respect of the creation and maintenance of the DRR.
- (iii) Where applicable, the Company shall submit to the Debenture Trustee a certificate duly certified by a chartered accountant certifying that the Company has transferred the required amount to the DRR at the end of each Financial Year.
- (iv) In addition to the above, to the extent required by Applicable Law, the Company shall, in any Financial Year, in respect of any amounts of the Non-Convertible Securities maturing in such Financial Year, invest or deposit amounts up to such thresholds as may be prescribed by Applicable Law and in such form and manner as prescribed therein and within the time periods prescribed therein.

(b) **Issue / instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines etc.):**

The Issue of Non-Convertible Securities shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI NCS Regulations, the SEBI Debenture Trustees Master Circular, the LODR Regulations the NBFC Master Directions, the NCD Issuance Directions and the applicable guidelines and directions issued by the RBI and SEBI.

(c) **Default in payment:**

Please refer to the terms and conditions of the Non-Convertible Securities set out in Section 5.37 (Issue Details) of this General Information Document.

As specified in the relevant Key Information Document.

(d) **Delay in listing:**

In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time), the Issuer confirms that in the event there is any delay in listing a of the Non-Convertible Securities beyond (T+3) working days, wherein "T" shall be referred to the issue closing date, the

Company will (i) pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the date of allotment of the Non-Convertible Securities until the listing of the Non-Convertible Securities is completed.

(e) **Delay in allotment of securities:**

- (i) The Issuer shall ensure that the Non-Convertible Securities are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.
- (ii) If the Issuer fails to allot the Non-Convertible Securities to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Monies ("**Allotment Period**"), it shall repay the Application Monies to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").
- (iii) If the Issuer fails to repay the Application Monies within the Repayment Period, then Issuer shall be liable to repay the Application Monies along with interest at the applicable Interest Rate or 12% (twelve percent) per annum, whichever is higher, from the expiry of the Allotment Period.

(f) **Issue details:**

Please refer to Section 5.37 (*Issue Details*) of this General Information Document

(g) **Application process:**

The application process for the Issue is as provided in Section 8 of this General Information Document.

(h) **Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:**

All disclosures under Form No. PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 have been set out in Section 10.

(i) **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

Not Applicable

5.36 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this General Information Document, which are or may be deemed material, have been entered into by the Company.

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The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
1.	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2.	Copy of the resolution passed by the board of directors of the Company dated March 27, 2024 authorizing the issuance of the Debentures and creation of the security thereon. In case of any further resolution passed by the Issuer in relation to the subject (as shall be required) shall be annexed in the relevant Key Information Document from time to time.
3.	Copies of the resolutions passed by the shareholders of the Company at the Annual General Meeting under Section 180(1)(a) and Section 180(1)(c) of the Act held on September 21, 2019 authorising the Company to borrow, upon such terms as the board may think fit, up to an aggregate limit of INR 2000,00,00,000 (Indian Rupees Two Thousand Crore) and create charge by way of creation of security, if applicable. In case of any further resolution passed by the Issuer in relation to the subject (as shall be required) shall be annexed in the relevant Key Information Document from time to time.
4.	Copies of Annual Reports of the Company for the last three financial years.
5.	Credit rating letter from the Rating Agent, rating rationale from the Rating Agent along with detailed press release dated April 16, 2024, for the first issuance under this General Information Document. The credit rating for the subsequent Tranche / Issuances of the Non-Convertible Securities shall be as more particularly as set out in the relevant Key Information Document, as shall be issued from time to time.
6.	Letter from debenture trustee giving its consent to act as Debenture Trustee, for the first issuance under this General Information Document, a copy of which is set out in Annexure III of this General Information Document. The debenture trustee consent letter for the subsequent Tranche / Issuances of the Debentures shall be as more particularly as set out in the relevant Key Information Document, as shall be issued from time to time.
7.	Letter from the Registrar and Transfer Agent dated giving its consent to act as the Registrar and Transfer Agent, for the first issuance under this General Information Document. The consent letter from the Registrar and Transfer Agent for the subsequent Tranche / Issuances of the Debentures shall be as more particularly as set out in the relevant Key Information Document, as shall be issued from time to time.
8.	Certified true copy of the certificate of incorporation of the Company.
9.	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.
10.	Copy of application made to BSE for grant of in-principle approval for listing of Non-Convertible Securities.
11.	Relevant Tranche/Issuance Debenture Trustee Agreement to be executed by the Issuer and the Debenture Trustee.

S. No.	Nature of Contract
12.	Relevant Tranche/Issuance Debenture Trust Deed to be executed by the Issuer and the Debenture Trustee.
13.	Relevant Tranche/Issuance Deed of Hypothecation(s) to be executed by the Issuer and the Debenture Trustee, if applicable.
14.	Any other document as deemed relevant and applicable.

5.37 Issue Details applicable for this first issuance of the Commercial Papers shall be as set out in the Key Information Document. The issue details of the subsequent issuance of the relevant Non-Convertible Securities / Commercial Papers shall be set out in the relevant Key Information Document that shall be issued from time to time.

Security Name <i>(Name of the non-convertible securities which includes Coupon / dividend, Issuer Name and maturity year)</i>	As specified in the relevant Key Information Document.
Issuer	Berar Finance Limited
Type of Instrument	As specified in the relevant Key Information Document.
Nature of Instrument (Secured or Unsecured)	As specified in the relevant Key Information Document.
Seniority (Senior or subordinated)	As specified in the relevant Key Information Document.
Eligible Investors	As specified in the relevant Key Information Document.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	As specified in the relevant Key Information Document.

- (a) The Issuer shall submit all duly completed documents to the BSE, SEBI, ROC or any other Governmental Authority, as are required under Applicable Law and procure permission for listing of the Non-Convertible Securities from the Stock Exchange within (T+3) working days, wherein "T" shall be referred to the issue closing date ("**Listing Period**") of the relevant Tranche / Issuance of Debentures.
- (b) The Issuer shall ensure that the Non-Convertible Securities continue to be listed on the wholesale debt market segment of the BSE.
- (c) In the event there is any delay in listing of the Debentures beyond (T+3) working days, wherein "T" shall be referred to the issue closing date of the relevant issuance of the Debenture, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the date of allotment of the Debentures until the listing

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of the Debentures is completed.

Rating of Instrument	As specified in the relevant Key Information Document.
Minimum Subscription	As specified in the relevant Key Information Document.
Option to retain oversubscription (Amount)	As specified in the relevant Key Information Document.
Objects of the Issue / Purpose for which there is requirement of funds	As specified in the relevant Key Information Document.
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the prescribed format:	As specified in the relevant Key Information Document.
Details of the utilization of the Proceeds	As specified in the relevant Key Information Document.
Coupon Rate	As specified in the relevant Key Information Document.
Step Up Coupon Rate	As specified in the relevant Key Information Document.
Coupon Payment Frequency	As specified in the relevant Key Information Document.
Coupon Payment Dates	As specified in the relevant Key Information Document.
Coupon Type (Fixed, floating or other structure)	As specified in the relevant Key Information Document.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	As specified in the relevant Key Information Document.
Day Count Basis (Actual / Actual)	Actual / Actual. The Coupon (if any) shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year shall comprise of a period of 365 (Three Hundred and Sixty-Five) days. In case of a leap year, if 29 th February of the relevant leap year falls during the Tenor of the Non-Convertible Securities, then the number of days shall be reckoned as 366 (Three Hundred and Sixty-Six) days for the one-year

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	period.
Interest on Application Monies	As specified in the relevant Key Information Document.
Default Interest Rate	As specified in the relevant Key Information Document.
Tenor	As specified in the relevant Key Information Document.
Redemption Date / Maturity Date	As specified in the relevant Key Information Document.
Redemption Amount	As specified in the relevant Key Information Document.
Early Redemption/ Mandatory Redemption	As specified in the relevant Key Information Document.
Early Redemption Date/ Mandatory Redemption	As specified in the relevant Key Information Document.
Early Redemption Notice	As specified in the relevant Key Information Document.
Voluntary Redemption	As specified in the relevant Key Information Document.
Redemption Premium/ Discount	As specified in the relevant Key Information Document.
Issue Price	As specified in the relevant Key Information Document.
Discount at which security is issued and the effective yield as a result of such discount	As specified in the relevant Key Information Document.
Premium / Discount at which security is redeemed and the effective yield as a result of such premium / discount	As specified in the relevant Key Information Document.
Put Date	As specified in the relevant Key Information Document.
Put Price	As specified in the relevant Key Information Document.
Call Date	As specified in the relevant Key Information Document.
Call Price	As specified in the relevant Key Information Document.

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Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	As specified in the relevant Key Information Document.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	As specified in the relevant Key Information Document.
Face Value	As specified in the relevant Key Information Document.
Minimum Application and in multiples of thereafter	As specified in the relevant Key Information Document.
Issue Timing 1) Issue Opening Date 2) Issue Closing Date 3) Date of earliest closing of the Issue, if any 4) Pay-in Date 5) Deemed Date of Allotment	As specified in the relevant Key Information Document.
Settlement mode of the Instrument	As specified in the relevant Key Information Document.
Depositories	NSDL and / or CDSL
Disclosure of Interest / Dividend / Redemption Dates	As specified in the relevant Key Information Document.
Record Date	As specified in the relevant Key Information Document.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	<p>Representations and Warranties As shall be more particularly set out in the respective Key Information Document.</p> <p>Affirmative Covenants As shall be more particularly set out in the respective Key Information Document.</p> <p>Negative Covenants As shall be more particularly set out in the respective Key Information Document.</p> <p>Reporting Covenants As shall be more particularly set out in the respective Key Information Document.</p> <p>Financial Covenants</p>

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	As shall be more particularly set out in the respective Key Information Document.
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the General Information Document.	<p>In respect of those Debentures which are issued as Secured Debentures:</p> <p>Type of security and charge: As specified in the relevant Key Information Document.</p> <p>Date of creation of security/likely date of creation of security: Prior to the listing of the relevant Tranche/Issuance of Secured Debentures</p> <p>Minimum security cover: As specified in the relevant Key Information Document.</p> <p>Replacement of security: As specified in the relevant Key Information Document.</p> <p>Revaluation of security: As specified in the relevant Key Information Document.</p> <p>Interest to the Debenture Holder over and above the Coupon rate: As specified in the relevant Key Information Document.</p>
Transaction Documents	As specified in the relevant Key Information Document.
Conditions Precedent to Disbursement	As specified in the relevant Key Information Document.
Conditions Subsequent to Disbursement	As specified in the relevant Key Information Document.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	As shall be more particularly set out in the respective Key Information Document.
Creation of recovery expense fund	<p>Details and purpose of the recovery expense fund</p> <p>(a) The Issuer shall create and maintain the Recovery Expense Fund up to the amounts prescribed under the SEBI Debenture Trustees Master Circular, in accordance with and within the timelines prescribed in the Chapter IV of the SEBI Debenture Trustees Master Circular. The Issuer proposing to list debt securities shall deposit an amount equal to 0.01% of the Tranche/Issuance issue size of the Secured Debentures subject to maximum of INR 25,00,000/- (Indian</p>

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	<p>Rupees Twenty-Five Lakhs only) per issuer towards the recovery expense fund with the 'Designated Stock Exchange', pursuant to the SEBI Debenture Trustees Master Circular, as may be amended from time to time.</p> <p>(b) The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents.</p> <p>(c) The amounts in the Recovery Expense Fund shall be utilised in the manner as may be prescribed by the Debenture Holders by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in the Transaction Documents.</p> <p>(d) On the occurrence of an Event of Default, if the Security is proposed to be enforced, the Debenture Trustee shall follow the procedure set out in the SEBI Debenture Trustees Master Circular for utilisation of the Recovery Expense Fund.</p>
<p>Conditions for breach of covenants (as Specified in the relevant Tranche/ Issuance Debenture Trust Deed)</p>	<p>As shall be more particularly set out in the respective Key Information Document.</p>
<p>Provisions related to Cross Default Clause</p>	<p>As specified in the relevant Key Information Document.</p>
<p>Role and Responsibilities of Debenture Trustee</p>	<p>The Debenture Trustee shall comply with all its roles and responsibilities as prescribed under Applicable Law and the Transaction Documents, including:</p> <p>(a) the Debenture Trustee may, in relation to the relevant Tranche/ Issuance Debenture Trust Deed and other Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether</p>

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	<p>obtained by the Issuer or by the Debenture Trustee or otherwise;</p> <p>(b) subject to the approval of the Debenture Holders by way of a Special Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;</p> <p>(c) with a view to facilitating any dealing under any provisions of the relevant Tranche/Issuance Debenture Trust Deed or the other Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have (i) the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions); and (ii) to determine all questions and doubts arising in relation to the interpretation or</p>
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	<p>construction any of the provisions of the relevant Tranche/Issuance Debenture Trust Deed;</p> <p>(d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures;</p> <p>(e) the Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holders;</p> <p>(f) the Debenture Trustee and each receiver, attorney, manager, agent or other person appointed by it shall, subject to the provisions of the Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof;</p> <p>(g) subject to the approval of the Debenture Holder(s) by way of a Special Resolution passed at a meeting of Debenture Holder(s) held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee shall not be liable for any of its actions or deeds in relation to the Transaction Documents;</p> <p>(h) subject to the approval of the Debenture Holder(s) by way of Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust,</p>
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	<p>the Debenture Trustee, shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained herein or in enforcing the covenants contained herein or in giving notice to any person of the execution hereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Majority Debenture Holder(s) or by a Majority Resolution duly passed at a meeting of the Debenture Holders. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;</p> <p>(i) notwithstanding anything contained to the contrary in the relevant Tranche/Issuance Debenture Trust Deed, the Debenture Trustee shall before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders;</p> <p>(j) the Debenture Trustee shall forward to the Debenture Holders copies of any information or documents from the Issuer pursuant to the relevant Tranche/Issuance Debenture Trust Deed within 2 (two) Business Days of</p>
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	<p>receiving such information or document from the Issuer; and</p> <p>(k) the Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under the SEBI Debenture Trustees Master Circular.</p>
Risk factors pertaining to the issue	Please refer to Section 3 (<i>Risk Factors</i>) of this General Information Document
Governing Law	As specified in the relevant Key Information Document.
Additional Disclosures (Security Creation)	As specified in the relevant Key Information Document.
Additional Disclosures (Default in Payment)	As specified in the relevant Key Information Document.
Additional Disclosures (Delay in Listing)	<p>(i) In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (<i>Standardization of timelines for listing of securities issued on a private placement basis</i>) of the SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "<i>Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</i>" (as amended and modified from time to time), the Issuer confirms that In the event there is any delay in listing of the Non-Convertible Securities beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the date of allotment the Non-Convertible Securities until the listing of the Non-Convertible Securities is completed.</p>

Note:

1. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.
2. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.
3. While the Secured Debentures (if issued and applicable) are secured to the tune of at least 100% (One Hundred percent) of the principal and interest amount or as per the terms of General Information Document read along with relevant Key Information Document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.
4. The Issuer shall provide granular disclosures in the relevant Key Information Document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

As specified in the relevant Key Information Document.
5. **Future Borrowings**
As specified in the relevant Key Information Document.

SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter:

- (A) **Name of the bank declaring the entity as a Wilful Defaulter:** NA
- (B) **The year in which the entity is declared as a Wilful Defaulter:** NA
- (C) **Outstanding amount when the entity is declared as a Wilful Defaulter:** NA
- (D) **Name of the entity declared as a Wilful Defaulter:** NA
- (E) **Steps taken, if any, for the removal from the list of wilful defaulters:** NA
- (F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:** NA
- (G) **Any other disclosure as specified by SEBI:** NA

SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

- (a) Debenture Trustee Agreement, each of the agreements executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the respective Tranche/Issuance of the Debentures. ("**Debenture Trustee Agreement**");
- (b) Debenture Trust Deed, each of the trust deeds executed / to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the respective Tranche/Issuance of the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer. ("**Debenture Trust Deed**");
- (c) Deed of Hypothecation shall mean each of the unattested / attested deeds of hypothecation dated on or around the date of the relevant Debenture Trust Deed to create a charge over the Hypothecated Assets or such other assets as shall be specified for the respective Tranche / Issuance of Debentures (if applicable), to be executed between the Issuer and the Debenture Trustee to secure the Secured Obligations in relation to the respective Tranche / Issuance of the Secured Debentures. ("**Deed of Hypothecation**");
- (d) Deed of Corporate Guarantee shall mean the deed of corporate guarantee dated on or around the date of the Debenture Trust Deed to be executed by the Guarantor in favour of the Debenture Trustee to provide an unconditional and irrevocable corporate guarantee ("**Deed of Corporate Guarantee**"), to the extent applicable;
- (e) Deed of Personal Guarantee shall mean the deed of personal guarantee dated on or around the date of the Debenture Trust Deed to be executed by one or more Guarantor(s) in favour of the Debenture Trustee to provide an unconditional and irrevocable personal guarantee ("**Deed of Corporate Guarantee**"), to the extent applicable; and
- (f) Such other documents as agreed between the Issuer and the Debenture Trustee for each of the respective issuance.

7.2 Representations and Warranties of the Issuer

As specified in the relevant Key Information Document.

7.3 COVENANTS OF THE ISSUER:

(a) AFFIRMATIVE COVENANTS

As specified in the relevant Key Information Document.

(b) NEGATIVE COVENANTS

As specified in the relevant Key Information Document.

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(c) **REPORTING COVENANTS**

As specified in the relevant Key Information Document.

(d) **FINANCIAL COVENANTS**

As specified in the relevant Key Information Document.

7.4 EVENTS OF DEFAULT

As specified in the relevant Key Information Document.

7.5 CONSEQUENCES OF AN EVENTS OF DEFAULT AND REMEDIES

As specified in the relevant Key Information Document.

SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Non-Convertible Securities being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this General Information Document, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Non-Convertible Securities held in Dematerialised Form

The Non-Convertible Securities shall be held in dematerialised form and no action is required on the part of the Non-Convertible Securities Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Non-Convertible Securities will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

8.3 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

8.4 Non-Convertible Securities Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Non-Convertible Securities shall not confer upon the

Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

8.5 Modification of Non-Convertible Securities

The Debenture Trustee and the Issuer will agree to make any modifications in the General Information Document which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Non-Convertible Securities shall require approval by the Majority Debenture Holders.

8.6 Right to accept or reject Applications

The Board of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Non-Convertible Securities, in part or in full, without assigning any reason thereof.

8.7 Notices

Any notice in respect of the Non-Convertible Securities may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

8.8 Issue Procedure

Only Eligible Investors as given hereunder may apply for the Non-Convertible Securities by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Non-Convertible Securities that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

Depending upon the issue size under this General Information Document read along with the relevant Key Information Document, the issuance shall be subject to compliance with EBP Guidelines. The Issuance has to be complied with the provisions of EBP mechanism, if the issue size exceeds the prescribed threshold. As of the date of this General Information Document, the prescribed threshold is INR 50,00,00,000/- (Indian Rupees Fifty Crores Only). Until the aggregate issue size does not exceed the above threshold in a given financial year, the EBP Guidelines will not be applicable. Upon the issue size exceeding the above threshold in a given financial year, the Issuer shall comply with the EBP Guidelines.

In case the EBP Guidelines are applicable, the final subscription to the Non-Convertible Securities shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Guidelines by placing bids on the electronic book platform during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as investor on the said platform (as a one-time exercise) and also complete the mandatory KYC verification process. The Eligible Investors should also refer to the operational

guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines are set out hereinbelow:

Details of size of issue including green shoe option, if any and a range within which green shoe may be retained (if applicable)	Base Issue Size - As specified in the relevant Key Information Document. Green shoe option - As specified in the relevant Key Information Document.
Bid opening and closing date	Bid opening date: As specified in the relevant Key Information Document. Bid closing date: As specified in the relevant Key Information Document.
Minimum Bid Lot	As specified in the relevant Key Information Document.
Manner of bidding in the Issue	As specified in the relevant Key Information Document.
Manner of allotment in the Issue	As specified in the relevant Key Information Document.
Manner of settlement in the Issue	As specified in the relevant Key Information Document.
Settlement Cycle	As specified in the relevant Key Information Document.

8.9 Process flow of settlement:

As specified in the relevant Key Information Document.

8.10 Application Procedure

Potential Investors will be invited to subscribe by way of the Application Form prescribed in the General Information Document during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule, and the procedure will be subject to the EBP Guidelines, if applicable.

8.11 Fictitious Applications

All fictitious applications will be rejected.

8.12 Basis of Allotment

In case of EBP:

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. In case of over subscription, allotment shall be made on a "price time priority basis" in accordance with the EBP Guidelines. The investors will be required to remit the funds in the account of the ICCL as well as submit the duly completed

Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

In case of Non-EBP:

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to the potential investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

As specified in the relevant Key Information Document.

8.14 Eligible Investors

As specified in the relevant Key Information Document.

8.15 Procedure for Applying for Dematerialised Facility

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL and CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Non-Convertible Securities in Electronic/Dematerialised Form".
- (c) Non-Convertible Securities allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Non-Convertible Securities, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Non-Convertible Securities in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Non-Convertible Securities, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Non-Convertible Securities for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

8.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

8.18 Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

8.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories

8.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable:

- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Certified true copy of the Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including EFT/RTGS details)

8.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

8.22 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtains legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

8.23 Mode of Payment

All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

8.24 Effect of Holidays

- (a) If any Due Date on which any interest or additional interest is payable falls on a day which is not a Business Day, then such a payment to be made on such Due Date shall be made on the next occurring Business Day;
- (b) If any Due Date on which any Outstanding Principal Amounts are payable falls on a day which is not a Business Day, then such a payment to be made on such Due Date shall be made on the immediately preceding Business Day; and

- (c) If the Final Redemption Date or the Early Redemption Date (as the case may be) falls on a day which is not a Business Day, then such a payment of any amounts in respect of any interest and the Outstanding Principal Amounts to be made shall be made on the immediately preceding Business Day.

8.25 Tax Deduction at Source

- (a) All payments to be made by the Company to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax Deduction unless the Company is required to make a Tax Deduction pursuant to Applicable Law.
- (b) The Company shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.
- (c) If the Company is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law.
- (d) Within the earlier of (A) 60 (sixty) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction or (B) 60 (sixty) days of each Due Date, the Company shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

8.26 Letters of Allotment

In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time), the Issuer shall ensure that the Non-Convertible Securities are credited into the demat accounts of the Debenture Holders of the Non-Convertible Securities within 2 (two) Business Days from the Deemed Date of Allotment.

8.27 Deemed Date of Allotment

As specified in the relevant Key Information Document.

8.28 Record Date

As specified in the relevant Key Information Document.

8.29 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

8.30 Interest on Application Monies

Not applicable, in case of EBP issuance.

In case of non-EBP issuance, as more particularly set out in the Key Information Document.

8.31 Pan Number

Every applicant should mention its Permanent Account Number (“**PAN**”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

8.32 Redemption

The face value of the Debentures shall be redeemed at par, on the Redemption Date. The Debentures will not carry any obligation, for interest or otherwise, after the Redemption Date. The Debentures shall be taken as discharged on payment of the Redemption Amount by the Issuer on the Final Redemption Date to the registered Debenture Holders whose name appear in the Debenture Register on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Debenture Holders.

8.33 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL and CDSL and accordingly the account of the Debenture Holder(s) with NSDL and CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

8.34 Payment of Coupon

Payment of Coupon on the Debenture(s) will be made on Coupon Payment Dates as specified in this General Information Document to those Debenture Holders whose name(s) appear in the Register of Debenture Holder(s) (or to the first holder in case of joint holders) as on the relevant Record Date fixed by the Issuer for this purpose and /or as per the list provided by the Depository to the Issuer of the beneficiaries who hold Debentures in demat form on such Record Date, and are eligible to receive Coupon. Payment will be made by the Issuer after verifying the bank details of the Debenture Holders, by way of direct credit through Electronic Clearing Service (“**ECS**”), Real Time Gross Settlement (“**RTGS**”) or National Electronic Funds Transfer (“**NEFT**”).

In the event of any default in the payment of Coupon and/or in the redemption of the Debentures on the respective Payment Dates and all other monies payable pursuant to the Transaction Documents read with this General Information Document, the Issuer shall pay to the Debenture Holders, default interest at the rate specified in 5.37 ("*Issue Details*") for the default in payment of Coupon, and/or Redemption Amount till the dues are cleared.

8.35 Eligibility to come out with the Issue

The Issuer or the Person in control of the Issuer, or its promoter, has not been restrained or prohibited any Governmental Authority from accessing the securities market or dealing in securities and such direction or order is in force.

8.36 Registration and Government approvals

The Issuer can undertake the activities proposed by it in view of the present approvals and no further approval from any Governmental Authority(ies) is required by it to undertake the proposed activities save and except those approvals which may be required to be taken in the normal course of business from time to time.

8.37 Authority for the Issue

This present private placement of debentures under the General Information Document is being made pursuant to the resolution passed by board of directors of the Company at its meeting held on March 27, 2024 and shareholders of the Company at its meeting held on September 21, 2019. A copy of the board resolution and shareholders resolution is attached hereto as **Annexure VIII** and **Annexure IX** respectively. In case of, the above-mentioned resolutions being amended/replaced/ updated, the same shall be set out in the relevant Key Information Document from time to time.

8.38 Date of Allotment

All benefits relating to Debentures will be available to the Investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. In case if the issue closing date of Debentures is changed (pre-poned/ postponed), the Deemed Date of Allotment of Debentures may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion.

Disclaimer: Please note that only those persons to whom this General Information Document has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

8.39 Multiple Issuances

The Company reserves the right to make multiple issuances under the same ISIN in accordance with the SEBI Master Circular, whether by creation of a fresh ISIN or by way of issuance under the existing ISIN at premium/ par/ discount.

8.40 Buyback

The Company reserves the right to buyback the Debentures issued by it under this General Information Document and the relevant Key Information Document as per the provisions of Applicable Law, if any.

SECTION 9: UNDERTAKING

9.1 UNDERTAKINGS IN RELATION TO THE ISSUER BEING ELIGIBLE UNDER THE SEBI NCS REGULATIONS

The Issuer hereby undertakes and confirms that the following (as set out in Regulation 5 of the SEBI NCS Regulations) are not applicable to the Issuer as on the date of this General Information Document:

- (a) the Issuer, any of its promoters, promoter group or directors are debarred from accessing the securities market or dealing in securities by the Board;
- (b) any of the promoters or directors of the Issuer is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the Board;
- (c) the Issuer or any of its promoters or directors is a wilful defaulter;
- (d) any of the promoters or whole-time directors of the issuer is a promoter or whole-time director of another company which is a wilful defaulter;
- (e) any of its promoters or directors is a fugitive economic offender; or
- (f) any fine or penalties levied by the Board / Stock Exchanges is pending to be paid by the Issuer at the time of filing this General Information Document.

9.2 UNDERTAKING ON CREATION OF SECURITY PURSUANT TO REGULATION 48(2) OF THE SEBI NCS REGULATIONS

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances. The Issuer further undertakes that in case the charge proposed to be created is a first ranking exclusive, current and continuing charge and then no permission or consent to create a second or pari-passu charge on the assets of the Issuer is required to be obtained from any creditor (whether or not existing) of the Issuer.

If the charge proposed to be created is a pari passu charge, then the Issuer undertakes to procure the no objection certificates / consent from the existing charge holders for the purpose of creating the proposed security for the issuance of secured debentures.

9.3 UNDERTAKING PURSUANT TO PARAGRAPH 2.3.24 of SCHEDULE I OF THE SEBI NCS REGULATIONS

The Issuer undertakes and states as follows:

- (a) Prospective investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' "**GENERAL RISKS AND RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES**";

- (b) the Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this General Information Document contains all information with regard to the issuer and the issue, that the information contained in this General Information Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect; and
- (c) the Issuer has no side letter with any debt securities holder except the one(s) disclosed in this General Information Document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed and shall be disclosed by the Company in the Transaction Documents.

9.4 DISCLOSURES PURSUANT TO THE CHAPTER II OF SEBI DEBENTURE TRUSTEES MASTER CIRCULAR

- (a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

As more particularly set out in the relevant Key Information Document, if applicable.

- (b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

As more particularly set out in the relevant Key Information Document, if applicable.

- (c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc.**

As more particularly set out in the relevant Key Information Document, if applicable.

- (d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

As more particularly set out in the relevant Key Information Document, if applicable.

- (e) **In case of corporate guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

- (i) ***Details of guarantor viz. holding/ subsidiary/ associate company etc.:***

As set out in the respective Key Information Document

- (ii) ***Audited financial statements (not older than 6 months from the date of debenture trustee agreement) of guarantor including details of all contingent liabilities:***

As set out in the respective Key Information Document

- (iii) **List of assets of the guarantor along-with undertakings/consent/NOC as per the Chapter II of SEBI Debenture Trustees Master Circular:**

As set out in the respective Key Information Document

- (iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:**

As set out in the respective Key Information Document

- (v) **Impact on the security in case of restructuring activity of the guarantor:**

As set out in the respective Key Information Document

- (vi) **Undertaking by the guarantor that the guarantee shall be disclosed as “contingent liability” in the “notes to accounts” of financial statement of the guarantor.**

As set out in the respective Key Information Document

- (vii) **Copy of Board resolution of the guarantor for the guarantee provided in respect of the debt securities of the Issuer.**

As set out in the respective Key Information Document

- (viii) **The Guarantor provides guarantees on a routine basis in the ordinary course of its business.**

As set out in the respective Key Information Document

- (f) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository system:**

Not Applicable

- (g) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.:**

Not Applicable

- (h) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security:**

Not applicable.

- (i) **Declaration:** The Issuer declares that debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

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- (j) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s):** Please refer consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and the Engagement Letter for fee of the Debenture Trustee.
- (k) **Details of security to be created:** Please refer section named "*Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)*" in Section 5.37 (*Issue Details*).
- (l) **Process of due diligence carried out by the debenture trustee:** The Debenture Trustee has carried out due diligence in accordance with the manner prescribed in the SEBI Debenture Trustees Master Circular. The due diligence broadly includes the following:
- (i) A chartered accountant appointed by the Debenture Trustee will be conducting an independent due diligence as per scope provided by the Debenture Trustee and the information provided by the Issuer in respect of the security being provided by the Issuer in respect of the Secured Debentures.
 - (ii) The chartered accountant will verify and ensure that the assets provided by the Issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.
 - (iii) Periodical due diligence will be carried out by the Debenture Trustee in accordance with the SEBI Debenture Trustees Master Circular read along with the SEBI (Debenture Trustees) Regulations, 1993 and the relevant circulars issued by SEBI from (as amended from time to time) as per the nature of security provided by the Issuer in respect of the Secured Debentures.
 - (iv) The Debenture Trustee will issue such necessary certificate(s) in relation to the due diligence carried out by it and such certificate(s) will be available on Stock Exchanges from time to time for information of the Debenture Holders.
- Even though the Secured Debentures are to be secured to the extent of at least 100% (One Hundred percent) of the principal and interest amount or as per the terms of this General Information Document, in favor of the Debenture Trustee, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.
- Due diligence will be carried out for maintenance of the prescribed security cover depending on information provided by the Issuer and the chartered accountant appointed by the Debenture Trustee or the Debenture Trustee will not be responsible for misinformation provided by Issuer.
- (m) **Due diligence certificate as per the format specified in Annexure A:** Enclosed as **Annexure X**.
- (n) **Due diligence certificate as per the format specified in Annexure II-A of the Chapter II of SEBI Debenture Trustees Master Circular:** Enclosed as **Annexure X**.

9.5 OTHER UNDERTAKINGS

The Issuer hereby confirms that:

- (a) the Issuer is eligible and in compliance with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, to make the private placement of debt instruments;
- (b) (to the extent applicable) the Issuer or its promoters or whole-time directors are not in violation of the provisions of Regulation 24 of the SEBI Delisting Regulations, 2009;
- (c) neither the Issuer nor any of its promoters or directors is a willful defaulter as defined under Regulation 2 (1) (ss) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and
- (d) the Issuer, its promoters, its directors are not in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/CIR/P/2017/92 dated August 01, 2017.

For BERAR FINANCE LIMITED



Authorized Signatory

Name: Sandeep Jawanjali

Title: Managing Director

Place: Nagpur, India

Date: 18th April 2024



Serial No: _____

Addressed to: _____

SECTION 10: FORM NO. PAS-4

(Pursuant to Section 42 of the Companies Act, 2013 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014)

Note: This Form No PAS-4 is prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

ISSUE OF SENIOR / UNSUBORDINATED / SUBORDINATED, SECURED / UNSECURED, RATED, LISTED, TAXABLE, PRINCIPAL PROTECTED OR NOT, MARKET LINKED OR NOT, GREEN DEBT SECURITIES OR NOT, NON-CONVERTIBLE SECURITIES AGGREGATING FOR AN AMOUNT AS SHALL BE MORE PARTICULARLY SET OUT IN THE RELEVANT KEY INFORMATION DOCUMENT(S), IN MULTIPLE TRANCHES / ISSUANCES, FOR CASH, AT PAR OR AT PREMIUM OR AT DISCOUNT, EITHER FULLY PAID ISSUANCE OR PARTLY PAID ISSUANCE, IN A DEMATERIALIZED FORM ON A PRIVATE PLACEMENT BASIS (THE "ISSUE") BY BERAR FINANCE LIMITED (THE "COMPANY") OR ("ISSUER").

10.1 General Information:

(a) **Name, address, website, if any, and other contact details of the Company, indicating both registered office and the corporate office:**

Issuer / Company: Berar Finance Limited (the "Issuer" or "Company")

Registered Office: Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur, Maharashtra - 440012, India

Corporate Office: Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur, Maharashtra - 440012, India

Telephone No.: 0712-666 3999

Website: www.berarfinance.com

Fax: N.A

Contact Person: Ms. Deepali Balpande

Email: deepali.balpande@berarfinance.com

(b) **Date of Incorporation of the Company:**

22nd August 1990

(c) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

Please refer to paragraph 5.4(a) of the Section 5 of this General Information Document.

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

Branch details:

Please refer to paragraph 5.4 (b) of the Section 5 of this General Information Document.

Subsidiary details:

As on the date of this General Information Document, the Company is not having any subsidiary.

(d) **Brief particulars of the management of the Company:**

Please refer to paragraph 5.4(a) of the Section 5 of this General Information Document.

(e) **Name, addresses, Director Identification Number (DIN) and occupations of the directors:**

S. No.	Name	DIN	Address	Occupation
1	CS. Maroti Gendaru Jawanjar	00379916	19, Process Server Society, Swawlambi Nagar, Nagpur-440022	Business
2	Mr. Sandeep Marotrao Jawanjal	01490054	707,7 th floor, Wing D, Leela Garden Building, Joggers park road, Joggers Park, New Sneh Nagar, Nagpur- 440025	Business
3	Mr. Vishwas Bhaskarrao Pathak	00452917	28, Suyash Apartments, NIT Layout, Swawlambi Nagar, Nagpur – 440 022	Retired
4	Mr. Shantaram Krishnarao Mahakalkar	00379988	93, Shastri Layout, Khamla, Nagpur – 440 025	Retired
5	Mr. Atul Dilip Sarda	02161209	87, Wardhaman Nagar, Nagpur – 440 008	Professional
6	Ms. Rashmi Sagar Mitkary	08960192	Plot No.11, Panchadeep Nagar,Somalwada, Nagpur-440025	Professional
7	Mr. Avishek Gautam Addy	07973542	C-1401, Salarpuria Serenity, 5th Main Road, HSR Layout Sector-7, Bangalore - 560 102	Employment
8	Mr. Harishchandra Namaji Sukhdeve	09289094	Capitol Heights Tower 3 Apartment 702, Rambagh Road, Trillium Mall, Medical Square, Ajni, Nagpur Maharashtra, India 440003	Retired
9	Mr.Siva Vadivel Alagan	08242283	HIG 1685, TNHB Layout, Avadi, Chennai (600054), Tamil Nadu, India	Employment
10	Mr. Himanshu Satya Joshi	07214254	B 802 Omkar Meridia, Match Factory Lane, Near Equivinox, Kurla West Mumbai– 400070	Retired

10.2 MANAGEMENT PERCEPTION OF RISK FACTORS:

Please refer to Section 3 of this General Information Document.

10.3 RISKS RELATED TO THE BUSINESS OF THE ISSUER

Please refer to Section 3 of this General Information Document.

10.4 Details of defaults, if any, including therein the amount involved, duration of default, and present status, in repayment of:

- (a) Statutory Dues: Nil
- (b) Debentures and interest thereon: Nil
- (c) Deposits and interest thereon: Nil
- (d) Loan from any bank or financial institution and interest thereon: Nil

10.5 Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the private placement offer process:

Name of Nodal/Compliance officer	Designation	Address	Phone No.	Email ID
Ms. Deepali Balpande	Company Secretary & Compliance officer	Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur-440012	+91 9146033554	deepali.balpande@berarfinance.com

10.6 Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:

The Company has not defaulted in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder.

10.7 Particulars of the Offer:

Financial position of the Company for the last 3 (three) financial years	Please refer to CHAPTER A below.
Date of passing of Board Resolution for the current issue of Debentures that forms the part of issuance under the General Information Document	Board resolution dated: March 27, 2024. In case of any further resolution passed by the Issuer in relation to the subject (as shall be required) shall be annexed in the relevant Key Information Document from time to time.

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

<p>Date of passing of resolution in the general meeting, authorizing the offer of securities</p>	<p>Shareholders resolutions under Section 180(1)(a) and Section 180(1)(c) of the Act dated September 21, 2019.</p> <p>In case of any further resolution passed by the Issuer in relation to the subject (as shall be required) shall be annexed in the relevant Key Information Document from time to time.</p>
<p>Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued</p>	<p>Base Issue Size - As specified in the relevant Key Information Document.</p> <p>Green shoe option - As specified in the relevant Key Information Document.</p>
<p>Price at which the security is being offered, including premium if any, along with justification of the price</p>	<p>As specified in the relevant Key Information Document.</p>
<p>Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer</p>	<p>As specified in the relevant Key Information Document.</p>
<p>Relevant date with reference to which the price has been arrived at (Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held)</p>	<p>As specified in the relevant Key Information Document.</p>
<p>The class or classes of persons to whom the allotment is proposed to be made</p>	<p>As specified in the relevant Key Information Document.</p>
<p>Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) (Not required in case of issue of non-convertible debentures)</p>	<p>As specified in the relevant Key Information Document.</p>
<p>The proposed time within which the allotment shall be completed</p>	<p>As specified in the relevant Key Information Document.</p>
<p>The names of the proposed allottees and the percentage of post private placement capital that may be held by them (Not applicable in case of issue of non-convertible debentures)</p>	<p>As specified in the relevant Key Information Document.</p>

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

The change in control, if any, in the company that would occur consequent to the private placement	As specified in the relevant Key Information Document.									
The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price	As specified in the relevant Key Information Document.									
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	As specified in the relevant Key Information Document.									
Amount, which the Company intends to raise by way of proposed offer of securities	As specified in the relevant Key Information Document.									
Terms of raising of securities:	<table border="1"> <tr> <td data-bbox="715 1025 1010 1115">Duration, if applicable:</td> <td data-bbox="1018 1025 1412 1115">As specified in the relevant Key Information Document.</td> </tr> <tr> <td data-bbox="715 1126 1010 1205">Rate of Interest or Coupon:</td> <td data-bbox="1018 1126 1412 1205">As specified in the relevant Key Information Document.</td> </tr> <tr> <td data-bbox="715 1216 1010 1294">Mode of Payment</td> <td data-bbox="1018 1216 1412 1294">As specified in the relevant Key Information Document.</td> </tr> <tr> <td data-bbox="715 1305 1010 1373">Mode of Repayment</td> <td data-bbox="1018 1305 1412 1373">As specified in the relevant Key Information Document.</td> </tr> </table>		Duration, if applicable:	As specified in the relevant Key Information Document.	Rate of Interest or Coupon:	As specified in the relevant Key Information Document.	Mode of Payment	As specified in the relevant Key Information Document.	Mode of Repayment	As specified in the relevant Key Information Document.
Duration, if applicable:	As specified in the relevant Key Information Document.									
Rate of Interest or Coupon:	As specified in the relevant Key Information Document.									
Mode of Payment	As specified in the relevant Key Information Document.									
Mode of Repayment	As specified in the relevant Key Information Document.									
Proposed time schedule for which the Issue/Offer Letter is valid	<p>Issue Open Date: As specified in the relevant Key Information Document.</p> <p>Issue Closing Date: As specified in the relevant Key Information Document.</p> <p>Pay-in Date: As specified in the relevant Key Information Document.</p> <p>Deemed Date of Allotment: As specified in the relevant Key Information Document.</p>									
Purpose and objects of the Issue/Offer	As specified in the relevant Key Information Document.									
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	As specified in the relevant Key Information Document.									
Principal terms of assets charged as security, if applicable	As specified in the relevant Key Information Document.									

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	As specified in the relevant Key Information Document.				
The pre-issue and post-issue shareholding pattern of the Company in the following format:					
S. No.	Category	Pre-issue		Post-issue	
		No. of shares held	Percentage (%) of shareholding	No. of shares held	Percentage (%) of shareholding
A	<i>Promoters' holding</i>				
	Indian				
1	Individual	27,17,716	21.61	27,17,716	21.61
	Bodies Corporate	14,88,484	11.84	14,88,484	11.84
	Sub-total				
2	Foreign promoters	-	-	-	-
	Sub-total (A)	42,06,200	33.44	42,06,200	33.44
B	<i>Non-promoters' holding</i>				
1	Institutional Investors	43,36,846	34.48	43,36,846	34.48
2	Non-Institutional Investors				
	Private Corporate Bodies	17,550	0.14	17,550	0.14
	Directors and relatives	2,36,100	1.88	2,36,100	1.88
	Indian public	35,35,600	28.11	35,35,600	28.11
	Others (including Non-resident Indians)	2,44,550*	1.94	2,44,550*	1.94
	Sub-total (B)	83,70,646	66.56	83,70,646	66.56

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

	GRAND TOTAL	1,25,76,846	100	1,23,36,846	100
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10.8 Mode of payment for subscription:

- Cheque
- Demand Draft
- Other Banking Channels – NEFT / RTGS

10.9 Disclosure with regard to interest of directors, litigation, etc:

<p>Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons</p>	<p>The Directors, Promoters or Key Managerial Personnel don't have any financial or other material interest in the Offer.</p>
<p>Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed</p>	<p>There is no such litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter(s) of the Company during the last 3 (three) years immediately preceding the year of the circulation of this General Information Document.</p>

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Remuneration of directors (during the current year and last 3 (three) financial years):	Director	Fiscal FY 23-24 (Up to February 2024)	Fiscal FY 22-23	Fiscal FY 21-22	Fiscal FY 20-21
	Mr. Shantaram Mahakalkar	59000	28,000	46,000	36,000
	Mr. Vishwas Pathak	83000	38,000	66,000	62,000
	Mr. Atul Sarada	125000	60,000	58,000	48,000
	Ms. Rashmi Mitkary	64000	34,000	44,000	14,000
	Mr. Harishchandra Sukhdeve	44000	22,000	22,000	0
	Mr. Maroti Jawanjar	-	8,576,000	10,507,100	8,665,000
	Mr. Sandeep Jawanjal	-	7,793,400	8,846,700	7,583,415
	Mr. Himanshu Joshi	55000	-	-	-
In purchase or acquisition of any immovable property including indirect acquisition of immovable property for which advances have been paid to third parties, disclosures regarding: (i) the names, addresses, descriptions and occupations of the vendors; (ii) the amount paid or payable in cash, to the vendor and where there is more than one	Not Applicable				

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<p>vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;</p> <p>(iii) the nature of the title or interest in such property proposed to be acquired by the company; and</p> <p>(iv) the particulars of every transaction relating to the property completed within the two preceding years, in which any vendor of the property or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the company, had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction:</p> <p>Provided that if the number of vendors is</p>	
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(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

<p>more than five, then the disclosures as required above shall be on an aggregated basis, specifying the immovable property being acquired on a contiguous basis with mention of the location/total area and the number of vendors from whom it is being acquired and the aggregate value being paid. Details of minimum amount, the maximum amount and the average amount paid/payable should also be disclosed for each immovable property.</p>	
<p>If:</p> <p>(i) the proceeds, or any part of the proceeds, of the issue of the debt securities/non-convertible redeemable preference shares are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and</p> <p>(ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the</p>	<p>Not Applicable</p>

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<p>company, a report shall be made by a Chartered Accountant (who shall be named in the issue document) upon –</p> <p>A. the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the issue document;</p> <p>and</p> <p>the assets and liabilities of the other body corporate as on the latest date to which its accounts were made up.</p>	
<p>The said report shall:</p> <p>(a) indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the issuer company and what allowance would have been required to be made, in relation to assets and liabilities so dealt with for the holders of the balance shares, if the issuer company had at all material</p>	<p>Not Applicable</p>

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<p>times held the shares proposed to be acquired; and</p> <p>where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner as provided in paragraph above</p>	
<p>The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default shall be disclosed.</p>	<p>Not Applicable</p>
<p>The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group, and by the directors of the company which is a promoter of the issuer company, and by the directors of the issuer company and their relatives, within six months immediately preceding the date of filing the issue document with the Registrar of Companies, shall be disclosed.</p>	<p>Not Applicable</p>

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

<p>Related party transactions entered during the preceding 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter and current financial year with regard to loans made or, guarantees given or securities provided</p>	<p>Please refer to CHAPTER C of this General Information Document.</p>
<p>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark</p>	<p>There are no adverse remarks/qualifications.</p>
<p>Details of any inquiry, inspections or investigations initiated or conducted under the securities law or Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of this private placement offer cum application letter in the case of the Company and all of its subsidiaries and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences</p>	<p>There has been no inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of this General Information Document in the case of the Company.</p>

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

in the last 3 (three) years immediately preceding the year of this private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries	
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10.10 Financial Position of the Company:

The capital structure of the company in the following manner in a tabular form:

The authorized, issued, subscribed and paid-up capital (number of securities, description and aggregate nominal value)	Share Capital	Aggregate Nominal Value (As on March 31, 2024)
	Authorised	
	Authorised Capital	
	<u>Equity Share Capital</u>	
	1,45,00,000 equity shares at ₹10/- each	14,50,00,000
	Preference Share Capital	
	5,00,000 Cumulative Compulsorily Convertible Participating Preference shares at ₹10/- each	50,00,000
	TOTAL	15,00,00,000
	Issued, Subscribed and Paid-up Equity Capital	
	Equity shares, ₹10/- each:	
	1,23,36,846 Equity shares fully paid-up	12,33,68,460
	TOTAL	12,33,68,460
Size of the Present Offer	As specified in the relevant Key Information Document.	
Paid-up Capital:		
a. After the offer:	a. INR12,33,68,460	
b. After the conversion of convertible instruments (if applicable)	b. Not Applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.	
Share Premium Account:	As on December 31, 2023:	
a. Before the offer:	a. INR 1,412,393,721	
b. After the offer:	b. INR 1,412,393,721	

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Date of allotment	No. shares	Face Value (Rs.)	Issue price	Consideration Amount (Rs.) No of Shares* Issue Price	Nature of Allotment	Cumulative			Form of Consideration (Cash, other than cash, etc)
						No of equity shares	Equity Share Capital (Rs.)	Equity Share Premium (Rs.)	
22/08/1990	500	10	10	5,000	-	500		-	Cash
30/12/1990	13,900	10	10	1,39,000	Preferential allotment	14,400	1,44,000	-	Cash.
31/03/1992	5,600	10	10	56,000	Existing members and employees	20,000	2,00,000	-	Cash
01/02/1993	30,200	10	15	4,53,000	Existing members and employees	50,200	5,02,000	1,51,000	Cash
25/01/1994	1,04,800	10	15	15,72,000	Preferential allotment	1,55,000	15,50,000	6,75,000	Cash
23/01/1995	1,05,000	10	15	15,75,000	Right Issue	2,60,000	26,00,000	12,00,000	Cash
26/01/1997	40,000	10	15	6,00,000	Right Issue	3,00,000	30,00,000	14,00,000	Cash
20/03/2001	2,00,000	10	15	30,00,000	Preferential allotment	5,00,000	50,00,000	24,00,000	Cash
17/05/2003	3,00,000	10	13	37,50,000	Scheme of	8,00,000	80,00,000	31,40,000	Cash

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

					amalgamation				
10/11/2003	2,25,500	10	15	33,82,500	Right issue	10,25,500	1,02,55,000	42,67,500	Cash
28/11/2005	6,09,500	10	15	91,42,500	Preferential allotment	16,35,000	1,63,50,000	73,15,000	Cash
25/11/2006	13,28,000	10	15	1,99,20,000	Right issue	29,63,000	2,96,30,000	1,39,65,000	Cash
31/03/2007	1,37,000	10	15	-	Conversion of debenture into equity	31,00,000	3,10,00,000	1,46,40,000	Conversion of debenture into equity
12/10/2007**	31,00,000	10	-	-	Bonus issue	62,00,000	6,20,00,000	-	Bonus issue
22/09/2008	8,00,000	10	10	80,00,000	Preferential allotment	70,00,000	7,00,00,000	-	Cash
24/09/2011	10,00,000	10	10	1,00,00,000	Preferential allotment	80,00,000	8,00,00,000	-	Cash
20/02/2020	11,11,111	10	180	19,99,99,980	Private Placement	91,11,111	9,11,11,110	18,88,88,870	Cash
20/02/2020***	5,55,556	10	180	10,00,00,080	Private Placement	96,66,667	9,66,66,670	28,33,33,390	Cash
27/10/2020	5,71,428	10	210	11,99,99,880	Private Placement	1,02,38,095	10,23,80,950	39,76,18,990	Cash
27/10/2020***	3,80,953	10	210	8,00,00,130	Private Placement	1,06,19,048	10,61,90,480	47,38,09,590	Cash
30/03/2021	3,25,259	10	-	-	Conversion of CCPS into Equity	10007798	10,00,77,980	-	-

21/03/2022	2,329,048	10	429.36	1,00,00,000,051	Private Placement	12336846	12,33,68,460	1,45,05,19,159	Cash												
<p>Notes (If any): *Equity Shares allotted to shareholders of Berar Housing Finance Limited on amalgamation of it into Berar Finance Limited **Amount of share premium account had been capitalised for the purpose of bonus issue ***CCPS</p>																					
<p>The number and price at which each of allotments were made by the Company in the last 1 (one) year preceding the date of this placement offer cum application letter separately indicating the allotments made for consideration other than cash and details of the consideration in each case</p>					<p>Not applicable. No such allotment is made for consideration other than cash.</p>																
<p>Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this private placement offer cum application letter.</p>					<p>(INR in Crores)</p>																
					<table border="1"> <thead> <tr> <th>Year</th> <th>Fiscal FY 22-23</th> <th>Fiscal FY 21-22</th> <th>Fiscal FY 20-21</th> </tr> </thead> <tbody> <tr> <td>Profit before tax</td> <td>21.73</td> <td>22.37</td> <td>20.56</td> </tr> <tr> <td>Profit after tax</td> <td>17.08</td> <td>17.42</td> <td>15.38</td> </tr> </tbody> </table>					Year	Fiscal FY 22-23	Fiscal FY 21-22	Fiscal FY 20-21	Profit before tax	21.73	22.37	20.56	Profit after tax	17.08	17.42	15.38
Year	Fiscal FY 22-23	Fiscal FY 21-22	Fiscal FY 20-21																		
Profit before tax	21.73	22.37	20.56																		
Profit after tax	17.08	17.42	15.38																		
<p>Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)</p>					<p>(In INR)</p>																
					<table border="1"> <thead> <tr> <th>Year</th> <th>Fiscal FY 22-23</th> <th>Fiscal FY 21-22</th> <th>Fiscal FY 20-21</th> </tr> </thead> <tbody> <tr> <td>Dividend Declared</td> <td>1,23,36,846</td> <td>1,23,36,846</td> <td>1,00,07,798</td> </tr> <tr> <td>Interest Coverage Ratio</td> <td>1.22</td> <td>1.25</td> <td>1.30</td> </tr> </tbody> </table>					Year	Fiscal FY 22-23	Fiscal FY 21-22	Fiscal FY 20-21	Dividend Declared	1,23,36,846	1,23,36,846	1,00,07,798	Interest Coverage Ratio	1.22	1.25	1.30
Year	Fiscal FY 22-23	Fiscal FY 21-22	Fiscal FY 20-21																		
Dividend Declared	1,23,36,846	1,23,36,846	1,00,07,798																		
Interest Coverage Ratio	1.22	1.25	1.30																		
<p>A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this private placement offer cum application letter</p>					<p>Please refer CHAPTER A of this General Information Document.</p>																
<p>Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation</p>					<p>Please refer CHAPTER B of this General Information Document.</p>																

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

of this private placement offer cum application letter	
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	There is no change in accounting policies during the last three years except that the Company has prepared its financials till March 31, 2020 as per I-GAAP and with effect from September 30, 2020 started preparing its financials as per IND –AS since it became a debt listed Company with effect from August 14, 2020. The profits and the reserves of the Company would need to be determined accordingly.

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

PART B

**FORM NO PAS-4
PRIVATE PLACEMENT OFFER LETTER
(To be filled by the applicant)**

SI No.	Particulars	First Holder	Second Holder
1	Name		
2	Father's Name		
3	Complete Address (including Flat/ House Number, Street, Locality, Pin Code)		
4	Phone Number, if any		
5	Email ID, if any		
6	PAN Number		
7	Bank Account Details		
8	Number of Non- Convertible Debentures subscribed		
9	Total value of Non- Convertible Debentures subscribed		
10	Tick whichever is applicable: - (a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares. (b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith		

Signature of the Subscriber

Initial of the officer of the Company designated to keep the record.

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

DECLARATION (To be provided by the Directors)

- A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;
- B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- C. the monies received under the offer shall be used only for the purposes and objects indicated in this General Information Document.

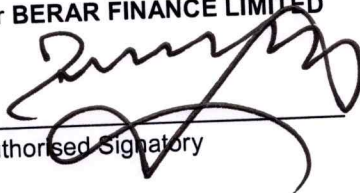
I am authorized by the Board of Directors of the Issuer vide resolution number 18 dated March 27, 2024 to sign this General Information Document and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this General Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this General Information Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this General Information Document.

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this General Information Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this General Information Document is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in this General Information Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For **BERAR FINANCE LIMITED**


Authorized Signatory



Name: Sandeep Jawanjali

Title: Managing Director

Place: Nagpur, India

Date: 18th April 2024

Enclosed

Chapter A - *A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter.*

Chapter B - *Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter.*

Chapter C - *Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this General Information Document and the current financial year with regard to loans made or, guarantees given or securities provided.*

Optional Attachments, if any.

CHAPTER A: FINANCIAL POSITION OF THE COMPANY AS IN THE 3 (THREE) AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS GENERAL INFORMATION DOCUMENT

Audited Financials for FY 2020-2021, FY 2021-2022 and FY 2022-2023 along with the unaudited limited review financial statements for the period ended 31st December 2023 are attached separately to this General Information Document.

Please refer to **Annexure V** of the General Information Document

(The remainder of this page is intentionally left blank)

CHAPTER B: AUDITED CASH FLOW STATEMENT FOR THE 3 (THREE) YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS GENERAL INFORMATION DOCUMENT

Audited Financials for FY 2020-2021, FY 2021-2022 and FY 2022-2023 along with the unaudited limited review financial statements for the period ended 31st December 2023 are attached separately to this General Information Document.

Please refer to **Annexure V** of the General Information Document

(The remainder of this page is intentionally left blank)

CHAPTER C- RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3 (THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE AND THE CURRENT FINANCIAL YEAR

Audited Financials for FY 2020-2021, FY 2021-2022 and FY 2022-2023 along with the unaudited limited review financial statements for the period ended 31st December 2023 are attached separately to this General Information Document.

Please refer to **Annexure V** of the General Information Document

(The remainder of this page is intentionally left blank)

SECTION 11: DECLARATION BY THE DIRECTORS

Each of the directors of the Company hereby confirm and declare that:

- A. the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder;
- B. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, if applicable, is guaranteed by the Central Government;
- C. the monies received under the Issue shall be used only for the purposes and objects indicated in this General Information Document;
- D. whatever is stated in this General Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this General Information Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association;
- E. It is hereby declared that this General Information Document contains full disclosures in accordance with the NCS Regulations, as amended from time to time and the Companies Act and the rules made thereunder; and
- F. The Issuer accepts no responsibility for the statements made otherwise than in this General Information Document or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

General Risk

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

Confidentiality

The information and data contained herein is submitted to each recipient of this General Information Document on a strictly private and confidential basis. By accepting a copy of this General Information Document, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information.

General Information Document
Date: 18th April 2024

Private & Confidential
For Private Circulation Only
(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

I am authorized by the Board of Directors of the Company vide resolution number 18 dated March 27, 2024 to sign this General Information Document and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this General Information Document and matters incidental thereto have been complied with.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **BERAR FINANCE LIMITED**



Authorised Signatory



Name: Sandeep Jawanjal

Title: Managing Director

Place: Nagpur, India

Date: 18th April, 2024

**ANNEXURE I: TERM SHEET FOR THE ISSUER OF NON-CONVERTIBLE SECURITIES /
COMMERCIAL PAPERS**

(As specified in the relevant Key Information Document)

**ANNEXURE II: RATING LETTER, RATING RATIONALE AND DETAILED PRESS RELEASE
FROM THE RATING AGENT**

(As attached separately)

Sandeep Jawanjal,
Managing Director,
Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur, MH - 440012.

April 16, 2024

Dear Sir/Madam,

Re: Rating Letter for NCD of Berar Finance Limited

India Ratings and Research (Ind-Ra) has rated Berar Finance Limited's (BFL) non-convertible debentures (NCDs) as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/ Watch	Rating Action
Non-convertible debentures*	-	-	-	INR250	IND BBB/Positive	Assigned

*Yet to be issued

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings


Karan Gupta
Director

ANNEXURE III: CONSENT LETTER AND ENGAGEMENT LETTER FROM THE DEBENTURE TRUSTEE

(As attached separately)

IDBI Trusteeship Services Ltd.

CIN : U65991MH2001GOI131154



No. 544/ITSL/OPR/CL/24-25/DEB/38

April 17, 2024

Berar Finance Limited
Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur- 440012

Kind Attn: Mrs. Deepali Balpande (Company Secretary)

Dear Sir,

Subject: Consent to act as Debenture Trustee for the Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs) aggregating up to Rs. 25 Crores proposed to be issued Berar Finance Limited (the Company/Issuer).

This is with reference to your email dated March 05, 2024 and subsequent telecom we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs) aggregating up to Rs. 25 Crores. In this connection, we indicate our trusteeship remuneration for the said assignment as follows:

Charge Heads	Terms
Acceptance Fees	Rs.3,00,000/- inclusive of taxes (One-time payment and payable upfront, non- refundable)
Out of Pocket Expenses & Statutory Dues	Would be reimbursable on actual basis within 30 days of the claim.
Any enforcement consequent to the event of default (EOD) would attract separate charges	

Assure you of our best services at all times.

For IDBI Trusteeship Services Limited

We accept the above terms

For Berar Finance Limited

FOR BERAR FINANCE LTD.



(Authorized Signatory)

**(D.R. BALPANDE)
COMPANY SECRETARY**

(Authorized Signatory)



NOTE: As per recent Service Tax guidelines, ITSL would be required to pay the applicable Tax on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

IDBI Trusteeship Services Ltd.

CIN : U65991MH2001GOI131154

No. 544/ITSL/OPR/CL/24-25/DEB/38



April 17, 2024

Berar Finance Limited
Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur- 440012

Kind Attn: Mrs. Deepali Balpande (Company Secretary)

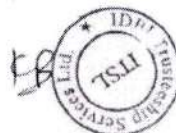
Dear Sir,

Subject: Consent to act as Debenture Trustee for the Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs) aggregating up to Rs. 25 Crores proposed to be issued Berar Finance Limited (the Company/Issuer).

This is with reference to your email dated March 05, 2024 and subsequent telecom we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs) aggregating up to Rs. 25 Crores.

We are agreeable for inclusion of our name as trustee in the offer document/disclosure document as required subject to the following conditions:

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of Subscription list for issue of debentures.
2. The Company agrees and undertakes to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document in any case not exceeding Ninety days after the date of allotment of debentures.
3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
4. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, the Companies Act, 1956/the Companies Act, 2013 and the Rules thereunder as amended from time to time and other applicable provisions and agree to furnish to Trustees such information in terms the same on regular basis.



IDBI Trusteeship Services Ltd.

CIN : U65991MH2001GOI131154



5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorized Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for herein) made by the Debenture Holder (who is a FII).

Looking forward to a fruitful association with you and assuring you of our best services at all times.

For IDBI Trusteeship Services Limited

Kunwar

(Authorized Signatory)

82

We accept the above terms
For Berar Finance Limited

FOR BERAR FINANCE LTD

D. R. Balpande

(D. R. BALPANDE)

COMPANY SECRETARY

(Authorized Signatory)



ANNEXURE IV: APPLICATION FORM

(As specified in the relevant Key Information Document)

ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

Audited Financials for FY 2020-2021, FY 2021-2022 and FY 2022-2023 along with the unaudited limited review financial statements for the period ended 31st December 2023 are attached separately to this General Information Document.

(As attached separately)

Manubhai & Shah LLP

Chartered Accountants

Independent Auditor's Review Report on Quarterly and Year to Date Unaudited Financial Results of the Company pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended)

**Review Report to
The Board of Directors
BERAR FINANCE LIMITED**

We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **BERAR FINANCE LIMITED** (the 'Company') for the quarter ended 31st December, 2023 and the year to date results for the period 01st April 2023 to 31st December 2023, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("Listing Regulations"), including relevant circulars issued by the SEBI from time to time.

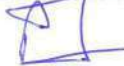
The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410- "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters..

**FOR MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS**

FRN: 106041W/ W100136



**ASHISH SHAH
PARTNER**

Membership No. 103750

UDIN: 24103750BKEXQL3000



Mumbai, February 9, 2024

Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878

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Website : www.msglobal.co.in

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023.

(Amount in Rs. Lacs unless otherwise stated)

Particulars	Quarter Ended			Nine Months ended		Year Ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A) Revenue from Operations						
i) Interest Income	5,917.79	5,245.79	6,054.77	16,274.89	15,317.17	20,605.04
ii) Dividend Income	0.01	0.03	-	0.08	0.06	0.07
iii) Fee & Commission Income	650.14	569.48	180.71	1,797.57	441.66	1,060.70
iv) Net gain on fair value changes	3.16	2.51	2.42	12.54	18.60	10.34
v) Other operating Income	91.80	43.49	21.79	174.31	63.51	112.78
Total Revenue from Operations(A)	6,662.90	5,861.30	6,259.69	18,259.39	15,841.00	21,788.93
B) Other Income	23.32	2.47	2.13	28.18	10.64	7.23
Total Income(A+B)	6,686.22	5,863.77	6,261.82	18,287.57	15,851.64	21,796.16
C) Expenses						
i) Finance Costs	2,762.22	2,288.80	2,616.73	7484.94	7,231.51	9,994.54
ii) Impairment on financial instruments	853.12	760.29	778.11	2559.71	1,561.12	3,067.99
iii) Employee Benefits Expenses	1,301.22	1,134.64	1,024.50	3401.90	2,639.24	3,482.28
iv) Depreciation, amortization and impairment	117.78	115.37	129.11	347.01	270.10	396.44
v) Other expenses	910.78	686.66	712.54	2214.05	2,023.99	2,682.13
Total Expenses(C)	5,945.12	4,985.76	5,260.99	16,007.61	13,725.96	19,623.38
D) Profit before tax(A+B-C)	741.10	878.01	1,000.83	2,279.96	2,125.68	2,172.78
E) Tax Expense:						
i) Current Tax	263.00	97.00	242.50	700.00	850.00	760.00
ii) Prior period income tax						
iii) Deferred Tax	(39.48)	97.23	(134.30)	(119.68)	(306.35)	(295.34)
F) Profit for the period (D-E)	517.58	683.78	892.62	1,699.64	1,582.02	1,708.12
Other Comprehensive Income						
G) Items that will not be reclassified to profit or loss						
(i) Re-measurement gains / (losses) on defined benefit plans	6.05	11.26	3.34	(7.11)	(2.19)	1.53
(ii) Income tax impact	(1.52)	(2.84)	1.94	1.79	0.55	(0.38)
H) Items that will be reclassified to profit or loss						
(i) Fair Value of Equity Shares						
(ii) Income tax relating to items that will be reclassified to profit and loss						
Other Comprehensive Income for the period	4.53	8.42	5.27	(5.32)	(1.65)	1.15
I) Total Comprehensive Income for the period (Comprising Profit and other comprehensive income for the period) (F+G+H)	522.11	692.20	897.90	1,694.32	1,580.37	1,709.27
J) Paid up Capital(Face value of Rs. 10 each)	1,233.68	1,233.68	1,233.68	1,233.68	1,233.68	26,289.92
K) Other Equity						
L) Earnings per equity share*						
i) Basic (INR)	4.20	5.54	7.24	13.78	12.82	13.85
ii) Diluted (INR)	4.18	5.52	7.24	13.72	12.82	13.79

* Not annualised for the quarter and nine months ended figures



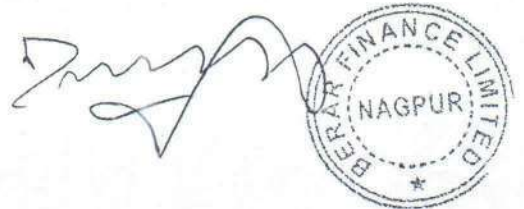


CIN No. :- U65029MH1990PLC057829

Regd. Office : AVINISHA TOWER, MEHADIA SQUARE, DHANTOLI, NAGPUR - 440 012.
Tel. : (0712) 6663999 ❖ Website : www.berarfinance.com ❖ Email : info@berarfinance.com

Notes to the financial results:

1. The Company is a registered Non-Banking Finance Company engaged in the business of providing finance. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) with effect from November 24, 1998, with Registration No. 13.01109.
2. The financial results have been prepared in accordance with applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with (Indian Accounting Standard) Rules, 2015 (Ind AS), as amended from time to time and other accounting principles generally accepted in India and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Any application guidance / clarifications / directions issued by the Reserve Bank of India, or other regulators are implemented as and when they are issued / become applicable.
3. The above financial results of the Company ("the statement") are reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on February 9, 2024, and have been reviewed by the Statutory Auditors of the Company.
4. The Company is engaged primarily in the business of financing activities and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
5. The Secured listed Non-Convertible Debt securities of the Company are fully secured by first pari-passu charge given by way of hypothecation over receivables of the Company, to the extent as stated in the respective information/placement memorandum. Further, the Company has maintained asset cover as stated in the information/placement memorandum which is sufficient to discharge the principal amount and interest accrued but not due at all times for the secured Non-Convertible Debt securities.
6. Earnings per share for the quarter ended December 31, 2023, and comparative period have not been annualised.
7. Disclosure in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended December 31, 2023 is attached as Annexure 1.




8. Previous year's/period's figures have been regrouped/rearranged wherever necessary.
9. The figures of the quarter ended December 31, 2023, are balancing figure between unaudited figure of the period ended September 30, 2023, and published unaudited figure up to December 31, 2023.

Place: Nagpur
Date: February 9, 2024



For Berar Finance Limited


(Sandeep Jawanjali)
Managing Director
(DIN: 01490054)



31st Annual Report 2020-2021



CORPORATE INFORMATION

BOARD OF DIRECTORS:	CS Maroti Jawanjar Mr. Sandeep Jawanjal Mr. Shantaram Mahakalkar Mr. Vishwas Pathak Mr. Dattatraya Dalal CA Atul Sarda CS Rashmi Mitkary CA Avishek Addy Mr. Harishchandra Sukhdeve	Executive Chairman Managing Director & CFO
COMPANY SECRETARY:	CS (Mrs.) Deepali Balpande	
AUDITORS:	M/s Pravin Dhiran & Co. Chartered Accountants	
SECRETARIAL AUDITORS:	M/s SPZ & Associates, Company Secretaries	
BANKERS:	Bank of Maharashtra IDBI Bank Ltd. Punjab National Bank AU Small Finance Bank Ltd. IDFC First Bank Ltd.	
REGISTERED OFFICE:	Avinisha Tower, Mehadia Chowk, Dhantoli, NAGPUR - 440 012 Ph.: 0712 – 6663999 CIN: U65929MH1990PLC057829 Website: www.berarfinance.com Email: investor.relations@berarfinance.com	
REGISTRAR & SHARE TRANSFER AGENT:	Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai, Maharashtra 400059 Tel: 022-6263 8200 Email: investor@bigshareonline.com	
DEBENTURE TRUSTEE:	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Tel.: 022 - 4080 7000 Website: www.idbitrustee.com	
PUBLIC DEPOSIT TRUSTEE:	Catalyst Trusteeship Limited GDA House, First Floor, Plot No.85, Bhusari Colony (Right), Kothrud, Pune - 411038 Tel No.: 020 - 6680 7200 Website: www.catalysttrustee.com	

DIRECTORS' REPORT

Your Directors are glad to present the 31st Annual Report and the audited accounts of your Company for the financial year ended March 31, 2021 ("FY 2020-2021").

FINANCIAL RESULTS

The business operations of the Company continued to grow satisfactorily during the year, as evident from the following figures:

(₹ in lakhs)

Particulars	FY 2020-2021	FY 2019-2020*
Loans Disbursed during the year	58,538.84	43,670.39
Gross Receivables under Management (AUM)	67,180.57	46,678.20
Receivables sold under Securitisation	156.07	1,365.08
Gross Income	13,486.18	10,485.43
Profit (before extra-ordinary items)	2,055.66	2,023.33
Net Profit (after Tax)	1,537.67	1,464.48

APPROPRIATION OF PROFITS

The operations have generated a Net Profit (after tax) of ₹ 1,537.67 lakhs (P.Y: ₹ 1,464.48 lakhs*) for the financial year ended March 31, 2021.

Your Directors propose to appropriate the same as under:

(₹ in lakhs)

Particulars	FY 2020-2021	FY 2019-2020*
Net Profit (after Tax)	1,537.67	1,464.48
Add: Balance Brought Forward	(483.96)	(321.70)
Add/(Less): Other Comprehensive Income	0.99	(7.30)
Disposable Profit	1,054.70	1,135.48
Appropriations:		
- Dividend paid during the year	46.51	80.00
- Dividend Distribution Tax	-	16.44
- Transfer to Statutory Reserve (As per Section 45-IC of RBI Act, 1934)	400.00	423.00
- Transfer to General Reserve	500.00	1,100.00
Balance Carried Forward	108.19	(483.96)

* Figures for FY 2019-20 has been re-classified as per IND-AS.

DIVIDEND

Your Directors recommend a dividend of ₹ 1.00 per Equity Share for FY 2020-2021 as against ₹ 0.50 per Equity Share in the previous financial year.

FUNDING RESOURCES

- i. Bank Facilities - As on date, a consortium of bankers comprising of Bank of Maharashtra, IDBI Bank, Punjab National Bank, AU Small Finance Bank Limited and IDFC First Bank Limited are providing CC facilities of ₹ 6,500.00 lakhs. The outstanding balance of CC Limit as on March 31, 2021 is ₹ 5,198.71 lakhs.
- ii. Fixed Deposits - As on March 31, 2021, total fixed deposits amounted to ₹ 11,977.94 lakhs, of which public deposits amounted to ₹ 10,967.92 lakhs. The following table provides the details of the flow of public deposits during FY 2020-2021:

Particulars	₹ in lakhs
Public Deposits at the beginning of the year	8,558.53
Less: Public deposits repaid / renewed during the year	5,727.43
Add: Public Deposits accepted / renewed during the year	8,136.82
Public Deposits at the end of the year	10,967.92

₹ 659.55 lakhs of deposits (from 322 deposit accounts) matured during the year were unclaimed as on March 31, 2021. All these were claimed/renewed subsequently and there is no unclaimed deposit outstanding as on the date of this report.

iii. Terms Loans - Your Company has availed term loans for working capital from various lenders at favourable terms and at a reasonable rate of interest. The outstanding balance of such loans as on March 31, 2021 is ₹ 43,448.71 lakhs. The term loans offer ready availability, their repayments match maturity of receivables offered as security and has retained its position as the main source of funding during the year.

iv. During the year, your Company has issued Non-Convertible Debentures (NCDs) on private placement basis to eight entities amounting to ₹ 12,200 lakhs out of which NCDs issued to three entities were listed on BSE Limited.

The Company has been regular in the payment of principal / interest towards all the outstanding Non-Convertible Debentures. As on March 31, 2021 the total outstanding Secured NCDs are ₹ 12,066.02 lakhs.

Further, the NCDs allotted to Bank of Maharashtra and Northern Arc Money Market Alpha Trust were fully redeemed on July 28, 2021 and August 2, 2021 respectively.

v. Share Capital by Preferential Allotment: With the view to strengthen the capital base, your Company raised share capital by offering and allotting shares on a preferential basis as under:

TRANCHE II

Investors	No. of Equity Shares allotted	Amount received (in ₹) (A)	No. of Series A CCPS allotted *	Amount received (in ₹) (B)	Total amount (in ₹) (A)+(B)
Amicus Capital Private Equity I LLP	5,18,742	10,89,35,820	3,45,829	7,26,24,090	18,15,59,910
Amicus Capital Partners India Fund I	52,686	1,10,64,060	35,124	73,76,040	1,84,40,100
Total	5,71,428	11,99,99,880	3,80,953	8,00,00,130	20,00,00,010

Further, the Board of Directors of the Company vide resolution passed in its meeting dated March 30, 2021 converted all the CCPS into Equity Shares as under:

Investors	Total No. of Series A CCPS* (Tranche I & II)	Equity Shares allotted on conversion of Series A CCPS
Amicus Capital Private Equity I LLP	8,44,718	2,93,409
Amicus Capital Partners India Fund I	91,791	31,850
Total	9,36,509	3,25,259

(*CCPS means Cumulative Compulsorily Convertible Participating Preference Shares)

With the Equity Shares issued under Preferential Allotment during the year and conversion of Series A CCPS into equity shares, the Equity Share Capital of the Company stands increased to ₹ 10,00,77,980 comprising of 1,00,07,798 Equity Shares of ₹ 10 each.

REVIEW OF OPERATIONS

Financing of two-wheelers continues to be the mainstay product of your Company. With a view to broad base the business, your Company has ventured into other loan products like financing agri-equipment, office equipment, cars and personal loans. Your Company has a strong network and presence in rural and semi-urban India which has demonstrated strong growth potential. Your Company has recorded satisfactory growth in business with a 34% increase in disbursement and 28.62% increase in gross income during FY 2020-21.

BRANCH NETWORK

Your Company plans to reach customers through expansion of its branch network across strategic locations in Central, Western and Southern India.

During FY 2020-21, your Company had opened 7 branches in Maharashtra, 7 in Telangana, 6 in Madhya Pradesh, 4 in Chhattisgarh and 1 in Karnataka. As on March 31, 2021, the Company had 91 branches and as on date of this report, it stands increased to 95 branches comprising 39 in Maharashtra, 16 in Madhya Pradesh, 15 in Chhattisgarh, 15 in Telangana, 5 in Gujarat and 5 in Karnataka.

Your Company plans to add more branches during the financial year 2021-2022.

RESERVE BANK OF INDIA GUIDELINES

Your Company has been following guidelines issued by the Reserve Bank of India (“RBI”) including those related to prudential norms for income recognition, asset classification, provisioning of bad and doubtful debts, Capital adequacy and concentration of credit and investments. Your Company has a comfortable capital adequacy ratio of 20.46% (as against 15% prescribed by RBI) as on March 31, 2021. Under the new regulatory framework of RBI, your Company is classified as **Systemically Important Asset Finance Company-Deposit Taking**.

Reserve Bank of India vide its notification no. RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019 harmonized different categories of NBFCs. According to this notification, your Company falls under the category of **Investment & Credit Company**.

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm’s length basis. The Company did not enter into any material transaction with related parties under Section 188 of the Companies Act, 2013 (“Act”), during FY 2020-21. Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as part of this Report vide “Annexure V (i)”. Further, the Company’s Policy on Related Party Transactions is attached as part of this report, vide “Annexure V (ii)”.

Further details on the transactions with related parties are provided in the accompanying financial statements.

CREDIT RATING

Your Company’s cash credit facilities, public deposits schemes and NCDs have received credit rating as under:

Schemes	Credit Rating Agency	Rate of Grade
Public Deposits	ICRA Ltd.	MA-(Stable)
Cash Credit Facility	ICRA Ltd.	BBB (Stable)
Non-convertible Debentures (NCDs)	ICRA Ltd.	BBB (Stable)

LISTING ON STOCK EXCHANGES:

During the year under review, the Company became a debt listed Company by virtue of listing of Non-Convertible Debentures (NCDs) of the Company on Wholesale Debt Market Segment of BSE Limited on August 14, 2020.

STATUTORY AUDITORS & AUDITORS' REPORT

M/s. Pravin Dhiran & Co. (Firm Registration No.: 133656W), Chartered Accountants has been appointed as Statutory Auditors of the Company at the 29th Annual General Meeting of the Company for a period of 5 years from the conclusion of that Annual General Meeting till the conclusion of 34th Annual General Meeting at such remuneration and out of pocket expenses, as may be mutually agreed between Board of Directors of the Company and the Statutory Auditors.

The Auditors Report on the financial statements of the Company for the year ended March 31, 2021 is self-explanatory.

REPORTING OF FRAUD BY THE AUDITORS

The Auditors did not report any fraud during the financial year.

INTERNAL AUDITORS

M/s. Somalwar Sahasrabudhe and Associates, (Firm Registration No.135726W) Chartered Accountants, were appointed as the Internal Auditors for the Financial Year 2020-21.

Further, in compliance with the Reserve Bank of India circular no. RBI/2020-21/88 having Ref.No.DoS.CO.PPG./SEC.05/11.01.005/2020-21 dated February 03, 2021, the Board, through resolution passed at its meeting dated June 29, 2021 has designated Mr. Satish Kumar Gupta, official of the Company, having qualification of Chartered Accountant (CA Membership No. 124944) as the 'In house' Internal Auditor of the Company who will act as a Head of Internal Audit ("**HIA**") for conducting Risk-Based Internal Audit ("**RBIA**") of the Company.

The Audit Committee regularly reviews Internal Audit reports including the audit findings as well as adequacy and effectiveness of the internal control measures.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s. SPZ & Associates, Company Secretaries, Nagpur (Firm Unique Identification Number S2015MH305600) ("**Secretarial Auditor**") to conduct Secretarial Audit for FY 2020-21.

On the recommendation of the Audit Committee meeting dated June 29, 2021, the Board through resolution passed at its meeting held on June 29, 2021 has re-appointed the Secretarial Auditor to conduct Secretarial Audit for FY 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2021 in Form MR-3 is attached to this report as "**Annexure II**" and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DIRECTORS

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Independent Director.

During the period under review, the following changes took place in the composition of the Board of Directors of the Company:

(A) Appointment of Non – Executive Directors:

During the period under review, following Directors were appointed as Additional Director of the Company:

Sr. No	Name of Director	Designation	Date of Approval of the Board	Remarks
1.	Ms. Rashmi Mitkary (DIN: 08960192)	Additional Director in the capacity of Non-Executive Independent Director	November 13, 2020	Appointed for a period of two years.
2.	Mr. Avishek Addy (DIN: 07973542)	Additional Director in the capacity of Non-Executive Non-Independent Director, liable to retire by rotation	January 19, 2021	Representative Director of private equity investors namely Amicus Capital Private Equity I LLP and Amicus Capital Partners India Fund I.
3.	Mr. Harishchandra Sukhdeve (DIN: 09289094)	Additional Director in the capacity of Non-Executive Non-Independent Director liable to retire by rotation.	August 23, 2021	--

The Board confirms that Ms. Rashmi Mitkary possesses integrity and relevant proficiency which will bring tremendous value to the Board and to the Company.

(B) Appointment of Executive Directors:

During the period under review, the following Executive Directors were appointed upon such terms and conditions including remuneration as approved by the Board and subject to the approval of the members at the ensuing Annual General Meeting:

Sr. No.	Name of Director	Designation	Date of Approval of the Board	Term of Appointment
1.	Mr. Maroti Jawanjar (DIN: 00379916)	Executive Chairman	March 30, 2021	5 (Five) years w.e.f. April 1, 2021
2.	Mr. Sandeep Jawanjal (DIN: 01490054)	Managing Director	March 30, 2021	5 (Five) years w.e.f. April 1, 2021

(C) Resignation of Directors:

During the period under review, following Directors resigned from the Board of Directors of the Company:

Sr. No.	Name of Director	Effective date of resignation
1.	Mr. Mahesh Parasuraman (DIN: 00233782)	October 1, 2020
2.	Mr. Ashok Ghanshyam Kachore (DIN: 00380102)	July 8, 2021

The Board of Directors have placed on record its appreciation for the support and invaluable services of Mr. Mahesh Parasuraman and Mr. Ashok Ghanshyam Kachore.

(D) Re-appointment of Director retiring by rotation:

Mr. Dattatraya Prabhakar Dalal (DIN No. 00380199), Non-Executive Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for reappointment.

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Sec 149(6) of the Act.

All the Directors of the Company have confirmed that they satisfy the “fit and proper” criteria as prescribed in Chapter XI of RBI Master Direction No. DNBR. PD. 008/ 03.10.119/2016-17 dated 1st September 2016 and that they are not disqualified from being appointed / continuing as Directors under the terms of Section 164(2) of the Act.

KEY MANAGERIAL PERSONNEL

During the period under review, the Board through resolution passed at its meeting held on October 27, 2020 designated Mr. Sandeep Jawanjil (DIN: 01490054) as the Chief Financial Officer (“**CFO**”) of the Company. Currently he also acts as the Managing Director of the Company.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors for the FY 2020-21. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board of Directors reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole, and performance of the Chairperson were evaluated taking into account the views of Non-Executive Directors. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

REPORT ON CORPORATE GOVERNANCE

Your Company has been following robust governance practices since its inception and is committed to adhere to high standards of the Corporate Governance Code in words and spirit.

The report on Corporate Governance forms a part of this report and is annexed as “**Annexure III**”.

DIRECTORS’ RESPONSIBILITY STATEMENT

As required under Section 134(3) (c) of the Act, your Directors confirm that:

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- 2) They have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the Company for that period;
- 3) They 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;
- 4) They have prepared the annual accounts on a going concern basis;
- 5) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- 6) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

POLICY ON REMUNERATION OF DIRECTORS AND THE REMUNERATION POLICY FOR KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES OF THE COMPANY

Your Company has adopted the Policy on Remuneration of Directors and the Remuneration Policy for Key Managerial Personnel and Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Act. The Nomination & Remuneration policy mainly covers the criteria for determining qualifications, positive attributes and independence of a Director and the Remuneration Policies for Directors, Key Managerial Personnel and other senior managerial employees, functionality of Nomination & Remuneration committee meeting. The said policy is available on the Company’s website www.berarfinance.com.

RISK MANAGEMENT

Your Company, being in the business of retail financing has to face inherent risks like credit risk, liquidity risk, interest rate risk and operational risk. The survival and growth of any financing entity largely depends upon effectively managing these risks. The Audit Committee, Risk Management Committee and Assets Liability Management Committee review and monitor these risks at periodic intervals.

The Company manages credit risks through stringent credit norms and continues to follow the time-tested practice of personally assessing every borrower before committing credit exposure.

Liquidity risk and interest rate risk arising out of maturity mismatch of the maturity of assets and liabilities are managed through regular monitoring of the maturity profiles.

Operational risks, arising from inadequate or failed internal process, people and systems or from external events are adequately addressed by the internal control system and are continuously reviewed and monitored by a dedicated team of people.

INTERNAL FINANCIAL CONTROLS

The internal financial controls of the Company are commensurate with its size, scale and complexities of its operations. The Company has robust policies and procedure which *interalia*, ensure integrity in conducting business, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The internal financial control with reference to the financial statements were tested and reported adequate and operating effectively.

HUMAN RESOURCES AND EMPLOYEES STOCK OPTIONS PLAN:

Quality organization needs quality people. To the Company, its people are the most valuable resource. Your Company is putting a strong emphasis on attracting, training and retaining the right talent with focus on merit and performance.

Your Company takes pride in having committed and competent employees at all levels, equipped to deliver a variety of products and services to the rapidly growing customer base. The relationship with employees continues to be cordial.

In order to reward performance and elicit long term commitment of the employees towards the growth of the Company the "Berar Employee Stock Option Plan, 2019" ("ESOP, 2019"/"Plan") was introduced with the approval of Board & Shareholders in FY 2019-20.

On the first anniversary of ESOP, 2019 on December 23, 2020, 13,200 options were vested with the employees to whom stock options were granted under the Plan.

The summary of status of ESOP, 2019 as required under the SEBI (Share Based Employee Benefits) regulations, 2014 is annexed as "Annexure VI" and forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN TERMS OF SECTION 134 (3) (M):

(a) Conservation of Energy

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, we always take adequate measures to ensure optimum utilization and maximum possible saving of energy. The Company has also implemented process to install all the energy saving devices in the branches such as energy savers for ACs, PLC, LED Light, etc. which runs on very nominal energy with high impact.

(b) Technology Upgradation:

In terms of Rule 8(3)B of the Companies (Accounts) Rules, 2014 the latest technology upgradation activities implemented by the Company had assured swiftly processing the loans, accounting facilities at various levels of the organisation, improved Network and Cyber security to detect and handle online threats.

The Company is in the advanced stage of implementing new IT infrastructure, Loan Origination & Management System, new digital solutions and cloud platforms to improve business standards, Internal processes, efficiency and great customer experiences.

The Company has appointed Virtual Galaxy Infotech as Technology Partner for “Network, Official Websites & Server Management”, Technovation IT Consultants & Services to implement “Sophos Intercept X Console” for Cyber Security, Relyon Softech Ltd for “HR Payroll-Attendance Software”, Freshworks Inc. for “CRM Ticketing Tool” (Cloud), Universal Business Systems & APT Infotech for “Genuine Microsoft Licenses”.

(c) Foreign Exchange Earning & Outgo:

In terms of Rule 8(3) C of the Companies (Accounts) Rules, 2014, there were no foreign exchange earnings and outgo during the year under review.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is pursuing the CSR programs and projects as per its approved Corporate Social Responsibility Policy.

Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the “CSR Rules”) have been amended substantially with effect from January 22, 2021.

In terms of the provisions of the Act, read with the CSR Rules, the Annual Report on CSR activities under the format prescribed in the amended CSR Rules is annexed to this Report as “Annexure IV”.

In line with the said amendments, the Board, at its meeting held on 29 June 2021, amended the existing Policy.

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

Your Company has put in place a policy for prevention, prohibition and redressal against sexual harassment of women at the workplace, to protect the women employees of the Company including any woman coming into any office premises of the Company and enable them to report sexual harassment at the workplace in line with the requirements of ‘The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013’ (“Act”). An Internal Committee (“IC”) headed by a woman employee has also been constituted for the purpose. All employees (including permanent, contractual, temporary, trainees) and any woman coming into any office premises of the Company are covered under this policy.

The Company has complied with provisions relating to constitution of Internal Committee under the Act.

No cases have been filed pursuant to the Act. There has been no incidence/complaint related to sexual harassment of women at workplace during the period under review.

SECRETARIAL STANDARDS OF INSTITUTE OF COMPANIES SECRETARIES OF INDIA

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

MAINTENANCE OF COST RECORDS

The provisions of Section 148 of the Act are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under Section 148(1) of the Act.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

Pursuant to Section 186(11) of the Act, the provisions of Section 186(4) of the Act requiring disclosure in the Financial Statements of the full particulars of the loans made and guarantees given or securities provided by a Non-Banking Financial Company in the ordinary course of its business and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security are exempted from disclosure in the Annual Report. Further, pursuant to the provisions of Section 186(4) of the Act, the details of investments made by the Company are given in the Notes to the Financial Statements.

ANNUAL RETURN

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company’s website and can be accessed at : https://berarfinance.com/pdf/agm/agm-21/mgt_7_annual_return-2020-21.pdf

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of your Company during the FY2020-21.

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

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

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

OTHER PARTICULARS

Particulars of Employees required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report as "**Annexure VII**".

Your Company, being an NBFC registered with the RBI, the provisions of Section 185 of the Act are not applicable to the Company.

Annexures forming part of this Report:

1. Management Discussion and Analysis: Annexure I
2. Secretarial Audit Report: Annexure II
3. Report on Corporate Governance: Annexure III
4. Report on CSR Activities: Annexure IV
5. Form AOC-2: Annexure V(i)
6. Related Party Transaction Policy: Annexure V(ii)
7. Disclosure under Employee Stock Option Plan: Annexure VI
8. Particulars of Employees: Annexure VII

ACKNOWLEDGEMENT

The Board of Directors takes the opportunity to express its sincere appreciation for the support and co-operation from its members, depositors, debenture holders, banks, financial institutions and the regulators- RBI, SEBI and BSE Limited.

The Board of Directors also places on record its sincere appreciation of the commitment and hard work put in by the management and employees of the Company.

For and on behalf of Board of Directors

Date: August 23, 2021

Place: Nagpur

**M.G Jawanjar
Chairman**

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

FY 2020-2021 was a challenging year for the economy in general and financial services industry in particular. The year began with ongoing COVID-19 pandemic that led to nationwide lockdown. The first phase started on March 24, 2020. This phase reached peak level in September 2020. Soon after a gap of four months, the second phase started in February 2021 which continued up to the year end and thereafter.

Due to frequent lockdowns and restrictions imposed on businesses, the economy and business suffered heavily, resulting in overall GDP growth being negative at 8% in FY 2020-21 compared to a positive growth rate of 4.2% in FY 2019-20.

RBI Policy Measures

The Reserve Bank of India (RBI) announced various measures to ensure liquidity support to NBFCs and moratorium to customers for EMIs/payments falling due from March 1, 2020 to May 31, 2020. This was further extended on May 23, 2020 for all EMIs/payments falling due up to August 31, 2020. In line with the RBI directives, the Company granted moratorium to all the eligible customers. This was well received by the customers.

Market Scenario

Your Company's primary business is financing 2 - wheelers with focus on semi-urban and rural areas. The first half of the financial year was severely impacted by deadly COVID-19 but the market improved in second half and the Company could make up the business loss suffered in first half. There was an increase in 2 - wheelers demand as the customers were using two-wheelers as an alternative means of transport due to non-availability of public transport. This ensured 34.2 % growth in business in FY 2020-21. There was also robust demand for other loan products too.

COVID-19 & Response

In response to the COVID-19 outbreak, the Company took number of steps to minimise the impact and ensure safety and well-being of its employees which are as follows:

- i) Curtailing domestic travel and ensuring social distancing.
- ii) Providing measures like sanitisation of offices, availability of hand sanitizers and masks across all its offices.
- iii) Introducing operations in multiple shifts to ensure lesser number of employees at workplace.
- iv) Providing insurance benefits to employees through Group COVID-19 insurance policy cover.
- v) Allowing employees infected by COVID-19, 14 days of paid leave over and above the normal leave quota.
- vi) Arranging free COVID testing and vaccination facility across locations.

Even during complete lockdown, the Company did not reduce manpower and paid full salaries for such period of total lockdown. All above measures improved morale of the employees.

Out look

While the long-term outlook remains positive, the near-medium term outlook is expected to be challenging given the current COVID-19 situation across the country and its effect on economy. The rollout of 2 new vaccines, in addition to the existing 2 vaccines rolled out in February, 2021 and vigorous implementation of vaccine programmes will mitigate the impact of pandemic, which augurs well for the economy and the Company's business.

2 – wheelers loans continue to remain the primary product offering of the Company. In addition it is also offering other loan products like agri-finance, consumer finance, car finance and personal loan to broad base its offering. Your Company expects a sustained growth in business and profitability with such a diversified portfolio.

Your Company added 25 branches and 245 sales points during FY 2020-21. With the increase in branch network and sound branch infrastructure, the Company is ready to take advantage of the improved business sentiments.

Berar Finance Limited expects to improve its performance in FY2021-22 and sustain its growth trajectory. The approach would be to continue with the growth momentum while balancing risks. With a view to meet increased demand for funds, the Company has increased its funding options including private equity infusion, placement of NCDs, term loans from variety of institutions and vigorous drive for public deposits.

Performance during the Financial Year 2020-2021

The performance of the Company during the year was satisfactory, in the backdrop of growing competition, slowdown in economy and emergence of COVID-19.

(₹ in Lakhs)

Particulars	FY 2019-20*	FY 2020-21	% Change
Total Income	10,485.43	13,486.18	+28.62
Total Cost	8,462.10	11,430.52	+35.08
Profit Before Tax	2,023.33	2,055.66	+1.60
Profit after Tax	1,464.48	1,537.67	+5.00
Earnings per Share (Fig. in ₹)			
Basic	17.97	16.01	-
Diluted	17.85	15.91	-

* Figures for FY 2019-20 has been re-classified as per IND-AS.

Risks and Concerns

The Company has a policy to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with business. The Company has to manage various risks including credit risk, liquidity risk, interest rate risk and operational risk. The Company is aware of multiple risks and keeps a constant vigil to manage the same to its advantage. Your Company has built a robust risk management framework over the years.

The main focus of your Company has been to ensure a diversified loan portfolio, improve credit quality, reduced mismatch in assets and liabilities and lower cost of funds. The Risk Management Committee and Assets Liability Management Committee have been working constantly to meet these objectives. The Company has been largely successful in managing the risks and concerns inherent in the business of a finance company. With multiple lenders and other sources of funds, the Company is assured of availability of funds at lower cost for its growing business. Your Company does not perceive any threat to the profitable business growth.

Customer Service

Your Company continues to remain customer focused. 'Once a Berar customer- always a Berar customer' is a key motto of the Company. Customer data and status is available online at all branches. Accepting that time has value, the Company provides prompt services while sanctioning/disbursing loans as well as post-disbursement services.

Customer enquiries and complaints are attended instantly. The Company is known for its customer friendly and transparent finance schemes. There are committed employees at Head Office level as well as branch level to attend to customer enquiries, to offer prompt services and address customers complaints promptly. Even during the pandemic and consequent lockdown, the customer connect was maintained while the entire staff was working from home. In line with the policy announced by Reserve Bank of India, the Company granted moratorium to the performing customers in respect of instalments from April 1, 2020 up to August 31, 2020.

Annexure II
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]
(For the Financial Year ended on 31/03/2021)

To,

The Members,
Berar Finance Limited
(CIN- U65929MH1990PLC057829)
Add- Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur, Maharashtra - 440012, India

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Berar Finance Limited (The Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31/03/2021** duly complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31/03/2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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; **(Not Applicable)**
- (v) The Regulations and Guidelines prescribed under the Securities and Exchanges Board of India Act, 1992 ("SEBI Act") i.e.
 - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable)**
 - 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)**
 - The Securities and Exchange Board of India (Delisting of Equity Shares) - Regulations, 2021; and **(Not Applicable)**
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable)**
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable)**
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable)**
- (vi) Applicable Secretarial Standards issued by The Institute of Company Secretaries of India;

(vii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(Hereinafter called as “Applicable Act, Rules, Regulations, Guidelines, Standard, and Direction”)

During the period under review the Company **has duly complied** with the provisions of the Applicable Act, Rules, Regulations, Guidelines, Standard, and Direction.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The decisions in the meeting are carried out with requisite majority.

We further report that there are **adequate systems and processes** in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period

- The Company has made an appointment of Secretarial Auditor & Internal Auditor for FY 2020-21 in the Board Meeting held on 09/06/2020.
- The Company has issued 100 (One Hundred) Senior, Secured, Rated, Redeemable, Transferable, Non-Convertible Debentures on Private Placement Basis to DCB Bank Limited in the Board Meeting held on 18/06/2020.
- The Company has made an allotment of 100 (One Hundred) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Non-Convertible Debentures on Private Placement Basis to DCB Bank Limited through Circular Resolution on 22/06/2020.
- The Company has approved the issue of 100 (One Hundred) Senior, Secured, Listed, Rated, Redeemable, Transferable, Non-Convertible Debentures on Private Placement Basis to Northern ARC Money Market Alpha Trust in the Board Meeting held on 24/07/2020.
- The Company has allotted 100 (One Hundred) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures on Private Placement Basis to Northern ARC Money Market Alpha Trust on 30/07/2020 through Circular Resolution.
- The Company has approved the issue of 100 (One Hundred), Senior, Secured, Unrated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures to Bank of Maharashtra in the Board Meeting held on 24/07/2020.
- The Company has made an allotment of 100 (One Hundred) Unrated, Unlisted, Secured, Senior, Redeemable, Taxable, Transferable, Non-Convertible Debentures to Bank of Maharashtra on 29/07/2020 through Circular Resolution.
- The Company has authorized the issuance of Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Shares (CCPS) in the Board Meeting held on 29/08/2020.
- The Company has approved the issuance of Tranche 2 Series A Equity Shares and Tranche 2 Series A of Cumulative Compulsorily Convertible Participating Preference Shares (CCPS) through Private Placement Basis in the Board Meeting held on 29/08/2020.
- The Company has approved the issue of 100 (One Hundred) Rated, Unsubordinated, Secured, Transferable, Unlisted Redeemable, Non-Convertible Debenture to IFMR Finance for Freedom Fund III in the Board Meeting held on 10/09/2020.

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- The Company has made an allotment of 100 (One Hundred) Rated, Unsubordinated, Secured, Redeemable, Transferable, Unlisted, Non – Convertible Debenture to IFMR Finance for Freedom Fund III through Circular Resolution passed on 11/09/2020.
 - Mr. Mahesh Parasuraman (Non-Executive Director) has resigned from the position of Director of the Company with effect from 01/10/2020.
 - The Company has approved the allotment of share on Private Placement Basis i.e., 5,18,742 Equity share & 3,45,829 Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Share (CCPS) to Amicus Capital Private Equity I LLP (ACPE) & 52,686 Equity Share & 35,124 Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Share (CCPS) to Amicus Capital Partners India Fund I (ACPIF) in the Board Meeting held on 27/10/2020.
 - Mr. Sandeep Jawanjal (DIN 01490054) is designated as Chief Financial Officer (CFO) of the Company with effect from 01/11/2020 in the Board Meeting held on 27/10/2020.
 - Ms. Rashmi Mitkary (DIN 08960192) is appointed as an Additional Director (Non-Executive Director, Independent Director) with effect from 13/11/2020 in the Board Meeting held on 13/11/2020.
 - The Company has approved the issue of 150 (One Hundred and Fifty) Rated, Unsubordinated, Secured, Transferable, Unlisted, Redeemable, Non-Convertible Debenture on Private Placement Basis to IFMR Finance for Freedom Fund III with IFMR Fimpact Long Term Credit Fund as its scheme in the Board Meeting held on 13/11/2020.
 - The Company has made an allotment of 150 (One Hundred and Fifty) Rated, Unsubordinated, Secured, Transferable, Unlisted, Redeemable, Non-convertible Debentures on Private Placement Basis to IFMR Finance for Freedom Fund III with IFMR Fimpact Long Term Credit Fund as its scheme on 18/11/2020 through Circular Resolution.
 - The Company has approved the issue of 1500 (One Thousand Five Hundred) Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Non-Convertible Debenture to Vivriti Samarth Bond Fund through its Trustee Vistra ITCL (India) Limited in the Board Meeting held on 18/12/2020.
 - The Company has allotted 1500 (One Thousand Five Hundred) Rated, Unlisted, Senior, Secured, Transferable, Redeemable, Taxable, Non-Convertible Debenture to Vivriti Samarth Bond Fund through its Trustee Vistra ITCL (India) Limited on 23/12/2020 through Circular Resolution.
 - The Company has appointed Mr. Avishek Addy (DIN - 07973542) as an Additional Director of the Company in the Board Meeting held on 19/01/2021.
 - The Company has issued 1800 (One Thousand Eight Hundred) Rated, Listed, Senior, Secured, Redeemable, Transferable, Non-Convertible Debenture to UNIFI AIF in the Board Meeting held on 17/02/2021.
 - The Company has allotted 1800 (One Thousand Eight Hundred) Rated, Listed, Senior, Secured, Redeemable, Transferable, Non-Convertible Debentures on a Private Placement Basis to UNIFI AIF on 24/02/2021 through Circular Resolution.
 - The Company has issued 340 (Three Hundred Forty) Rated, Listed, Senior, Transferable, Redeemable, Non-Convertible Debentures to Creation Investments FPI, LLC in the Board Meeting held on 22/03/2021.
 - The Company has allotted 340 (Three Hundred Forty) Rated, Listed, Senior, Taxable, Transferable, Redeemable, Non-Convertible Debentures to Creation Investments FPI, LLC on 24/03/2021 through Circular Resolution.
 - The Company has made an appointment of Mr. Maroti Jawanjar (DIN 00379916) as Executive Chairman of the Company for a period of 5 year with effect from 01/04/2021 to 31/03/2026 in the Board Meeting held on 30/03/2021 subject to the approval of the members of the Company at ensuing General Meeting.
 - The Company has made an appointment of Mr. Sandeep Jawanjal (DIN- 01490054) as Managing Director of the Company for a period of 5 year with effect from 01/04/2021 to 31/03/2026 in the Board Meeting held on 30/03/2021 subject to the approval of the members of the Company at ensuing General Meeting.
 - The Company has approved the Conversion of Tranche 1 Series A Cumulative Compulsorily Convertible Participating Preference Shares (CCPS) and Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Shares (CCPS) into Equity Share in the Board Meeting held on 30/03/2021.
 - The Company has regularized the appointment of Mr. Mahesh Parasuraman (DIN – 00233782) as Director of the Company in the Annual General Meeting (AGM) held on 28/09/2020.
 - The Company has authorised for issuance of Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Share (CCPS) in the AGM held on 28/09/2020.
-

- The Company has approved the issuance of Tranche 2 Series A Equity Shares and Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Share (CCPS) through Private Placement in the AGM held on 28/09/2020.
- The Company has approved the Amendment, Re-statement and Entrenchment of the Articles of Association of the Company in the AGM held on 28/09/2020.
- The Company has approved the amendment, re-statement and entrenchment of the Articles of Association of the Company through Postal Ballot (Remote E-Voting) on 10/12/2020.

This Secretarial Audit Report is being issued on 22/06/2021.

For SPZ & Associates.
Company Secretaries

CS Sunil Zore
Certificate of Practice. No. 11837
Membership Number: 22144
Firm Unique Identification Number- S2015MH305600
Peer Review Certificate Number- 965/2020
ICSI UDIN: A022144C000497278

(NOTE- This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.)

Annexure A to the Secretarial Audit Report

To,

The Members,
Berar Finance Limited
(CIN- U65929MH1990PLC057829)
Add- Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur, Maharashtra - 440012, India

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

This Letter is being issued on 22/06/2021.

For SPZ & Associates.
Company Secretaries
CS Sunil Zore
Certificate of Practice. No. 11837
Membership Number: 22144
Firm Unique Identification Number- S2015MH305600
Peer Review Certificate Number- 965/2020
ICSI UDIN: A022144C000497278

Annexure III

REPORT ON CORPORATE GOVERNANCE

Berar Finance Limited has been following robust governance practices since its inception. Your Company continues to maintain the highest standard of integrity and transparency in operations, excellence in service to all stakeholders and strong Corporate Governance standards.

1) Board of Directors:

All the members of the Board are eminent persons with considerable experience and expertise in finance, accounting, banking and academics. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board.

The Composition of the Board as on March 31, 2021 is as follows:

Name of Director	Category	DIN	No of Board Meeting(s) Attended during FY 2020-21	Whether attended AGM held during FY 2020-2021
Mr. Maroti Jawanjar	Promoter	00379916	12	Yes
Mr. Shantaram Mahakalkar	Non-Executive Director	00379988	13	Yes
Mr. Ashok Kachore*	Non-Executive Director	00380102	13	Yes
Mr. Dattatraya Dalal	Non- Executive Director	00380199	13	Yes
Mr. Vishwas Pathak	Independent Director	00452917	13	Yes
Mr. Atul Sarda	Independent Director	02161209	13	Yes
Mr. Sandeep Jawanjal	Promoter	01490054	13	Yes
Ms. Rashmi Mitkary**	Additional Director	08960192	5	NA
Mr. Avishek Addy***	Additional Director	07973542	3	NA

* Mr. Ashok Kachore resigned from the post of Non-Executive Director w.e.f. July 8, 2021.

** Ms. Rashmi Mitkary has been appointed as an Additional Director in the capacity of Independent Director at Board meeting of the Company held on November 13, 2020.

*** Mr. Avishek Addy has been appointed as an Additional Director in the capacity of Non-Executive Director at Board meeting of the Company held on January 19, 2021.

Board Meeting

The Board of Directors formulate the broad business and operational policies, periodically review the performance and engages itself with strategic issues concerning the Company.

13 (Thirteen) Board Meetings were held during the financial year ended March 31, 2021. The dates of the Board meetings held are as under:

Sr.No.	Date of Board Meeting	Sr.No.	Date of Board Meeting
1.	June 9, 2020	8.	November 13, 2020
2.	June 18, 2020	9.	December 18, 2020
3.	July 24, 2020	10.	January 19, 2021
4.	July 27, 2020	11.	February 17,2021
5.	August 29, 2020	12.	March 22, 2021
6.	September 10, 2020	13.	March 30, 2021
7.	October 27, 2020		

Except Mr. Avishek Addy, none of the other Directors is holding directorship in other companies.

Mr. Avishek Addy holds directorship in the following companies:

1. D2C Insurance Broking Private Limited; and
2. Opendoors Fintech Private Limited.

Remuneration of Directors

At present, Independent Directors/Non-Executive Directors are not paid any remuneration, except sitting fees for attending Board meetings and Committee meetings.

Details of sitting fees paid are as under:

(Amt.in ₹)

Name of Director	Sitting Fees paid during the year
Mr. Shantaram Mahakalkar	36,000
Mr. Vishwas Pathak	62,000
Mr. Dattatraya Dalal	36,000
Mr. Ashok Kachore	28,000
Mr. Atul Sarda	48,000
Ms. Rashmi Mitkary	14,000

For the period under review the Company paid ₹ 162.48 lakhs towards remuneration to Mr. Maroti Jawanjar, Executive Chairman and Mr. Sandeep Jawanjal, Managing Director.

2) Audit Committee:

The Board has set up an Audit Committee pursuant to Section 177 of the Companies Act, 2013 which reviews the financial accounting policies, adequacy of internal control system and system audit and interacts with statutory auditors, internal auditors and senior executives. The committee reviews the audit plan, interim and annual financial results of operations and observations of internal and external auditors.

During the year under review, the Committee met Four (4) times on June 9, 2020, July 27, 2020, January 19, 2021 and March 30, 2021.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Atul Sarda	Chairman of the Committee	4
Mr. Vishwas Pathak	Member	4
Mr. Sandeep Jawanjal	Member	4
Ms. Rashmi Mitkary*	Member	1
Mr. Avishek Addy*	Member	1

** Ms. Rashmi Mitkary and Mr. Avishek Addy were appointed as members of the Committee on January 19, 2021.

The Company Secretary acts as Secretary to the Audit Committee.

3) Risk Management Committee:

The Board has set up a Risk Management Committee pursuant to the requirement of the Reserve Bank of India which regularly reviews the quality of assets and liabilities and its business risk. The Internal Auditors also reports to the Committee from time to time for risk management purposes.

Business risk evaluation and management is an ongoing process within the organization. The Company has a strong risk management framework to identify monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises the following:

1. Oversight of risk management by executive management.
2. Reviewing the policy and framework in line with legal requirement and RBI guidelines.
3. Reviewing risk and evaluating treatment including mitigation action.
4. Defining framework for identification, assessment, monitoring, mitigation, and reporting risks.
5. Within the overall scope as aforesaid, the Committee reviews risk trends, exposure and potential impact analysis and mitigation plan.

During the year under review, the Committee met Three (3) times on June 9, 2020, December 31, 2020 and March 30, 2021.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	3
Mr. Shantaram Mahakalkar*	Member	2
Mr. Sandeep Jawanjal	Member	3
Mr. Avishek Addy*	Member	1

*The Committee has been reconstituted on January 19, 2021 wherein Mr. Avishek Addy was appointed as member of the Committee in place of Mr. Shantaram Mahakalkar.

The Company Secretary acts as Secretary to the Committee.

4) Asset-Liability Management (ALM) Committee:

The Board has set up Asset-Liability Management (ALM) Committee pursuant to the requirement of the Reserve Bank of India which regularly reviews the Company's assets and liabilities.

During the year under review, the Committee met Four (4) times on June 9, 2020, December 31, 2020, March 22, 2021 and March 30, 2021.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of Directors	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	4
Mr. Shantaram Mahakalkar*	Member	2
Mr. Sandeep Jawanjal	Member	4
Mr. Avishek Addy*	Member	2

*The Committee has been reconstituted on January 19, 2021 wherein Mr. Avishek Addy was appointed as member of the Committee in place of Mr. Shantaram Mahakalkar.

The Company Secretary acts as Secretary to the Committee.

5) Nomination and Remuneration Committee:

The Board has set up Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013.

The broad terms of reference of this Committee include recommending a policy relating to remuneration and employment terms of Managing Directors, Executive Directors, senior management personnel, adherence to the remuneration and employment policy, preparing the criteria and identifying persons who may be appointed as Directors or senior management of the Company.

The Committee ensures, fit and proper status of the Directors to be appointed/reappointed and recommend their appointment/reappointment to the Board of Directors.

During the year under review, the Committee met Five (5) times on July 24, 2020, October 27, 2020, November 12, 2020, January 19, 2021 and March 30, 2021.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Vishwas Pathak	Chairman of the Committee	5
Mr. Atul Sarda	Member	5
Mr. Dattatraya Dalal*	Member	4
Mr. Avishek Addy*	Member	1

*The Committee has been reconstituted on January 19, 2021 wherein Mr. Avishek Addy was appointed as member of the Committee in place of Mr. Dattatraya Dalal.

6) Information Technology (IT) Strategy Committee:

During the period under review, the Board, in its meeting held on March 22, 2021, constituted an IT Strategy Committee as per the RBI Master Direction RBI/DNBS/2016-17/53 DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017 pertaining to "Information Technology Framework for the NBFC Sector".

During the year under review, the Committee met once on March 26, 2021.

The particulars of Members of the Committee and their attendance in the meeting held during the year is as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Atul Sarda	Independent Director/Chairman of the Committee	1
Mr. Sandeep Jawanjal	MD& CFO/Member	1
Mr. Amar Helonde	IT Manager/Member	1

7) Stakeholders Relationship Committee:

The Board has set up Stakeholders Relationship Committee to consider and resolve the grievances of security holders of the Company i.e., shareholders, depositors, debenture holders etc.

During the year under review, the Committee met Two (2) times on October 16, 2020 and January 8, 2021.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Shantaram Mahakalkar	Chairman of the Committee	2
Mr. Ashok Kachore	Member	2
Mr. Dattatraya Dalal	Member	2

No complaints were received during the year from the security holders.

The Company Secretary acts as Secretary to the Committee.

8) Corporate Social Responsibility (CSR) Committee:

The Board has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013:

During the year under review, the Committee met Two (2) times on December 28, 2020 and March 26, 2021.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of Directors	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	2
Mr. Sandeep Jawanjal	Member	2
Mr. Vishwas Pathak	Member	2

The Company Secretary acts as Secretary to the Committee.

9) Fund Management Committee:

During the financial year 2019-20, the Board of Directors of the Company had constituted Fund Management Committee ("Committee") to delegate borrowing powers under Section 179 (3) (d) of the Companies Act, 2013 on financial year basis.

During the period under review, the Board in its meeting held on June 9, 2020 has delegated to the Committee borrowing powers up to ₹ 500 Crores for the financial year 2020-2021. The main function of the Committee is to avail the borrowing facility (fund based or non-fund based) up to the limit as approved by the Board which includes various credit facilities by way of overdrafts, cash credits, term loan, opening of letter of credit, issuing of guarantees including deferred payment guarantees and indemnities, negotiation and discounting of demand and or usance bills and cheques inland as well as foreign and such other facilities as may be agreed upon from time to time, between the lender and Company.

During the year under review, the Committee met Ten (10) times on June 10, 2020, July 4, 2020, July 28, 2020, September 21, 2020, October 27, 2020, December 3, 2020, December 28, 2020, January 20, 2021, March 17, 2021 and March 30, 2021.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	10
Mr. Sandeep Jawanjal	Member	10
Mr. Vishwas Pathak	Member	10

The Company Secretary acts as Secretary to the Committee.

10) Independent Directors Meeting

During the year under review the Independent Directors met on March 26, 2021, *interalia* to discuss:

1. Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
2. Evaluation of the performance of the Chairman of the Company, considering the views of Non-executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to perform its duties effectively and reasonably

All the Independent Directors were present at the meeting.

11) General Body Meetings

The particulars of last 3 years Annual General Meetings (AGM) are as under:

Financial Year	Day	Date	Time	Place
2019-2020	Monday	28.09.2020	11.00 A.M	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
2018-2019	Saturday	21.09.2019	4.00 P.M.	Arjuna Celebrations, Pande Layout, Khamla, Nagpur-440025
2017-2018	Saturday	08.09.2018	4.00 P.M.	Arjuna Celebrations, Pande Layout, Khamla, Nagpur-440025

The particulars of Extra-Ordinary general Meeting (EGM) are as under:

Day	Date	Time	Place
Monday	03.02.2020	3.00 P.M	Arjuna Celebrations, Pande Layout, Khamla, Nagpur-440025

Details of the Special Resolutions passed at the AGM, EGM and Postal Ballot held during the last three years:

Sr. No.	Detail of resolution	Date of passing	No. of votes in favour	No. of votes against	% of votes favour	% of votes in against
1.	To give approval for making investments, loans, giving guarantee or providing security under section 186 of the Act up to ₹ 1,000 crores.	08.09.2018	43,11,742	1,700	99.96 %	0.04%
2.	To re-appoint Mr. Vishwas Pathak as Independent Director	21.09.2019	45,52,700	2,000	99.96 %	0.04%
3.	To re-appoint Mr. Atul Sarada as Independent Director	21.09.2019	45,52,700	2,000	99.96 %	0.04%
4.	To increase borrowing limits from ₹ 400 crores to ₹ 2,000 crores under Section180(1)(c) of Act	21.09.2019	45,44,300	10,200	99.78 %	0.22%
5.	To authorize Board to create charge on the assets of the Company under Section 180 (1) (a) of the Act.	21.09.2019	45,44,600	6,000	99.87 %	0.13%
6.	To approve 'Berar Employee Stock Option Plan 2019'	07.12.2019	42,77,100	3,800	99.92%	0.08%
7.	To insert article 4A after article 4 in the Articles of Association of the Company thereby authorizing the Company to alter its Authorized Share Capital.	03.02.2020	47,98,240	0	100 %	0%

8.	To accord authority to the Company to issue preference shares by inserting article 4B after proposed article 4A in the Articles of Association of the Company thereby undertake the consequent amendment to the Articles of Association of the Company;	03.02.2020	47,98,240	0	100 %	0%
9.	To authorize the issuance of the Tranche 1 Series A CCPS to the "Investors" (Amicus Capital Private Equity I LLP ("ACPE") and Amicus Capital Partners India Fund I ("ACPIF" and together with ACPE, the "Investors").	03.02.2020	47,98,240	0	100 %	0%
10.	To approve the issuance of Tranche 1 Series A Equity Shares and Tranche 1 Series A CCPS through Private Placement.	03.02.2020	47,98,240	0	100 %	0%
11.	To remove article no.13 of the Articles of Association of the Company requiring a director to hold qualification shares.	03.02.2020	47,98,240	0	100 %	0%
12.	To approve the amendment, re-statement and entrenchment of the Articles of Association of the Company.	28.09.2020	56,94,211	0	100 %	0%
13.	To authorize the issuance of Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Shares.	28.09.2020	56,94,211	0	100 %	0%
14.	To approve issuance of Tranche 2 Series A Equity Shares and Tranche 2 Series A CCPS through Private Placement.	28.09.2020	56,94,211	0	100 %	0%
15.	To approve the amendment, re-statement and entrenchment of the Articles of Association of the Company.	10.12.2020	61,22,355	0	100%	0%
16.	To approve the amendment, re-statement and entrenchment of the Articles of Association of the Company.	26.06.2021	64,40,264	0	100%	0%

The Special Resolutions from Sr.no.1 to 6 were passed through E-voting and Ballot Paper / Postal Ballot as per the procedure prescribed under Section 108 / 110 of the Act read with Companies (Management and Administration) Rules, 2014 under the overall supervision of the Scrutinizer, Mr. Amit K. Rajkotiya, Practicing Company Secretary (CP No. 5162), Nagpur.

The Special Resolutions from Sr.No. 7 to 16 were passed through E-voting and Ballot Paper/E- Voting at AGM or Postal Ballot through remote e-voting as the case may be as per the procedure prescribed under Section 108/110 of the Act read with Companies (Management and Administration) Rules, 2014 under the overall supervision of the Scrutinizer, Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837), Nagpur.

12) Details of Shares transferred to Investor Education and Protection Fund (IEPF) during FY2020-21 and unclaimed dividend due dates:

The details of outstanding shares in Berar Finance Limited Investor Education and Protection Fund Authority, Ministry of Corporate Affairs

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Berar Finance Limited IEPF Account
Opening Balance as on 1 st April, 2020	8	4,550
Less: Requests received for transfer / delivery during 2020-21 and Shares transferred / delivered during 2020-21	0	0
Add: Transfer of shares to Investor Education and Protection Fund Authority of Ministry of Corporate Affairs during 2020-21	0	0
Balance as on 31 st March, 2021	8	4,550

The Company sends statutory reminders to shareholders before transfer of their shares/unclaimed dividend to IEPF. The Shareholders who have not encashed their dividend are requested to contact the Company immediately.

Following dividends are transferable to the Investor Education and Protection Fund (IEPF) on the respective due dates, as under, in accordance with the provisions of Section 124(5) of the Act.

Nature of Dividend	Transferable to IEPF on
Final Dividend 2013-14	22 nd September, 2021
Final Dividend 2014-15	26 th October, 2022
Final Dividend 2015-16	26 th September, 2023
Final Dividend 2016-17	2 nd October, 2024
Final Dividend 2017-18	8 th October, 2025
Final Dividend 2018-19	21 st October, 2026
Final Dividend 2019-20	28 th October, 2027

Reminders are sent to members for encashing their unclaimed and unpaid dividends, on a regular basis through speed post at their address registered with the Company. Members who have not yet made claims are, therefore, requested to contact the Company /Registrar and Share Transfer Agents immediately.

13) Vigil Mechanism/Whistle Blower Policy

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner with highest standard of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil Mechanism and Whistle Blower Policy. The mechanism of reporting under this policy is in place and a copy of the policy is posted on website of the Company. No personnel have been denied access to the Chairman or members of the Audit Committee.

Annexure IV

Annual Report on Corporate Social Responsibility Activities [Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy ('Policy') was approved at the Board Meeting held on March 07, 2015 and last modification being made on June 29, 2021. The Policy is available on the Company's website at following link : https://berarfinance.com/pdf/policies/june21/corporate_social_responsibility_policy.pdf

Our CSR initiatives are guided by our Policy. Our CSR activities focus on Education, Health Care, Livelihood, Environmental Sustainability, Poverty Alleviation and Promoting Sports.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Maroti Jawanjar	Executive Chairman	2	2
2.	Mr. Vishwas Pathak	Independent Director	2	2
3.	Mr. Sandeep Jawanjal	Managing Director	2	2

3. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company are provided below:

Sl. No.	Particular	Web-link
1	The composition of the CSR Committee	https://berarfinance.com/csr.html
2	CSR Policy	
3	CSR projects as approved by the Board	

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Since the average CSR obligation of the Company is below Ten Crore rupees in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, hence the impact assessment is **Not Applicable (NA)**

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
NA			

6. Average net profit of the Company as per Section 135(5) of the Companies Act, 2013: ₹ 20,97,82,104/-

7. CSRExpenditure:

Sl. No.	Particular	Amount (in ₹)
(a)	Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013	41,95,642/-
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set-off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b-7c)	41,95,642/-

8.(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
41,10,819/-	Nil	NA	Prime Minister's National Relief Fund	1,00,000	June 21, 2021

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Proj- ect dur ation	Amoung allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as 135(6) (in ₹)	Mode of implementation- n-Director (Yes/No)	Mode of Implementation- Through Implementing Agency
NA											

(c) Details of CSR amount spent against 'other than ongoing projects' for the financial year:

(1) SI No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project	(7) Mode of Implementation- Direct. (Yes/No)	(8) Mode of Implementation- Through Implementing Agency.	
				State	District			Name	CSR registration no.
1	Reimbursement of medical expenses of poor needy person Mrs. Shubhangi Bhujade	Promoting health care	Yes	Maharashtra	Nagpur	1,25,000	Yes	Direct	NA
2	Reimbursement of medical expenses of poor needy person Mrs. Maltabai Gajbhiye	Promoting health care	Yes	Maharashtra	Nagpur	25,000	Yes	Direct	NA
3	Contribution to PM-Cares Fund.	Contribution to PM-Cares Fund	Yes	PAN India		5,00,000	No	PM-Cares Fund.	NA
4.	Contribution to Jeevoday Education Society	Promoting education, including special education	Yes	Maharashtra	Nagpur	5,00,000	No	Jeevoday Education Society	NA
5.	Contribution to Central India Institute of Medical Science, Nagpur (CIIMS)	Promoting health care	Yes	Maharashtra	Nagpur	5,00,000	No	Central India Institute of Medical Science, Nagpur (CIIMS)	NA
6.	Purchased two-wheeler vehicle for handicapped sports person Ms. Roshani Dhande	Women empowerment.	Yes	Maharashtra	Nagpur	1,10,819	Yes	Direct	NA
7.	Contribution to Cause to Connect Foundation	Livelihood enhancement project	Yes	Maharashtra	Located at Pune having projects at Sangli & Kolhapur	2,00,000	No	Cause to Connect Foundation	NA
8.	Contribution to Shri Sant Jaganade Maharaj Bahuuddeshiya Shikshan Sanstha	Promoting education to poor needy children.	Yes	Maharashtra	Nagpur	4,00,000	No	Shri Sant Jaganade Maharaj Bahuuddeshiya Shikshan Sanstha	NA
9.	Contribution to Research and Development Association of India	Promoting education of poor needy children.	Yes	Maharashtra	Nagpur	4,00,000	No	Research and Development Association of	NA
10.	Contribution to Sandhya Sanwardhan Sanstha	Promoting education, including special education	Yes	Maharashtra	Nagpur	4,00,000	No	Sandhya Sanwardhan Sanstha	NA
11.	Reimbursed the COVID-19 treatment of late Mr. Mangalmurthy Yelne	Promoting health care	Yes	Maharashtra	Nagpur	1,50,000	Yes	Direct	NA
12.	Amrapali Utkarsh Sangh	Promoting education of poor abandoned children	Yes	Maharashtra	Nagpur	5,00,000	No	Amrapali Utkarsh Sangh	NA
13.	Maharogi Sewa Samiti	Eradicating hunger, poverty and malnutrition	Yes	Maharashtra	Gadchiroli	3,00,000	No	Maharogi Sewa Samiti	NA

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 41,10, 819/-

(g) Excess amount for set-off, if any:

SI. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	41,95,642/-
(ii)	Total amount spent for the financial year	41,10,819/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	—
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	—
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	—

9. (a) Details of Unspent CSR amount for the preceding three financial years

SI No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of Fund	Amount (in ₹)	Date of transfer	
NA	NA	Nil	NA	NA	Nil	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) SI No.	(2) Project ID.	(3) Name of Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project- Completed/On going
NA	NA	NA	NA	NA	Nil	Nil	Nil	NA

Note: There was no provisions of ongoing projects prior to financial year 2020-21.

10. Details of creation or acquisition of capital asset acquired through CSR spent in the financial year:

- Date of creation or acquisition of the capital asset(s): **None**
- Amount of CSR spent for creation or acquisition of capital asset: **Nil**
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **NA**
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **NA**

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013 –

The Company made CSR expenditure of ₹ 41,10,819/- for the financial year 2020-21. However, in the computation of eligible profit of CSR calculation for financial year 2020-21, certain allowances were not noticed and hence not included in the initial calculation of eligible profit for CSR. However, on subsequent notice of the allowances required, calculation of eligible profits was done and unspent CSR contribution for financial year 2020-21 worked out to ₹ 84,823/-. Accordingly, the Company transferred ₹ 1,00,000 on June 21, 2021 to the Prime Minister's National Relief Fund as specified in Schedule VII of Companies Act, 2013 to comply with provisions of second proviso to Section 135 (5) of the Companies Act, 2013.

Place: Nagpur

Sandeep Jawanjal

Maroti Jawanjar

Date: August 23, 2021

DIN:01490054

DIN:00379916

Managing Director cum
Chief Financial Officer

Executive Chairman
cum Chairman of CSR Committee

Annexure V (i)

Form 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 Act including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis.

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis.

The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

For and on behalf of Board of Directors

Date: August 23, 2021

Place: Nagpur

**M.G Jawanjar
Chairman**

Annexure V (ii)

Policy on Related Party Transactions

(As per Master Directions of Reserve Bank of India requiring Non-Banking Financial Companies to formulate a Policy on Related Party Transactions.)

The Company shall enter into transactions with related parties only on arm's length basis and in the ordinary course of business, supported by agreement or formal letter. If the transaction is not in the ordinary course of business and not on arm's length basis, then, necessary compliances under the Act and Rules framed there under will be adhered to.

For the purpose of the above clause, transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual turnover of the Company as per the last audited financial statements of the Company.

The above policy is subject to change from time to time.

Annexure VI

Requirements under the SEBI (Share Based Employee Benefits) Regulations, 2014

Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under –

Sr.No.	Particulars	ESOP 2019
I. Details of the ESOP		
1	Date of Shareholder's Approval	07.12.2019
2	Total Number of Options approved	240,000
3	Vesting Requirements	Time based vesting
4	Exercise Price or Pricing formula	₹ 95.00
5	Maximum term of Options granted (years)	5 years
6	Source of shares	Primary issuance
7	Variation in terms of ESOP	Nil
II. Option Movement during the year		
1	No. of Options Outstanding at the beginning of the year	132,000
2	Options Granted during the year	0
3	Options Forfeited / lapsed during the year	0
4	Options Vested during the year	13,200
5	Options Exercised during the year	0
6	Total number of shares arising as a result of exercise of options	0
7	Money realised by exercise of options (Rs.)	0
8	Number of options Outstanding at the end of the year	132,000
9	Number of Options exercisable at the end of the year	13,200
III. Weighted average exercise price of Options granted during the year whose		
(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	NIL
(c)	Exercise price is less than market price	NIL
Weighted average fair value of options granted during the year whose		
(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	NIL
(c)	Exercise price is less than market price	NIL

The weighted average market price of options exercised during the year	No options Exercised during the year
Remaining Contractual life of options outstanding (Years)	3.73

IV	Employee-wise details of options granted during the financial year 2020-21 to:	
(i)	Senior managerial personnel:	
	Name	No. of options granted
	No options granted during the year	
(ii)	Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year	
	Name	No. of options granted
	No options granted during the year	
(iii)	I identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	
	Name	No. of options granted
	No options granted during the year	

Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model.

The Assumptions used in the model are as follows:

	Date of grant	Particulars
1	Risk Free Interest Rate	No options granted during the year
2	Expected Life	
3	Expected Volatility	
4	Dividend Yield	
5	Price of the underlying share in market at the time of the option grant (Rs.)	

Assumptions:

Stock Price: Share price is taken as informed by the Company.

Volatility: The historical volatility over the expected life has been considered to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	₹ 15.91
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ANNEXURE VII

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of the Directors' Report for the year ended March 31, 2021.

- i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:

Sr. No.	Name of Directors	Ratio
1	Mr. Maroti Jawanjar	65.64
2	Mr. Sandeep Jawanjal	57.45
3	Mr. Shantaram Mahakalkar	0.27
4	Mr. Ashok Kachore	0.21
5	Mr. Dattatraya Dalal	0.27
6	Mr. Vishwas Pathak	0.47
7	Mr. Atul Sarda	0.36
8	Ms. Rashmi Mitkary (appointed w.e.f. November 13, 2020)	0.11
9	Mr. Mahesh Parasuraman (up to October 1, 2020)*	—
10	Mr. Avishek Addy (appointed w.e.f. January 19, 2021)*	—

Mr. Mahesh Parasuraman and Mr. Avishek Addy are not paid any remuneration, being Nominee Directors of the Investor.

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21:

Sr. No.	Name of Directors / KMP	Designation	Remuneration Paid		% increase / (₹ in Lacs) (decrease) in Remuneration Paid
			2020-21	2019-20	
1	Mr. Maroti Jawanjar	Executive Chairman	86.65	91.23	(5.02)
2	Mr. Sandeep Jawanjal	Managing Director & CFO	75.83	77.19	(1.76)
3	Mr. Shantaram Mahakalkar	Non – Executive Director	0.36	0.24	50.00
4	Mr. Ashok Kachore	Non – Executive Director	0.28	0.08	250.00
5	Mr. Dattatraya Dalal	Non – Executive Director	0.36	0.20	80.00
6	Mr. Vishwas Pathak	Independent Director	0.62	0.38	63.16
7	Mr. Atul Sarda	Independent Director	0.48	0.28	71.43
8	Ms. Rashmi Mitkary (w.e.f. November 13, 2020)	Additional Director in the Capacity of Independent Director	0.14	—	—
9	Mr. Mahesh Parasuraman (up to October 1, 2020)*	Non – Executive Director	—	—	—
10	Mr. Avishek Addy* (w.e.f. January 19, 2021)	Non – Executive Director	—	—	—
11	Mrs. Deepali Balpande	Company Secretary	16.23	16.60	(2.23)

*Mr. Mahesh Parasuraman and Mr. Avishek Addy are not paid any remuneration, being Nominee Directors of the Investor.

- iii) The percentage increase in the median remuneration of employee(s) in the financial year 2020-21:0%
 iv) The number of permanent employees on the roll of the Company: 888 Employees as on March 31, 2021.

- v) Average percentile increase 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:

Percentage increment at 50th Percentile for Salaries of Non-Managerial Personnel is 0%

Percentage increment at 50th Percentile for Salaries of Managerial Personnel is 0%

Due to COVID-19 Pandemic, there was no hike in remuneration during financial year 2020-2021. Therefore, question of exceptional circumstances for the increase in managerial remuneration in comparison to remuneration of other employees does not arise.

- vi) The remuneration paid to the Directors is as per the Nomination and Remuneration Policy of the Company.
- vii) Statement of Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, and forming part of the Directors' Report for the year ended March 31, 2021:

Sr. No	Name of the Employee	Designation/ Nature of	Age/ Qualification Employment	Experience (in years)	Remuneration (₹)	Last Employment	Date of Appointment	Equity holding %
1	Mr. Maroti Jawanjar	Executive Chairman, Permanent	69, Company Secretary	31	86,65,000	—	01/10/1997	10.20
2	Mr. Sandeep Jawanjar	Managing Director, Permanent	37, B.Com.	15	75,83,416	—	01/08/2006	3.22
3	Mrs. Deepali Balpande	Company Secretary, Permanent	41, Company Secretary	18	16,67,337	—	09/06/2003	0.42
4	Mrs. Jyoti Jawanjar	Manager (P.R), Permanent	63, B.A.	30	10,94,408	—	01/04/1991	2.74
5	Mr. Someshwar Dhonge	Head-Collection, Permanent	34 M.Com. PGDBM	12	8,40,000	V.K.Surana & Co.	01/10/2010	—
6	Mr. Shyam Pimpalkar	Head – Refinance, Permanent	38 Masters of Mass.Comm..	14	8,40,000	Interads Pvt..Ltd..	01/07/2011	0.00
7	Mr. Sewak Bhisikar	Head Business Development, Permanent	36 MBA (HR & Finance)	11	8,40,000	Sanvijay Rolling & Engineering Limited	05/08/2013	—
8	Mr. Rajesh Hinge	Branch Head, Permanent	38 M.A.	15	7,68,000	—	01/06/2006	0.00
9	Mr. Sriram Swamy	Branch Head, Permanent	37 M.A.	12	6,96,000	Hero Fincorp	06/05/2020	—
10	Mr. Amrut Raut	Branch Head, Permanent	40 B.Com.	17	6,72,000	Samruddhi Finance Limited	01/11/2012	—

- Notes: i. Remuneration includes Salary and allowances.
- ii. None of the above employees are related to any Director or Manager except Mr. Sandeep Jawanjar, Mrs. Jyoti Jawanjar and Mrs. Deepali Balpande who are relatives of Mr. Maroti Jawanjar (Executive Chairman).

PRAVIN DHIRAN & CO.

CHARTERED ACCOUNTANTS

“Manish-Sadan”, Opp. Raman Cycle Industries, Krishna Nagar, WARDHA – 442 001
Ph.: (07152) 242724, 245678 E-mail: pravin_dhiran@rediffmail.com

INDEPENDENT AUDITOR’S REPORT

To the Members,
BERAR FINANCE LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Berar Finance Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“IndAS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

We draw attention to Note 51 to the financial statements, which describes the uncertainty caused by Novel Corona virus (COVID-19) pandemic with respect to the Company’s estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>(a) Transition to Ind AS accounting framework (as described in note 5 of the Ind AS financial statements)</p>	
<p>The company has adopted Ind AS from 01 Apr 2020 with an effective date of 01 Apr 2019 for such transition. For periods up to and including the year ended 31 March 2020, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2021, together with the comparative financial information for the previous year ended 31 March 2020 and the transition date Balance Sheet as on 01 April 2019 have been prepared under Ind AS.</p> <p>The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</p>	<ul style="list-style-type: none"> ● Read the Ind AS impact assessment performed by the management and the resultant changes made to the accounting policies considering the requirements of the new framework. ● Evaluated the exemptions and exceptions allowed by Ind AS and applied by the management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date. ● Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. ● Tested the disclosures prescribed under Ind AS.
<p>(b) Impairment of financial assets (expected credit losses) (as described in Note 3.6 of the Ind AS financial statements)</p>	
<p>Impairment loss allowance of loans and advances ("expected credit loss") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID-19 pandemic on asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection</p>	<p>Audit Procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> ● Understanding of the internal control environment related to Impairment loss allowance recognition and measurement and testing operating effectiveness of key controls. Assessing the approach of the Company regarding definition of Default, Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and incorporation of forward-looking information for the calculation of ECL. ● Checking the reliability of key data inputs and related management controls.

and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

- Checking the stage classification as at the balance sheet date as per definition of Default of the Company.
- Validation of ECL Model and its calculation.
- Checking on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the ~~Board approved~~* policy for ECL provisioning and stage classification with respect to such accounts; (* **Board has not approved policy in this regard till date of our audit. Refer Other Matter in this Report**).
- Assessing the assumptions made by the Company in making accelerated provision considering forward looking information.
- Reviewing the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the RBI. Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package.
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company.
Checking the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020.
- For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.

Information Other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director Report, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report but does not include the Financial Statements and our Auditor's Report thereon. These reports are expected to be made available to us after the date of this Auditor's Report.
- Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.
- When we read the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Other Matter:

- i. As per RBI Circular RBI/2019-20/170DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13-Mar-2020 regarding implementation of Ind-AS by NBFCs, Governance Framework is required to be made in the form of policies approved by Audit Committee or the Board. The Board of the company has not approved policies clearly articulating Business Model and Portfolios, policy for sales out of amortised cost business model portfolios and sound methodologies for computation of Expected Credit Loss (ECL). The Company has provided us model for calculation of ECL which has been assessed by us based on parameters specified by the management. However, the methodologies have not been approved by the Board as required by aforesaid RBI circular.
- ii. Our Opinion is not modified in respect of these matters.

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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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 Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
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 purpose of our audit;

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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
 - (g) In our opinion, the managerial remuneration for the year ended 31 March 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For PRAVIN DHIRAN & CO.
Chartered Accountants
FRN: 133656W

PRAVIN DHIRAN
Partner
M.No. 115580

UDIN - 21115580AAAAGF5527

Nagpur
Dated: June 29th, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report to the members of Berar Finance Limited of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold other than self-constructed assets included in Property, Plant and Equipment, are held in the name of the Company as at the balance sheet date.
- (ii) The Company is in the business of providing finance services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules framed there under with regard to deposits accepted from the public. No order has been passed on the Company by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- (vi) Central Government has not specified for maintenance of cost records under section 148(1) of the Companies Act, 2013.
- (vii) (a) According to the records of the company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Goods and Service Tax (GST) and other material statutory dues, as applicable to it with the appropriate authorities. There were no arrears of undisputed statutory dues at the end of the financial year which were outstanding for more than six months from the date they become payable.
- (b) According to the information furnished and explanations given, there are no dues in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute except the following:-

Name of the Statute	Nature of Disputed Dues	Amount under Dispute	Amount paid*	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	7,45,844	1,49,170	FY 2016-17 or AY 2017-18	Commissioner of Income-tax (Appeals)

* paid under protest

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- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of any dues to banks or financial institution or debenture holders.
- (ix) According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer or further public offer. Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.
- (x) Based on the audit procedures performed and representations obtained from the management, we report that no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The company is not a Nidhi company as prescribed under section 406 of the Act. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the Management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has complied with provisions of section 42 of the Act in respect of the private placement of equity shares and preference shares during the year. During the year, the company has made private placement through issue of 5,71,428 number of equity shares and 3,80,953 number of Cumulative Compulsorily Convertible Participating Preference Shares. According to the information and explanations given by the Management, we report that the amount raised have been used for the purposes for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are applicable to the Company and the company has registration under section 45-IA of the Reserve Bank of India Act, 1934.

For PRAVIN DHIRAN & CO.

Chartered Accountants

FRN: 133656W

PRAVIN DHIRAN

Partner

M.No. 115580

UDIN -21115580AAAAGF5527

Nagpur

Dated: June 29th, 2021

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of **Berar Finance Limited** of even date)

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **BERAR FINANCE LIMITED** as at March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for Internal Financial Controls

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

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For PRAVIN DHIRAN & CO.

Chartered Accountants

FRN: 133656W

PRAVINDHIRAN

Partner

M.No. 115580

UDIN -21115580AAAAGF5527

Nagpur

Dated: June 29th, 2021

Financial Statements

Balance Sheet as at 31 March 2021
(Amount in INR, unless otherwise stated)

	Note No.	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
ASSETS				
Financial Assets				
(a) Cash and cash equivalents	6	94,79,24,962	37,62,56,449	16,96,37,866
(b) Bank Balances other than cash and cash equivalents	7	74,74,86,073	7,15,66,570	6,01,25,799
(c) Loans	8	6,59,48,35,449	4,60,12,03,584	3,52,66,48,184
(d) Investments	9	11,77,08,901	9,48,52,500	8,71,89,413
(e) Other Financial assets	10	25,50,32,090	18,42,60,779	14,88,85,935
Non-financial Assets				
(a) Current Tax assets (Net)	11	-	37,30,514	-
(b) Deferred tax assets (Net)	12	4,71,64,970	3,64,98,384	3,05,46,999
(c) Property, Plant and Equipment	13	17,22,16,357	16,79,76,959	15,91,04,116
(d) Capital Work in Progress		8,99,901	-	2,60,000
(e) Other Intangible assets	14	81,31,598	1,08,62,426	74,37,019
(f) Right of use assets	15	2,15,29,172	1,10,07,956	1,27,76,087
(g) Other non-financial assets	16	14,45,965	8,43,400	13,82,210
Total Assets		8,91,43,75,438	5,55,90,59,521	4,20,39,93,628
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	17	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17	4,25,33,850	2,40,59,086	1,80,98,447
Debt Securities	18	1,20,66,01,743	-	-
Borrowings (Other than Debt Securities)	19	4,88,03,48,966	3,39,06,79,561	2,62,84,96,873
Deposits	20	1,13,18,38,678	86,87,66,747	74,16,57,590
Other financial liabilities	21	14,20,79,610	11,65,50,345	7,95,34,940
Non-Financial Liabilities				
Current Tax liabilities (Net)	22	74,08,629	-	8,61,29,58
Provisions	23	2,09,00,924	1,77,56,101	1,33,51,407
Other non-financial liabilities	24	1,84,23,320	3,10,53,212	2,91,51,715
EQUITY				
Equity Share capital	25	10,00,77,980	9,66,66,670	8,00,00,000
Other Equity	26	1,36,41,61,738	1,01,35,27,799	60,50,89,698
Total Liabilities and Equity		8,91,43,75,438	5,55,90,59,521	4,20,39,93,628

The accompanying notes are an integral part of the financials statements

As per our report of even date
For Pravin Dhiran & Co.
Chartered Accountants
FRN : 133656W

For and on behalf of the Board of Directors of
BERAR FINANCE LIMITED

M. G. Jawanjar
(Executive Chairman)

Pravin Dhiran
Partner
M. No. 115580

S. M. Jawanjal
(Managing Director & CFO)

Place: Nagpur
Date: 29/06/2021

D. R. Balpande
(Company Secretary)

Statement of Profit and Loss for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations			
Interest Income	27	1,22,12,11,627	92,07,92,556
Dividend Income	28	46,925	1,14,661
Net gain on fair value changes	29	88,12,637	-
Other operating Income	30	11,84,61,293	12,73,98,381
Total Revenue from operations		1,34,85,32,482	1,04,83,05,598
Other Income	31	85,730	2,37,085
Total Income		1,34,86,18,212	1,04,85,42,683
Expenses			
Finance Costs	32	67,52,88,060	47,51,49,254
Net (Gain)/loss on fair value changes	29	-	42,59,930
Impairment on financial instruments	33	12,03,27,590	6,77,54,973
Employee Benefits Expenses	34	17,19,39,680	14,84,26,832
Depreciation, amortization and impairment	35	1,90,54,774	1,33,69,557
Other expenses	36	15,64,41,810	13,72,49,097
Total Expenses		1,14,30,51,914	84,62,09,643
Profit before tax		20,55,66,298	20,23,33,040
Tax Expense:			
- Current Tax	12	6,25,00,000	6,00,00,000
- Prior period income tax	12	-	15,37,042
- Deferred Tax	12	(1,07,00,671)	(56,51,836)
Profit for the year		15,37,66,969	14,64,47,834
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains / (losses) on defined benefit plans		1,33,009	(10,28,698)
(ii) Income tax impact		(34,084)	2,99,557
Other Comprehensive Income for the year		98,925	(7,29,141)
Total Comprehensive Income for the year (Comprising Profit and other comprehensive income for the year)		15,38,65,894	14,57,18,693
Earnings per equity share			
Basic (INR)		16.01	17.97
Diluted (INR)		15.91	17.85

The accompanying notes are an integral part of the financials statements

As per our report of even date
For Pravin Dhiran & Co.
 Chartered Accountants
 FRN : 133656W

Pravin Dhiran
 Partner
 M. No. 115580

Place: Nagpur
 Date: 29/06/2021

For and on behalf of the Board of Directors of
BERAR FINANCE LIMITED

M. G. Jawanjar
 (Executive Chairman)

S. M. Jawanjal
 (Managing Director & CFO)

D. R. Balpande
 (Company Secretary)

Statement of Cash Flows for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities			
Profit before tax		20,55,66,298	20,23,33,040
Adjustments for:			
Depreciation and amortisation expense		1,90,54,774	1,33,69,557
ESOP expense		48,29,878	14,08,687
Provision for Defined Benefit Obligation		25,57,988	22,16,245
Finance cost		1,24,57,041	1,30,56,950
Interest Income on Security Deposit		3,64,801	2,63,667
Amortization impact of Processing fees and commissin on Loans		(6,34,07,505)	(6,21,09,215)
Interest income on investment		(73,99,256)	(58,14,274)
Net gain on fair value changes in Investment		37,30,364	32,19,183
Profit on sale of investment		(75,84,714)	(2,90,000)
Gain on termination of lease		(595)	(2,363)
Impairment on financial instruments		12,03,27,590	6,77,54,973
Profit on sale of property, plant and equipment (Net)		(13,986)	(1,24,978)
Operating profit before working capital changes		29,04,82,678	23,52,81,472
Changes in working capital			
Increase/ (decrease) in trade payables		1,84,74,764	59,60,639
Increase/ (decrease) in other financial liabilities		1,45,37,387	3,79,06,932
Increase/ (decrease) in provisions and other liabilities		(1,19,10,048)	30,61,248
(Increase)/decrease in other financial assets		(7,16,26,398)	(3,57,95,537)
(Increase)/decrease in Loans		(2,05,05,51,950)	(1,08,02,01,158)
(Increase)/decrease in other assets		(6,02,565)	5,38,810
Cash generated from/(used In) operations		(1,81,11,96,132)	(83,32,47,594)
Income tax paid		(5,13,60,855)	(7,38,80,508)
Net cash generated from operating activities (A)		(1,86,25,56,987)	(90,71,28,102)
B. Cash flow from Investing activities			
Payment for property, plant and equipment, intangible assets and Capital Work-in-Progress		(1,31,83,878)	(1,86,64,640)
Change in Other Bank balances not available for immediate use		(67,59,19,503)	(1,14,40,771)
Proceeds from sale of property plant and equipment		19,600	2,00,000
Purchase of investment		(3,31,79,996)	(1,25,12,190)
Proceeds from sale of Investments		1,46,10,519	24,27,979
Interest received		69,66,681	53,06,216
Net cash used in investing activities (B)		(70,06,86,577)	(3,46,83,406)
C. Cash flow from Financing activities			
Proceeds from Bank & Financial Institution		1,53,52,60,526	65,32,07,623
Borrowing (Net of Repayments)		1,21,65,84,892	-
Debt Securities issued		26,30,71,931	12,71,09,157
Deposits taken (Net of Repayments)		34,11,310	1,66,66,670
Capital raised		19,65,88,700	28,33,33,390
Premium received on issue of shares		-	(1,23,78,242)
Expenses related to Issue of Shares		(46,50,532)	(96,44,427)
Dividend Paid		(93,87,875)	(73,18,911)
Repayment of lease liabilities		-	-
Net cash used in financing activities (C)		3,20,08,78,952	1,05,09,75,260
Net increase in cash and cash equivalents (A+B+C)		63,76,35,388	10,91,63,752
Cash and cash equivalents at the beginning of the year		(20,95,81,833)	(31,87,45,585)
Cash and cash equivalents at the end of the year		42,80,53,555	(20,95,81,833)

Notes:

- Statement of Cash flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash flows" as specified in the Companies (Indian Accounting Standard Rules), 2015
- Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
- Cash & Cash Equivalents included in the Statement of Cash Flow includes the following**

	Year ended 31 March 2021	Year ended 31 March 2020
Balances with banks		
In current accounts	76,10,80,399	16,91,99,129
In fixed deposits (with original maturity less than 3 months)	17,54,59,840	20,06,62,023
Cash Credit from Banks	(51,98,71,407)	(58,58,38,282)
Cash in Hand	1,13,84,723	63,95,297
	42,80,53,555	(20,95,81,833)

The accompanying notes are an integral part of the financials statements

As per our report of even date

For Pravin Dhiran & Co.

Chartered Accountants

FRN : 133656W

Pravin Dhiran

Partner

M. No. 115580

Place: Nagpur

Date: 29/06/2021

For and on behalf of the Board of Directors of

BERAR FINANCE LIMITED

M. G. Jawanjar

(Executive Chairman)

S. M. Jawanjal

(Managing Director & CFO)

D. R. Balpande

(Company Secretary)

Statement of Changes in Equity for the year ended 31 March 2021

Share Capital

Particulars	Equity share capital		Preference share capital	
	No. of shares	Amount	No. of shares	Amount
As at 1st April 2019	80,00,000	8,00,00,000	-	-
Issued during the year 2019-20	11,11,111	1,11,11,110	5,55,556	55,55,560
As at 31st March 2020	91,11,111	9,11,11,110	5,55,556	55,55,560
Issued during the year 2020-21	5,71,428	57,14,280	3,80,953	38,09,530
On Account of Conversion during the year 2020-21	3,25,259	32,52,590	(9,36,509)	(93,65,090)
As at 31st March 2021	1,00,07,798	10,00,77,980	-	-

Other Equity

	Reserve & Surplus					Total
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	
Balance as at 1 April 2019	19,89,95,000	-	43,82,65,000	-	(3,21,70,302)	60,50,89,698
Profit for the year 2019-20	-	-	-	-	14,64,47,834	14,64,47,834
Other comprehensive income for the year 2019-20	-	-	-	-	(7,29,141)	(7,29,141)
Dividend Paid including taxes on dividend	-	-	-	-	(96,44,427)	(96,44,427)
Premium on issue of Shares	-	28,33,33,390	-	-	-	28,33,33,390
Expenses related to issue of shares (Private Placement)	-	(1,23,78,242)	-	-	-	(1,23,78,242)
Share based payment expense	-	-	-	14,08,687	-	14,08,687
Transfers to Statutory reserves	4,23,00,000	-	-	-	(4,23,00,000)	-
Transfers to General reserves	-	-	11,00,00,000	-	(11,00,00,000)	-
Balance as at 31 March 2020	24,12,95,000	27,09,55,148	54,82,65,000	14,08,687	(4,83,96,036)	1,01,35,27,800
Profit for the year	-	-	-	-	15,37,66,969	15,37,66,969
Other comprehensive income for the year	-	-	-	-	98,925	98,925
Dividend Paid including taxes on dividend	-	-	-	-	(46,50,532)	(46,50,532)
Premium on issue of Shares	-	19,65,88,700	-	-	-	19,65,88,700
Share based payment expense	-	-	-	48,29,877	-	48,29,877
Transfers to Statutory reserves	4,00,00,000	-	-	-	(4,00,00,000)	-
Transfers to General reserves	-	-	5,00,00,000	-	(5,00,00,000)	-
Balance as at 31 March 2021	28,12,95,000	46,75,43,848	59,82,65,000	62,38,564	1,08,19,326	1,36,41,61,739

The accompanying notes are an integral part of the financials statements

As per our report of even date

For Pravin Dhiran & Co.

Chartered Accountants

FRN : 133656W

Pravin Dhiran

Partner

M. No. 115580

Place: Nagpur

Date: 29/06/2021

For and on behalf of the Board of Directors of
BERAR FINANCE LIMITED

M. G. Jawanjar
(Executive Chairman)

S. M. Jawanjal
(Managing Director & CFO)

D. R. Balpande
(Company Secretary)

Notes forming part of the Financial Statements for the year ended 31st March 2021

(Amount in INR, unless otherwise stated)

1 Corporate Information

The Company is a registered non-banking finance company engaged in the business of providing finance. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) with effect from 24th November 1998, with Registration No. 13.01109. The Company primarily deals in the financing of two-wheelers, used car finance, commercial vehicle finance and personal loan etc. The Company is a systemically important NBFC as per Reserve Bank of India. The company was re-classified from Asset Finance Company to Investment & Credit Company (NBFC-ICC) as per RBI notification no. 097/03.10.001/2018-19 dated 22-Feb-2019. The Company is having its head office at Nagpur and currently having 91 branches as on 31st March 2021. The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on June 29, 2021.

2 Basis of Preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The financial statements for the year ended March 31, 2021 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2019. The financial statements upto the year ended March 31, 2020, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2020 have now been restated under Ind AS to provide comparability.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the 'functional currency').

2.4 Use of estimates, judgements and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

The fair value of financial instruments 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 another

valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

ii) Effective interest rate ('EIR') method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default (PD), exposure at default ("EAD) and loss given default ('LGD').
- d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 38.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

2.5 Presentation of the financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees.

3.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

A Interest and dividend income

Interest income for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) are recognised in 'Interest income' in the profit or loss account using the effective interest method (EIR).

Effective Interest Rate (EIR) wherever applicable in case of a financial asset is computed as the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. It is computed by considering all contractual terms of the financial instrument in estimating the cash flows. The cash flows are estimated including all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL. Interest Income on credit impaired assets are treated to accrue only upon realisation, due to uncertainty involved in its realisation and are accounted accordingly.

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

B Fee and commission income

Fee and commission income and expense include fees other than those that are an integral part of EIR. Processing fees not considered in EIR, service income, bounce charges, penal charges and foreclosure charges etc. are recognised on point in time basis.

C Net gain or fair value change

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

D Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.2 Financial instrument - initial recognition

A Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3 Financial assets and liabilities

A Financial assets

Business model assessment

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 and is based on observable factors such as:

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking worst case' or stress case' scenarios into account. 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 or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic tending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

- i) Financial assets carried at amortised cost ('AC')
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii) Financial assets measured at FVOCI
A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iii) Financial assets measured at FVTPL
A financial asset which is not classified in any of the above categories are measured at FVTPL.

B Financial liabilities

- i) Initial recognition and measurement Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition.
- ii) Borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. The EIR amortization is included as finance costs in the statement of profit and loss.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2021 and 31 March 2020.

3.5 Derecognition of financial assets and liabilities

i) Financial assets

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

B. Derecognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

- i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial Instrument that are possible within 12 months after the reporting date); or
- ii) Full lifetime expected credit losses ('LTECL') (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD: Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. For investments and balances with banks, the Company uses external ratings for determining the PD of respective instruments.

EAD: Exposure at Default ('EAD') is an estimate of the amount outstanding when the borrower defaults. It is the total amount of an asset the entity is exposed to at the time of default. It is defined based on characteristics of the asset.

LGD: Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the tender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed. The mechanics of the ECL method are summarised below:

- Stage 1:** The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a EAD and multiplied by the expected LGD.
- Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.
- Stage 3:** For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

- i) Gross fixed investment (% of GDP)

3.7 Write-offs

Financial assets are written off when there are no prospects of recovery which are subject to management decision. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under Bad debts and write offs forming part of Impairment on financial instruments in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- **Level 2** financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and market-corroborated inputs.
- **Level 3** financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 I) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ('PPE') are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

- i) Building - 60 years
- ii) Office equipment - 5 years
- iii) Computers - 3 years
- iv) Furniture and electrical fittings - 10 years
- v) Vehicles - 8 years
- vi) Printers - 5 years
- vii) Server - 6 years
- viii) Generator-10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

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.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. 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 recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and

loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, (ess any lease incentives received).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses.

The right-of-use assets are depreciated from the date of commencement of the lease on a straightline basis over the shorter of the lease term and the useful life of the underlying asset. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- Low value leases; and
- Leases which are short-term.

3.15 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at

a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed in the financial statements.

3.17 Taxes

A. Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

A deferred tax asset is recognised for the carry forward of unused tax losses and accumulated depreciation to the extent that it is probable that future taxable profit will be available against which the unused tax losses and accumulated depreciation can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3.18 Earnings per share

Basic earnings per share (EPS) is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares

are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.20 Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified any new or amendments in existing Ind AS which would be applicable with effect from April 1, 2020.

5 First time adoption of Ind AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2020, together with the comparative year data as at and for the year ended 31 March 2019, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2019, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2019 and the financial statements as at and for the year ended 31 March 2020. The exemptions availed by the Company are as follows:

- (i) The Company has adopted the carrying value determined in accordance with Previous GAAP for all of its property plant and equipment and intangible assets as deemed cost of such assets at the transition date.
- (ii) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2019.
- (iii) The estimates as at April 1, 2019 and at March 31, 2020 are consistent with those made for the same dates in accordance with the Previous GAAP.
- (iv) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition.

(v) Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

(a) Reconciliation of Equity as at 1 April 2019 and as at 31 March 2020

(b) Reconciliation of Total Comprehensive Income for the year ended 31 March 2020

The presentation requirements under previous GAAP differs from Ind AS, and hence, previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP/ Indian GAAP information is derived from the Financial Statements of the Company prepared in accordance with previous GAAP.

(a) Reconciliation of total equity as at 31 March 2020 and 1 April 2019

	Notes	As at 31 March 2020	As at 1 April 2019
Equity Share Capital		9,66,66,670	8,00,00,000
Surplus in statement of profit and loss account		1,08,41,98,601	65,26,43,114
Shareholder's equity as per Indian GAAP audited financial statements		1,18,08,65,271	73,26,43,114
Ind AS adjustments			
- Impact on recognition of loans at amortised cost	c (i)	(3,86,57,142)	(7,51,58,322)
- Impact on recognition of borrowings at amortised cost using EIR	c (i)	1,45,34,708	89,32,796
- Investments measured at FVTPL	c (ii)	50,65,917	82,85,100
- EIR Impact of investments in government securities measured at amortised cost	c (ii)	6,45,576	1,37,518
- EIR Impact of security deposit	c (iii)	(58,061)	(46,479)
- Lease accounting impact	c (iv)	(7,58,383)	
- Expected credit loss on loans	c (v)	(7,47,55,637)	(1,13,64,351)
- Impact on recognition of securitised loan portfolio (De-recognised in previous GAAP)	c (vii)	5,21,049	-
- Deferred tax impact on above	c (ix)	2,41,69,642	2,07,63,114
- Others		(13,78,473)	8,97,208
Total Ind AS adjustments		(7,06,70,802)	(4,75,53,416)
Shareholder's equity as per Ind AS		1,11,01,94,469	68,50,89,698

(b) Reconciliation of total comprehensive income for the year ended 31 March 2020

	Notes	Year ended 31 March 2020
Profit as per Indian GAAP		16,91,27,374
Adjustment		
- Impact on recognition of loans at amortised cost by application of EIR	c (i)	(63,06,176)
- EIR Impact of borrowings measured at amortised cost	c (i)	56,01,912
- Investments measured at FVTPL	c (ii)	(32,19,183)
- EIR Impact of investments in government securities measured at amortised cost	c (ii)	5,08,058
- EIR Impact of security deposit	c (iii)	(11,582)
- Lease accounting impact	c (iv)	(7,58,383)
- Expected credit loss on loans	c (V)	(2,05,83,930)
- Impact of Employee stock option plan	c (vi)	(2,91,296)
- Impact on recognition of securitised loan portfolio (De-recognised in previous GAAP)	c (vii)	5,21,049
- Re-measurement losses on defined benefit plans reclassified to OCI	c (viii)	10,28,698
- Deferred Tax Impact on Ind AS adjustments	c (ix)	31,06,972
- Others		(22,75,681)
Net profit as per Ind AS		14,64,47,834
Other comprehensive income:		
Re-measurement gains / (losses) on defined benefit plans , net off tax	c (viii)	(7,29,141)
Total comprehensive income as per Ind AS		14,57,18,693

(c) Notes to first-time adoption**(i) Interest income and expense measured using effective interest method**

Under Previous GAAP, origination fees and transaction costs charged to customers was recognised upfront. Under Ind AS, such fees and costs are amortised over the expected life of the loan assets and recognised as interest income.

Under Previous GAAP, the transaction costs related to borrowings were recognised upfront in the Statement of Profit and Loss. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest method in the Statement of profit and loss.

(ii) Fair Valuation of Investments

Under Indian GAAP, investments that are acquired with the intention of holding them for not more than one year from the date on which such investments are made, are considered as current investment. Investments acquired with the intention of holding for more than one year from the date on which such investments are made are classified as long-term investments. The securities held as securities for trade is carried at cost. Long term investments are carried at acquisition cost after providing for diminution in value, if such diminution is other than of a temporary nature. As per Ind AS, all financial assets have to be classified at 'amortised cost', 'fair value through other comprehensive income' or 'fair value through profit and loss'. These classifications are based on the business model test and the contractual cash flow test. Under Indian GAAP, unrealized gains were not accounted in the books. Under Ind AS, unrealized gains have been accounted in the statement of profit and loss.

This has resulted in an increase in retained earnings in 1 April 2019 and 31 March 2020 of INR 8285100 and INR 5065917 respectively and a decrease in the net profit for the year ended March 2020 of INR -3219183 on account of fair valuation of investments measured at fair value through profit & loss.

This has resulted in an decrease in retained earnings as on 1 April 2019 and 31 March 2020 of INR -137518 and INR -645576 respectively and an decrease in the net profit for the year ended March 2020 of INR -508058 on account of investments in government securities measured at amortised cost using effective interest rate.

(iii) Security deposit

Under Indian GAAP, the security deposits given were accounted on the transaction price. Ind AS requires such assets to be recognized at present value. This has led to a decrease in the value of the security deposits on the date of transition and subsequently it is measured at amortised cost. The excess of the principal amount of the deposit over its fair value is recognised as right of use assets and subsequently shall be recognized as depreciation expense on a straight-line basis over the lease term, partially set off by the notional interest income recognised on such deposit. The increase in interest income is known as unwinding of interest accounted under other income.

The above transition has resulted a decrease in retained earnings in 1 April 2019 and 31 March 2020 of INR 46479 and INR 58061 respectively and decrease in the net profit for the year ended March 2020 of INR 11582 .

(iv) Operating Lease capitalised as per Ind AS 116 Initial recognition and measurement:

Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The right-to use asset is initially measured at cost. The cost shall comprise of the amount of the lease liability and adjusted for lease prepayments, lease incentives received, the lessee's initial direct costs and an estimate of the restoration, removal and dismantling costs.

Subsequent measurement:

A lessee measure the right of use asset applying a cost model. A lessee shall measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments; and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Accordingly company has recognised right to use assets and lease liability using modified retrospective approach.

The above transition has impacted a decrease in retained earnings/net profit in 31 March 2020 of INR 758383 .

(v) Expected credit loss on loans

Under Indian GAAP, the Company recognized impairment on loans based on the incurred basis. Under Ind AS, the Company recognizes lifetime expected credit loss for loans.

The above transition has impacted a decrease in retained earnings in 1 April 2019 and 31 March 2020 of INR 11364350.79 and INR 74755636.79 respectively and an increase in the net profit for the year ended March 2020 of INR -20583929.8

(vi) Employee Stock Option Plan

The company has granted equity settled options in 2019-20 to the employees of the Company. Under Previous GAAP, the cost of Employee Stock Options was recognised at intrinsic value. Under Ind AS, the same is recognised on the basis of fair value. This has resulted in decrease of profit by INR 291296 for the year ended 31 March 2020.

(vii) Impact on derecognition of loans

Under Previous GAAP, financial assets were derecognized if the control criteria is met in accordance with relevant RBI guidelines. Under Ind AS, financial assets are derecognised only when the Company transfers substantially all the risks and rewards related to the cash flows.

(viii) Re-measurement impact on defined benefit plans

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, actuarial gains and losses, are recognised in other comprehensive income.

Thus, employee benefits expense is reduced by INR 1028698 and is recognised in other comprehensive income during the year ended 31 March 2020.

(ix) Deferred Tax

The transitional Ind AS adjustments has led to temporary differences in the tax and accordingly deferred tax impact on these adjustments has been accounted.

6 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash on hand	1,13,84,723	63,95,297	89,07,303
Balances with banks In current accounts	76,10,80,399	16,91,99,129	16,07,30,563
In fixed deposits (with original maturity less than 3 months)	17,54,59,840	20,06,62,023	-
Total	94,79,24,962	37,62,56,449	16,96,37,866

7 Bank Balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Fixed Deposit (Including accrued Interest)	73,30,27,978	5,74,17,435	5,59,57,799
Balances with banks to the extent held as margin money or security against the borrowings	1,43,04,182	1,38,45,048	38,78,499
Earmarked balances with banks (Unpaid dividend)	1,53,913	3,04,087	2,89,501
Total	74,74,86,073	7,15,66,570	6,01,25,799

8 Loans

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(A) Loan measures of Amortised Cost			
i) Terms loans			
Loans (Refer Note 48)	6,71,80,56,652	4,66,78,19,694	3,56,49,17,238
Total (A) Gross	6,71,80,56,652	4,66,78,19,694	3,56,49,17,238
Less : Impairment loss allowance (Refer Note 48)	(12,32,21,203)	(6,66,16,110)	(3,82,69,054)
Total (A) Net	6,59,48,35,449	4,60,12,03,584	3,52,66,48,184

Disclosure pursuant to Ind AS 107 "Financial Instruments : Disclosures"

(a) Expected Credit Loss- Loans :

Particulars	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment Provision	Gross Carrying Amount	Expected Credit Loss	Carrying amount net of impairment Provision	Gross Carrying Amount	Expected Credit Loss	Carrying amount net of impairment Provision
Loss allowance measured at 12 month expected credit losses	6,09,65,98,000	3,61,51,431	6,06,24,46,569	4,18,85,01,021	96,97,586	4,17,88,03,435	3,27,32,99,883	52,83,269	3,26,80,16,614
Loss allowance measured at life-time expected credit losses	45,10,55,694	3,36,00,798	41,74,54,896	35,82,21,653	1,81,79,927	34,00,41,726	21,77,63,819	97,97,586	20,79,66,233
	16,84,02,958	5,34,68,974	11,49,33,984	12,10,97,020	3,87,38,597	8,23,58,423	7,38,53,536	2,31,88,199	5,06,65,337
Total	6,71,80,56,652	12,32,21,203	6,59,48,35,449	4,66,78,19,694	6,66,16,110	4,60,12,03,584	3,56,49,17,238	3,82,69,054	3,52,66,48,184

(b) Reconciliation of loss allowance provision - Loans:

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2019	52,83,269	97,97,586	2,31,88,199	3,82,69,054
New assets originated or purchased	72,44,034	1,11,60,791	1,16,14,634	3,00,19,459
Amount written off	(57,358)	(3,35,190)	(78,88,216)	(82,80,764)
Transfers to Stage 1	(2,17,57,505)	63,49,926	1,54,07,579	-
Transfers to Stage 2	93,137	(54,12,653)	5,319,516	-
Transfers to Stage 3	3,489	23,037	(26,526)	-
Increase/ (Decrease) provision on existing financial assets including recovery	1,88,88,526	(34,03,578)	(88,76,587)	66,08,362
ECL as on March 31, 2020	96,97,593	1,81,79,919	3,87,38,598	6,66,16,110
New assets originated or purchased	1,76,60,327	1,61,59,205	1,07,61,917	4,45,81,449
Amount written off	(51,345)	(1,73,441)	(53,28,975)	(55,53,762)
Transfers to Stage 1	(4,00,93,696)	1,49,39,405	2,51,54,291	-
Transfers to Stage 2	17,11,646	(1,29,34,886)	1,12,23,240	-
Transfers to Stage 3	68,789	1,18,163	(1,86,952)	-
Impact on year end ECL of Exposure transferred between stages	-	-	-	-
Increase/ (Decrease) provision on existing financial assets including recovery	4,71,58,117	(26,87,567)	(2,68,93,145)	1,75,77,405
ECL as on March 31, 2021	3,61,51,431	3,36,00,798	5,34,68,974	12,32,21,203

(c) Reconciliation of Gross carrying amount - Loans:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2019	3,27,32,99,883	21,77,63,819	7,38,53,536	3,56,49,17,238
New assets originated or purchased	3,22,37,21,683	22,16,99,796	3,63,26,112	3,48,17,47,592
Amount written off	(1,18,33,226)	(55,28,271)	(2,54,45,859)	(4,28,07,356)
Transfers to Stage 1	(17,20,35,046)	12,38,18,685	4,82,16,361	-
Transfers to Stage 2	3,18,95,275	(48,215,194)	1,63,19,919	-
Transfers to Stage 3	1,264,212	4,07,132	(1,671,344)	-
Net Recovery	(2,15,78,11,760)	(15,17,24,314)	(2,65,01,706)	(2,33,60,37,780)
Gross carrying amount as on March 31, 2020	4,18,85,01,022	35,82,21,653	12,10,97,019	4,66,78,19,694
New assets originated or purchased	4,53,88,17,721	27,84,39,355	3,46,91,970	4,85,19,49,047
Amount written off	(4,69,07,672)	(95,05,570)	(1,71,90,243)	(6,76,03,485)
Transfers to Stage 1	(22,88,01,628)	15,01,19,762	7,86,81,866	-
Transfers to Stage 2	8,20,48,694	(11,72,09,138)	3,51,60,444	-
Transfers to Stage 3	35,18,832	12,21,529	(47,40,361)	-
Net Recovery	(2,43,85,78,970)	(21,62,31,897)	(7,92,97,737)	(2,73,41,08,604)
Gross carrying amount as on March 31, 2021	6,09,85,98,000	45,10,55,694	16,84,02,958	6,71,80,56,652

Asset Classification as per RBI Norms

Disclosure pursuant to Reserve Bank of India notification DOR (NBFC) CC.PD.No.109/22.10.106/2019-20 dated March 13,2020 pertaining to Asset classification as per RBI norms (Amt in Rs.)

Asset Classification as per RBI Norms	Asset Classification as per INDAS 109	For the year ended March 31, 2021					For the year ended March 31, 2020						
		Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms		
Performing assets													
Standard	Stage-1	6,09,85,98,000	3,61,51,431	60,624,46,569	76,40,388	2,85,11,043	4,18,85,01,022	96,97,593	4,17,88,03,429	36,60,805	60,36,788		
	Stage-2	45,10,55,694	3,36,00,798	41,74,54,896	3,71,336	3,32,29,462	35,82,21,653	1,81,79,919	34,00,41,734	5,61,831	17,61,8,088		
Subtotal		6,54,96,53,694	6,97,52,229	6,47,99,01,465	80,11,724	6,17,40,505	4,54,67,22,675	2,78,77,512	4,51,88,45,163	42,22,636	2,36,54,876		
Non-Performing Assets (NPA)													
Substandard	Stage-3	15,84,52,557	5,03,09,662	10,81,42,895	1,62,43,047	3,40,66,615	10,34,65,877	33,098,449	7,03,67,428	1,07,15,616	2,23,82,833		
Doubtful -1	Stage-3	87,53,496	27,79,288	59,74,208	23,42,551	4,36,737	1,05,05,178	33,60,575	71,44,603	26,44,645	7,15,930		
Doubtful -2	Stage-3	3,23,144	1,02,600	2,20,544	1,14,880	-12,280	65,39,121	20,91,845	44,47,276	29,78,895	-8,87,050		
Doubtful-3	Stage-3	8,73,761	2,77,424	5,96,337	5,05,031	-2,27,607	5,86,843	1,87,729	3,99,114	3,39,327	-1,51,598		
Subtotal		16,84,02,958	5,34,68,974	11,49,33,984	1,92,05,509	3,42,63,465	12,10,97,019	3,87,38,598	8,23,58,421	1,66,78,483	2,20,60,115		
Loss Asset	Stage-3	0	0	0	0	0	0	0	0	0	0		
Total		6,71,80,56,652	12,32,21,203	6,59,48,35,449	2,72,17,233	9,60,03,970	4,66,78,19,694	6,66,16,110	4,60,12,03,584	2,09,01,119	4,57,14,991		

9. Investments

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
i) Investments measured at amortised cost (Refer Note 1)			
Investments in Government Securities (Quoted)	10,54,51,544	8,23,38,976	6,98,35,959
ii) Investments measured at fair value through Profit or Loss (Refer Note II)			
Investments in Equity Instruments (Quoted)	13,44,630	1,20,25,338	1,64,49,853
Investments in Mutual funds (Quoted)	5,14,949	2,70,236	4,48,351
<u>Other Investment</u>			
Investment in alternative investment fund units	1,03,97,778		
Investment in Gold		2,17,950	1,65,250
iii) Investments measured at Cost (Refer Note III)			
Investments in Equity Instruments (Unquoted)			2,90,000
Total - Gross (A)	11,77,08,901	9,48,52,500	8,71,89,413
(i) Investments outside India			
(ii) Investments in India	11,77,08,901	9,48,52,500	8,71,89,413
Total (B)	11,77,08,901	9,48,52,500	8,71,89,413
Total (A) to tally with (B)	-	-	-
Less: Allowance for Impairment loss (C)			
Total - Net = (B)-(C)	11,77,08,901	9,48,52,500	8,71,89,413

Details of investments -

Note 1 - Investments in government securities measured at amortised cost

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Investments measured at amortised cost (Quoted)			
7.80% GOI BONDS 2021	5,18,139	5,13,022	5,08,219
8.28% GOI BONDS 2027	4,82,403	4,80,393	4,78,442
8.03% GOI BONDS 2024	9,97,894	9,92,427	9,87,197
8.23% GOI BONDS 2027	6,06,529	6,06,585	6,06,512
8.30% GOI BONDS 2023	11,08,910	11,02,802	10,96,966
7.94% GOI BONDS 2021	10,25,577	10,11,554	9,98,535
8.26% GOI BONDS 2027	1,002,520	1,001,342	10,00,049
8.26% GOI BONDS 2027	5,08,180	5,08,388	5,08,478
8.83% GOI BONDS 2041	5,75,623	5,75,018	5,74,332
8.24% GOI BONDS 2027	5,02,532	5,02,251	5,01,887
8.83% GOI BONDS 2023	20,98,373	21,10,676	21,21,627
8.24% GOI BONDS 2027	9,95,454	9,93,682	9,91,843
8.35% GOI BONDS 2022	92,86,622	92,88,957	92,89,199
8.15% GOI BONDS 2026	92,61,868	92,63,302	92,62,760
8.26% GOI BONDS 2027	35,74,720	35,78,221	35,80,738
7.88% GOI BONDS 2030	19,99,195	19,98,848	19,98,118
7.16% GOI BONDS 2023	85,50,583	84,80,866	84,14,807
7.88% GOI BONDS 2030	36,67,652	36,80,054	36,90,923
7.88% GOI BONDS 2030	24,65,957	24,63,106	24,59,957
7.59% GOI BONDS 2029	45,49,333	45,68,578	45,85,687
7.88% GOI BONDS 2030	58,12,043	57,97,633	57,83,110
7.40% GOI BONDS 2035	9,30,117	9,27,575	9,25,033
7.88% GOI BONDS 2030	15,22,282	15,23,041	15,23,439
7.40% GOI BONDS 2035	76,81,664	76,87,786	-
7.73% GOI BONDS 2034	16,30,545	16,34,781	-
7.50% GOI BONDS 2034	12,53,317	12,55,162	-
7.40% GOI BONDS 2035	74,56,876	74,49,726	74,41,610
7.50% GOI BONDS 2034	18,28,316	18,33,374	-
8.12% GOI BONDS 2020	-	5,09,828	5,06,493
7.40% GOI BONDS 2035	32,41,777	-	-
7.50% GOI BONDS 2034	25,09,807	-	-
6.22% GOI BONDS 2035	24,62,498	-	-
6.22% GOI BONDS 2035	1,53,44,237	-	-
Total	10,54,51,544	8,23,38,976	6,98,35,960

Note II - Investments measured at Fair Value through Profit or Loss

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Investments measured at Fair Value through Profit or Loss			
i) Investments in Equity Instruments (Quoted)			
Sundaram Finance Ltd 100 (31 March 2020: 1000 ; 1 April 2019: 1000)	2,58,420	12,03,250	15,58,700
Bank Of Maharashtra NIL (31 March 2020: 1000 ; 1 April 2019: 1000)	-	8,910	13,750
Bajaj Finance Ltd. 100 (31 March 2020 : 2000 ; 1 April 2019: 2000)	5,14,890	44,31,600	60,50,000
ITC Ltd NIL (31 March 2020: 1500 ; 1 April 2019: 1500)	-	2,57,550	4,45,875
HDFC BANK LTD NIL (31 March 2020: 1000 ; 1 April 2019: 1000)	-	17,23,800	23,16,500
IDFC FIRST LTD NIL (31 March 2020: 1000 ; 1 April 2019: 1000)	-	2,93,290	7,67,278
PUNJAB NATIONAL BANK NIL (31 March 2020: 1000 ; 1 April 2019: 1000)	-	32,250	95,300
HDFC LTD 100 (31 March 2020: 1000 ; 1 April 2019: 1000)	2,49,895	16,30,450	19,67,300
KOTAK MAHINDRA BANK LTD 100 (31 March 2020: 1000 ; 1 April 2019: 1000)	1,75,400	12,96,050	13,34,500
YES BANK LTD 1500 (31 March 2020: 2000 ; 1 April 2019: 2000)	23,400	44,900	5,50,200
RELIANCE INDUSTRIES LTD NIL (31 March 2020: 1000 ; 1 April 2019: 1000)	-	11,03,290	13,50,450
AU SMALL FINANCE BANK LTD. 100 (31 March 2020: NIL ; 1 April 2019: NIL)	1,22,625	-	-
	13,44,630	1,20,25,340	1,64,49,853
ii) Investments In Mutual funds (Quoted)			
Sundaram Long Term Tax Advantage Fund Series III - Regular Idcw 50,700 Units (31 March 2020: 50,700; 1 April 2019: 50,700)	5,14,737	2,70,038	4,48,142
Sundaram Short Term Debt Fund - Regular Growth 6.559 Units (31 March 2020: 6.559; 1 April 2019: 6.559)	212	198	209
	5,14,949	2,70,236	4,48,351
iii) Other investments			
Investment in Alternative Investment fund Northern Arc Money Market Alpha Fund : 103977.78 Units (31 March 2020: NIL; 1 April 2019: NIL)	1,03,97,778	-	-
Investment in Gold	-	2,17,950	1,65,250
	1,03,97,778	2,17,950	1,65,250
Total (i+ii+iii)	1,22,57,357	1,25,13,526	1,70,63,456

Note III - Investment in equity instruments measured at cost :

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Investments in Equity Instruments (Unquoted)			
Avino Capcons Pvt Ltd. NIL (31 March 2020: NIL.; 1 April 2019: 29000)	-	-	2,90,000
Total	-	-	2,90,000

10 Other Financial assets

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Security deposits			
Premises	44,23,754	30,56,689	22,15,974
Others	55,82,753	52,84,973	6,91,639
Advances to dealers	18,03,78,193	16,67,83,821	13,06,42,677
Advances to employees	2,39,199	2,04,908	2,27,038
Receivable from recovery agent	5,95,46,528	80,19,851	1,39,35,437
Others	48,61,663	9,10,537	11,73,170
Total	25,50,32,090	18,42,60,779	14,88,85,935

11 Current tax assets (Net)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income tax (Net of provision for tax)	-	37,30,514	-
Total	-	37,30,514	-

12 Deferred tax liabilities (Net)/tax expenses

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(A) Deferred tax relates to the following:			
Deferred tax assets			
- on financial assets measured at amortised cost	3,02,49,181	2,05,09,186	2,21,98,331
- on expected credit loss provision on loans	2,57,96,382	1,47,86,184	1,11,43,948
- on lease as per Ind AS 116	3,49,431	1,90,870	-
- on ESOP	3,34,379	73,313	-
- on gratuity	33,15,966	27,99,664	24,19,748
- on leave encashment	19,44,379	16,69,192	14,68,182
- on disallowances under section 43B of the Income Tax Act, 1961		36,06,024	
Total Deferred tax assets (A)	6,19,89,718	4,36,34,439	3,72,30,209
Deferred tax liabilities			
- On difference between written down value of fixed assets as per books of accounts and income tax	26,22,455	28,00,652	22,77,433
- On investments measured at FVTPL	1,232	5,46,164	18,04,548
- On financial liabilities measured at amortised cost	1,22,01,061	37,89,233	26,01,230
Total Deferred tax liabilities (B)	1,48,24,748	71,36,049	66,83,211
Deferred tax asset / (liability), net (A-B)	4,71,64,970	3,64,98,384	3,05,46,999

(B) Reconciliation of deferred tax assets/ (liabilities) (net):

	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance as of 1 April	36,498,384	3,05,46,999
Deferred tax assets/(liabilities) recognized in Statement of Profit and Loss	10,700,670	56,51,828
Deferred tax assets/(liabilities) recognized in OCI	(34,084)	2,99,557
Closing balance	47,164,970	3,64,98,384

(C) Income tax expense recognised in profit and loss

	Year ended 31 March 2021	Year ended 31 March 2020
- Current tax	6,25,00,000	6,00,00,000
- Prior period income tax	-	15,37,042
- Deferred tax charge / (income)	(1,07,00,671)	(56,51,836)
Total	5,17,99,329	5,58,85,206

(D) Income tax expense recognised in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
Net loss/(gain) on remeasurements of defined benefit plans	(34,084)	2,99,557
Total	(34,084)	2,99,557

(E) Major Components of tax expense/(Income) :

	Year ended 31 March 2021	Year ended 31 March 2020
Statement of Profit and Loss:		
a) Profit & Loss Section		
i) Current Tax		
Current Tax expense for the year	6,25,00,000	6,00,00,000
Tax expense for the earlier years	-	15,37,042
	6,25,00,000	61,537,042
ii) Deferred Tax		
Tax expense on origination and reversal of temporary differences	(1,07,00,671)	(56,51,836)
	(1,07,00,671)	(56,51,836)
Income tax expense reported in the statement of profit or loss[(i)+(ii)]	5,17,99,329	5,58,85,206
Other Comprehensive Income (OCI) Section:		
i) Items that will not be reclassified to profit or loss in subsequent years:		
Current tax expense/(income):		
Deferred tax expense/(income)	(34,084)	2,99,557
	(34,084)	2,99,557
ii) Items that will be reclassified to profit or loss in subsequent years:		
Income tax expenses reported in the other comprehensive income [i + ii]	(34,084)	2,99,557

(F) Reconciliation of tax charge

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	20,55,66,298	20,23,33,040
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expenses	5,17,36,926	5,09,23,180
Tax effects of:		
- Disallowed expense	1,48,21,505	79,74,419
- Excess Provision Made	11,76,880	40,53,568
- Other	(99,489)	(51,069)
Tax at different rate	(17,64,696)	(4,038)
Deductions under chapter VIA	(33,71,127)	(28,96,059)
-Adjustments related to tax of Prior Years	-	15,37,042
- Impact of Deferred Tax Adjustments	(1,05,33,654)	(68,59,053)
- Effect on Deferred Tax due to change in Tax Rates*	(1,67,017)	12,07,217
Tax expense recognised in Statement of Profit and Loss	5,17,99,329	5,58,85,206

(G) Computing Corporate Tax Rate Applicable to the Company

	Year ended 31 March 2021	Year ended 31 March 2020
Basic Tax Rate *	22%	22%
Add: Surcharge	10%	10%
Add: Cess	4%	4%
Corporate Tax Rate Applicable	25.17%	25.17%

* The recently promulgated Taxation Laws (Amendment) Ordinance 2019, has inserted section 115BAA in the Income Tax Act, 1961, providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions/ incentives. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the Income Tax Act, 1961, for assessment year (AY) 2020-21 or subsequent AYs. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs.

The Company has elected to apply the concessional tax rate. Accordingly, the Company has recognized the provision for income tax and re-measured the net deferred tax assets at concessional rate for the year ended 31 March 2020. Further, the opening net deferred tax asset has been re-measured at lower rate with a one-time impact of Rs. 12,07,217 recognized as transition adjustment in the Statement of profit and loss for the year ended 31 March 2020.

14 Intangible assets

	As at 31		Gross block		Accumulated depreciation and impairment			Net block		
	March 2020	March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2021	As at 31 March 2020
Computer Software	1,18,76,673	1,34,47,349	15,70,676	-	10,14,247	43,01,504	-	-	81,31,598	1,08,62,426
Total	1,18,76,673	13,447,349	15,70,676	-	10,14,247	43,01,504	-	-	81,31,598	1,08,62,426

	As at 1 April 2019 (Deemed Cost)		Gross block		Accumulated depreciation and impairment			Net block		
	April 2019 (Deemed Cost)	March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 1 April 2019 (Deemed Cost)	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2020 (Deemed Cost)	As at 1 April 2019 (Deemed Cost)
Computer Software	74,37,019	1,18,76,673	44,39,654	-	-	10,14,247	-	-	10,14,247	74,37,019
Total	74,37,019	1,18,76,673	44,39,654	-	-	10,14,247	-	-	10,14,247	74,37,019

The Company has elected to continue with carrying value for all of its intangible assets as recognized in its Indian GAAP financial statements, as its deemed cost as at the date of transition under Ind AS 101 "First-time adoption of Indian Accounting Standards", i.e. 1 April 2019.

15 Right of use assets

	Amount
Carrying amount as at 1 April 2019	1,27,76,087
Addition	50,73,347
Adjustments/deletion	(23,289)
Depreciation for the year	(68,18,189)
Carrying amount as at 31 March 2020	1,10,07,956
Addition	1,88,09,051
Adjustments/deletion	(2,854)
Depreciation for the year	(82,84,981)
Carrying amount as at 31 March 2021	2,15,29,172

16 Other Non Financial Assets

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balance with Government authorities	-	-	4,87,010
Advances to creditors for capital goods	65,715	-	
Stamps in Hands	13,80,250	8,43,400	8,95,200
Total	14,45,965	8,43,400	13,82,210

17 Trade Payable

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,25,33,850	2,40,59,086	1,80,98,447
Total	4,25,33,850	2,40,59,086	1,80,98,447

DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to Micro and Small Enterprises that are reportable under the MSMED Act, 2006. The disclosures relating to Micro and Small Enterprises are as below:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year:			
- Principal	-	-	-
- Interest	-	-	-
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
- The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-	-
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	-	-	-
Total	-	-	-

18 Debt Securities

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
At Amortised cost :			
Secured			
Non Convertible Debenture	1,20,66,01,743	-	-
	1,20,66,01,743	-	-

18A Disclosure on Debt Securities

Issue of secured redeemable non convertible debentures as on March 31,2021

Particulars	Face Value per Debenture	Date of Allotment	Interest Rate % p.a.	Date of Redemption	Redeemable Term	As at 31 March 2021
DCB Bank Limited	10,00,00,000	10-Jun-20	12.50	22-Jun-23	Redeemable at par at the end of 1038 days from the date of allotment.	9,94,50,156
Bank of Maharashtra	10,00,00,000	29-Jul-20	12.75	28-Jul-21	Redeemable at par at the end of 364 days from the date of allotment.	9,97,11,294
Northern ARC Money Market	10,00,00,000	30-Jul-20	13.00	02-Aug-21	Redeemable at par at the end of 368 days from the date of allotment.	9,99,11,922
IFMR Finance for Freedom Fund-III	10,00,00,000	11-Sep-20	14.00	11-Sep-23	Redeemable at par at the end of 1095 days from the date of allotment.	9,84,87,291
IFMR Fimpack Long Term Fund	15,00,00,000	18-Nov-20	13.75	30-Mar-23	Redeemable at par at the end of 862 days from the date of allotment.	14,80,20,666
VIVRITI Samarth Bond Fund	15,00,00,000	23-Dec-20	13.75	23-Dec-23	Redeemable at par at the end of 1095 days from the date of allotment.	14,76,38,666
UNIFI AIF	18,00,00,000	24-Feb-21	13.18	24-Feb-24	Redeemable at par at the end of 1067 days from the date of allotment.	17,38,40,469
Creation Investment FPI LLC	34,00,00,000	24-Mar-21	13.90	02-May-25	Redeemable at par at the end of 1393 days from the date of allotment.	33,95,41,279
Total						1,20,66,01,743

Nature of Security:

The Debentures are secured by way of first/second charges, having pari passu right, as the case may be, on term loan receivables.

Secured redeemable non convertible debentures public issue :

During the year, The Company has raised Rs.122.00 crore issue of NCD's. The Company has utilised Rs.70.00 crore for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. Total unutilised balance amount of Rs.52.00 crore is in form of Fixed Deposits with Banks . The Security cover creation date is not due as on balance sheet date, thus the security creation is pending for the unutilised balance.

19 Borrowings (Other than Debt Securities)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
At Amortised cost :			
a) Term loans			
i) Secured			
Term Loan from Banks	1,82,37,40,128	90,71,55,664	1,02,64,36,036
Term Loan from Financial Institutions	2,52,11,30,578	1,76,11,77,528	1,01,80,67,296
Associated liabilities in respect of securitization transactions	1,56,06,853	13,65,08,087	9,56,10,090
b) Loans repayable on demand			
i) Secured			
Cash Credit from Banks	51,98,71,407	58,58,38,282	48,83,83,451
Total	4,88,03,48,966	3,39,06,79,561	2,62,84,96,873

19A Disclosure for Borrowings

Term loans from bank as on March 31, 2021: Secured

Repayment Term	Tenure	Interest Range	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Monthly	Upto 5 Years	10.01%-11.00%	9,75,46,500	3,43,79,994	9,92,57,954
Monthly	Upto 5 Years	11.01 %-12.00%	45,70,75,513	11,01,60,901	14,18,68,971
Monthly	Upto 5 Years	12.01%-13.00%	12,11,29,372	10,05,55,295	21,34,56,160
Monthly	Upto 5 Years	13.01%-14.00%	94,48,87,942	41,01,58,913	32,03,58,733
Monthly	Above 5 Years	12.01%-13.00%	20,31,00,802	25,19,00,562	25,14,94,218
Total			1,82,37,40,128	90,71,55,664	1,02,64,36,036

Details of Securities Given

Term loan from banks are secured by first charge on specific receivables under Hypothecation Agreements. It is further secured by personal guarantees of Mr. M.G. Jawanjar and Mr. S.M. Jawanjal.

Term Loan taken from SBI is secured by equitable mortgage of Office premises situated at 1st & 2nd Floor at Avinisha Tower, Dhantoli, Nagpur.

Term loans from Financial Institutions as on March 31, 2021: Secured

Repayment Term	Tenure	Interest Range	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Monthly	Upto 5 Years	11.01%-12.00%	3,946,25,384	24,54,50,822	-
Monthly	Upto 5 Years	12.01%-13.00%	25,33,48,351	48,75,26,529	46,34,77,747
Monthly	Upto 5 Years	13.01%-14.00%	1,83,24,67,975	95,50,84,964	40,77,88,084
Monthly	Upto 5 Years	14.01%-15.00%	-	20,99,665	3,55,32,187
Quarterly	Upto 5 Years	12.01%-13.00%	4,06,88,868	7,10,15,547	11,12,69,278
Total			2,52,11,30,578	1,76,11,77,528	1,01,80,67,296

Details of Securities Given

Term loan from financial institutions is secured by first charge on specific receivables under Hypothecation Agreements other than those hypothecated to banks. It is further secured by personal guarantees of Mr. M.G. Jawanjar and Mr. S.M. Jawanjal.

Loan repayable on demand from bank : **Secured**

Repayment Term	Tenure	Interest Range	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Bank overdraft/Cash Credit	Bullet	11.01%-12.00%	51,98,71,407	58,58,38,282	48,83,83,451
Total			51,98,71,407	58,58,38,282	48,83,83,451

Details of Securities Given

Loan repayable on demand from bank is secured by:

- First charge on Hypothecation loan receivables present and future, ranking pari passu, excluding assets which are specifically charged to others lenders.
- Equitable mortgage of Office premises situated at Amravti, Akola, Chandrapur, Chhindwara, Raipur and Nagpur office 3rd Floor.
- Hypothecation of furniture/Fixture/Computers/Equipments in the above office premises.
- Personal guarantees of Mr. M.G. Jawanjar, Mrs Jyoti Jawanjar and Mr. S.M. Jawanjal.

20 Deposits

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
At Amortised cost :			
Deposits (Unsecured)			
- Public deposits	1,12,49,22,076	86,87,66,747	74,16,57,590
- Inter corporate deposits	69,16,602	-	-
Total	1,13,18,38,678	86,87,66,747	74,16,57,590

20.1 Maturity profile of public deposit (Including unclaimed deposit) and Rate of interest of Deposit (Fixed Deposits) are as set out below:

Rate of Interest	As at 31 March 2021		
	Upto 1 Year	1-3 Years	Total
9.00%	15,66,61,658	-	15,66,61,658
9.25%	21,38,06,323	2,18,45,336	23,56,51,659
9.50%	7,19,59,103	19,29,42,510	26,49,01,613
9.75%	5,94,60,402	21,40,81,977	27,35,42,379
10.00%	4,32,25,893	13,08,13,100	17,40,38,993
10.50%	-	8,60,81,079	8,60,81,079
Total	54,51,13,379	64,57,64,002	1,19,08,77,381

Rate of Interest	As at 31 March 2020		
	Upto 1 Year	1-3 Years	Total
9.00%	8,69,29,907	-	8,69,29,907
9.25%	12,74,35,425	1,94,26,222	14,68,61,647
9.50%	9,00,10,855	11,99,09,428	20,99,20,283
9.75%	10,59,95,851	11,76,77,011	22,36,72,862
10.00%	13,41,60,520	1,30,07,157	14,71,67,677
10.50%	11,02,78,768	-	11,02,78,768
11.00%	3,16,155	-	3,16,155
11.50%	70,279	-	70,279
Total	65,51,97,760	27,00,19,818	92,52,17,578

Rate of Interest	As at 1 April 2019		
	Upto 1 Year	1-3 Years	Total
9.00%	6,10,77,338	-	6,10,77,338
9.25%	10,61,49,163	1,15,90,393	11,77,39,556
9.50%	4,73,01,351	10,03,11,063	14,76,12,414
9.75%	2,01,85,739	14,44,36,877	16,46,22,616
10.00%	7,02,65,938	3,33,014	7,05,98,952
10.50%	2,51,17,474	7,89,97,413	10,41,14,887
11.00%	4,46,88,081	-	4,46,88,081
11.50%	5,90,45,963	-	5,90,45,963
Total	43,38,31,047	33,56,68,760	76,94,99,807

21 Other Financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Employee benefits payable	2,07,53,120	1,87,18,692	1,54,88,770
Unclaimed Dividend	1,53,912	3,14,765	2,89,505
Other expenses payable	43,51,590	66,08,785	49,01,822
Security deposits	2,56,07,483	2,01,68,526	1,51,61,125
Unclaimed matured deposits (Refer note 20.1)	6,59,55,305	5,64,50,831	2,78,42,217
Lease liability (Refer note 21.1 & 41)	2,21,88,891	1,11,97,013	1,20,88,540
Other credit balances	30,69,309	30,91,733	3,762,961
Total	14,20,79,610	11,65,50,345	7,95,34,940

21.1 Movement of lease liabilities

	As at 31 March 2021	As at 31 March 2020
Opening Balance	1,11,97,013	1,20,88,540
Additions	1,83,15,316	48,90,668
Interest expenses	20,64,437	15,36,716
Payments	(93,87,875)	(73,18,911)
Total	2,21,88,892	1,11,97,013

22 Current tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current income tax payable for 31st March 2021, net of advance tax of INR.5,00,00,000 and TDS receivable of INR.50,91,371 (31 March 2020: INR Nil, 1 April 2019: net of advance tax INR 5,25,00,000 and TDS receivable INR 37,30,514)	74,08,629	-	86,12,958
Total	74,08,629	-	86,12,958

23 Provisions

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for employee benefits			
Provision for gratuity (Refer Note 40)	1,31,75,325	1,11,23,902	83,09,574
Provision for compensated absences (Refer Note 40)	77,25,599	66,32,199	50,41,833
Total	2,09,00,924	1,77,56,101	1,33,51,407

24 Other Non Financial liabilities

	As at 31 March 2021	As at March 2020	As at 1 April 2019
Statutory dues payable	1,84,23,320	3,10,53,212	2,91,51,715
Total	1,84,23,320	3,10,53,212	2,91,51,715

25 Equity share capital

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Authorized			
125,00,000 (31 March 2020 : 125,00,000 and 1 April 2019 : 150,00,000) Equity shares of INR 10/- each.	12,50,00,000	12,50,00,000	15,00,00,000
25,00,000 (31 March 2020 : 25,00,000 and 1 April 2019 : NIL) Cumulative Compulsorily Convertible Participating Preference shares of INR 10/- each.	2,50,00,000	2,50,00,000	-
	12,50,00,000	12,50,00,000	15,00,00,000
Issued, Subscribed and Paid up			
1,00,07,798 (31 March 2020 : 91,11,111 and 1 April 2019 : 80,00,000) Equity shares of INR 10/- each.	10,00,77,980	9,11,11,110	8,00,00,000
NIL (31 March 2020 : 5,55,556 and 1 April 2019 : NIL) 0.1% Cumulative Compulsorily Convertible- Participating Preference shares, INR 10/- each	-	55,55,560	-
Total	10,00,77,980	9,66,66,670	8,00,00,000

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	91,11,111	9,11,11,110	80,00,000	8,00,00,000
Add: Issued during the year - Private Placement #	5,71,428	57,14,280	11,11,111	1,11,11,110
Add: On account of conversion of 0.1% Cumulative Compulsorily Convertible Preference shares	3,25,259	32,52,590		
Outstanding at the end of the year	1,00,07,798	10,00,77,980	91,11,111	9,11,11,110

(b) Reconciliation of 0.1% Cumulative Compulsorily Convertible Participating Preference shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	5,55,556	55,55,560	-	-
Add: Issued during the year - Private Placement	-	-	5,55,556	55,55,560
Add: Preference shares issued during the year through Private Placement #	3,80,953	38,09,530	-	-
Less: Preference shares converted into equity shares during the year ##	(9,36,509)	(93,65,090)	-	-
Outstanding at the end of the year	-	-	5,55,556	55,55,560

Note:

On October 27,2020 , the Company allotted fully paid up 5,71,428 Equity Shares and 3,80,953 Cumulative Compulsorily Convertible Participating Preference Shares ("CCPS") of face value of Rs.10/- each to the eligible equity shareholders at an issue price of Rs.210/- per shares (including premium of Rs.200/- per equity shares and CCPS) in the preference issue.

In accordance with the Investor Agreement, on March 30,2021, 555556 Tranche 1 Series A CCPS of INR 10/- each were converted into 189942 equity shares of INR 10/- each at a premium of INR 516.47 per share and 380953 Tranche 2 Series A CCPS of INR 10/- each were converted into 135317 equity shares of INR 10/- each at a premium of INR 581.20 per share.

b) Rights, preferences and restrictions attached to shares

The Company has only one class of shares referred to as equity shares having a face value of 10/-. (In the previous year the Company has two classes of shares. 91,11,111 equity shares of ₹10 each per share and 5,55,556 Cumulative Compulsorily Convertible Participating Preference shares of ₹10/- each per share.)

Each holder of equity shares is entitled to one vote per share. Voting rights of Preference shares is according to Sec 47 of the Companies Act,2013. 31,00,000 Equity shares out of issued, subscribed and fully paid up share capital were allotted as Bonus Shares by capitalisation of Share Premium and General Reserve.

(c) i) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
i) M/s Avino Capcons Pvt Ltd	14,88,484	14.87%	14,88,484	16.34%	14,88,484	18.61%
ii) Mr.Maroti Jawanjar	10,21,194	10.20%	10,21,194	11.21%	10,21,194	12.76%
iii) Mr.Maroti Jawanjar (HUF)	8,68,954	8.68%	8,68,954	9.54%	8,66,954	10.84%
iv) Amicus Capital Private Equity I LLP	20,07,798	20.06%	9,97,778	10.95%	-	-
Total	53,86,430	53.82%	43,76,410	48.03%	33,76,632	42.21%

ii) i) Details of 0.1% Cumulative Compulsorily Convertible Participating Preference shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
i) Amicus Capital - Private Equity I LLP	-	-	4,98,889	89.80%	-	-
ii) Amicus Capital Partners India Fund I	-	-	56,667	10.20%	-	-
Total	-	-	5,55,556	100.00%	-	-

26 Other equity

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Retained earnings	1,08,19,326	(4,83,96,036)	(3,21,70,302)
General Reserve	59,82,65,000	54,82,65,000	43,82,65,000
Securities Premium	46,75,43,848	27,09,55,148	-
Employee stock options plan	62,38,564	14,08,687	-
Statutory Reserve	28,12,95,000	24,12,95,000	19,89,95,000
Total	1,36,41,61,738	1,01,35,27,799	60,50,89,698

(A) Retained earnings

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	(4,83,96,037)	(3,21,70,302)	(3,26,41,003)
Add : Net profit for the year	15,37,66,970	14,64,47,834	14,71,95,128
Add/(Less): Other comprehensive income	98,925	(7,29,141)	-
Appropriations:			
Less: Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(4,00,00,000)	(4,23,00,000)	3,70,80,000
Less: Dividend Paid including taxes on dividend			
Dividend Paid during the year	(44,29,897)	(80,00,000)	(80,00,000)
Dividend Distribution Tax	(2,20,635)	(16,44,427)	(16,44,427)
Less: Transfer to General Reserve	(5,00,00,000)	(11,00,00,000)	(10,00,00,000)
Closing balance	1,08,19,326	(4,83,96,036)	(3,21,70,302)

(B) General Reserve

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	54,82,65,000	43,82,65,000	33,82,65,000
Add: Transfers from retained earnings	5,00,00,000	11,00,00,000	10,00,00,000
Closing balance	59,82,65,000	54,82,65,000	43,82,65,000

(C) Securities Premium

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	27,09,55,148	-	-
Add: Premium on issue of Equity Shares (On account of conversion)	19,65,88,700	28,33,33,390	-
Less: Expenses related to Issue of Shares (Private Placement)	-	(1,23,78,242)	-
Closing balance	46,75,43,848	270,955,148	-

(D) Share option outstanding (Refer Note 44)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	14,08,687	-	-
Add: Share based payment expense	48,29,877	14,08,687	-
Closing balance	62,38,564	14,08,687	-

(E) Statutory Reserve

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	24,12,95,000	19,89,95,000	16,19,15,000
Add: Transferred during the year	4,00,00,000	4,23,00,000	3,70,80,000
Closing balance	28,12,95,000	24,12,95,000	19,89,95,000

Description of the nature and purpose of Other Equity :

- (A) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).
- (B) **General Reserve:** General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956.
- (C) **Securities premium:** Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.
- (D) **Employee stock options plan:** Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the Group.
- (E) **Statutory Reserve:** Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

The Company has transferred 25% of the profit after tax (as against 20%) required to the statutory reserves in accordance to the provision of Section 45-IC Reserve Bank of India Act, 1934.

27 Interest Income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on financial assets measured at amortised cost:		
- Interest on loans	11,94,72,090	90,96,31,464
- Interest on fixed deposits with banks	1,69,75,480	50,83,151
- Interest income from investments;	73,99,256	58,14,274
- Interest on security deposits	3,64,801	2,63,667
Total	1,22,12,11,627	92,07,92,556

28 Dividend Income

	Year ended 31 March 2021	Year ended 31 March 2020
Dividend received	46,925	1,14,661
Total	46,925	1,14,661

29 Net gain/ (loss) on fair value changes*

	Year ended 31 March 2021	Year ended 31 March 2020
Net gain/ (loss) on financial instruments designated at fair value through profit or loss	88,12,637	(4,,2,59,930)
Total Net gain/(loss) on fair value changes (A)	88,12,637	(42,59,930)
Fair Value changes:		
-Realised	75,84,714	2,90,000
-Unrealised	12,27,923	(45,49,930)
Total Net gain/(loss) on fair value changes (B) to tally with (A)	88,12,637	(42,59,930)

* Fair value changes in this schedule are other than those arising on account of interest income/expense.

30 Other operating Income

	Year ended 31 March 2021	Year ended 31 March 2020
Other Financial Charges	11,84,61,293	12,73,98,381
Total	11,84,61,293	12,73,98,381

31 Other Income

	Year ended 31 March 2021	Year ended 31 March 2020
Profit on sale of assets	13,986	1,24,978
Miscellaneous income	71,744	1,12,107
Total	85,730	2,37,085

32 Finance Costs

	Year ended 31 March 2021	Year ended 31 March 2020
On Financial liabilities measured at Amortised Cost		
Interest on deposits	9,65,69,002	8,06,31,992
Interest on borrowings	50,72,05,423	38,51,40,437
Interest on debt securities	5,89,47,696	-
Interest on lease liabilities	20,64,437	15,36,716
Bank charges	1,05,01,502	78,40,109
Total	67,52,88,060	47,51,49,254

33 Impairment on financial instruments

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Financial assets measured at amortised cost	-	-
Loans	12,03,27,590	6,77,54,973
Total	12,03,27,590	6,77,54,973

34 Employee Benefits Expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	14,25,31,216	12,63,22,630
Contribution to provident and other funds (Refer Note 40)	78,96,892	72,38,802
Gratuity expenses (Refer Note 40)	25,57,988	22,16,245
Compensated absences expenses	20,27,483	18,02,800
Staff welfare expenses	29,96,223	3,37,668
Share based payment to employees	48,29,878	14,08,687
Commission to Managerial persons	91,00,000	91,00,000
Total	17,19,39,680	14,84,26,832

35 Depreciation and amortization expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property plant & equipments	64,68,289	55,37,121
Depreciation on right to use assets	82,84,981	68,18,189
Amortization of intangible assets	43,01,504	10,14,247
Total	1,90,54,774	1,33,69,557

36 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Rent expenses	51,06,384	40,70,893
Rates and taxes	5,90,559	1,18,42,784
Goods & Service Tax	2,11,88,630	3,00,71,363
Conveyance & Travelling	85,79,378	69,44,265
Directors sitting fees	2,24,000	1,18,000
Legal and Professional charges	1,58,91,813	64,68,195
Advertisement Expenses	19,76,797	19,26,287
Marketing Commission	5,99,91,547	4,02,51,244
Courier & Postage Charges	47,43,785	39,06,999
Computer Charges	4,857,618	8,60,818
Electricity expenses	30,67,987	30,31,524
Office Car Expenses	66,693	1,39,803
Printing & Stationery	78,32,773	71,50,122
Telecom Charges	55,85,228	45,91,255
Office Expenses	6,066,791	36,74,640
Office Building Maintenances	4,78,875	4,53,381
CSR Contribution (Note II)	41,10,819	35,87,760
Misc Expenses	57,92,133	78,69,764
Statutory Auditors remuneration (Note I)	2,90,000	2,90,000
Total	15,64,41,810	13,72,49,097

Note I - Payments to Auditors

	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit fees	2,00,000	1,35,000
Taxation matters	75,000	45,000
Other Attest Services	15,000	1,10,000
Total	2,90,000	2,90,000

Note II - Corporate Social Responsibility (CSR):

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company has made CSR expenditure for activities specified in Schedule VII of the Companies Act, 2013. As per section 135 (5) of the Companies Act, 2013, the Company was required to spend, in every financial year, at least two per cent of the average net profit of the company made during three immediately preceding financial years in pursuance of its Corporate Social Responsibility. Average net profit for 3 years works out to ₹ 2097.82 lakhs (2019-20 : ₹ 1,792.90 lakhs) and hence 2% required expenditure is ₹ 41.96 lakhs(2019-20 ₹ 35.87 lakhs).

The Company made CSR expenditure for the financial year 2020-21 of ₹ 41,10,819/-. However in the computation of eligible profit of CSR calculation for financial year 2020-21, certain allowances were not noticed and hence not included in the initial calculation of eligible profit for CSR calculation. The Company has done subsequently recalculation of eligible profits and unspent CSR contribution for financial year 2020-21 worked out as ₹ 84,823/-. Accordingly, the Company transferred ₹ 1,00,000 on 21.06.2021 to the Prime Minister's National Relief Fund as specified in Schedule VII of Companies Act, 2013 to comply with provisions of second proviso to Sec 135 (5) of the Companies Act, 2013.

- i) Gross amount required to be spent by the Company during the year is ₹ 41.96 lakhs (31 March 2020: INR 35.87 lakhs).
 ii) The breakup of expenditure incurred on Corporate Social Responsibility activities:

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	41,10,819	35,87,760
Total	41,10,819	35,87,760

37 Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
Profit/(loss) attributable to ordinary equity holders	15,37,66,969	14,64,47,834
Less: Dividend attributable to preference shareholders (including tax thereon, if any)	-	94,971
Profit/(loss) attributable to ordinary equity holders	15,37,66,969	14,63,52,863
Weighted average number of equity shares for basic EPS	96,03,114	81,42,582
Weighted average number of equity shares for diluted EPS	96,65,447	82,04,915
Face Value per share		
Basic earnings/loss) per share (INR)	16.01	17.97
Diluted earnings/loss) per share (INR)	15.91	17.85

38 Contingent liabilities

The Company is contesting the demand to the tune of INR 7.45 lakhs in respect of income tax matter relating to Assessment Year 2017-18 before the Commissioner of Income Tax (Appeals). Based on interpretation of the relevant provisions of the Income Tax Act, the company has been legally advised that the impugned demand is likely to be deleted and accordingly no provision is considered necessary.

39 Capital Commitments

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil	nil

40 Employee benefits

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

	Year ended 31 March 2021	Year ended 31 March 2020
Contribution to Provident, ESIC and labour welfare fund (Refer Note 34)	78,96,892	72,38,802
Total	78,96,892	72,38,802

(B) Defined benefit plans

a) Gratuity payable to employees

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each reporting period using the projected unit credit method.

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Basis of Assumptions

Calculating Defined benefit obligation, by using Projected Unit Credit Method, requires an actuary to make a lot of assumptions, based on current market scenarios. The basis of different assumptions used while calculating the defined benefit obligation is as follows :-

Discount rate

Discount rate has been determined by reference to market yields on Government bonds of term consistent with estimated term of obligations.

Mortality/ disability

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

Employee turnover/withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

Salary escalation rate

More or less than expected increase in the future salary levels may result in increase / decrease in the liability.

i) Principal assumptions used for the purposes of the actuarial valuations

	Year ended 31 March 2021	Year ended 31 March 2020
Economic Assumptions		
Discount rate (per annum)	6.75%	6.75%
Salary Escalation rate	6.00%	6.00%
Demographic Assumptions		
Mortality	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)
Employee turnover/Withdrawal rate	1% at all ages	1% at all ages
Retirement age	58 Years	58 Years

ii) Amount recognized in the Balance Sheet:

	Year ended 31 March 2021	Year ended 31 March 2020
Present value of unfunded obligation as at the end of the year	1,31,75,325	1,11,23,902
Net liability recognized In Balance Sheet (Refer Note 23)	1,31,75,325	1,11,23,902
Current obligation	42,09,527	41,43,200
Non-current obligation	89,65,798	69,80,702

iii) Changes in the present value of defined benefit obligation

	Year ended 31 March 2021	Year ended 31 March 2020
Present value of obligation at the beginning of the year	1,11,23,902	83,09,574
Interest cost	7,50,863	6,43,992
Current service cost	18,07,125	15,72,253
Past service cost	-	-
Benefits paid	(3,73,556)	(430,615)
Actuarial (gain)/ loss on obligations - Due to change in financial assumptions	-	9,00,785
Actuarial (gain)/ loss on obligations - Due to experience adjustments	(1,33,009)	1,27,913
Present value of obligation at the end of the year	1,31,75,325	1,11,23,902

iv) Expense recognized in the Statement of Profit and Loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	18,07,125	15,72,253
Net Interest cost	7,50,863	6,43,992
Past service cost	-	-
Total expenses recognized In the Statement Profit and Loss (Refer Note 34)	25,57,988	22,16,245

v) Expense recognized in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
Remeasurements due to		
- Effect of change in financial assumptions		9,00,785
- Effect of experience adjustments	(1,33,009)	1,27,913
Net actuarial (gains) / losses recognised in OCI	(1,33,009)	10,28,698.00

vi) A quantitative sensitivity analysis for significant assumption is shown below:

	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate		
1% increase	(14,66,063)	(11,47,975)
1% decrease	18,18,968	14,26,404
Salary Escalation rate		
1% increase	18,14,182	14,30,140
1% decrease	(14,87,962)	(11,70,094)

vii) Maturity profile of defined benefit obligation

	Year ended 31 March 2021	Year ended 31 March 2020
Within next 12 months	40,91,538	40,42,846
Between 2 and 5 years		
Between 6 and 10 years	3,09,000	2,80,476
Beyond to years	12,93,14,384	12,11,03,914
Total expected payments	13,37,14,922	12,54,27,236

41 Leases

The Company has taken office premises at certain locations on lease. The agreements are executed for a period ranging from 10 months to 60 months.

The changes in the carrying value of right of use assets for the years ended 31 March 2021, 31 March 2020 and 1 April 2019 has been disclosed In Note 15.

The aggregate depreciation expense on right of use assets is included under depreciation and amortisation expense in the statement of Profit and Loss (Refer Note 35).The movement in lease liabilities has been disclosed in Note 21.1

The below table provides the details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2021	At at 31 March 2020	As at 1 April 2019
Less than one year	62,67,360	69,13,866	64,72,758
More than one year	65,11,083	70,37,083	78,21,063
Total	1,27,78,443	1,39,50,949	1,42,93,821

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Short term leases

Rental expense incurred and paid for short term leases during the year was INR 51,06,384 (31 March 2020: INR 40,70,893).

The weighted average incremental borrowing rate applied to lease liabilities as at 01 April 2019 is 13.54%. p.a.

42 Related Party Disclosures:**(A) Names of related parties and description of relationship as identified and certified by the Company:****(a) Enterprises over which Key Management Personnel are able to exercise significant influence**

- 1) Avino Capcons Pvt. Ltd.
- 2) M.G.Jawanjar (HUF)
- 3) S.M.Jawanjar (HUF)

(b) Key Management Personnel

- | | |
|-------------------------|---------------------|
| 1) M.G.Jawanjar | 5) Dattatraya Dalal |
| 2) S.M. Jawanjar | 6) Ashok Kachore |
| 3) D.R. Balpande | 7) Vishwas Pathak |
| 4) Shantaram Mahakalkar | 8) Rashmi Mitkary |

(c) Relative of Key Management Personnel

- | | | |
|---------------------------|-------------------------|----------------------|
| 1) Mrs.Jyoti Jawanjar | 10) Girish Dalal | 19) Rekha Kachore |
| 2) Mr.Ravindra Balpande | 11) Sayali Pimple Dalal | 20) Meena Tiple |
| 3) Vaishali Charde | 12) Prathamesh Dalal | 21) Priti Padole |
| 4) Mrs.Bakul Jawanjar | 13) Suhasini Dalal | 22) Anuradha Pathak |
| 5) Mr.Arjun Jawanjar | 14) Roshani Tupkari | 23) Viveknand Pathak |
| 6) Mr.Radhemohan Jawanjar | 15) Meenakshi Kachore | 24) Wasudha Pathak |
| 7) Purushottam Mahakalkar | 16) Narendra Kachore | 25) Meena Pidadi |
| 8) Mansaram Mahakalkar | 17) Pritam Kachore | |
| 9) Aadya Dalal | 18) Ravindra Kachore | |

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	Relationship with the Entity	Nature of Transaction	Year ended 31 March 2021	Year ended 31 March 2020
M.G. Jawanjar	Key Management Personnel	Remuneration	86,65,000	91,58,513
S.M. Jawanjar	Key Management Personnel	Remuneration	72,81,016	72,82,006
D.R. Balpande	Key Management Personnel	Remuneration	15,87,333	15,99,639
Mrs. Jyoti Jawanjar	Relative of Key Managerial Personnel	Remuneration	10,69,897	10,99,820
M.G. Jawanjar	Key Management Personnel	Interest on Deposit	2,19,253	50,989
S.M. Jawanjar	Key Management Personnel	Interest on Deposit	5,61,268	4,16,762
D.R. Balpande	Key Management Personnel	Interest on Deposit	1,11,731	75,246
Mrs. Jyoti Jawanjar	Relative of Key Managerial Personnel	Interest on Deposit	62,988	0
Mr. Ravindra Balpande	Relative of Key Managerial Personnel	Interest on Deposit	15,056	2,919

Mrs. Vaishali Charde	Relative of Key Managerial Personnel	Interest on Deposit	2,51,026	1,87,943
Mrs. Bakul Jawanjal	Relative of Key Managerial Personnel	Interest on Deposit	1,61,123	1,23,300
Arjun Jawanjal	Relative of Key Managerial Personnel	Interest on Deposit	13,125	10,418
Radhemohan Jawanjal	Relative of Key Managerial Personnel	Interest on Deposit	23,624	19,620
M.G. Jawanjar (HUF)	Enterprise on which KMP can exercise Significant Influence	Interest on Deposit	40,743	0
S.M. Jawanjal (HUF)	Enterprise on which KMP can exercise Significant Influence	Interest on Deposit	35,666	32,674
Purushottam Mahakalkar	Relative of Key Managerial Personnel	Interest on Deposit	41,682	48,239
Mansaram Mahakalkar	Relative of Key Managerial Personnel	Interest on Deposit	48,748	48,881
Dattatraya Dalal	Key Management Personnel	Interest on Deposit	3,59,032	2,97,152
Aadya Dalal	Relative of Key Managerial Personnel	Interest on Deposit	18,858	10,766
Girish Dalal	Relative of Key Managerial Personnel	Interest on Deposit	1,19,979	1,08,478
Sayali Pimple Dalal	Relative of Key Managerial Personnel	Interest on Deposit	42,987	38,200
Prathamesh Dalal	Relative of Key Managerial Personnel	Interest on Deposit	1,89,121	1,59,396
Suhasini Dalal	Relative of Key Managerial Personnel	Interest on Deposit	49,430	91,586
Roshani Tupkari	Relative of Key Managerial Personnel	Interest on Deposit	65,977	59,191
Ashok Kachore	Key Management Personnel	Interest on Deposit	7,23,206	6,21,895
Meenakshi Kachore	Relative of Key Managerial Personnel	Interest on Deposit	81,366	1,10,758
Narendra Kachore	Relative of Key Managerial Personnel	Interest on Deposit	2,10,325	1,94,608
Pritam Kachore	Relative of Key Managerial Personnel	Interest on Deposit	84,988	81,959
Ravindra Kachore	Relative of Key Managerial Personnel	Interest on Deposit	1,22,239	86,113
Rekha Kachore	Relative of Key Managerial Personnel	Interest on Deposit	5,53,352	5,16,398
Meena Tiple	Relative of Key Managerial Personnel	Interest on Deposit	5,839	15,906
Priti Padole	Relative of Key Managerial Personnel	Interest on Deposit	4,327	3,192
Vishwas Pathak	Key Management Personnel	Interest on Deposit	1,72,562	1,64,313
Anuradha Pathak	Relative of Key Managerial Personnel	Interest on Deposit	24,279	22,416
Viveknand Pathak	Relative of Key Managerial Personnel	Interest on Deposit	2,016	1,827
Wasudha Pathak	Relative of Key Managerial Personnel	Interest on Deposit	1,471	1,344
Meena Pidadi	Relative of Key Managerial Personnel	Interest on Deposit	1,09,091	95,922
Rashmi Mitkary	Key Management Personnel	Interest on Deposit	12,026	11,078

M.G. Jawanjar	Key Management Personnel	Deposit Repaid	11,62,887	5,100
S.M. Jawanjal	Key Management Personnel	Deposit Repaid	7,95,262	41,681
D.R. Balpande	Key Management Personnel	Deposit Repaid	11,30,644	4,41,994
Mrs. Jyoti Jawanjar	Relative of Key Managerial Personnel	Deposit Repaid	4,726	0
Mr. Ravindra Balpande	Relative of Key Managerial Personnel	Deposit Repaid	99,030	293
Vaishali Charde	Relative of Key Managerial Personnel	Deposit Repaid	17,19,037	21,19,181
Mrs. Bakul Jawanjal	Relative of Key Managerial Personnel	Deposit Repaid	10,50,069	3,60,234
Arjun Jawanjal	Relative of Key Managerial Personnel	Deposit Repaid	1,068	1,138
Radhemohan Jawanjal	Relative of Key Managerial Personnel	Deposit Repaid	80,650	1,33,872
M.G. Jawanjar (HUF)	Enterprise on which KMP can exercise Significant Influence	Deposit Repayment	3,057	0
S.M. Jawanjal (HUF)	Enterprise on which KMP can exercise Significant Influence	Deposit Repayment	1,64,566	2,20,414
Purushottam Mahakalkar	Relative of Key Managerial Personnel	Deposit Repayment	5,83,208	0
Dattatraya Dalal	Key Management Personnel	Deposit Repayment	23,00,000	5,00,000
Aadya Dalal	Relative of Key Managerial Personnel	Deposit Repayment	1,16,076	1,181
Girish Dalal	Relative of Key Managerial Personnel	Deposit Repayment	12,66,915	10,06,922
Sayali Pimple Dalal	Relative of Key Managerial Personnel	Deposit Repayment	1,30,291	54,796
Prathamesh Dalal	Relative of Key Managerial Personnel	Deposit Repayment	15,71,461	13,73,583
Suhasini Dalal	Relative of Key Managerial Personnel	Deposit Repayment	42,18,550	9,60,105
Roshani Tupkari	Relative of Key Managerial Personnel	Deposit Repayment	6,64,316	0
Ashok Kachore	Key Management Personnel	Deposit Repayment	39,18,791	37,83,451
Meenakshi Kachore	Relative of Key Managerial Personnel	Deposit Repayment	4,93,876	18,66,805
Narendra Kachore	Relative of Key Managerial Personnel	Deposit Repayment	20,41,114	18,46,917
Pritam Kachore	Relative of Key Managerial Personnel	Deposit Repayment	5,61,805	8,29,776
Ravindra Kachore	Relative of Key Managerial Personnel	Deposit Repayment	9,844	5,87,610
Rekha Kachore	Relative of Key Managerial Personnel	Deposit Repayment	21,53,716	44,66,761
Meena Tiple	Relative of Key Managerial Personnel	Deposit Repayment	1,38,352	50,000
Priti Padole	Relative of Key Managerial Personnel	Deposit Repayment	325	343,434
Vishwas Pathak	Key Management Personnel	Deposit Repayment	18,14,299	6,58,974
Anuradha Pathak	Relative of Key Managerial Personnel	Deposit Repayment	2,71,162	2,04,053

Viveknand Pathak	Relative of Key Managerial Personnel	Deposit Repayment	0	19,140
Wasudha Pathak	Relative of Key Managerial Personnel	Deposit Repayment	16,512	15,069
Meena Pidadi	Relative of Key Managerial Personnel	Deposit Repayment	3,25,772	7,60,594
Rashmi Mitkary	Key Management Personnel	Deposit Repayment	62,950	57,238
S.M. Jawanjal	Key Management Personnel	Loan Granted	16,10,000	29,60,000
D.R. Balpande	Key Management Personnel	Loan Granted	2,79,000	0
Ravindra Kachore	Relative of Key Managerial Personnel	Loan Granted	7,00,000	0
Meena Tiple	Relative of Key Managerial Personnel	Loan Granted	20,000	0
M.G. Jawanjar	Key Management Personnel	Equity Dividend	5,10,597	10,21,194
S.M. Jawanjal	Key Management Personnel	Equity Dividend	1,61,259	3,22,518
D.R. Balpande	Key Management Personnel	Equity Dividend	20,950	41,900
Mrs. Jyoti Jawanjar	Relative of Key Managerial Personnel	Equity Dividend	1,37,275	2,74,550
Mr. Ravindra Balpande	Relative of Key Managerial Personnel	Equity Dividend	1,500	3,000
Vaishali Charde	Relative of Key Managerial Personnel	Equity Dividend	13,300	26,600
Mrs. Bakul Jawanjal	Relative of Key Managerial Personnel	Equity Dividend	50,500	1,01,000
Radhemohan Jawanjal	Relative of Key Managerial Personnel	Equity Dividend	700	1,400
Avino Capcons Pvt Ltd.	Enterprise on which Relative of KMP can exercise Significant Influence	Equity Dividend	7,44,242	14,88,484
M.G. Jawanjar (HUF)	Enterprise on which KMP can exercise Significant Influence	Equity Dividend	4,34,477	8,68,954
S.M. Jawanjal (HUF)	Enterprise on which KMP can exercise Significant Influence	Equity Dividend	58,850	1,15,700
Shantaram Mahakalkar	Key Management Personnel	Equity Dividend	14,950	29,900
Purushottam Mahakalkar	Relative of Key Managerial Personnel	Equity Dividend	1,650	2,800
Mansaram Mahakalkar	Relative of Key Managerial Personnel	Equity Dividend	7,000	14,000
Dattatraya Dalal	Key Management Personnel	Equity Dividend	56,908	1,13,816
Roshani Tupkari	Relative of Key Managerial Personnel	Equity Dividend	3,575	7,150
Ashok Kachore	Key Management Personnel	Equity Dividend	12,017	24,034
Narendra Kachore	Relative of Key Managerial Personnel	Equity Dividend	99,241	1,98,482
Ravindra Kachore	Relative of Key Managerial Personnel	Equity Dividend	1,16,742	2,33,484
Vishwas Pathak	Key Management Personnel	Equity Dividend	14,300	28,600
Meena Pidadi	Relative of Key Managerial Personnel	Equity Dividend	900	1,800

S.M. Jawanjal	Key Management Personnel	Interest on Loans	58,697	1,59,945
D.R. Balpande	Key Management Personnel	Interest on Loans	1,534	0
Avino Capcons Pvt Ltd.	Enterprise on which Relative of KMP can exercise Significant Influence	Interest on Loan	52,935	2,10,970
Ravindra Kachore	Relative of Key Managerial Personnel	Interest on Loan	4,411	0
Meena Tiple	Relative of Key Managerial Personnel	Interest on Loan	124	0
S.M. Jawanjal	Key Management Personnel	Repayment of Loans	30,38,996	30,60,173
D.R. Balpande	Key Management Personnel	Repayment of Loans	2,80,534	0
Avino Capcons Pvt Ltd.	Enterprise on which Relative of KMP can exercise Significant Influence	Repayment of Loans Granted	23,94,911	0
Meena Tiple	Relative of Key Managerial Personnel	Repayment of Loans Granted	20,124	0
M.G. Jawanjar	Key Management Personnel	Deposits Accepted	20,00,000	10,00,000
S.M. Jawanjal	Key Management Personnel	Deposits Accepted	25,50,000	27,00,000
D.R. Balpande	Key Management Personnel	Deposits Accepted	9,59,212	7,45,000
Mrs. Jyoti Jawanjar	Relative of Key Managerial Personnel	Deposits Accepted	11,00,000	0
Mr. Ravindra Balpande	Relative of Key Managerial Personnel	Deposits Accepted	2,50,000	90,000
Vaishali Charde	Relative of Key Managerial Personnel	Deposits Accepted	37,97,958	7,50,000
Mrs. Bakul Jawanjal	Relative of Key Managerial Personnel	Deposits Accepted	13,99,963	4,60,209
Arjun Jawanjar	Relative of Key Managerial Personnel	Deposits Accepted	0	20,000
Radhemohan Jawanjal	Relative of Key Managerial Personnel	Deposits Accepted	1,28,746	1,30,152
M.G. Jawanjar (HUF)	Enterprise on which KMP can exercise Significant Influence	Deposit Accepted	8,00,000	0
S.M. Jawanjal (HUF)	Enterprise on which KMP can exercise Significant Influence	Deposit Accepted	2,11,686	1,70,000
Purushottam Mahakalkar	Relative of Key Managerial Personnel	Deposit Accepted	5,82,826	1,50,000
Dattatraya Dalal	Key Management Personnel	Deposit Accepted	53,50,000	16,00,000
Aadya Dalal	Relative of Key Managerial Personnel	Deposit Accepted	1,64,558	1,00,000
Girish Dalal	Relative of Key Managerial Personnel	Deposit Accepted	12,66,892	10,06,922
Sayali Pimple Dalal	Relative of Key Managerial Personnel	Deposit Accepted	1,30,291	1,04,788
Prathamesh Dalal	Relative of Key Managerial Personnel	Deposit Accepted	16,06,154	11,81,500
Suhasini Dalal	Relative of Key Managerial Personnel	Deposit Accepted	47,18,589	15,50,000

Roshani Tupkari	Relative of Key Managerial Personnel	Deposit Accepted	8,03,732	0
Ashok Kachore	Key Management Personnel	Deposit Accepted	49,92,522	31,43,699
Meenakshi Kachore	Relative of Key Managerial Personnel	Deposit Accepted	15,92,276	1,24,198
Narendra Kachore	Relative of Key Managerial Personnel	Deposit Accepted	20,24,063	18,38,306
Pritam Kachore	Relative of Key Managerial Personnel	Deposit Accepted	0	8,27,492
Ravindra Kachore	Relative of Key Managerial Personnel	Deposit Accepted	3,00,000	10,82,872
Rekha Kachore	Relative of Key Managerial Personnel	Deposit Accepted	21,08,852	44,46,705
Meena Tiple	Relative of Key Managerial Personnel	Deposit Accepted	13,88,352	35,000
Priti Padole	Relative of Key Managerial Personnel	Deposit Accepted	6,00,000	0
Vishwas Pathak	Key Management Personnel	Deposit Accepted	18,00,423	9,26,720
Anuradha Pathak	Relative of Key Managerial Personnel	Deposit Accepted	2,70,983	2,23,827
Viveknand Pathak	Relative of Key Managerial Personnel	Deposit Accepted	0	19,140
Wasudha Pathak	Relative of Key Managerial Personnel	Deposit Accepted	16,512	15,069
Meena Pidadi	Relative of Key Managerial Personnel	Deposit Accepted	3,87,230	7,56,537
Rashmi Mitkary	Key Management Personnel	Deposit Accepted	61,971	57,183

(C) Amount due to/from related parties

Relationship with	Nature of the Entity	As at Transaction	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
S.M. Jawanjal	Key Managerial Personnel	Amount receivable for Loans Granted	-	1,370,299	1,310,527
Avino Capcons Pvt Ltd	Enterprise on which KMP can exercise Significant Influence	Amount receivable for Loans Granted	0	2,341,976	2,131,006
Ravindra Kachore	Relative of Key Management Personnel	Amount receivable for Loans Granted	7,04,411	0	0
M.G. Jawanjar	Key Managerial Personnel	Amounts Payable for Deposits Accepted	21,02,255	10,45,889	0
S.M. Jawanjal	Key Managerial Personnel	Amounts Payable for Deposits Accepted	75,16,707	52,00,701	21,25,620
D.R. Balpande	Key Managerial Personnel	Amounts Payable for Deposits Accepted	9,13,847	9,73,548	5,95,296
Mrs. Jyoti Jawanjar	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	11,58,262	0	0
Mr. Ravindra Balpande	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	2,58,652	92,626	0
Vaishali Charde	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	39,54,803	16,24,856	28,06,094
Mrs. Bakul Jawanjal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	19,33,945	14,22,928	11,99,653

Arjun Jawanjal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	1,42,272	1,30,215	1,00,935
Radhemohan Jawanjal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	2,78,855	2,07,135	1,91,235
M.G. Jawanjar (HUF)	Enterprise on which KMP can exercise Significant Influence	Amounts Payable for Deposits Accepted	8,37,686	0	0
S.M. Jawanjal (HUF)	Enterprise on which KMP can exercise Significant Influence	Amounts Payable for Deposits Accepted	4,16,256	3,33,470	3,51,210
Purushottam Mahakalkar	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	6,08,103	5,66,803	3,68,564
Mansaram Mahakalkar	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	5,00,000	5,00,000	5,00,000
Dattatraya Dalal	Key Management Personnel	Amounts Payable for Deposits Accepted	61,00,000	30,50,000	19,50,000
Aadya Dalal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	2,27,927	1,60,587	51,002
Girish Dalal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	13,37,336	12,17,380	11,08,902
Sayali Pimple Dalal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	4,66,792	4,23,805	3,35,613
Prathamesh Dalal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	20,17,358	17,93,544	18,26,231
Suhasini Dalal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	69,85,836	64,36,367	57,54,886
Roshani Tupkari	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	8,48,274	6,42,881	5,83,690
Ashok Kachore	Key Management Personnel	Amounts Payable for Deposits Accepted	84,42,271	66,46,334	66,64,191
Meenakshi Kachore	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	16,56,004	4,76,238	21,08,087
Narendra Kachore	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	23,41,660	21,48,386	19,62,389
Pritam Kachore	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	4,03,898	8,80,715	8,01,040
Ravindra Kachore	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	15,25,294	11,12,899	5,31,524
Rekha Kachore	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	60,22,323	55,13,835	5,017,493
Meena Tiple	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	13,93,440	1,37,601	1,36,695
Priti Padole	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	6,04,002	0	3,40,242
Vishwas Pathak	Key Management Personnel	Amounts Payable for Deposits Accepted	19,82,292	18,23,606	13,91,547

Anuradha Pathak	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	2,75,181	2,51,081	2,08,891.00
Viveknand Pathak	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	22,482	20,466	18,639
Wasudha Pathak	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	16,804	15,333	13,989
Meena Pidadi	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	12,49,729	10,79,180	9,87,315
Rashmi Mitkary	Key Management Personnel	Amounts Payable for Deposits Accepted	1,35,387	1,24,340	1,13,317

*The remuneration to key managerial personnel does not include the provision made for employee benefits (defined benefit plan and other long term benefits) as they are determined on an actuarial basis for the Company as a whole.

43 Operating Segment

There is no separate reportable segment as per Ind AS 108 on Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2021 or 31 March 2020.

44 Employee stock option scheme

- (a) On December 7, 2019 the members of company approved the Berar Stock Option Scheme 2019 (Scheme 2019) for issue of stock options to the key employees of the Company. According to the Scheme 2019, the employee selected will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 60 months.

(b) Summary of option granted under the scheme

	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	1,32,000	-
Granted during the period -	-	1,32,000
Exercised during the period	-	-
Forfeited/Lapsed during the period	-	-
Closing balance	1,32,000	1,32,000
Vested and exercisable	13,200	-

(c) Expiry date and exercise price of the share options outstanding

Grant date	Expiry date	Exercise price	Share options as at 31 March 2021	Share options as at 31 March 2020
23 Dec 19	22 Dec 24	95.00	1,32,000	1,32,000
TOTAL			1,32,000	1,32,000
Weighted average remaining contractual life of options outstanding at the end of period			3.73	4.73

(d) The fair value of each option granted is estimated on the date of grant using the black Scholes model with the following assumptions

Scheme	A
Grant date	23 Dec 19
Weighted average fair value of options granted	110.41
Exercise price	95.00
Share price at the grant date	180.83
Expected volatility	30.50%
Risk free interest rate	6.29%
Expected dividend yield	Nil

(e) Expense arising from share based payment transaction

	Year ended 31 March 2021	Year ended 31 March 2020
Gross expense arising from share based payments	48,29,877	14,08,687
Less: Options granted to employees of subsidiaries recognised as deemed investment in subsidiaries	-	-
Less: Options granted to employees of subsidiaries on reimbursement basis over the vesting period	-	-
Employee share based payment expense recognised in statement of profit and loss (Refer Note 34)	48,29,877	14,08,687

45 Changes in liability arising from financing activities

Particulars	01st April 2020	Cash Flows	Exchange Differences	Others	31st March 2021
Borrowings	2,80,48,41,279	1,53,52,60,526	-	2,03,75,753	4,36,04,77,558
Debt Securities	-	1,21,65,34,892	-	(99,83,149)	1,20,66,01,743
Deposits Taken	86,87,66,747	26,30,71,931	-	-	1,13,18,38,678

Particulars	01st April 2019	Cash Flows	Exchange Differences	Others	31st March 2020
Borrowings	2,14,01,13,422	65,32,07,623	-	1,15,20,234	2,80,48,41,279
Debt Securities	0	-	-	-	-
Deposits Taken	74,16,57,590	12,71,09,157	-	-	86,87,66,747

46 Fair values of financial assets and financial liabilities

Classification of financial assets and financial liabilities

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as fair value through profit and loss (FVTPL) and amortised cost. Amount in ₹

	FVOCI	FVTPL	Amortised cost
As at 31 March 2021			
Financial Assets (other than investment In subsidiaries)			
Cash and cash equivalents	-	-	94,79,24,962
Bank Balances other than cash and cash equivalents	-	-	74,74,86,073
Loans	-	-	6,59,48,35,449
Investments	-	1,22,57,357	10,54,51,544
Other Financial assets	-	-	25,50,32,090
Financial liabilities			
Trade Payables	-	-	4,25,33,850
Debt Securities	-	-	1,20,66,01,743
Borrowings (Other than Debt Securities)	-	-	4,88,03,48,966
Deposits	-	-	1,13,18,38,678
Other financial liabilities	-	-	14,20,79,610
As at 31 March 2020			
Financial Assets (other than investment In subsidiaries)			
Cash and cash equivalents	-	-	37,62,56,449
Trade Receivables	-	-	7,15,66,570
Loans	-	-	4,60,12,03,584
Investments	-	1,25,13,524	8,23,38,976
Other Financial assets	-	-	18,42,60,779
Financial liabilities			
Trade Payables	-	-	24,059,086
Debt Securities	-	-	-
Borrowings (Other than Debt Securities)	-	-	33,90,679,561
Deposits	-	-	8,68,766,747
Other financial liabilities	-	-	1,16,550,345
As at 1 April 2019			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents	-	-	16,96,37,866
Trade Receivables	-	-	6,01,25,799
Loans	-	-	3,52,66,48,184
Investments	-	1,70,63,454	7,01,25,959
Other Financial assets	-	-	14,88,85,935
Financial liabilities			
Trade Payables	-	-	1,80,98,447
Debt Securities	-	-	-
Borrowings (Other than Debt Securities)	-	-	2,62,84,96,873
Deposits	-	-	74,16,57,590
Other financial liabilities	-	-	7,95,34,940

47 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial instruments measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
As at 31 March 2021				
Financial assets	-	-	-	-
Financial assets measured at fair value through profit or loss	-	-	-	-
Investment in equity instruments, mutual funds and Alternative Investment Fund	1,22,57,357	-	-	1,22,57,357
Total Financial Assets	1,22,57,357	-	-	1,22,57,357
As at 31 March 2020				
Financial assets	-	-	-	-
Financial assets measured at fair value through profit or loss	-	-	-	-
Investment in equity instruments, mutual funds and Alternative Investment Fund	1,22,95,574	-	-	1,22,95,574
Investment in Gold	2,17,950	-	-	2,17,950
Total Financial Assets	1,25,13,524	-	-	1,25,13,524
As at 1 April 2019				
Financial assets	-	-	-	-
Financial assets measured at fair value through profit or loss	-	-	-	-
Investment in equity instruments, mutual funds and Alternative Investment Fund	1,68,98,204	-	-	1,68,98,204
Investment in Gold	1,65,250	-	-	1,65,250
Total Financial Assets	1,70,63,454	-	-	1,70,63,454

- 1) Investment in quoted equity instruments are valued using the closing market rate on the reporting date
- 2) Investment in Mutual funds and Alternative Investment Funds are valued using the closing NAV on the reporting date
- 3) Investment in gold is valued using the rate of gold as on the reporting date.

The carrying amount of cash and cash equivalents, trade receivables, bank balances other than cash and cash equivalents, trade payables, and other receivables & payables are considered to be the same as their fair values.

48 Financial risk management objectives

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance. Management has not formed formal risk management policies, however, the risks are monitored by management by analyzing exposures by degree and magnitude of risk on a continued basis. This note explains the sources of

risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to floating interest rate borrowings, hence it is not exposed to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's mainly transacting in INR and hence the company is not exposed to any foreign currency risk.

(B) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk by following adequate internal controls according to the materiality of the risk involved. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements.

Credit risk arises mainly from retail loans and advances and loan commitments arising from such lending activities. Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time.

Cash and cash equivalents are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial Institutions as approved by the Board of Directors.

(i) Loans and advances (including loan commitments and guarantees).

The estimation of credit exposure for risk management purposes is complex, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as Probability of Default ("PD") and Loss Given Default ("LGD").

Computation of allowance for impairment losses:

The Company prepares its financial statements in accordance with the IND AS framework.

As per the RBI notification on acceptance of IND AS for regulatory reporting, the Company computes provision as per IND AS 109 as well as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where impairment allowance in aggregate for the Company under Ind AS 109 is lower than the provisioning required under IRACP (Including standard asset provisioning) for the Company, the difference is appropriated from net profit or loss after tax to a separate 'Impairment Reserve'. Any withdrawals from this reserve shall be done only with prior permission from the RBI.

ECL allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgement and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the "Base case" (the "Central" scenario) and two "Worst case" scenarios (the "Downside" scenario) and three "Best case" (the "Upside" scenario). Probability weights are assigned to each scenario. The Central scenario is based on the Company outlook of GDP growth, inflation, unemployment and interest rates for India and most relevant for the Company's loan portfolio. The Upside and Downside scenarios

generated at the reporting dates are designed to cover cyclical changes and are updated during the year only if the economic conditions change significantly.

In case where the estimate based on ECL model does not appropriately capture the stress in the portfolio given the lag effect between the actual stress and its impact on ECL computation, the management estimates an additional provision over and above the estimate based on the model and computation methodology stated above. This additional provision is referred to as management overlay.

In accordance with the Board approved moratorium policy read with the RBI guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 related to "Covid-19 Regulatory Package", the Company has granted moratorium up to five months for payment of installment falling due between April 1, 2020 and August 31, 2020 to selected borrowers in accordance with the Company's policy approved by the Board. As per assessment of the Company, extension of such moratorium benefit to the borrowers as per the Covid-19 regulatory package of the RBI, is not considered to result in significant increase in credit risk as defined in Ind AS 109. The Company continued to recognize interest income during the moratorium period and in absence of other credit indicators, granting of moratorium period does not result in accounts becoming past due thereby automatically triggering stage 2 or stage 3 classification criteria as per IND AS 109. For all such accounts where moratorium is granted pursuant to the above RBI guidelines, the asset classification shall remain stand still during the moratorium period (i.e. number of days past-due shall exclude the moratorium period for the purpose of asset classification under Income Recognition, Asset Classification and provisioning norms).

Based on information available currently, the management has made additional provision for impairment of financial assets on account of the increase in credit risk due to the pandemic. Given the macro-economic uncertainties caused by the current "second wave" of COVID pandemic in India, the management will continue to assess the impact of the same on the financial performance of the Company. The management has considered internal and external information and economic forecasts upto the date of approval of the financial results and accordingly made additional prudential provision of Rs.193.99 Lakhs over and above the provision required as per ECL framework, towards potential impact on account of Covid-19 pandemic.

(ii) Other remaining financial assets ('Other financial assets and loans)

Other financial assets mainly includes deposit and advances given, and receivables from recovery agents. Loans, being a primary part of our operations, represent vehicle loans given to various parties for purchasing motor vehicles. Based on assessment carried by the Company, entire receivable under this category is classified as "Stage 1". There is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Company's financial liabilities:

Amount in ₹

	Within 12 Months	Beyond 12 Months	Total
31 March 2021			
Trade payables	4,25,33,850	-	4,25,33,850
Debt Securities	40,34,91,756	1,15,83,66,437	1,56,18,58,193
Borrowings	3,19,07,15,324	2,35,13,44,154	5,54,20,59,478
Deposits (Including Unclaimed Deposits)	54,51,13,379	64,57,64,002	1,19,08,77,381
Other financial liabilities	7,61,24,305	2,56,07,483	10,17,31,788
	4,257,978,614	4,18,10,82,076	8,43,90,60,690
	Within 12 Months	Beyond 12 Months	Total
31 March 2020			
Trade payables	2,40,59,086	-	2,40,59,086
Debt Securities	-	-	-
Borrowings	1,79,71,45,393	1,27,14,00,302	3,06,85,45,695
Deposits (Including Unclaimed Deposits)	65,51,97,760	27,00,19,818	92,52,17,578
Other financial liabilities	6,00,99,514	2,01,68,526	8,02,68,040
	2,53,65,01,753	1,56,15,88,646	4,09,80,90,399
	Within 12 Months	Beyond 12 Months	Total
1 April 2019			
Trade payables	18,098,447	-	1,80,98,447
Debt Securities	-	-	-
Borrowings	2,11,73,12,133	1,59,79,42,612	3,71,52,54,745
Deposits (Including Unclaimed Deposits)	43,38,31,047	33,56,68,760	76,94,99,807
Other financial liabilities	5,16,92,723	1,51,61,125	6,68,53,848
	2,62,09,34,350	1,94,87,72,497	4,56,97,06,847

49 Maturity analysis of assets and liabilities

The below table shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Maturity analysis of assets and liabilities as at 31st March 2021 Amount in ₹

	As at 31 March 2021		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	94,79,24,962	-	94,79,24,962
Bank Balances other than cash and cash equivalents	74,74,86,073	-	74,74,86,073
Loans	4,84,87,56,346	1,74,60,79,103	6,59,48,35,449
Investments	15,43,716	11,61,65,185	11,77,08,901
Other Financial assets	24,65,99,617	84,32,473	25,50,32,090
Tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	4,71,64,970	4,71,64,970
Investment Property	-	-	-
Property, Plant and Equipment	-	17,22,16,357	17,22,16,357
Capital Work in Progress	8,99,901	-	8,99,901
Intangible assets	-	81,31,598	81,31,598
Right to use assets	-	2,15,29,172	2,15,29,172
Non financial assets	14,45,965	-	14,45,965
Total Assets	6,79,46,56,580	2,11,97,18,858	8,91,43,75,438
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	4,25,33,850	-	4,25,33,850
Debt Securities	25,58,29,053	95,07,72,690	1,20,66,01,743
Borrowings (Other than Debt Securities)	2,73,49,09,932	2,14,54,39,034	4,88,03,48,966
Deposits	69,16,602	1,19,08,77,381	1,19,77,93,983
Other Financial liabilities	6,18,78,826	1,42,45,479	7,61,24,305
Tax liabilities (Net)	74,08,629	-	74,08,629
Provisions	40,91,538	1,68,09,386	2,09,00,924
Non-financial liabilities	1,84,23,320	-	1,84,23,320
Total Liabilities	3,13,19,91,750	4,31,81,43,970	7,45,01,35,720

Maturity analysis of assets and liabilities as at 31st March 2020

Amount in ₹

	As at 31 March 2020		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	37,62,56,449	-	37,62,56,449
Bank Balances other than cash and cash equivalents	7,15,66,570	-	7,15,66,570
Loans	2,97,30,80,470	1,62,81,23,114	4,60,12,03,584
Investments	1,18,66,938	8,29,85,562	9,48,52,500
Other Financial assets	17,63,27,758	79,33,021	18,42,60,779
Tax assets (Net)	-	37,30,514	37,30,514
Deferred tax assets (Net)	-	3,64,98,384	3,64,98,384
Property, Plant and Equipment	-	16,79,76,959	16,79,76,959
Capital Work in Progress	-	-	-
Intangible assets	-	1,08,62,426	1,08,62,426
flight to use assets	-	1,10,07,956	1,10,07,956
Non-financial assets	8,43,400	-	8,43,400
Total Assets	3,60,99,41,585	1,94,91,17,936	5,55,90,59,521
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,40,59,086	-	2,40,59,086
Debt Securities	-	-	-
Borrowings (Other than Debt Securities)	1,82,21,51,194	1,56,85,28,367	3,39,06,79,561
Deposits	-	92,52,17,578	92,52,17,578
Other Financial liabilities	5,41,23,677	59,75,837	6,00,99,514
Tax liabilities (Net)	-	-	-
Provisions	40,42,846	1,37,13,255	1,77,56,101
Non-financial liabilities	3,10,53,212	-	3,10,53,212
Total Liabilities	1,93,54,30,015	2,51,34,35,037	4,44,88,65,052

Maturity analysis of assets and liabilities as at 1st April 2019

Amount in ₹

	As at 1 April 2019		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	16,96,37,866	-	16,96,37,866
Bank Balances other than cash and cash equivalents	6,01,25,799	-	6,01,25,799
Loans	2,29,14,57,590	1,23,51,90,594	3,52,66,48,184
Investments	-	8,71,89,413	8,71,89,413
Other Financial assets	14,59,78,322	29,07,613	14,88,85,935
Tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	3,05,46,999	3,05,46,999
Investment Property	-	-	-
Property, Plant and Equipment	-	15,91,04,116	15,91,04,116
Capital Work in Progress	2,60,000	-	2,60,000
Intangible assets	-	74,37,019	74,37,019
Right to use assets	-	1,27,76,087	1,27,76,087
Non-financial assets	8,95,200	4,87,010	13,82,210
Total Assets	2,66,83,54,777	1,53,56,38,851	4,20,39,93,628
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,80,98,447	-	1,80,98,447
Debt Securities	-	-	-
Borrowings (Other than Debt Securities)	1,49,71,06,363	1,13,13,90,510	2,62,84,96,873
Deposits	-	76,94,99,807	76,94,99,807
Other Financial liabilities	4,45,11,042	71,81,681	5,16,92,723
Tax liabilities (Net)	86,12,958	-	86,12,958
Provisions	-	1,33,51,407	1,33,51,407
Non-financial liabilities	2,91,51,715	-	2,91,51,715
Total Liabilities	1,59,74,80,525	1,92,14,23,405	3,51,89,03,930

50 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, Cumulative compulsorily convertible participating preference shares and all other equity reserves attributable to the equity holders.

The Company's objective while managing the capital are to :-

- 1) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders;
- 2) Maintain an optimal Capital Structure to reduce the cost of capital
- 3) Maximize shareholder value

The company strategically manages its funds by :-

- 1) Maintaining diversity of sources of funding and spreading the maturity across periods in order to minimize the liquidity risk
- 2) Minimizing or wherever possible, eliminating exposure to market rate risks like foreign exchange risk, interest rate risk and commodity price risk, thereby minimizing the impact of market volatility on earnings.

- 3) Analyzing the changes in macro economic factors affecting business environment and re-organizing its capital structure accordingly to adapt to the ever changing dynamics of business environment
- 4) By continuously monitoring and adjusting overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives

The company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net gearing ratio : Net Debt (total borrowings net of cash and cash equivalents) divided by Total Equity (as shown in the balance sheet)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Gross Debt	7,21,87,89,387	4,25,94,46,308	3,37,01,54,463
Less : Liquid Assets	(94,79,24,962)	(37,62,56,449)	(16,96,37,866)
Net	6,27,08,64,425	3,88,31,89,859	3,20,05,16,597
Equity	1,46,42,39,718	1,11,01,94,469	68,50,89,698
Net	4.28	3.50	4.67

The Company has not distributed dividend to its shareholders.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021, 31 March 2020 and 1 April 2019.

51 NOTE ON COVID

The Company had granted moratorium upto five months on the payment of installments falling due between April 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to COVID-19 'Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. The Company has considered an additional Expected Credit Loss (ECL) provision on Loans of Rs. 38.08 crores on account of COVID –19 during the year ended March 31, 2021. As at March 31, 2021, additional ECL provision on Loan Assets as management overlay on account of COVID - 19 stood at Rs. 1.93 crores. The additional ECL provision on account of COVID – 19 is based on the Company's historical experience, collection efficiencies post completion of Moratorium period, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company

52 Liquidity Coverage Ratio Disclosure

Disclosure as per circular no.RBI/2019-20/88 DOR.NBFC(PD)CC. No.102/03.10.001/2019-20 dated November 04,2019 issued by Reserve Bank of India on “Liquidity Coverage Ratio(LCR)”

Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2021 and December 31,2020

(Rs.in Crores)

Sr. no.	Particular	March 31,2021		December 31,2020	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets				
1	Total High Quality Liquid Assets (HQLA)	49.01	47.10	43.17	41.37
	Cash Outflow				
2	Deposits (for deposit taking companies)	9.85	11.33	3.27	3.77
3	Unsecured wholesale funding	0.43	0.49	0.31	0.36
4	Secured wholesale funding	23.19	26.66	20.26	23.29
5	Additional requirements, of which	0.00	0.00	0.00	0.00
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00
(ii)	Outflow related to loss of funding on debt product	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	0.00	0.00	0.00	0.00
6	Other contractual funding obligations	2.90	3.33	3.84	4.42
7	Other contingent funding obligations	0.07	0.08	0.07	0.08
8	TOTAL CASH OUTFLOW	36.43	41.90	27.75	31.92
	Cash Inflows				
9	Secured lending	0.00	0.00		
10	Inflow from fully performing exposures	54.93	41.19	48.77	36.58
11	Other cash inflow	0.21	0.15	0.14	0.11
12	TOTAL CASH INFLOWS	55.13	41.35	48.91	36.69
13	TOTAL HQLA		47.10	43.17	41.37
14	TOTAL NET CASH OUTFLOWS		10.47		7.98
15	LIQUIDITY COVERAGE RATIO (%)		449.87		518.42

Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and Outflow.

The figures pertaining to December 31, 2020 are unaudited and are as represented by the management, which have been relied upon by the auditors.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company, which has been relied upon by the auditors. The figures as at January 31, 2021 and February 28, 2021 used in the computation of Total High Quality Liquid Assets. (HQLA) are as represented by the management, which have been relied upon by the auditors

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of Rs.10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLA s to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

Liquidity Coverage Ratio (LCR) ratio comprises of high quality liquid assets (HQLA s) as numerator and net cash outflows in 30 days as denominator.

The average LCR is computed at as simple averages of monthly observations over the previous quarter (ie. average of three months ie. January 2021, February 2021 and March 2021 for the quarter ended March 31, 2021 and average of three months ie. October 2020, November 2020 and December 2020 for the quarter ended December 31, 2020)

The Company, during the quarter ended March 31, 2021, had maintained average HQLA (after haircut) of Rs. 47.10 crores against Rs. 41.37 crores for the quarter ended December 31, 2020. HQLA primarily includes cash on hand, bank balances in current account and Government securities (such unencumbered approved securities held as per the provisions of section 45 IB of RBI Act, is reckoned as HQLA only to the extent of 80% of the required holding).

The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2021 was 449.87% which is above the regulatory requirement of 50%. For the quarter ended December 31, 2020 average LCR was stood at 518.42% .

53 Liquidity Risk

Public Disclosure on Liquidity Risk for the quarter ended Mar. 2021 pursuant to RBI circular dated 4th November 2019 on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Sr. no.	Number of Significant counter parties	Amount (Rs. In Cr.)	%of total Deposits *	% of Total Liabilities
1	25	559.85	-	75.15%

* None of the Depositors hold more than 1% of the Total deposits

(ii) Top 20 large deposits

Particulars	As at March 31,2021
Total amount of Top 20 Large Deposits	Rs. 17.19 Cr.
% of amount of Top 20 Large Deposits to Total Deposits	14.35%

(iii) Top 10 borrowings (Note: All borrowing other than deposits)

Particulars	As at March 31,2021
Total amount of Top 10 Borrowings	Rs. 363.73 Cr.
% of amount of Top 10 Borrowings to Total Borrowings	59.75%

(iv) Funding Concentration based on significant instrument / product

Sr. no.	Name of the Instrument/product	Amount (Rs. In Cr.)	% of Total Liabilities
1	Non-Convertible Debentures	120.66	16.20%
2	Term loan	466.85	62.66%
3	Public Deposits	88.97	11.94%
4	Commercial paper	0.00	0.00%
5	Other Bank Borrowings	51.99	6.98%

(v) Stock Ratios:

Sr. no.	Name of the Instrument/product	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	0.00	0.00	0.00
2	Non-Convertible Debentures (original maturity < 1 year)	1.37	1.34	1.12
3	Other Short- term Liabilities	45.31	44.31	37.03

(vi) Institutional setup for Liquidity Risk management

Refer note no. 48 Risk management structure and Liquidity Risk and Funding Management for Institutional setup for Liquidity Risk Management

Notes:

- 1 Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DO R.NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- 2 Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DO R.NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- 3 Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
- 4 Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
- 5 The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2021.

54 Customers Complaints

a.	No of Complaints pending at the beginning of the year	NIL
b.	No. of Complaints received during the year	22
c.	No. of Complaints redressed during the year	22
d.	No. of Complaints pending at the end of the year	0

55 Details of Registration with Financials Regulators

Sr.No	Regulator	Registration No.
a.	Ministry of Company Affairs	U65929MH1190PLC057829
b.	Reserve Bank of India	13.01109

56 Rating assigned by Credit Rating Agencies

The Company has been assigned rating of "ICRA BBB /(Stable)" for Bank Facilities. The Company has also been assigned "ICRA MA- (Stable)" for Fixed Deposit programmer.

57 Concentration of Deposits, Advances, Exposures and Stage III Assets

a. Concentration of Deposits

Particulars	Amount in Cr
Total Deposits of Twenty Largest Depositors	17.19
Percentage of Deposits of Twenty largest depositors to Total Deposits	14.43%

b. Concentration of Advances

Particulars	Amount in Cr
Total Advances of Twenty Largest borrowers	1.92
Percentage of Advances of Twenty largest borrowers to Total Advances	0.29%

c. Concentration of Exposures

Particulars	Amount in Cr.
Total Exposure of Twenty Largest borrowers	1.92
Percentage of Exposure of Twenty largest borrowers to Total Exposure	0.29%

d. Concentration of Stage III Assets

Particulars	Amount in Cr
Total Exposure of Top Four Stage III Assets	0.22

58 Movements of Stage III Assets

Particulars	31.03.2021	31.03.2020
i. Net Stage III Assets to Net Advances (%)	1.74%	1.79%
ii. Movements of Stage III Assets (Gross)		
a. Opening Balances	12,10,97,020	7,38,53,535
b. Addition during the year	14,85,34,280	10,08,62,392
c. Reduction during the year	10,12,28,342	5,36,18,907
d. Closing Balance	16,84,02,958	12,10,97,020
iii. Movements of Net Stage III Assets		
a. Opening Balances	8,23,58,423	5,06,65,337
b. Addition during the year	10,13,94,832	6,85,20,663
c. Reduction during the year	6,88,19,272	3,68,27,577
d. Closing Balance	11,49,33,983	8,23,58,423
iv. Movements of ECL on Stage III Assets		
a. Opening Balances	3,87,38,597	2,31,88,198
b. Provision made during the year	1,47,30,378	1,55,50,399
c. Write-off/ Write back of excess provision	0	0
d. Closing Balance	5,34,68,975	3,87,38,597

59 Stage III assets as a percentage to Advances in the respective segments

Sr.no	Sector	As at 31.03.2021	As at 31.03.2020
a.	Agriculture & Allied activities	2.54%	2.90%
b.	MSME	0.00%	0.00%
c.	Corporate Borrowers	0.00%	0.00%
d.	Services	0.00%	0.00%
e.	Unsecured personal loans	4.48%	0.41%
f.	Auto loans	2.48%	2.59%
g.	Other personal loans	0.00%	0.00%

60 Provisions and Contingencies

(Amt in Lakhs)

Break up of Provisions and Contingencies shows under the head Expenditure in Profit and Loss Accounts	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Impairment Loss Allowances	12,03,27,590	6,77,54,973
Provision for Income Tax (excluding deferred tax)	6,25,00,000	6,00,00,000

61 Disclosure of Frauds reported during the year vide DNBS.PD.CC.NO. 256/03.10.042/2011-12 Dated March 02,2012:

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company was noticed or reported during the course of our audit

62 During the year Company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

63 Registrations obtained from Other Financial Sector Regulators

During the year the Company has not obtained any registrations from other financial regulators

64 Penalties Imposed by RBI and Other Regulators

During the year no Penalties imposed by RBI or Other Regulators

65 Derivatives

The Company has no transactions/exposure in derivatives in the current year and previous year.

66 Investments

Amount in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,177.09	948.53
(b) Outside India	0	0
(ii) Provision for Depreciation		
(a) In India	0	0
(b) Outside India	0	0
(iii) Net Value of Investments		
(a) In India	1,177.09	948.53
(b) Outside India	0	0
2 Movement of Provision held towards depreciation on Investments		
(i) Opening Balances	0	0
(ii) Add: Provision made during the year	0	0
(iii) Less: Write off/Write-back of excess provision during the year	0	0
(iv) Closing Balances	0	0

67 Disclosures relating to Securitisation

Rs in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
No of SPVs sponsored by the NBFC for securitisation transactions	1	2
Total amount of securitised assets as per books of the SPVs sponsored	148.85	1856.47
Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet		
Off-balance sheet exposures		
First loss	0	0
Others	0	0
On-balance sheet exposures		
First loss (In the form of Fixed Deposit)	99.67	138.45
Others	0	0
Amount of exposures to securitisation transactions other than MRR		
Off-balance sheet exposures		
Exposure to Own Securitisations		
First loss	0	0
Others	0	0
Exposure to third party Securitisations		
First loss	0	0
Others	0	0
On-balance sheet exposures		
Exposure to Own Securitisations		
First loss	0	0
Others	0	0
Exposure to third party Securitisations		
First loss	0	0
Others	0	0

68 The Company has not sold any Financial Assets to Securitisation/ Reconstruction Company during the current year.

69 Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM(PK)-2008 dated 1 August 2008**Capital Adequacy Ratio**

Amount in Lakhs

Particulars	31.03.2021	31.03.2020 (Refer Note Below)
Capital Ratio		
CRAR - Tier 1 Capital (%)	19.56%	21.18%
CRAR - Tier II Capital (%)	0.90%	0.42%
Total Capital (%)	20.46%	21.60%

Note: The Capital Adequacy Ratio as at 31.03.2020 is recomputed based on restated financial statement.

70 The Company has no Exposure to Real Estate Sector in the current year and previous year.

71 Exposure to Capital Market

Amt in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Direct Investment in equity shares, convertible bonds, convertible debentures and unit of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	122.57	122.96

72 The Company has given unsecured loan of ₹ 7,41,84,189 as a personal loans to the borrowers Personal loans are partly secured by assignment/pledge of life insurances polices, shares and other securities or are unsecured.

73 Asset Liability Management Maturity Pattern of certain items of Assets & Liabilities

Particulars	Upto 30/31 days	Over 1 month Upto 2 month	over 2 month Upto 3 month	Over 3 month & Upto 6 month	Over 6 month & upto 1 year	Over 1 Year & upto 3 years	Over 3 Year & upto 5 years	Over 5 years	Total
Deposits	2,007.73	490.89	444.96	1,073.96	1,502.76	5,596.83	860.81	0.00	11,977.94
Advances (Net of Provision)	3,215.01	3,467.79	2,922.69	7,497.01	17,202.73	29,457.02	2,186.11	0.00	65,948.36
Investments	4.67	9.17	0.00	0.00	0.00	329.21	9.59	824.45	1,177.09
Borrowing	2,285.39	2,230.93	2,935.75	7,453.21	16,527.34	27,724.58	1,712.30	0.00	60,869.50

74 The previous year figures have been reclassified & regrouped to confirm to Ind AS presentation requirements of Schedule III of Companies Act, 2013 for the purpose of these financial statements

As per our report of even date
For Pravin Dhiran & Co.
Chartered Accountants
FRN : 133656W

Pravin Dhiran
Partner
M. No. 115580

Place: Nagpur
Date: 29/06/2021

For and on behalf of the Board of Directors of
BERAR FINANCE LIMITED

M. G. Jawanjar
(Executive Chairman)

S. M. Jawanjal
(Managing Director & CFO)

D. R. Balpande
(Company Secretary)

SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2021

(As required in terms of paragraph 13 of Non-Banking Financial(Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs.in lakhs)

Particulars	Amount outstanding	Amount overdue
Liabilities:		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	12,066.02	0.00
Unsecured (other than falling within the meaning of public deposits)	0.00	0.00
(b) Deferred credits	0.00	0.00
(c) Term Loans	43,604.78	-
(d) Inter-corporate loans and borrowing	0.00	0.00
(e) Commercial Paper	0.00	0.00
(f) Public deposits (Including deposits from directors and their relatives	11,977.94	659.55
(h) Cash Credit & Working Capital Demand Loan	5,198.71	0.00
Total	72,847.45	659.55
(2) Break-up of (1)(f) above outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a) In the form of unsecured debentures	0.00	0.00
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	0.00	0.00
(c) Other Public Deposits	11,977.94	659.55

(Rs.in lakh)

No.	Particulars	Amount Outstanding
	Assets:	
3	Break-up of loans and advances including bills receivables [other than those included in (4) below]	
	(a) Secured	28.79
	(b) Unsecured	0.00
4	Break-up of leased assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	0.00
	(b) Operating lease	0.00
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	0.00
	(b) Repossessed assets	0.00
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	0.00
	(b) Loans other than (a) above	67,151.78
5	Break-up of Investments :	
	Current Investments:	
	1. Quoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	13.84
	(v) Others (please specify)	
	Investment in Alternative Investment Fund	103.98
	2. Unquoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	0.00
	(v) Others (please specify)	0.00
	Long Term Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	13.45
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	5.15
	(iv) Government securities	1,040.68
	(v) Others (please specify)	0
	2. Unquoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	0.00
	(v) Others (please specify)	0.00

(6) Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in lakh)

	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	(a) Subsidiaries	0	0	0
	(b) Companies in the same group	0	0	0
	(c) Other related parties	0	0.00	0.00
(ii)	Other than related parties	67,180.57	741.84	67,922.41
	Total	67,180.57	741.84	67,922.41

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in lakh)

	Category	Market Value/Breakup or fair value of NAV	Book Value (Net of Provisions)
(i)	Related parties		
	(a) Subsidiaries	0	0
	(b) Companies in the same group	0	0
	(c) Other related parties	0	0
(ii)	Other than related parties	1,177.09	1,177.09
	Total	1,177.09	1,177.09

(8) Other information

	Particulars	Amt ₹ in lakh
(i)	Gross Non-Performing Assets	
	(a) Related parties	0
	(b) Other than related parties	1,684.03
(ii)	Net Non-Performing Assets	
	(a) Related parties	0
	(b) Other than related parties	1,149.34
(iii)	Assets acquired in satisfaction of debt	0

As per our report of even date

For Pravin Dhiran & Co.

Chartered Accountants

FRN : 133656W

Pravin Dhiran

Partner

M. No. 115580

Place: Nagpur

Date: 29/06/2021

For and on behalf of the Board of Directors of

BERAR FINANCE LIMITED

M. G. Jawanjar

(Executive Chairman)

S. M. Jawanjal

(Managing Director & CFO)

D. R. Balpande

(Company Secretary)

FINANCIAL HIGHLIGHTS

(₹ in lacs)

YEAR	PAID-UP CAPITAL	NET WORTH	TOTAL ASSETS	PROFIT BEFORE TAX	PROFIT AFTER TAX	DIVIDEND	
						Rate%	AMOUNT
1990-91	1.44	1.50	3.03	0.06	0.06	--	--
1994-95	20.75	38.14	74.88	6.45	5.80	26.00%	4.07
1995-96	26.00	44.40	124.95	8.07	6.09	20.00%	5.04
1996-97	30.00	48.94	174.86	11.16	5.15	14.00%	3.72
1997-98	30.00	52.72	224.24	19.15	10.00	16.00%	4.80
1998-99	30.00	59.80	223.71	20.22	12.97	16.00%	4.80
1999-00	30.00	61.41	247.47	16.47	8.55	16.00%	4.80
2000-01	36.00	70.22	280.79	17.78	9.15	16.00%	4.92
2001-02	50.00	109.28	374.83	31.84	22.74	17.00%	7.70
2002-03	80.00	187.27	748.88	55.55	34.57	18.00%	14.40
2003-04	102.55	256.21	865.80	81.84	52.70	18.00%	15.55
2004-05	102.55	307.02	1,155.50	112.80	75.73	20.00%	20.51
2005-06	163.50	452.20	1,392.69	126.43	83.88	22.00%	26.04
2006-07	310.00	715.98	1,956.10	153.81	101.36	22.50%	44.64
2007-08	* 620.00	780.25	2,619.22	228.63	153.54	* 12.50%	90.67
2008-09	700.00	978.58	3,486.60	336.82	218.98	13.00%	100.66
2009-10	700.00	1,119.71	4,100.69	379.84	247.60	13.00%	106.47
2010-11	700.00	1,361.79	5,206.99	545.56	355.98	14.00%	113.90
2011-12	750.00	1,695.14	6,377.90	601.90	399.37	14.00%	116.01
2012-13	800.00	2,099.90	9,076.85	732.20	492.46	15.00%	137.70
2013-14	800.00	2,534.23	11,125.49	863.19	574.74	15.00%	140.39
2014-15	800.00	3,091.63	14,788.92	1,053.41	677.75	12.50%	120.35
2015-16	800.00	3,818.09	19,770.39	1,246.93	822.74	10.00%	96.29
2016-17	800.00	4,713.26	26,660.71	1,532.62	991.47	10.00%	96.29
2017-18	800.00	5,950.92	32,937.95	1,768.79	1,237.65	10.00%	96.44
2018-19	800.00	7,326.43	41,796.85	2,077.27	1,471.95	10.00%	96.44
2019-20	966.67	11,808.65	55,274.97	2,258.44	1,691.27	5.00%	46.50
2020-21	1,000.78	14,642.40	89,143.75	2,055.66	1,537.66	10.00%	100.07

*2007-08 Consequent upon issue of bonus shares in the ratio of 1:1

MISSION**Partnering To Prosper****COMMITMENT****Close To The People****VISION****Miles To Go****BRANCHES**

<u>MAHARASHTRA -</u>	Akola, Amravati, Aurangabad, Ahemadnagar, Bhandara, Buldhana, Bhusawal, Brahmapuri, Baramati, Chandrapur, Chalisgaon, Dhule, Gondia, Gadchiroli, Hingoli, Jalgaon, Khamgaon, Katol, Kolhapur, Karad, Kudal, Latur, Manmad, Nandurbar, Nashik, Nanded, Parbhani, Paratwada, Pune, Pusad, Pandharpur, Ratnagiri, Sangli, Satara, Solapur, Wardha, Washim, Wani & Yavatmal,
<u>MADHYA PRADESH -</u>	Bhopal, Betul, Burhanpur, Chhindwara, Dewas, Damoh, Hoshangabad, Harda, Indore, Katni, Mandla, Narsingpur, Seoni, Sehore, Sagar, & Vidisha
<u>CHHATTISGARH -</u>	Bilaspur, Balodabazar, Durg, Dallirajra, Dhamtari, Gariyaband, Janjgir, Jagdalpur, Kawardha, Korba, Kanker, Mahasamund, Raipur, Rajnandgaon & Saraipali,
<u>GUJRAT -</u>	Amreli, Bardoli, Navsari, Surat, & Vayara
<u>KARNATAKA -</u>	Belgavi, Bidar, Kalburgi, Raichur & Vijayapur
<u>TELANGANA -</u>	Adilabad, Jagtial, Jangaon, Karimnagar, Kamareddy, Khammam, Kothagudem, Mancherial, Miriyalaguda, Nirmal, Nizamabad, Nalgonda, Sangareddy, Siddipeth & Warangal.



BERAR
FINANCE LIMITED
Partnership for Prosperity



Annual Report
2021-2022

BOARD OF DIRECTORS:

CORPORATE INFORMATION

CS Maroti Jawanjar Executive Chairman
Mr. Sandeep Jawanjal Managing Director

Mr. Shantaram Mahakalkar

Mr. Vishwas Pathak

CA Atul Sarda

CS Rashmi Mitkary

CA Avishek Addy

Mr. Harishchandra Sukhdeve

Mr. Siva Vadivel Alagan

COMPANY SECRETARY:

CS Deepali Balpande

CHIEF FINANCIAL OFFICER:

CA Yogesh Tahalyani

STATUTORY AUDITORS:

M/s Pravin Dhiran & Co. Chartered Accountants

SECRETARIAL AUDITORS:

M/s SPZ & Associates, Company Secretaries

BANKERS:

Bank of Maharashtra

IDBI Bank Ltd.

Punjab National Bank

AU Small Finance Bank Ltd.

IDFC First Bank Ltd.

REGISTERED OFFICE:

Avinisha Tower, Mehadia Chowk

Dhantoli, NAGPUR - 440 012

Ph.: 0712 – 6663999

CIN: U65929MH1990PLC057829

Website: www.berarfinance.com

Email: investor.relations@berarfinance.com

**REGISTRAR & SHARE TRANSFER
AGENT:**

Bigshare Services Private Limited

Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to
Ahura Centre, Mahakali Caves Road, Andheri (East)

Mumbai - 400093

Tel: 022-6263 8289

Website: www.bigshareonline.com

Email: vinayak@bigshareonline.com

DEBENTURE TRUSTEE:

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17,

R. Kamani Marg, Ballard Estate,

Mumbai – 400 001.

Tel.: 022 - 4080 7000

Website: www.idbitrustee.com

**DEBENTURE TRUSTEE/
PUBLIC DEPOSIT TRUSTEE:**

Catalyst Trusteeship Limited

GDA House, First Floor, Plot No.85,

Bhusari Colony (Right), Kothrud,

Pune - 411038

Website: www.catalysttrustee.com

DIRECTORS' REPORT

Your Directors are glad to present the 32nd Annual Report and the audited accounts of your Company for the financial year ended March 31, 2022 ("FY 2021-2022").

FINANCIAL RESULTS

The business operations of the Company continued to grow satisfactorily during the year, as evident from the following figures:

Particulars	FY 2021-2022	FY 2020-2021
Loans Disbursed during the year	74,155.93	58,538.84
Gross Assets under Management (AUM)	83,197.84	67,180.56
Assets sold under Securitisation	1,235.73	156.07
Gross Income	17,559.90	13,486.19
Profit (before extra-ordinary items)	2,237.41	2,055.66
Net Profit (after Tax)	1,741.97	1,537.67

(₹ in lakhs)

APPROPRIATION OF PROFITS

The operations of the Company have generated a Net Profit (after tax) of ₹ 1,741.97 lakhs (P.Y.: ₹ 1,537.67 lakhs) for the financial year ended March 31, 2022.

Your Directors propose to appropriate the same as under:

Particulars	FY 2021-2022	FY 2020-2021
Net Profit (after Tax)	1,741.97	1,537.67
Add: Balance Brought Forward	108.19	(483.97)
Add/(Less): Other Comprehensive Income	(92.14)	0.99
Disposable Profit	1,758.02	1,054.69
Appropriations:		
- Dividend paid during the year including taxes	100.06	46.50
- Transfer to Statutory Reserve (As per Section 45-IC of RBI Act, 1934)	450.00	400.00
- Transfer to General Reserve	1,100.00	500.00
Balance Carried Forward	107.96	108.19

(₹ in lakhs)

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis forming part of this Report and attached to this Report as "Annexure I".

TRANSFER TO RESERVE FUND

Under section 45-IC(1) of Reserve Bank of India ("RBI") Act, 1934, non-banking financial companies ("NBFCs") are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of ₹ 450 lakhs to its reserve fund.

The Company, being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed debentures. However, the Company maintains sufficient liquidity buffer and asset cover at all times to fulfil its obligations under debenture documents.

DIVIDEND

RBI vide its circular dated June 24, 2021 has laid down framework for declaration of dividend by NBFCs.

Your Directors recommend for consideration of the members at the ensuing Annual General Meeting ("AGM"), payment of dividend of ₹ 1.00 per Equity Share for FY 2021-2022. The total dividend payable for FY 2021-2022 is ₹ 1,23,36,846.

The dividend recommended is in accordance with the principles and criteria set out in the Company's dividend distribution policy. Total dividend proposed for the year does not exceed the ceilings specified in said circular/RBI Master Directions.

The dividend, if declared, at the ensuing AGM will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer Notice of AGM.

FUNDING RESOURCES

i. Bank Facilities -

As on date, a consortium of bankers comprising of Bank of Maharashtra, IDBI Bank, Punjab National Bank, AU Small Finance Bank Limited and IDFC First Bank Limited are providing CC facilities of ₹ 6,500.00 lakhs. The outstanding balance of CC Limit as on March 31, 2022 is ₹ 4,892.68 lakhs.

ii. Fixed Deposits -

As on March 31, 2022, total fixed deposits amounted to ₹ 15,479.70 lakhs, of which public deposits amounted to ₹ 14,577.91 lakhs. The following table provides the details of the flow of public deposits during FY 2021-2022:

Particulars	₹ in lakhs
Public Deposits at the beginning of the year	10,967.92
Less: Public deposits repaid/renewed during the year	4,213.12
Add: Public Deposits accepted / renewed during the year	7,823.11
Public Deposits at the end of the year	14,577.91

₹ 415.56 lakhs of deposits (from 198 deposit accounts) matured during the year were unclaimed as on March 31, 2022. All these were claimed/renewed subsequently except 2 deposit accounts belonging to same person amounting to ₹ 1.64 lakhs. Periodic reminders are being sent to the depositors for repayment/renewal of deposits.

iii. Term Loans -

Your Company has availed term loans for working capital from various lenders at favourable terms and at a reasonable rate of interest. The outstanding balance of such loans as on March 31, 2022 is ₹ 41,936.56 lakhs. The term loans offer ready availability, their repayments match maturity of receivables offered as security.

iv. Assets Securitised -

During the year your Company raised resources to the extent of ₹ 1,505.82 lakhs through securitization of receivables. The Closing balance of assets securitized as on March 31, 2022 is ₹ 1,235.73 lakhs.

v. Non-Convertible Debentures -

During the year, your Company has issued unlisted Market Linked Non-Convertible Debentures ("NCDs") on private placement basis amounting to ₹ 2,500 lakhs.

The Company has been regular in the payment of principal / interest towards all the outstanding Non-Convertible Debentures. As on March 31, 2022 the total outstanding Secured NCDs stood at ₹ 12,224.08 lakhs.

vi. Equity Infusion through Preferential Allotment -

With the view to strengthen the capital base, your Company raised additional equity funds by offering and allotting shares through preferential allotment on private placement basis as under:

Investors	No. of Equity Shares allotted	Amount received (in ₹)
Maj Invest Financial Inclusion Fund III K/S	19,79,691	85,00,00,128
Amicus Capital Private Equity I LLP	3,18,334	13,66,79,887
Amicus Capital Partners India Fund I	31,023	1,33,20,036
Total	23,29,048	100,00,00,051

With the Equity Shares issued under Preferential Allotment during the year, the paid-up Equity Share Capital of the Company stands increased to ₹ 12,33,68,460 (P.Y.: ₹ 10,00,77,980) comprising of 1,23,36,846 Equity Shares (P.Y.: 1,00,07,798 Equity Shares) of ₹ 10 each.

REVIEW OF OPERATIONS

Financing of two-wheelers continues to be the mainstay product of your Company. Additionally, your Company offers other loan products like personal loans, used car loans and two-wheeler re-financing loans. Your Company has a strong network and presence in rural and semi-urban India which has demonstrated strong growth potential and resilience in spite of multiple macro-economic challenges during the year. Your Company has recorded satisfactory growth in business with a 26.67% increase in disbursement and 30.21% increase in gross income during FY 2021-2022 compared to FY 2020-2021.

BRANCH NETWORK

During FY 2021-2022, your Company had opened 10 new branches - 2 in Maharashtra, 1 in Madhya Pradesh, 3 in Chhattisgarh, 2 in Gujarat and 2 in Karnataka. As on March 31, 2022, the Company had 101 branches and as on date of this report, it stands increased to 114 branches comprising 42 in Maharashtra, 22 in Madhya Pradesh, 21 in Chhattisgarh, 17 in Telangana, 7 in Gujarat and 5 in Karnataka.

Your Company plans to add more branches during the financial year 2022-2023 as it seeks to increase its geographical coverage and expand its customer reach across strategic locations in Central, Western and Southern India.

RESERVE BANK OF INDIA GUIDELINES

Your Company has been following guidelines issued by the Reserve Bank of India ("RBI") including those related to prudential norms for income recognition, asset classification, provisioning of bad and doubtful debts, capital adequacy and concentration of credit and investments. Your Company has a comfortable capital adequacy ratio of 28.84% (as against 15% prescribed by RBI) as on March 31, 2022. Under the regulatory framework of RBI, your Company is classified as **Systemically Important Asset Finance Company-Deposit Taking**.

The Liquidity Coverage Ratio ("LCR") requirement was applicable from December 1, 2020 with the minimum High Quality Liquid Assets ("HQLA") to be held being 50% of the LCR, progressively reaching a level up to 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively. The LCR of the Company was 170.54% against the LCR requirement of 60% as on March 31, 2022.

Reserve Bank of India vide its notification no. RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 February 22, 2019 harmonized different categories of NBFCs. According to this notification, your Company falls under the category of **Investment & Credit Company (NBFC-ICC)**.

Further, your Company being a deposit taking NBFC is classified as NBFC- Middle Layer as per Framework for Scale Based Regulation for Non-Banking Financial Companies dated October 22, 2021 issued by the RBI.

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. The Company did not enter into any material transaction with related parties under Section 188 of the Companies Act, 2013 ("**Act**"), during FY 2021-2022. Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as part of this Report vide **Annexure V (i)**. Further, the Company's Policy on Related Party Transactions is attached as part of this report, vide "**Annexure V (ii)**".

Further details on the transactions with related parties are provided in the accompanying financial statements.

CREDIT RATING

The details of Credit Ratings assigned to various programmes of the Company are as follows:

Schemes	Credit Rating Agency	Rate of Grade
Fixed Deposits Programme	ICRA Ltd.	BBB (Stable)*
Borrowings from Banks/Financial Institutions	ICRA Ltd.	BBB (Stable)
Non-convertible Debentures (NCDs)	ICRA Ltd.	BBB (Stable)
Principal Protected Non-convertible Market Linked Debentures	ICRA Ltd.	PP-MLD BBB (Stable)

* According to the rationale published by ICRA Ltd. on June 02, 2022 on its website www.icra.in, in case of Fixed Deposits Programme, the Credit Rating MA - (Stable) has been migrated to ICRA BBB (Stable). The rationale behind the migration is that in compliance with the circular [SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/594] issued by the Securities and Exchange Board of India (SEBI) on July 16, 2021 and the subsequent circular (SEBI/HO/MIRSD/MIRSD_CRADT /P/CIR/2022/43) of April 1, 2022, for standardising the rating scales used by credit rating agencies, ICRA has discontinued the medium-term rating scale which was being used to assign ratings to the fixed deposit programmes of entities.

Accordingly, ICRA has migrated the rating currently outstanding for the fixed deposit programme of the Company from the medium-term rating scale to the long-term rating scale. The medium-term rating scale of ICRA was a 14-point scale, while the long-term rating scale is a 20-point scale. The migration of the rating has resulted in a change in the rating symbol; however, this is to be construed only as a recalibration of the rating from one scale to another and not as a reflection of a change in the credit risk of the fixed deposit programme.

LISTING ON STOCK EXCHANGES

The Company has issued Non-Convertible Debentures (NCDs) on private placement basis some of which are listed on the Wholesale Debt Market Segment of BSE Limited.

STATUTORY AUDITORS & AUDITORS' REPORT

RBI issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide Circular RBI/2021-22 /25 Ref. No. DoS. CD.ARG/SEC.01/ 08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines"). Pursuant to RBI Guidelines, the Audit Firms completing tenure of three financial years in the NBFC were not eligible to continue to hold office as Statutory Auditors of the NBFC.

Our existing Statutory Auditors, M/s. Pravin Dhiran & Co. (Firm Registration No.: 133656W), Chartered Accountants were appointed as Statutory Auditors of the Company at the 29th Annual General Meeting of the Company for a period of 5 years from the conclusion of that Annual General Meeting till the conclusion of 34th Annual General Meeting.

In compliance with the aforesaid RBI Guidelines, the existing Statutory Auditors of the Company had communicated to the Company their inability to continue to hold office as Statutory Auditors of the Company as they will complete the tenure of 3 years on the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors in its meeting held on August 12, 2022 took note of the said letter received from M/s. Pravin Dhiran & Co. and passed resolution to recommend to the Members of the Company for their approval, the appointment of M/s. Manubhai & Shah LLP (Firm Registration No.: 106041W/W100136), Chartered Accountants, Ahmedabad as the Statutory Auditors of the Company for a period of three years from the conclusion of 32nd AGM of the Company till conclusion of 35th AGM in compliance with the RBI Guidelines.

The Auditors Report on the financial statements of the Company for the year ended March 31, 2022 is self-explanatory.

INTERNAL AUDITORS

The internal audit function provides an independent view to the Board of Directors, the Audit Committee and the senior management on the quality and efficacy of the internal controls, governance systems and processes. In line with the RBI's guidelines on Risk Based Internal Audit, the Company has adopted a Risk Based Internal Audit Policy.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee. Pursuant to Risk Based Internal Audit Framework, internal audit is aligned in such a manner that assurance is provided to the Audit Committee and Board of Directors on quality and effectiveness of the internal controls, and governance related systems and processes.

The Audit Committee regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls. Significant audit observations, corrective and preventive actions thereon are presented to the Audit Committee on a quarterly basis.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board appointed M/s. SPZ & Associates, Company Secretaries, Nagpur (Firm Unique Identification Number S2015MH305600) ("**Secretarial Auditor**") to conduct Secretarial Audit for FY 2021-2022.

On the recommendation of the Audit Committee meeting dated May 30, 2022, the Board through resolution passed at its meeting held on May 30, 2022 has re-appointed the Secretarial Auditor to conduct Secretarial Audit for FY 2022-2023.

The Secretarial Audit Report for the financial year ended March 31, 2022 in Form MR-3 is attached to this report as "**Annexure II**" and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DIRECTORS

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Independent Director.

During the period under review, the following changes took place in the composition of the Board of Directors of the Company:

(A) Appointment of Non – Executive Directors:

During the period under review, the appointment of following Directors was approved by the Members of the Company:

Sr.No	Name of Director	Designation	Date of Approval of the Members	Remarks
1.	Ms. Rashmi Mitkary (DIN: 08960192)	Non-Executive Independent Director	Annual General Meeting held on September 27, 2021	--
2.	Mr. Avishek Addy (DIN:07973542)	Non-Executive Non-Independent Director, liable to retire by rotation.	Annual General Meeting held on September 27, 2021	Representative Director of private equity investors namely Amicus Capital Private Equity I LLP and Amicus Capital Partners India Fund I.
3.	Mr. Harishchandra Sukhdeve (DIN: 09289094)	Non-Executive Non - Independent Director liable to retire by rotation.	Annual General Meeting held on September 27, 2021	--
4.	Mr. Siva Chidambaram Vadivel Alagan (DIN: 08242283)	Non-Executive Non - Independent Director liable to retire by rotation.	Extra-ordinary General Meeting held on April 18, 2022	Representative Director of private equity investor namely Maj Invest Financial Inclusion Fund III K/S.

Further, first term of Ms. Rashmi Mitkary as Independent Director is coming to an end on November 12, 2022, and therefore the Board of Directors in its meeting held on August 12, 2022, based on the recommendation of the Nomination and Remuneration Committee of the Company, approved her re-appointment as Non-Executive Independent Director for a second term of 2 (Two) years w.e.f. November 13, 2022 subject to approval of members at the ensuing Annual General Meeting of the Company. She holds a valid registration certificate with the database of Independent Directors and has cleared the proficiency test for Independent Directors conducted by the Indian Institute of Corporate Affairs.

(B) Appointment of Executive Directors:

During the period under review, the appointment of Mr. Maroti Jawanjar (DIN: 00379916), Executive Chairman and Mr. Sandeep Jawanjal (DIN: 01490054), Managing Director was approved by the Members of the Company upon such terms and conditions including remuneration at the Annual General Meeting held on September 27, 2021 for a period of 5 (Five) years w.e.f. April 1, 2021.

(C) Resignation of Directors:

Since the date of last report of the Board of Directors, Mr. Dattatraya Prabhakar Dalal (DIN: 00380199) resigned from the Board of Directors of the Company w.e.f. March 9, 2022.

The Board of Directors have placed on record its appreciation for the support and invaluable services of Mr. Dattatraya Prabhakar Dalal.

(D) Re-appointment of Director retiring by rotation:

Mr. Shantaram Mahakalkar (DIN No. 00379988), Non-Executive Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for reappointment.

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Sec 149(6) of the Act.

All the Directors of the Company have confirmed that they satisfy the “fit and proper” criteria as prescribed in Chapter XI of RBI Master Direction No. DNBR. PD. 008/ 03.10.119/2016-17 dated 1st September 2016 as amended and that they are not disqualified from being appointed / continuing as Directors under the terms of Section 164(2) of the Act.

KEY MANAGERIAL PERSONNEL

During the period under review, Mr. Sandeep Jawanjal (DIN: 01490054) resigned as the Chief Financial Officer (“CFO”) of the Company w.e.f. closure of business hours of February 28, 2022. He continues to act as the Managing Director of the Company. Subsequently, the Board through resolution passed at its meeting held on March 21, 2022 designated Mr. Yogesh Tahalyani who was working as Senior Manager, Finance as the CFO of the Company w.e.f. the date of the meeting.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors has carried out an annual performance evaluation of the Board, Chairman of the Board, its Committees, Managing Director and individual Directors based on the questionnaires duly filled in by the members of the Board. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition, administration, effectiveness of control systems, and flow of information etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Board Members on the basis of the criteria such as the composition of committees, amount of responsibility delegated to the Committees, independence of Committees etc. The performance of the Chairman of the Board and Managing Director was evaluated by the Board members after seeking inputs on the basis of the criteria such as attendance, leadership qualities, and compliance with policies etc. The Board of Directors reviewed the performance of the other individual Directors on the basis of the criteria such as the attendance and participation in the meetings, raising of valid concerns to the Board, relations with other Directors and Management and Understanding of the Company and the external environment in which it operates and contribution to strategic direction etc.

The Nomination and Remuneration Committee evaluated the performance of all the Directors of the Company, the Board and its Committees based on the questionnaires received from all the Directors and expressed its satisfaction on their overall performance.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole, and performance of the Chairperson were evaluated taking into account the views of Executive and Non-Executive Directors. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

REPORT ON CORPORATE GOVERNANCE

Your Company has been following robust governance practices since its inception and is committed to adhere to high standards of the Corporate Governance Code in words and spirit.

The report on Corporate Governance forms a part of this report and is annexed as “**Annexure III**”.

EXIT OFFER SCHEME GIVEN TO IDENTIFIED SHAREHOLDERS OF THE COMPANY

The Company had, between 1990 and 2005, undertaken certain allotments of equity shares of INR 10/- each of the Company (“**Equity Shares**”) to employees of the Company, and friends and relatives of the directors (collectively “**Original Allottees**”), and in terms of which, the total number of allottees would have exceeded the thresholds prescribed under the applicable law (“**Allotments**”).

The Company never intended to make any offer or invitation to the public, and only made an offer to the Original Allottees as aforesaid. However, substantial time has elapsed since the offer and Allotments and consequently the Company is not in possession of all the documents relating to such Allotments. In view of the above, the Company is now unable to categorically demonstrate that the offer would not have resulted in the shares of the Applicant becoming available for subscription or purchase by persons other than those receiving the offer or invitation, even though there was no intention on the part of the Company to do so.

The SEBI had, at its meeting held on November 30, 2015, decided that in cases involving issuance of securities to more than 49 persons but up to 200 persons in a financial year, the companies may avoid penal action if they provide the investors with an option to surrender the securities and get refund amount at a price not less than the amount of subscription money paid along with 15% interest per annum thereon (i.e. an exit offer).

The Board of Directors of your Company *suo moto* decided that though it is arguable that the Allotments were in compliance with the regulatory requirements, as a measure of abundant caution, it was imperative to take appropriate remediation steps in this regard and approved the Exit Offer scheme at its meeting held on August 23, 2021.

Accordingly, an invitation to Offer was given to the 1,107 identified shareholders holding 50,32,263 equity shares of the Company by Mr. Maroti Jawanjar and Mr. Sandeep Jawanjar (“**Purchasers**”) to sell their shares at an exit price of ₹ 50 per equity share during the offer period between September 15, 2021 to November 15, 2021 out of which 2 shareholders accepted the invitation to offer and tendered 3,400 equity shares held by them to the Purchasers.

After, the successful completion of exit offer, the Company has approached the Hon’ble National Company Law Tribunal, Mumbai Bench for compounding of the aforesaid offence voluntarily and the matter is currently awaiting admission. The Company will subsequently approach SEBI for settlement of the said matter.

DIRECTORS’ RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) and Section 134(5) of the Act, your Directors confirm that:

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- 2) They have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the Company for that period;
- 3) They 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;

- 4) They have prepared the annual accounts on a going concern basis;
- 5) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- 6) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

POLICY ON REMUNERATION OF DIRECTORS AND THE REMUNERATION POLICY FOR KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES OF THE COMPANY

Your Company has adopted the Policy on Remuneration of Directors and the Remuneration Policy for Key Managerial Personnel and Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Act. The Nomination & Remuneration policy mainly covers the criteria for determining qualifications, positive attributes and independence of a Director and the Remuneration Policies for Directors, Key Managerial Personnel and other senior managerial employees, functionality of Nomination & Remuneration committee meeting and to administer and supervise the Employee Stock Option Plans of the Company. The said policy is available on the Company's website www.berarfinance.com.

RISK MANAGEMENT

Your Company, being in the business of retail financing has to face inherent risks like credit risk, liquidity risk, interest rate risk and operational risk. The survival and growth of any financing entity largely depends upon effectively managing these risks. The Audit Committee, Risk Management Committee and Asset-Liability Management Committee review and monitor these risks at periodic intervals.

The Company manages credit risks through stringent credit norms and continues to follow the time-tested practice of personally assessing every borrower before committing credit exposure.

Liquidity risk and interest rate risk arising out of maturity mismatch of the maturity of assets and liabilities are managed through regular monitoring of the maturity profiles.

Operational risks, arising from inadequate or failed internal process, people and systems or from external events are, adequately addressed by the internal control system and are continuously reviewed and monitored by a dedicated team of people.

Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date.

Had the Company followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by ₹ 195.40 Lakhs.

INTERNAL FINANCIAL CONTROLS

Internal Financial Controls laid down by the Company is a systematic set of controls and procedures to ensure orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Internal financial controls not only require the system to be designed effectively but also to be tested for operating effectiveness periodically. The internal financial control with reference to the financial statements were tested and reported adequate and operating effectively. The internal financial controls are commensurate with the size, scale and complexity of operations.

HUMAN RESOURCES AND EMPLOYEES STOCK OPTIONS PLAN:

Quality organization needs quality people. To the Company, its people are the most valuable resource. Your Company is putting a strong emphasis on attracting, training and retaining the right talent with focus on merit and performance.

Your Company takes pride in having committed and competent employees at all levels, equipped to deliver a variety of products and services to the rapidly growing customer base. The relationship with employees continues to be cordial.

In order to reward performance and elicit long term commitment of the employees towards the growth of the Company the “Berar Employee Stock Option Plan, 2019” (“**ESOP 2019**”/“**Plan**”) was introduced with the approval of Board & Shareholders in FY 2019-2020.

During the period under review, 22,800 options were vested with the employees to whom stock options were granted under the Plan.

Further, on February 21, 2022 the Board of Directors granted 1,08,000 Stock Options to select employees pursuant to ESOP 2019.

The summary of status of ESOP 2019 as required under the Indian Accounting Standard (Ind AS) 102 - Share-based Payment is annexed as “**Annexure VI**” and forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN TERMS OF SECTION 134 (3) (M):

(a) Conservation of Energy

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, we always take adequate measures to ensure optimum utilization and maximum possible saving of energy. The Company has also implemented process to install all the energy saving devices in the branches such as energy savers for ACs, PLC, LED Light, etc. which runs on very nominal energy with high impact.

(b) Technology Upgradation:

In terms of Rule 8(3)B of the Companies (Accounts) Rules, 2014, the recent LMS implementation and IT Infra upgradation activities done by the Company have ensured a secured platform to encounter internal and external security threats and a high availability environment, which can drive the process improvements and automation to facilitate instant and real-time approvals of loan applications. The Company had successfully implemented a new cloud-based Loan Origination & Management System (FinnOne Neo), digital solutions to improve the product quality, services provided and the overall customer experience.

Your Company has undertaken multiple initiatives and made significant investments during the year to strengthen its digital infrastructure. The Company has appointed ‘Nucleus Software Exports’ as Technology Partner to implement “Cloud Based Loan Management System”, Technovation IT Consultants & Services to implement “Sophos Advanced Firewall, EDS” for Cyber Security & IT Infra Upgradation, Arotalk Global Pvt Ltd for “Cloud Storage Drive”, “CKYC Solution”, “Genuine Windows, MS365 Licenses”, Freshworks Inc. for “Freshdesk - Cloud-Based CRM Ticketing Tool” and Team Computers for “IceWarp Cloud Based Mailing Solution”.

Your Company understands the new challenges and dynamic business trends that are changing rapidly. Hence, it has been investing significantly in new technologies which will enable the Company to adopt to the dynamic environment, provide the necessary pillars to support the next level of growth thereby benefiting it in the long run.

(c) Foreign Exchange Earning & Outgo:

In terms of Rule 8(3) C of the Companies (Accounts) Rules, 2014, there were no foreign exchange earnings and outgo during the year under review.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is pursuing the CSR programs and projects as per its approved Corporate Social Responsibility Policy.

The CSR Policy is uploaded on the Company’s website at the web link:

https://www.berarfinance.com/pdf/policies/may22/corporate_social_responsibility_policy.pdf

In terms of the provisions of the Act, read with the CSR Rules, the Annual Report on CSR activities under the format prescribed in the amended CSR Rules is annexed to this Report as “**Annexure IV**”.

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

Your Company has put in place a policy for prevention, prohibition and redressal against sexual harassment of women at the workplace, to protect the women employees of the Company including any woman coming into any office premises of the Company and enable them to report sexual harassment at the workplace in line with the requirements of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' ("the Act"). An Internal Committee ("IC") headed by a women employee has also been constituted for the purpose. All employees (including permanent, contractual, temporary, trainees) and any woman coming into any office premises of the Company are covered under this policy.

The Company has complied with provisions relating to constitution of Internal Committee under the Act.

No cases have been filed pursuant to the Act. There has been no incidence/complaint related to sexual harassment of women at workplace during the period under review.

SECRETARIAL STANDARDS OF INSTITUTE OF COMPANIES SECRETARIES OF INDIA

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with MCA circulars granting exemptions in view of COVID-19 pandemic.

MAINTENANCE OF COST RECORDS

The provisions of Section 148 of the Act are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under Section 148(1) of the Act.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

Pursuant to Section 186(11) of the Act, the provisions of Section 186(4) of the Act requiring disclosure in the Financial Statements of the full particulars of the loans made and guarantees given or securities provided by a Non-Banking Financial Company in the ordinary course of its business and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security are exempted from disclosure in the Annual Report. Further, pursuant to the provisions of Section 186(4) of the Act, the details of investments made by the Company are given in the Notes to the Financial Statements.

ANNUAL RETURN

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at https://www.berarfinance.com/pdf/agm/agm-22/mgt_7_annual_return_2021_2022.pdf

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of your Company during the FY 2021-2022.

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

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

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

OTHER STATUTORY DISCLOSURES

- Information pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under Rule 5(3) of the said Rules, forms part of this report and is annexed to this report as "Annexure VII".

- The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.
- The auditors, i.e., statutory auditors and secretarial auditors have not reported any matter under section 143(12) of the Act, and therefore, no details are required to be disclosed under section 134(3)(ca) of the Act.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principle of any of its debt securities.
- As on March 31, 2022, there is no amount remaining unclaimed in respect of non-convertible debentures.
- Your Company, being an NBFC registered with the RBI, the provisions of Section 185 of the Act are not applicable to the Company.
- No application was made under the Insolvency and Bankruptcy Code, 2016 during the year, therefore there is no requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year.
- Disclosures pursuant to RBI Master Directions, unless provided in the Directors' Report, form part of the notes to the standalone financial statements.

Annexures forming part of this Report:

1. Management Discussion and Analysis: **Annexure I**
2. Secretarial Audit Report: **Annexure II**
3. Report on Corporate Governance: **Annexure III**
4. Annual Report on CSR Activities: **Annexure IV**
5. Form AOC-2: **Annexure V(i)**
6. Related Party Transaction ("RPT") Policy: **Annexure V(ii)**
7. Disclosure under the Indian Accounting Standard (Ind AS) 102 - Share-based Payment: **Annexure VI**
8. Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: **Annexure VII**

ACKNOWLEDGEMENT

The Board of Directors takes the opportunity to express its sincere appreciation for the support and co-operation from its members, depositors, debenture holders, banks, financial institutions and the regulators - RBI, SEBI and BSE Limited.

The Board of Directors also places on record its sincere appreciation of the commitment and hard work put in by the management and employees of the Company.

For and on behalf of Board of Directors

Date: August 12, 2022
Place: Nagpur

M.G. Jawanjar
Chairman

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

The financial year 2021-2022 began with continuation of the COVID-19 pandemic and associated uncertainties. It was deadly resulting in massive loss of life and tragic misery for the people in a big way. The economy suffered heavily as a result of nationwide lockdown and disruption of normal life especially in the first quarter of FY 2021-2022.

However, unlike the previous financial year, the effect of pandemic this time was short-lived. After the first quarter of subdued performance, the Indian economy demonstrated a strong recovery, resulting in GDP growth of 8.7% which is amongst the highest in leading economies. Almost all segments of the economy have stabilised and the whole economy showed robust growth during the year.

Market Scenario

Your Company's primary business is financing 2 - wheelers with focus on semi-urban and rural areas. While India's growth outlook for the year ahead remains bright, driven by private consumption and elevated public spending, there are certain risks which could have an effect on this - the biggest of which is inflation. The ongoing geopolitical crisis has caused supply chain disruptions which has led to higher commodity prices including crude oil. Higher inflation can curtail consumption and unfavourably affect the recovering domestic demand especially in discretionary spend like 2-wheelers. Any effect on demand for 2-wheelers will also have an effect on demand for loans to finance their purchase. Moreover, monetary measures like increasing benchmark interest rates by RBI to curtail inflation will affect demand for loan products as it becomes more expensive for the borrowers.

RBI Policy Measures

The RBI introduced its Resolution Framework-2.0 in May 2021 during the outbreak of the deadly second wave of COVID-19 which gave adversely impacted and vulnerable borrowers flexibility to meet their loan repayment obligations. Simultaneously, the RBI maintained adequate liquidity to support its accommodative stance throughout the year. It resorted to rebalancing liquidity on a dynamic basis without compromising systemic liquidity.

Moreover, the RBI kept its key policy rates including repo rate, reverse repo rate and bank rate unchanged at 4%, 3.35% and 4.25% respectively throughout FY 2021-2022.

Outlook

As we step out of the shadow of the pandemic, the economy is expected to witness a sustained recovery. As the market and customer expectations mature, differentiated customer acquisition and deeper customer engagement throughout the lifecycle will assume importance with technology being a key enabler towards achieving this. Your Company with a diversified product suite with products such as 2 – wheelers loans, car finance, personal loan and loan against property is well positioned to chart a growth path for fiscal 2023 and expects a sustained growth in business and profitability.

Your Company added 10 branches and 155 sales points during FY 2021-2022, thereby increasing its network to 101 branches. With the increase in branch network and sound branch infrastructure, the Company is ready to take advantage of the improved business sentiments.

New business opportunities are expected to gain further momentum as impact of COVID-19 remains low with near complete normalisation of economic activities. Several initiatives taken earlier by the Company to navigate the pandemic should hold it in good stead.

Your Company expects to improve its performance in FY 2022-2023 and sustain its growth trajectory. The approach would be to continue with the growth momentum while balancing risks. With a view to meet its growth plans the Company will continue to tap diverse source of funds including equity, debt and public deposits to maintain an optimal capital structure.

Performance during the Financial Year 2021 - 2022

The performance of the Company during the year was satisfactory, in the backdrop of growing competition, inflation and emergence of COVID-19.

(₹ in Lakhs)

Particulars	FY 2020-2021	FY 2021-2022	% Change
Total Income	13,486.19	17,559.90	+30.21
Total Cost	11,430.53	15,322.49	+34.05
Profit Before Tax	2,055.66	2,237.41	+8.84
Profit after Tax	1,537.67	1,741.97	+13.29
Earnings per Share (Fig. in ₹)			
Basic	16.01	17.28	-
Diluted	15.91	17.18	-

Risks and Concerns

Your Company is exposed to various risks that are an inherent part of any financial service business. The Company has a policy to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with business. The Company's risk management framework is well dimensioned and managed based on a clear understanding of various risks, disciplined risk assessment, measurement procedures and continuous monitoring.

Your Company conducts stress tests to assess the resilience of its Balance Sheet. This also helps to provide insights to the management to understand the nature and extent of vulnerabilities, quantify the impact and develop plausible business-as-usual mitigating actions.

The markets have witnessed substantial turbulence in the previous two years. However, as your Company has been fundamentally built on the principle of sound risk management practices, it has successfully weathered this turbulence and continues to remain resilient.

The main focus of your Company has been to ensure a diversified loan portfolio, improve credit quality, reduced mismatch in assets and liabilities and lower cost of funds. The Risk Management Committee and Asset-Liability Management Committee have been working constantly to meet these objectives. The Company has been largely successful in managing the risks and concerns inherent in the business of a finance company. With multiple lenders and other sources of funds, the Company is assured of availability of funds at lower cost for its growing business. Your Company does not perceive any material threat to the profitable business growth.

Customer Service

Your Company continues to remain customer focused. 'Once a Berar customer- always a Berar customer' is a key motto of the Company. Customer data and status is available online at all branches. Accepting that time has value, the Company provides prompt services while sanctioning/disbursing loans as well as post-disbursement services.

Customer enquiries and complaints are attended instantly. The Company is known for its customer friendly and transparent finance schemes. There are committed employees at Head Office level as well as branch level to attend to customer enquiries, to offer prompt services and address customer's complaints promptly.

The Company has a dedicated team for customer relationship that deals with the concerns or complaints raised by the customers. It has implemented the grievance redressal mechanism, the RBI Integrated Ombudsman scheme and Internal Ombudsman ("IO") scheme within the organisation to deal with the unresolved concerns and complaints. More recently, the RBI introduced the Internal Ombudsman scheme extended to NBFCs on a selective basis in which the IO at the apex of the NBFC's shall independently review the resolution provided by the NBFC in the case of wholly or partially rejected complaints. The Company has appointed an IO who independently reviews the resolution provided by the Company in the case of wholly or partially rejected complaints.

Annexure II
Form No. MR- 3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the financial year ended 31st March, 2022

To,
The Members
Berar Finance Limited
(CIN- U65929MH1990PLC057829)
Add- Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur, Maharashtra - 440012, India.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Berar Finance Limited (The Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2022 duly complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchanges Board of India Act, 1992 ("SEBI Act") i.e.
 - The Listing Agreement entered into by the Company with BSE Limited with respect to Non-Convertible Debentures issued by the Company read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (***Not Applicable to the Company during the audit period***)
 - 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 to the Company during the audit period***)

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) - Regulations, 2021; ***(Not Applicable to the Company during the audit period)***
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***(Not Applicable to the Company during the audit period)***
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***(Not Applicable to the Company during the audit period)***
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ***(Not Applicable to the Company during the audit period)***
- (vi) Applicable Secretarial Standards issued by The Institute of Company Secretaries of India;
- (vii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(Hereinafter called as “Applicable Act, Rules, Regulations, Guidelines, Standards, and Directions”)

During the period under review the Company ***has duly complied*** with the provisions of the Applicable Act, Rules, Regulations, Guidelines, Standards, and Directions.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The decisions in the meeting are carried out with requisite majority.

We further report that there ***are adequate systems and processes*** in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period;

- 1) The Special Resolution is passed through Postal Ballot by way of Remote Electronic Voting (Remote E-Voting) by the Members of the Company on Saturday, 26th June, 2021 for adopting the amended and re-stated Articles of Association of the Company which incorporate the relevant provisions of Second SHA Amendment Agreement dated 20th May, 2021.
- 2) In the Board Meeting held on 29th June, 2021, the Board has approved Annual Financial Statement of the Company for the financial year ended 31st March, 2021.
- 3) In the Board Meeting held on 29th June, 2021, the Board has appointed M/s SPZ & Associates, Company Secretaries (Firm Unique Identification Number- S2015MH305600) as Secretarial Auditors of the Company for financial year 2021-2022.
- 4) In the Board Meeting held on 29th June, 2021 the Board has appointed Mr. Satish Kumar Gupta, official of the Company, having qualification of Chartered Accountant (CA Membership No. 124944) as the “In house” Internal Auditor of the Company.

- 5) In the Board Meeting held on 23rd August 2021, the Board has noted the resignation of Mr. Ashok Ghanshyam Kachore (DIN-00380102), from the directorship of the Company with effect from 8th July 2021.
- 6) In the Board Meeting held on 23rd August 2021, Mr. Harishchandra Namaji Sukhdeve (DIN-09289094) has been appointed as Additional Director in the Company.
- 7) In the Board Meeting held on 23rd August 2021, the Board has adopted the Director's Report for the Financial Year ended on 31st March, 2021.
- 8) In the Board Meeting held on 23rd August 2021, the Board has approved an invitation to offer be made to refund to each of the 1,107 identified shareholders ("**Identified Shareholders**") holding 50,32,263 Equity Shares as on the Record Date of August 20, 2021 (excluding the 8,67,237 Equity Shares held by Mr. Maroti Jawanjar and Mr. Sandeep Jawanjal ("**Purchasers**"), (collectively, the "**Relevant Shares**") at ₹ 45.00 per Equity Share (such amount being not less than the subscription amount and adjusted for amounts already paid either as interest, dividend or otherwise) for inviting the Identified Shareholders for tendering their shares in terms of the Securities and Exchange Board of India Circulars (the "**Exit Price**").
- 9) The Board of Directors approved the revision of Exit Price from ₹ 45 to ₹ 50 vide Circular Resolution No. 1/2021-22 dated 1st September, 2021.
- 10) In the Board Meeting held on 14th September, 2021 the consent of the Board of Directors was accorded to issue and allot 250 (Two Hundred and Fifty) Rated, Secured, Unsubordinated, Redeemable, Taxable, Transferable, Unlisted, Market Linked, Principal Protected, Non-Convertible Debentures denominated in Indian Rupees ("**INR**") each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) in one or more tranches on private placement basis to Northern Arc Income Builder Trust (Series II) with Northern Arc Income Builder Fund (Series II) as its scheme.
- 11) The Board of Directors of the Company vide Circular Resolution No. 2/2021-22 dated 17th September, 2021 approved the allotment of 250 (Two Hundred and Fifty) Rated, Secured, Unsubordinated, Redeemable, Taxable, Transferable, Unlisted, Market Linked, Principal Protected, Non-Convertible Debentures ("**NCDs**") denominated in Indian Rupees each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) comprising of 130 (One Hundred and Thirty) Tranche I NCDs and 120 (One Hundred and Twenty) Tranche II NCDs to Northern Arc Income Builder Trust (Series II) with Northern Arc Income Builder Fund (Series II) as its scheme on private placement basis.
- 12) In the Annual General Meeting held on 27th September, 2021, following resolutions were passed regarding the appointment/ reappointment of Directors of the Company.
 - Re-appointment of Mr. Dattatraya Prabhakar Dalal (DIN-00380199) as Director, who retires by rotation and being eligible offer himself for re-appointment.
 - Appointment of Mr. Maroti Gendaru Jawanjar (DIN-00379916) as Executive Chairman of the Company.
 - Appointment of Mr. Sandeep Marotrao Jawanjal (DIN-01490054) as Managing Director of the Company.
 - Appointment of Ms. Rashmi Mitkary (DIN-08960192) as an Independent Director of the Company.
 - Appointment of Mr. Avishek Addy (DIN-07973542) as a Non- Executive Director of the Company.
 - Appointment of Mr. Harishchandra Namaji Sukhdeve (DIN- 09289094) as a Non-Executive Director of the Company.
- 13) The Ordinary Resolution was passed through Postal Ballot by way of Remote Electronic Voting (Remote E-Voting) by the Members of the Company on Friday, 31st December, 2021 for approving the reclassification of Authorized Share Capital of the Company and thereby alteration of Memorandum of Association of the Company.

- 14) During the period under review, the Company has granted 1,08,000 (One Lakh Eight Thousand) options to the eligible employees under the Berar Employee Stock Option Plan 2019.
- 15) In the Extra-Ordinary General Meeting held on 22nd February, 2022, the Company has passed special resolution to issue 23,29,048 Equity Shares on a preferential basis by way of private placement.
- 16) In the Board Meeting held on 21st March, 2022, the Board has noted the resignation of Mr. Dattatraya Prabhakar Dalal (DIN-00380199), from the directorship of the Company with effect from 9th March 2022.
- 17) In the Board Meeting held on 21st March, 2022, Mr. Siva Chidambaram Vadivel Alagan (DIN-08242283) is appointed as an Additional Director in the Company.
- 18) In the Board Meeting held on 21st March, 2022, the Board has made an allotment of 23,29,048 Equity Shares on a preferential basis by way of private placement.
- 19) In the Board Meeting held on 21st March, 2022, the Board has noted the resignation of Mr. Sandeep Jawanjai, Managing Director, from the post of Chief Financial Officer (“CFO”) of the Company with effect from 28th February, 2022.
- 20) In the Board Meeting held on 21st March, 2022, Mr. Yogesh Tahalyani, has been appointed as Chief Financial Officer (“CFO”) of the Company with the immediate effect.

This Secretarial Audit Report is being issued on 29th June, 2022.

For SPZ & Associates

Company Secretaries

CS Sunil Zore

Certificate of Practice. No. 11837

Membership Number: 22144

Firm Unique Identification Number- S2015MH305600

Peer Review Certificate Number- 965/2020

ICSI UDIN: A022144D000541234

(NOTE-This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.)

Annexure A to the Secretarial Audit Report

To,
The Members
Berar Finance Limited
(CIN- U65929MH1990PLC057829)
Add- Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur, Maharashtra - 440012, India.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

This Letter is being issued on 29th June, 2022.

For SPZ & Associates
Company Secretaries

CS Sunil Zore
Certificate of Practice. No. 11837
Membership Number: 22144
Firm Unique Identification Number- S2015MH305600
Peer Review Certificate Number- 965/2020

Annexure III

REPORT ON CORPORATE GOVERNANCE

Berar Finance Limited has been following robust governance practices since its inception. Your Company continues to maintain the highest standard of integrity and transparency in operations, excellence in service to all stakeholders and strong Corporate Governance standards.

1) Board of Directors:

All the members of the Board are eminent persons with considerable experience and expertise in finance, accounting, banking, legal compliance and academics. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board.

The Composition of the Board as on March 31, 2022 is as follows:

Name of Director	Category	DIN	No of Board Meeting(s) attended during FY 2021-2022	Whether attended AGM held during FY 2021-2022
Mr. Maroti Jawanjar	Promoter and Executive Chairman	00379916	12	Yes
Mr. Sandeep Jawanjal	Promoter and Managing Director	01490054	12	Yes
Mr. Shantaram Mahakalkar	Non-Executive Director	00379988	12	Yes
Mr. Vishwas Pathak	Independent Director	00452917	12	Yes
Mr. Atul Sarda	Independent Director	02161209	12	Yes
Ms. Rashmi Mitkary	Independent Director	08960192	12	Yes
Mr. Avishek Addy	Non- Executive Director	07973542	12	Yes
Mr. Harishchandra Sukhdeve (w.e.f. 23.08.2021)	Non- Executive Director	09289094	7	Yes
Mr. Siva Vadivel Alagan (w.e.f. 21.03.2022)	Non- Executive Director	08242283	1	NA

Board Meeting

The Board of Directors formulate the broad business and operational Policies, periodically review the performance and engages itself with strategic issues concerning the Company.

12 (Twelve) Board Meetings were held during the financial year ended March 31, 2022. The dates of the Board meetings held are as under:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	May 19, 2021	7.	November 25, 2021
2.	May 21, 2021	8.	December 28, 2021
3.	June 29, 2021	9.	January 27, 2022
4.	August 23, 2021	10.	February 14, 2022
5.	September 14, 2021	11.	March 21, 2022
6.	November 13, 2021	12.	March 31, 2022

Except Mr. Avishek Addy and Mr. Siva Vadivel Alagan, none of the other Directors are holding directorship in other companies.

Mr. Avishek Addy holds directorship in the following companies:

1. Opendoors Fintech Private Limited;
2. D2C Insurance Broking Private Limited; and
3. Altum Credo Home Finance Private Limited.

And Mr. Siva Vadivel Alagan holds directorship in the following companies:

1. SAVE Solutions Private Limited;
2. SAVE Microfinance Private Limited; and
3. SAVE Financial Services Private Limited.

Remuneration of Directors

At present, Independent Directors/Non-Executive Directors are not paid any remuneration, except sitting fees for attending Board meetings and Committee meetings.

During the financial year ended March 31, 2022, the details of sitting fees paid to the Directors are as under:

(Amt.in ₹)

Name of Director	Sitting Fees paid during the year
Mr. Shantaram Mahakalkar	46,000
Mr. Vishwas Pathak	66,000
Mr. Atul Sarda	58,000
Ms. Rashmi Mitkary	44,000
Mr. Ashok Kachore*	10,000
Mr. Dattatraya Dalal**	26,000
Mr. Harishchandra Sukhdeve	22,000

*Ceased to be a Director w.e.f. July 8, 2021 (close of business hours).

** Ceased to be a Director w.e.f. March 9, 2022 (close of business hours).

For the period under review the Company paid ₹ 105.07 lakhs towards remuneration to Mr. Maroti Jawanjar, Executive Chairman and ₹ 88.47 lakhs to Mr. Sandeep Jawanjal, Managing Director.

2) Audit Committee:

The Board has set up an Audit Committee pursuant to Section 177 of the Companies Act, 2013 which reviews the financial accounting policies, adequacy of internal control system and system audit and interacts with statutory auditors, internal auditors and senior executives. The Committee reviews the audit plan, quarterly and annual financial results of operations, and observations of internal and external auditors.

During the year under review, the Committee met Four (4) times on June 29, 2021, November 13, 2021, February 14, 2022 and March 31, 2022.

The particulars of Members of the Committee and the number of meetings attended by them during the year are as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Atul Sarda	Chairman of the Committee	4
Mr. Vishwas Pathak	Member	4
Mr. Sandeep Jawanjal*	Member	4
Ms. Rashmi Mitkary	Member	4
Mr. Avishek Addy	Member	4
Mr. Siva Vadivel Alagan**	Member	-

* Mr. Sandeep Jawanjal ceased to be member of the Committee w.e.f. March 31, 2022(close of business hours).

** The Board of Directors inducted Mr. Siva Vadivel Alagan as a member of the Committee w.e.f. March 31, 2022.

The Company Secretary acts as Secretary to the Audit Committee.

The Board has accepted all the mandated recommendations made by the Audit Committee during the year. Besides the members of the Committee, meetings of the Audit Committee are attended by the Invitees, the Company Secretary, the Head Internal Audit and Chief Financial Officer of the Company etc.

3) Risk Management Committee:

The Board has set up a Risk Management Committee pursuant to the requirement of the Reserve Bank of India which regularly reviews the quality of assets and liabilities and its business risk. The Internal Auditors also reports to the Committee from time to time for risk management purposes.

Business risk evaluation and management is an ongoing process within the organization. The Company has a strong risk management framework to identify monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises the following:

1. Oversight of risk management by executive management.
2. Reviewing the policy and framework in line with legal requirement and RBI guidelines.
3. Reviewing risk and evaluating treatment including mitigation action.
4. Defining framework for identification, assessment, monitoring, mitigation and reporting risks.
5. Within the overall scope as aforesaid, the Committee reviews risk trends, exposure and potential impact analysis and mitigation plan.

During the year under review, the Committee met Three (3) times on June 29, 2021, November 19, 2021 and March 31, 2022.

The particulars of Members of the Committee and the number of meetings attended by them during the year are as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	3
Mr. Sandeep Jawanjal	Member	3
Mr. Avishek Addy	Member	3
Mr. Siva Vadivel Alagan*	Member	-

* The Board of Directors inducted Mr. Siva Vadivel Alagan as a member of the Committee w.e.f. March 31, 2022.

The Company Secretary acts as Secretary to the Risk Management Committee.

The Board has accepted all the mandated recommendations made by the Risk Management Committee during the year. Besides the members of the Committee, meetings of the Risk Management are attended by the Invitees, the Company Secretary, the Head Internal Audit and Chief Financial Officer of the Company etc.

4) Asset-Liability Management (ALM) Committee:

The Board has set up Asset-Liability Management (ALM) Committee pursuant to the requirement of the Reserve Bank of India which regularly reviews the Company's assets and liabilities. The classification of assets and liabilities by the Company into various maturity buckets reflects adjustments for prepayments and renewals in accordance with the guidelines issued by Reserve Bank of India.

During the year under review, the Committee met Four (4) times on May 19, 2021, August 23, 2021, November 19, 2021 and March 31, 2022.

The particulars of Members of the Committee and the number of meetings attended by them during the year are as follows:

Name of Directors	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	4
Mr. Sandeep Jawanjal	Member	4
Mr. Avishek Addy	Member	4
Mr. Siva Vadivel Alagan*	Member	-

* The Board of Directors inducted Mr. Siva Vadivel Alagan as a member of the Committee w.e.f. March 31, 2022. The Company Secretary acts as Secretary to the ALM Committee.

5) Nomination and Remuneration Committee:

The Board has set up Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013.

The broad terms of reference of this Committee include recommending a Policy relating to remuneration and employment terms of Managing Directors, Executive Directors, senior management personnel, adherence to the remuneration and employment policy, preparing the criteria, identifying persons who may be appointed as Directors or senior management of the Company, administering Employee Stock Option Plan and evaluation of performance of Directors of the Company, Committees of the Board and Board as a whole.

The Committee ensures, fit and proper status of the Directors to be appointed/reappointed and recommend their appointment/reappointment to the Board of Directors.

During the year under review, the Committee met Five (5) times on May 19, 2021, August 20, 2021, February 21, 2022, March 21, 2022 and March 30, 2022.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Vishwas Pathak	Chairman of the Committee	5
Mr. Atul Sarda	Member	5
Mr. Avishek Addy	Member	5
Mr. Siva Vadivel Alagan*	Member	-

* The Board of Directors inducted Mr. Siva Vadivel Alagan as a member of the Committee w.e.f. March 31, 2022. The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

6) Information Technology (IT) Strategy Committee:

The Company has constituted IT Strategy Committee pursuant to the RBI Master Direction RBI/DNBS/2016-17/53 DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017 pertaining to "Information Technology Framework for the NBFC Sector".

During the year under review, the Committee met two (2) times on September 21, 2021 and March 28, 2022.

The particulars of Members of the Committee and their attendance in the meetings held during the year is as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Atul Sarda	Chairman of the Committee	2
Mr. Sandeep Jawanjal	Member	2
Mr. Amar Helonde	Member	2

The Company Secretary acts as Secretary to the IT Strategy Committee.

During the year under review, the Committee was apprised, inter alia, on IT Infrastructure upgradation, Security Overview, IT strategy review, implementation status of Cloud Solutions, new software requirements, new policy creation activity, and digitalisation of IT processes.

7) Stakeholders Relationship Committee:

The Board has set up Stakeholders Relationship Committee to consider and resolve the grievances of security holders of the Company i.e., shareholders, debenture holders etc. and depositors of the Company.

During the year under review, the Committee met Six (6) times on April 3, 2021, July 7, 2021, August 26, 2021, October 9, 2021, November 29, 2021 and January 11, 2022.

The particulars of Members of the Committee and the number of meetings attended by them during the year are as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Shantaram Mahakalkar	Chairman of the Committee	6
Mr. Ashok Kachore*	Member	2
Mr. Dattatraya Dalal**	Member	6
Mr. Harishchandra Sukhdeve*	Member	4
Mr. Maroti Jawanjar**	Member	0

*Consequent to resignation of Mr. Ashok Kachore, the Board of Directors at its meeting held on August 23, 2021 reconstituted the Committee and appointed Mr. Harishchandra Sukhdeve as a member of the Committee in place of Mr. Ashok Kachore.

**Consequent to resignation of Mr. Dattatraya Dalal, the Board of Directors at its meeting held on March 21, 2022 reconstituted the Committee and appointed Mr. Maroti Jawanjar as a member of the Committee in place of Mr. Dattatraya Dalal.

No complaints were received from the security holders during the year under review.

The Company Secretary acts as Secretary to the Stakeholders Relationship Committee.

8) Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee has formulated a Corporate Social Responsibility Policy indicating the CSR activities to be undertaken by the Company in accordance with the Annual Action Plan for each financial year approved by the Board. The terms of reference of the CSR Committee include recommending to the Board the amount of expenditure to be incurred on the CSR activities and monitoring the implementation of the CSR Policy from time to time. The CSR Policy of the Company, incorporating the recent changes, as approved and adopted by the Board, has been posted on the website.

During the year under review, the Committee met Two (2) times on June 28, 2021 and March 28, 2022.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of Directors	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	2
Mr. Sandeep Jawanjal	Member	2
Mr. Vishwas Pathak	Member	2
Mr. Siva Vadivel Alagan*	Member	-

* The Board of Directors inducted Mr. Siva Vadivel Alagan as a member of the Committee w.e.f. March 31, 2022.

The Company Secretary acts as Secretary to the CSR Committee.

9) Fund Management Committee:

The Board of Directors of the Company has constituted Fund Management Committee (“Committee”) and delegated the following powers to the Committee:

- To avail an aggregate borrowing facility (fund based and non –fund based) which includes various credit facilities by way of overdrafts, cash credits, term loans, letter of credits, guarantees including deferred payment guarantees and indemnities, negotiation and discounting of demand and/or usance bills and cheques (inland as well as foreign) and such other facilities as may be agreed upon from time to time between the lenders and the Company.
- To authorize sell, transfer and assign the standard loan receivables originated by the Company through securitization or direct assignment route.

During the year under review, the Committee met Nine (9) times on July 30, 2021, August 17, 2021, September 9, 2021, October 18, 2021, November 24, 2021, December 6, 2021, December 30, 2021, February 23, 2022 and March 25, 2022.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of Director	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	9
Mr. Sandeep Jawanjal	Member	9
Mr. Vishwas Pathak	Member	9

The Company Secretary acts as Secretary to the Fund Management Committee.

10) Independent Directors Meeting

During the year under review the Independent Directors met on March 30, 2022, *inter alia* to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Executive Chairman of the Company, considering the views of Executive and Non-executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to perform its duties effectively and reasonably

All the Independent Directors were present at the meeting. The meeting was conducted without the presence of non-independent directors and members of senior management.

11) General Body Meetings

I. The particulars of last 3 years Annual General Meetings (AGM) are as under:

Financial Year	Day	Date	Time	Venue
2020-2021	Monday	September 27, 2021	04.00 P.M	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
2019-2020	Monday	September 28, 2020	11.00 A.M	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
2018-2019	Saturday	September 21, 2019	4.00 P.M.	Arjuna Celebrations, Pande Layout Road, Khamla, Nagpur-440025

Details of the Special Resolutions passed at the AGM held during the last three years:

Sr. No.	Detail of resolutions	Date of passing	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1	To re-appoint Mr. Vishwas Pathak as Independent Director	21.09.2019	45,52,700	2,000	99.96 %	0.04%
2	To re-appoint Mr. Atul Sarada as Independent Director	21.09.2019	45,52,700	2,000	99.96 %	0.04%
3	To increase borrowing limits from ₹ 400 crores to ₹ 2,000 crores under Section180(1)(c) of Act	21.09.2019	45,44,300	10,200	99.78 %	0.22%
4	To authorize Board to create charge on the assets of the Company under Section 180 (1) (a) of the Act.	21.09.2019	45,44,600	6,000	99.87 %	0.13%
5	To approve the amendment, re-statement and entrenchment of the Articles of Association of the Company.	28.09.2020	56,94,211	0	100 %	0%
6	To authorize the issuance of Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Shares.	28.09.2020	56,94,211	0	100 %	0%
7	To approve issuance of Tranche 2 Series A Equity Shares and Tranche 2 Series A CCPS through Private Placement.	28.09.2020	56,94,211	0	100 %	0%
8	Appointment of Mr. Maroti Gendaru Jawanjar (DIN: 00379916) as Executive Chairman of the Company	27.09.2021	66,62,048	0	100%	0%

The Special Resolutions from Sr.No. 1 to 4 were passed through E-voting and Ballot Paper as per the procedure prescribed under Section 108 of the Act read with Companies (Management and Administration) Rules, 2014 under the overall supervision of the Scrutinizer, Mr. Amit K. Rajkotiya, Practicing Company Secretary (CP No. 5162), Nagpur.

The Special Resolutions from Sr. No. 5 to 8 were passed through E-voting and remote E-voting at AGM as per the procedure prescribed under Section 108 of the Act read with Companies (Management and Administration) Rules, 2014 under the overall supervision of the Scrutinizer, Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837), Nagpur.

All the Resolutions were passed by the shareholders with requisite majority.

II. Extraordinary General Meeting (EGM):

During the Financial year ended March 31, 2022 the EGM of the shareholders of the Company was held on February 22, 2022 through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

Sr. No.	Detail of resolution	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1.	Issuance of Equity Shares of the Company through Private Placement.	66,40,614	0	100%	0%

Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837) Nagpur was appointed as the Scrutinizer for the purpose of scrutinizing the remote e-voting process along with e-voting during the EGM, in a fair and transparent manner.

The Resolution was passed by the shareholders with requisite majority.

III. Postal Ballot:

During the FY 2021-2022, the Company had sought approval of the members through Postal Ballot through remote e-voting only, the details of the same are given below:

Sr. No.	Detail of resolution	Date of passing resolution	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1.	To approve the amendment, re - statement and entrenchment of the Articles of Association of the Company.	26.06.2021	64,40,264	0	100%	0%
2.	Reclassification of Authorised Share Capital of the Company and alteration of Memorandum of Association of the Company.	31.12.2021	65,74,564	0	100%	0%

Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837) Nagpur was appointed as the Scrutinizer for conducting the Postal Ballot process, in a fair and transparent manner.

All the Resolutions were passed by the shareholders with requisite majority.

12) Details of Shares transferred to Investor Education and Protection Fund (IEPF) during FY 2021-2022 and unclaimed dividend due dates:

The details of outstanding shares in Berar Finance Limited Investor Education and Protection Fund Authority, Ministry of Corporate Affairs are as follows:

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Berar Finance Limited IEPF Account
Opening Balance as on April 01, 2021	8	4,550
Less: Requests received for transfer / delivery during F.Y. 2021-2022 and Shares transferred / delivered during F.Y. 2021-2022	0	0
Add: Transfer of shares to Investor Education and Protection Fund Authority of Ministry of Corporate Affairs during F.Y. 2021-2022	0	0
Balance as on March 31, 2022	8	4,550

The Company sends statutory reminders to shareholders before transfer of their shares/unclaimed dividend to IEPF. The Shareholders who have not encashed their dividend are requested to contact the Company immediately.

Following dividends are transferable to the Investor Education and Protection Fund (IEPF) on the respective due dates, as under, in accordance with the provisions of Section 124(5) of the Act:

Nature of Dividend	Transferable to IEPF on
Final Dividend 2014-15	October 26, 2022
Final Dividend 2015-16	September 26, 2023
Final Dividend 2016-17	October 2, 2024
Final Dividend 2017-18	October 8, 2025
Final Dividend 2018-19	October 21, 2026
Final Dividend 2019-20	October 28, 2027
Final Dividend 2020-21	October 27, 2028

Reminders are sent to members for encashing their unclaimed and unpaid dividends, on a regular basis through speed post at their address registered with the Company. Members who have not yet made claims are, therefore, requested to contact the Company /Registrar and Share Transfer Agent immediately.

13) Vigil Mechanism/Whistle Blower Policy

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner with highest standard of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil Mechanism and Whistle Blower Policy. The mechanism of reporting under this policy is in place and a copy of the policy is posted on website of the Company. No personnel have been denied access to the Chairman or members of the Audit Committee.

Annexure IV

**Annual Report on Corporate Social Responsibility (“CSR”) Activities
[Pursuant to Section 135 of the Companies Act, 2013 and
The Companies (Corporate Social Responsibility Policy) Rules, 2014]**

1. Brief outline on CSR Policy of the Company:

The Company’s CSR Policy (‘Policy’) was approved at the Board Meeting held on March 07, 2015 and last modification being made on June 29, 2021. The Policy is available on the Company’s website at the following link: https://www.berarfinance.com/pdf/policies/may22/corporate_social_responsibility_policy.pdf

Our CSR initiatives are guided by our Policy. Our CSR activities focus on Education, Health Care, Livelihood, Environmental Sustainability, Poverty Alleviation and Promoting Sports.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Maroti Jawanjar	Executive Chairman	2	2
2.	Mr. Vishwas Pathak	Independent Director	2	2
3.	Mr. Sandeep Jawanjal	Managing Director	2	2
4.	Mr. Siva Vadivel Alagan	Non-Executive Director	2	0*

*Note: Mr. Siva Vadivel Alagan has been appointed as member of CSR Committee on March 31, 2022.

3. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company are provided below:

Sl. No.	Particular	Web-link
1	The composition of the CSR Committee	https://www.berarfinance.com/csr.html
2	CSR Policy	
3	CSR projects as approved by the Board	

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Since the average CSR obligation of the Company is below Rupees Ten Crore in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, hence the impact assessment is **Not Applicable (NA)**

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
NA			

6. Average net profit of the Company as per Section 135(5) of the Companies Act, 2013: ₹ 23,42,56,864/-

7. CSR Expenditure:

Sl. No.	Particular	Amount (in ₹)
(a)	Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013	46,85,137/-
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set-off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b-7c)	46,85,137/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
50,18,342/-	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation-Direct (Yes/No).	Mode of Implementation-Through Implementing Agency
				State	District					Name	CSR Registration number.
NA											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of Implementation-Direct. (Yes/No).	Mode of Implementation-Through Implementing Agency.	
				State.	District.			Name.	CSR registration number.
1.	Reimbursement of medical expenditure of COVID patient Late. Mr. Sanjay Waikar.	Promoting health care	Yes	Maharashtra	Nagpur	2,00,000	Yes	Direct	NA
2.	Contribution to Vishwa Hindu Jankalyan Parishad, Vidarbha	Livelihood enhancement projects	Yes	Maharashtra	Nagpur	5,00,000	No	Vishwa Hindu Jankalyan Parishad, Vidarbha	CSR00012736

3.	Contribution to Jeevoday Education Society	Promoting education, including special education	Yes	Maharashtra	Nagpur	5,00,000	No	Jeevoday Education Society	CSR00019107
4.	Contribution to Central India Institute of Medical Science, Nagpur (CIIMS)	Promoting healthcare	Yes	Maharashtra	Nagpur	5,00,000	No	Central India Institute of Medical Science, Nagpur	CSR00004345
5.	Contribution to Maharogi Sewa Samiti	Promoting health care	Yes	Maharashtra	Gadchiroli	5,00,000	No	Maharogi Sewa Samiti	CSR00000738
6.	Contribution to Dhobi Samaj Vikas Bahuuddeshiya Sanstha.	Livelihood enhancement projects	Yes	Maharashtra	Nagpur	5,00,000	No	Dhobi Samaj Vikas Bahuuddeshiya Sanstha	CSR00004352
7.	Reimbursement of medical expenses of poor needy person Ms. Shubhangi Bhujade.	Promoting health care	Yes	Maharashtra	Nagpur	1,18,342	Yes	Direct	NA
8.	Contribution to Cause to Connect Foundation	Livelihood enhancement projects	Yes	Maharashtra	Located at Pune having projects around Pune Sangli & Kolhapur	2,00,000	No	Cause to Connect Foundation	CSR00000522
9.	Contribution to Home for Aged and Handicapped	Livelihood enhancement projects	Yes	Maharashtra	Nagpur	5,00,000	No	Home for Aged and Handicapped	CSR00017951
10.	Contribution to Amrapali Utkarsh Sangh	Promoting education of poor abandoned children	Yes	Maharashtra	Nagpur	10,00,000	No	Amrapali Utkarsh Sangh	CSR00018461
11.	Contribution to Research and Development Association of India	Promoting education of poor needy children	Yes	Maharashtra	Nagpur	5,00,000	No	Research and Development Association of India	CSR00020161

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 50,18,342/-

(g) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	46,85,137/-
(ii)	Total amount spent for the financial year	50,18,342/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,33,205/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	* 3,33,205/-

* The Company does not propose to avail any set-off against the excess amount spent in FY 2021-2022 for succeeding financial years.

9. (a) Details of Unspent CSR amount for the preceding three financial years

SI No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in ₹).	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of Fund	Amount (in ₹).	Date of transfer.	
NA	NA	Nil	NA	NA	Nil	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SI No.	Project ID.	Name of Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year. (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project- Completed/ Ongoing.
NA	NA	NA	NA	NA	Nil	Nil	Nil	NA

Note: There was no provision of ongoing projects prior to financial year 2021-2022.

10. Details of creation or acquisition of capital asset acquired through CSR spent in the financial year:

- (a) Date of creation or acquisition of the capital asset(s): **None**
- (b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **NA**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **NA**

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013 - **NA**

Place: Nagpur
Date: August 10, 2022

Sandeep Jawanjal

Maroti Jawanjar

DIN: 01490054
Managing Director

DIN: 00379916
Executive Chairman
cum Chairman of CSR Committee

Annexure V (i)

Form 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 Act including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis.

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis.

The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

For and on behalf of Board of Directors

Date: August 12,2022

Place: Nagpur

M.G Jawanjar

Chairman

Annexure V (ii)

Related Party Transaction ("RPT") Policy

(As per Master Directions of Reserve Bank of India requiring Non-Banking Financial Companies to formulate a Policy on Related Party Transactions.)

The Company shall enter into transactions with related parties only on arm's length basis and in the ordinary course of business, supported by agreement or formal letter. If the transaction is not in the ordinary course of business and not on arm's length basis, then, necessary compliances under the Companies Act, 2013 and Rules framed there under will be adhered to.

For the purpose of the above clause, transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual turnover of the Company as per the last audited financial statements of the Company.

The above policy is subject to change from time to time.

Annexure VI**Requirements under the Indian Accounting Standard (Ind AS) 102 - Share-based Payment****Summary of Status of ESOPs Granted**

The position of the existing schemes is summarized as under -

Sr.No.	Particulars	ESOP 2019
I. Details of the ESOP		
1	Date of Shareholder's Approval	07.12.2019
2	Total Number of Options approved	240,000
3	Vesting Requirements	Time based vesting
4	Exercise Price or Pricing formula (Rs.)	Exercise price for the first grant dated December 23, 2019 - ₹95 Exercise price for the second grant dated February 21, 2022 - ₹250
5	Maximum term of Options granted (years)	Maximum terms of the options granted dated December 23, 2019 - 5 years Maximum terms for the options granted dated February 21, 2022 - 4 years
6	Source of shares	Primary issuance
7	Variation in terms of ESOP	Nil
II. Option Movement during the year		
1	No. of Options Outstanding at the beginning of the year	132,000
2	Options Granted during the year	108,000
3	Options Forfeited / lapsed during the year	0
4	Options Vested during the year	22,800
5	Options Exercised during the year	0
6	Total number of shares arising as a result of exercise of options	0
7	Money realised by exercise of options (Rs.)	0
8	Number of options Outstanding at the end of the year	240,000
9	Number of Options exercisable at the end of the year	36,000
III Weighted average exercise price of Options granted during the year whose		
(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	250.00
(c)	Exercise price is less than market price	NIL
Weighted average fair value of options granted during the year whose		
(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	83.04
(c)	Exercise price is less than market price	NIL
The weighted average market price of options exercised during the year		No options Exercised during the year
Remaining Contractual life of options outstanding (Years)		3.26

IV	Employee-wise details of options granted during the financial year 2021-2022 to:	
(i)	Senior managerial personnel :	
	Name	No. of options granted
	Yogesh Tahalyani (Chief Financial Officer)	5,000
(ii)	Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year	
	Name	No. of options granted
	Nil	
(iii)	Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	
	Name	No. of options granted
	Nil	

Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model.

The Assumptions used in the model are as follows:

Date of grant		Particulars
1.	Risk Free Interest Rate	5.41%
2.	Expected Life	3.50
3.	Expected Volatility	39.37%
4.	Dividend Yield	0.41%
5.	Price of the underlying share in market at the time of the option grant (Rs.)	245.33

Assumptions:

Stock Price: Share price is taken as informed by the Company

Volatility: The historical volatility over the expected life has been considered to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	₹17.18
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Annexure VII

Statement of Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, and forming part of the Directors' Report for the year ended March 31, 2022:

Sr. No	Name of the Employee	Designation/ Nature of Employment	Age/ Qualification	Experience (in years)	Remuneration (₹)	Last Employment	Date of Appointment	Equity holding %
1	Mr. Maroti Jawanjar	Executive Chairman, Permanent	70, Company Secretary	32	1,05,07,100	--	01/10/1997	8.29
2	Mr. Sandeep Jawanjal	Managing Director, Permanent	38, B.Com.	16	88,46,700	--	01/08/2006	2.65
3	Mrs. Deepali Balpande	Company Secretary, Permanent	42, Company Secretary	19	20,59,450	--	09/06/2003	0.34
4	Mr. Someshwar Dhonge	Head- Collection, Permanent	35 M.Com., PGDBM	13	14,98,561	V.K Surana & Co.	01/10/2010	--
5	Mr. Sewak Bhisikar	Head Business Development, Permanent	37 MBA (HR & Finance)	12	14,82,428	Sanvijay Rolling & Engineering Limited	05/08/2013	--
6	Mr. Satish Kumar Gupta	Head- Internal Audit Permanent	40, C.A, MBA, M.Com, DISA	16	14,52,763	Cholamandalam Investment and Finance Company Limited	14/06/2021	--
7	Mr. Yogesh Tahalyani	Chief Financial Officer	26, C.A	4	10,59,400	Loksuvidha Finance Limited	22/03/2021	--
8	Mrs. Jyoti Jawanjar	Manager (P.R.), Permanent	64, B.A.	31	10,10,198	--	01/04/1991	2.23
9	Mr. Rajesh Hinge	State Head- CG, Permanent	39, M.A.	16	9,03,574	--	01/06/2006	--
10	Mr. Amar Helonde	Manager (IT) Permanent	41, Diploma in Industrial Electronics	20	8,65,129	Tata Consultancy Services	01/10/2020	--

Notes: i. Remuneration includes Salary and allowances.

ii. None of the above employees are related to any Director or Manager except Mr. Sandeep Jawanjal, Mrs. Jyoti Jawanjar and Mrs. Deepali Balpande who are relatives of Mr. Maroti Jawanjar (Executive Chairman).

PRAVIN DHIRAN & CO.

CHARTERED ACCOUNTANTS

“Manish-Sadan”, Opp. Raman Cycle Industries, Krishna Nagar, Wardha – 442 001

Ph.: (07152) 242724 Fax : 245678 E-mail: pravin_dhiran@rediffmail.com

INDEPENDENT AUDITOR’S REPORT

To the Members,
BERAR FINANCE LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Berar Finance Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the 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 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

We draw attention to Note 51 to the financial statements in which the company has opined that due to short term nature of its loans and consideration of enhanced risk factors in its ECL model, additional management overlay is not required due to uncertainties of economic activities caused by the COVID-19 pandemic which has not yet ebbed.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the

financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the Financial Statements section' of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

Key Audit Matter	Auditor's Response
<p>(a) Allowance for expected credit losses ('ECL'): (as described in Note 3.6 of the Ind AS financial statements)</p>	
<p>As at 31 March 2022, the carrying value of loan assets measured at amortised cost, aggregated ₹ 81,933.84 lakhs (net of allowance for expected credit loss ₹ 1,264.00 lakhs) constituting approximately 79% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles.</p> <p>ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost; • Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. <p>(Refer note no. 3.6 and 51 to the financial statements).</p>	<p>Audit Procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • Understanding of the internal control environment related to Impairment loss allowance recognition and measurement and testing operating effectiveness of key controls • Assessing the approach of the Company regarding definition of Default, Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and incorporation of forward-looking information for the calculation of ECL. • Checking the reliability of key data inputs and related management controls. • Checking on sample basis the stage classification as at the balance sheet date as per definition of Default as per Board approved policy for ECL provisioning and RBI circulars for classification of loans as NPA issued from time to time. • Validation of ECL Model and its calculation by manual calculation of ECL provision for selected samples. • Assessing the assumptions made by the Company in making accelerated provision considering forward looking information. • For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.

Information Other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director Report, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report but does not include the Financial Statements and our Auditor's Report thereon. These reports are expected to be made available to us after the date of this Auditor's Report.
- Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.
- When we read the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Other Matter:

- i. As per paragraph 'E' of RBI Circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated 12-Nov-2021, there has been change in the manner of upgradation of loan accounts from NPA to Standard. According to the said circular, the loan account, one classified as NPA, may be upgraded to 'Standard' category only if entire arrears of interest and principal are paid by the borrower as against earlier practice of upgradation upon recovery of overdue beyond 90 days only. RBI has issued clarifications to this circular with regard to implementation of Ind-AS vide circular no. RBI/2021-2022/125 DOR.STR.REC.85/21.04.048/2021-22 dated 15-Feb-2022. As per para 2(v) of the February circular, "the circular does not, in any way, interfere with the extant guidelines on implementation of Ind-AS by NBFCs." Thus, the classification of loan accounts as Stage-1, Stage-2 and Stage-3 shall continue to be governed by Ind-AS 109. The company has made its ECL provision on the basis on Ind-AS 109 classifications depending upon days past due (DPD).
- ii. Our Opinion is not modified in respect of these matters.

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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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 Section 143(3) of the Act, based on our audit on the separate financial statements, 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 purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. **(a)** The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (‘Intermediaries’), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (‘Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and
(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed with respect to previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
2. As required by Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the said Order.

For PRAVIN DHIRAN & CO.
Chartered Accountants
FRN: 133656W

PRAVIN DHIRAN
Partner
M.No. 115580
UDIN - 22115580ANFWVV2096

Nagpur
Dated: May 30th, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of **Berar Finance Limited** of even date)

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

Opinion

We have audited the internal financial controls over financial reporting of **BERAR FINANCE LIMITED** as at March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

Management’s responsibility for Internal Financial Controls

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

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For PRAVIN DHIRAN & CO.

Chartered Accountants

FRN: 133656W

PRAVIN DHIRAN

Partner

M.No. 115580

UDIN - 22115580ANFWV2096

Nagpur

Dated: May 30th, 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under Report on Other Legal and Regulatory Requirements of our report to the members of **Berar Finance Limited** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, were physically verified during the year by the Management, in accordance with a regular programme of verification which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) Based on our examination of the documents provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable.
- (b) As stated in note no. 18, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, by banks or financial institutions on the basis of security of loans (assets) during the year. We have observed differences/reconciliation items in the quarterly returns or statements filed by the Company with such banks or financial institutions as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The differences are primarily due to furnishing of quarterly returns to the banks by the company before giving effect to adjustments as per Ind-AS as stated in note no. 18 of the financials statements of the Company.
- (iii) As explained in note no. 1 to the financial statements, the Company is a Deposit-taking Non-Banking Financial Company (‘NBFC’) registered with the Reserve Bank of India (‘RBI’) and as a part of its business activities is engaged in the business of lending across various types of loans.
- During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee/security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees/security and loans and advances:
- (a) The provisions of paragraph 3(iii)(a) of the Order are not applicable to the Company as its principal business is to give loans;

- (b) In our opinion, having regard to the nature of the Company's business, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest;
- (c) In respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note no. 3.6 to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balance as at 31 March 2022, aggregating ₹ 1,813.56 lakhs were categorised as credit impaired ('Stage 3') and ₹ 3,049.92 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in note no. 7 to the financial statements. Out of loans and advances in the nature of loans with balances as at the year end aggregating ₹ 78,334.37 lakhs, where credit risk has not significantly increased since initial recognition (categorised as 'Stage 1'), certain delinquencies in respect of payment of principal and payment of interest were observed which were regularized or were overdue for less than 30 days. Mostly, repayment of principal and interest is regular in case of loans categorized as Stage-1. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been observed.
- (d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 1069.71 lakhs (out of outstanding amount of ₹ 1,813.56 lakhs). Also, unrealized interest not recognized as per RBI guidelines on such loans is Rs.1367.55 lakhs. Reasonable steps are being taken by the Company for recovery of the principal and interest.
- (e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the Company as its principal business is to give loans.
- (f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.
- (iv)** According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.
- (v)** In our opinion and according to the information and explanations given to us, the Company being NBFC registered with RBI, provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi)** The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of paragraph 3(vi) of the Order is not applicable to the Company.
- (vii)** In respect of statutory dues –
- (a) According to the records of the company, the company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax (GST), Provident Fund, Employees State Insurance, Income-tax, cess and other material statutory dues, as applicable to it, with the appropriate authorities. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

There were no arrears of undisputed statutory dues as stated above, at the end of the financial year which were outstanding for more than six months from the date they become payable.

- (b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on 31 March 2022, on account of dispute are given below:

Name of the Statute	Nature of Disputed Dues	Amount under Dispute	Amount paid*	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	7,45,844	1,49,170	FY 2016-17 or AY 2017-18	Commissioner of Income-tax (Appeals)

* paid under protest

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion, the Company has utilized the money obtained by way of term loans from bank during the year for the purposes for which they were obtained, other than temporary parking in Cash credit account or in the form of a term deposit for a few days, pending utilization towards purpose for which the same are obtained.
- (d) On the basis of the maturity profile of financial assets and financial liabilities provided in the note no. 89 to the standalone financial statements, financial liabilities maturing within the 12 months following the reporting date (i.e. 31 March 2022) are less than expected recoveries from financial assets during that period. Further, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) & (f) The Company does not have any subsidiary, associate or joint venture. As such, clauses (e) and (f) of paragraph 3(ix) of the Order are not applicable to the Company.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable. Further, in our opinion, monies raised by the Company by way of unlisted debt instruments were applied for the purposes for which those were obtained, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (b) The Company has made preferential allotment of equity shares by way of private placement during the year. The Company has complied with the relevant provisions of the Act viz. section 42 and section 62(1)(c) read with relevant rules in connection with the funds raised through preferential allotment and the same have been utilised for the purposes for which they were raised.
- (xi) (a) Based on the audit procedures performed and representations obtained from the management and as disclosed in note-78 to the financial statements, we report that three instances of fraud on the company were noticed and reported by the management to Reserve Bank of India in terms of applicable regulatory provisions. Of this, two instances involving amount of Rs.28.36 lakhs were in respect of fraud committed by employees and one instance involving amount of Rs.5.77 lakhs was in respect of fraud committed by outsider (recovery agent). Out of the three cases, one was reported during the year 2021-22 and rest two were reported before the date of this report since the investigations were ongoing. The nature of fraud in all three cases was short or non-deposit of cash collected and/ or seized vehicle from customers (borrowers) of company. The company has made provision against expected loss due to such frauds. Besides, there are instances reported in Risk

Based Internal Audit Report of the company wherein cash collected from customers was deposited after prodding by internal audit team. The company has treated such instances as late deposit of cash and not classified the same as fraud citing that no loss has occurred to the company.

Further, no material fraud by the company has been noticed or reported during the course of our audit.

- (b) The frauds reported in clause (a) above were individually of amount less than Rs.1 Crore and management has already reported the cases where recovery was not made to the Reserve Bank of India as per regulatory framework. As such, no report under section 143(12) of the Companies Act, 2013 has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report either by us or by secretarial auditor.
- (c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.
- (xii)** The Company is not a Nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii)** In our opinion, the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, etc., as required by the applicable accounting standards.
- (xiv)** (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- (xv)** In our opinion and based on our examination of the records of the company, the company has not entered into non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)** (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ('RBI Act') and it has obtained the registration.
- (b) The Company has conducted the non-banking financial activities with a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.
- (c) The Company is not a Core Investment Company ('CIC') and hence reporting under paragraph 3(xvi) (c) of the Order is not applicable to the Company.
- (d) The Group (as defined under Master Direction DNBR.PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) to which the company belongs does not have any CIC as part of the group.
- (xvii)** The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii)** There has been no resignation of the statutory auditors during the year.
- (xix)** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, along with details provided in Note 89 to the Financial statements which describe the maturity analysis of assets & liabilities other information accompanying the financial

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

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a fund specified in schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Further as disclosed in Note 36.1 (Note-II) to the financial statements, unspent amount pertaining to FY 2021 was transferred to Prime Minister National Relief Fund in Jun-2021.
- (b) There is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing CSR project since there is no ongoing project.
- (xxi) The Company does not have any subsidiary, associate or joint venture and is not required to prepare consolidated financial statements. As such, paragraph 3(xxii) of the Order is not applicable to the Company.

For PRAVIN DHIRAN & CO.

Chartered Accountants

FRN: 133656W

PRAVIN DHIRAN

Partner

M.No. 115580

UDIN - 22115580ANFWVV2096

Nagpur

Dated: May 30th, 2022

Financial Statements

Balance Sheet as at 31 March 2022

(₹ in Lakhs)

	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	5	9,507.52	9,479.25
(b) Bank Balances other than cash and cash equivalents	6	4,371.89	7,474.86
(c) Loans	7	81,933.84	65,948.35
(d) Investments	8	1,562.29	1,177.09
(e) Other Financial assets	9	3,619.80	2,550.32
Non-financial Assets			
(a) Current Tax assets (Net)	10	-	-
(b) Deferred tax assets (Net)	11	672.69	471.65
(c) Property, Plant and Equipment	12	1,794.81	1,722.16
(d) Capital Work in Progress		21.99	9.00
(e) Other Intangible assets	13	71.85	81.32
(f) Right of use assets	14	271.61	215.29
(g) Other non-financial assets	15	14.40	14.46
Total Assets		1,03,842.69	89,143.75
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	16	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	462.55	425.34
Debt Securities	17	12,224.08	12,066.02
Borrowings (Other than Debt Securities)	18	48,064.97	48,803.49
Deposits	19	15,064.14	11,318.39
Other financial liabilities	20	1,401.56	1,420.80
Non-Financial Liabilities			
Current Tax liabilities (Net)	21	140.66	74.08
Provisions	22	360.26	209.01
Other non-financial liabilities	23	210.28	184.23
EQUITY			
Equity Share capital	24	1,233.68	1,000.78
Other Equity	25	24,680.51	13,641.61
Total Liabilities and Equity		1,03,842.69	89,143.75

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
 Chartered Accountants
 FRN: 133656W

M.G.Jawanjar
 Executive Chairman
 DIN: 00379916

S.M.Jawanjar
 Managing Director
 DIN: 01490054

Pravin Dhiran
 M.No 115580

Y.M. Tahalyani
 Chief Financial Officer

D.R.Balpande
 Company Secretary

Place : Nagpur
 Date: 30/05/2022

Statement of Profit and Loss for the year ended 31 March 2022

(₹ in Lakhs)

	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations			
Interest Income	26	15,888.76	12,104.33
Dividend Income	27	0.05	0.47
Fee & Commission Income	28	1,630.48	1,184.61
Net gain on fair value changes	29	8.73	88.13
Other operating Income	30	22.29	107.79
Total Revenue from operations		17,550.31	13,485.33
Other Income	31	9.59	0.86
Total Income		17,559.90	13,486.19
Expenses			
Finance Costs	32	9,021.06	6,752.88
Impairment on financial instruments	33	964.44	1,203.28
Employee Benefits Expenses	34	2,638.91	1,719.40
Depreciation, amortization and impairment	35	237.04	190.55
Other expenses	36	2,461.04	1,564.42
Total Expenses		15,322.49	11,430.53
Profit before tax		2,237.41	2,055.66
Tax Expense:			
- Current Tax	11	715.00	625.00
- Prior period income tax	11	-	-
- Deferred Tax	11	(219.56)	(107.01)
Profit for the year		1,741.97	1,537.67
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(73.61)	1.33
Income tax impact		(18.53)	(0.34)
Other Comprehensive Income for the year		(92.14)	0.99
Total Comprehensive Income for the year (Comprising Profit and other comprehensive income for the year)		1,649.83	1,538.66
Earnings per equity share			
Basic (INR)		17.28	16.01
Diluted (INR)		17.18	15.91

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjar
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

Statement of Cash Flows for the year ended 31 March 2022

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities		
Profit before tax	2,237.41	2,055.66
Adjustments for:		
Depreciation and amortisation expense	237.04	190.55
ESOP expense	40.62	48.30
Provision for Defined Benefit Obligation	33.65	25.58
Finance cost	377.45	124.57
Interest Income on Security Deposit	(4.99)	3.65
Amortization impact of Processing fees and commission on Loans	-	(634.08)
Interest income on investment	(86.20)	(73.99)
Net gain on fair value changes in Investment	(2.02)	37.30
Profit on sale of investment	(6.71)	(75.85)
Gain on termination of lease	(4.33)	(0.01)
Income on Mutual Funds	0.24	-
Impairment on financial instruments	964.44	1,203.28
Profit on sale of property, plant and equipment (Net)	(0.19)	(0.14)
Operating profit before working capital changes	3,786.41	2,904.82
Changes in working capital		
Increase/ (decrease) in trade payables	37.21	184.75
Increase/ (decrease) in other financial liabilities	(83.31)	145.37
Increase/ (decrease) in provisions and other liabilities	70.04	(119.10)
(Increase)/ decrease in other financial assets	(1,070.46)	(716.26)
(Increase)/ decrease in Loans	(16,949.93)	(20,505.52)
(Increase)/ decrease in other assets	0.06	(6.03)
Cash generated from/(used in) operations	(14,209.98)	(18,111.97)
Income tax paid	(648.42)	(513.61)
Net cash used in operating activities (A)	(14,858.40)	(18,625.58)
B. Cash flow from Investing activities		
Payment for property, plant and equipment, intangible assets and Capital Work-in-progress	(191.83)	(131.84)
Change in Other Bank balances not available for Immediate use	3,102.97	(6,759.20)
Proceeds from sale of property plant and equipment	0.34	0.19
Purchase of investment	(400.42)	(331.80)
Proceeds from sale of Investments	20.55	146.11
Interest received	90.00	69.67
Net cash used in investing activities (B)	2,621.61	(7,006.87)
C. Cash flow from Financing activities		
Proceeds from Bank & Financial Institution Borrowing (Net of Repayments)	(740.79)	15,352.61
Debt Securities issued	123.80	12,165.85
Deposits taken (Net of Repayments)	3,745.75	2,630.72

Capital raised	232.90	34.12
Premium received on issue of shares	9,767.10	1,965.89
Expenses related to Issue of Shares	(318.59)	-
Dividend Paid	(100.06)	(46.51)
Repayment of lease liabilities	(139.01)	(93.88)
Net cash used generated from financing activities (C)	12,571.10	32,008.80
Net increase in cash and cash equivalents (A+B+C)	334.31	6,376.35
Cash and cash equivalents at the beginning of the year	4,280.54	(2,095.81)
Cash and cash equivalents at the end of the year	4,614.84	4,280.54

Notes:

- Statement of Cash flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash flows" as specified in the Companies(Indian Accounting Standard Rules), 2015
- Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
- Cash & Cash Equivalents included in the Statement of Cash Flow includes the following**

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Balances with banks		
In current accounts	3,968.60	7,610.80
In fixed deposits (with original maturity less than 3 months)	5,495.88	1,754.60
Cash Credit from Banks	(4,892.68)	(5,198.71)
Cash in Hand	43.04	113.85
	4,614.84	4,280.54

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

Statement of Changes in Equity for the year ended 31 March 2022
A. Equity Share Capital

(1) Current reporting period

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,000.78	-	1,000.78	232.90	1,233.68

(2) Previous reporting period

(₹ in Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
911.11	-	911.11	89.67	1,000.78

B. Other Equity

(1) Current reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	Total
Balance at the beginning of the current reporting period	2,812.95	4,675.44	5,982.65	62.38	108.20	13,641.61
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	2,812.95	4,675.44	5,982.65	62.38	108.20	13,641.61
Profit for the year	-	-	-	-	1,741.97	1,741.97
Other comprehensive income for the year	-	-	-	-	(92.14)	(92.14)
Total comprehensive income for the year	2,812.95	4,675.44	5,982.65	62.38	1,758.02	15,291.44
Dividend Paid including taxes on dividend	-	-	-	-	(100.06)	(100.06)
Transfers to Statutory reserves	450.00	-	-	-	(450.00)	-
Transfers to General reserves	-	-	1,100.00	-	(1,100.00)	-
Any other change:	-	-	-	-	-	-
Premium on issue of Shares	-	9,767.09	-	-	-	9,767.09
Expenses related to issue of shares (Private Placement)	-	(318.60)	-	-	-	(318.60)
Share based payment expense	-	-	-	40.64	-	40.64
Balance at the end of the current reporting period	3,262.95	14,123.93	7,082.65	103.02	107.96	24,680.51

(2) Previous reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	Total
Balance at the beginning of the previous reporting period	2,412.95	2,709.55	5,482.65	14.09	(483.96)	10,135.28
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	2,412.95	2,709.55	5,482.65	14.09	(483.96)	10,135.28
Profit for the year	-	-	-	-	1,537.67	1,537.67
Other comprehensive income for the year	-	-	-	-	0.99	0.99
Total comprehensive income for the year	2,412.95	2,709.55	5,482.65	14.09	1,054.70	11,673.94
Dividend Paid including taxes on dividend	-	-	-	-	(46.50)	(46.50)
Transfers to Statutory reserves	400.00	-	-	-	(400.00)	-
Transfers to General reserves	-	-	500.00	-	(500.00)	-
Any other change:						
Premium on issue of Shares	-	1,965.89	-	-	-	1,965.89
Share based payment expense	-	-	-	48.28	-	48.28
Balance at the end of the previous reporting period	2,812.95	4,675.44	5,982.65	62.38	108.20	13,641.61

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Corporate Information

The Company is a registered non-banking finance company engaged in the business of providing finance. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) with effect from 24 November 1998, with Registration No. 13.01109. The Company primarily deals in the financing of two-wheelers, used car finance, and personal loan etc. The Company is a systemically important NBFC as per Reserve Bank of India. The company was re-classified from Asset Finance Company to Investment & Credit Company (NBFC-ICC) as per RBI notification no. 097/03.10.001/2018-19 dated 22-Feb-2019. The Company is having its head office at Nagpur and currently having 101 branches as on 31 March 2022. The financial statements of the Company for the year ended March 31, 2022 were approved in accordance with the resolution of the Board of Directors on May 30, 2022.

2 Basis of Preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹) in lakhs (INR in lakhs or ₹ In lakhs) which is the currency of the primary economic environment in which the Company operates (the ‘functional currency’). Due to rounding off, numbers presented in the tables given may not add up precisely to the totals provided.

2.4 Use of estimates, judgements and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

The fair value of financial instruments 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 another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

ii) Effective interest rate ('EIR') method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ('ECL') calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').
- d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates. For further details on provisions and other contingencies refer note 38.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

2.5 Presentation of the financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 (“the Act”) applicable for Non-Banking Finance Companies (“NBFC”). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in lakhs.

3 Significant Accounting Policies

3.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

A Interest and dividend income

Interest income for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) are recognised in ‘Interest income’ in the profit or loss account using the effective interest method (EIR).

Effective interest rate (EIR) wherever applicable in case of a financial asset is computed as the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. It is computed by considering all contractual terms of the financial instrument in estimating the cash flows. The cash flows are estimated using all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit impaired financial assets and financial asset classified as measured at FVTPL. Interest income on credit-impaired financial assets are treated to accrue only upon realisation, due to uncertainty involved in its realisation and are accounted accordingly.

Dividend income is recognised when the Company’s right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

B Other Financial Charges

Other Financial Charges includes fees other than those that are an integral part of EIR. Service income, bounce charges, penal charges and foreclosure charges etc. are recognised upfront in the statement of profit & loss account .

C Net gain or fair value change

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in “Net gains or fair value changes” under revenue from operations and if there is a net loss the same is disclosed “Expenses”, in the statement of profit and loss.

D Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.2 Financial instrument - initial recognition**A Date of recognition**

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3 Financial assets and liabilities**A Financial assets****Business model assessment**

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 and is based on observable factors such as:

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. 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 or newly purchased financial assets going forward."

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set. In contrast, contractual terms that introduce a more than the minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to

contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ('AC')

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets measured at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

B Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition.

ii) Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. The EIR amortization is included as finance costs in the statement of profit and loss.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2022 and 31 March 2021.

3.5 Derecognition of financial assets and liabilities

i) Financial assets

A Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

B Derecognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

- i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- ii) Full lifetime expected credit losses ('LTECL') (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD: Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. For investments and balances with banks, the Company uses external ratings for determining the PD of respective instruments.

EAD: Exposure at Default ('EAD') is an estimate of the amount outstanding when the borrower defaults. It is the total amount of an asset the entity is exposed to at the time of default. It is defined based on characteristics of the asset.

LGD: Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed. The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Forward looking information

The Company use multiple economic factors and test their correlations with past loss trends witnessed. These were GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, unemployment rate, crude oil prices and policy interest rates. Based on past correlation trends, GDP growth rate was considered to be the factor with acceptable correlation with past loss trends which was in line with Management views on the drivers of portfolio trends.

3.7 Write-offs

Financial assets are written off when there are no prospects of recovery which are subject to management decision. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under bad debts and write offs forming part of impairment on financial instruments in statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- **Level 2** financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted

prices such as interest rates and yield curves, implied volatilities, and credit spreads; and market-corroborated inputs.

- **Level 3** financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 I) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ('PPE') are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

- i) Building - 60 years
- ii) Office equipment - 5 years
- iii) Computers - 3 years
- iv) Furniture and electrical fittings - 10 years
- v) Vehicles - 8 years
- vi) Printers - 5 years
- vii) Server - 6 years
- viii) Generator - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

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.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. 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 recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

The estimated useful life is as follows:

- i) Computer Software - 5 years

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses.

The right-of-use assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- Low value leases; and
- Leases which are short-term.

3.15 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed in the financial statements.

3.17 Taxes**A. Current Tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

A deferred tax asset is recognised for the carry forward of unused tax losses and accumulated depreciation to the extent that it is probable that future taxable profit will be available against which the unused tax losses and accumulated depreciation can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3.18 Earnings per share

Basic earnings per share ('EPS') is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.20 Cash flow statement

Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4 Standards (including amendments) issued but not yet effective

MCA notifies new standard or amendments to the existing standards. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which is effective from April 01, 2022. On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013 effective from April 01, 2021. Amendments relating to Division III which relate to NBFCs whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, have been complied with.

4 A Ind AS 101 - First time adoption of Ind AS

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- (i) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, intangible assets and investment property as at March 31, 2019 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment, intangible assets and investment property as on April 01, 2019.
- (ii) On transition to Ind AS, the Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2019.
- (iii) On transition to Ind AS, the Company has applied the impairment requirements of Ind AS 109 retrospectively. However, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

5 Cash and cash equivalents

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Cash on hand	43.04	113.85
Balances with banks		
In current accounts	3,968.60	7,610.80
In fixed deposits (with original maturity less than 3 months)	5,495.88	1,754.60
Total	9,507.52	9,479.25

6 Bank Balances other than cash and cash equivalents

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Fixed Deposits (Including accrued Interest)	4,120.01	7,330.28
Balances with banks to the extent held as margin money or security against the borrowings	251.18	143.04
Earmarked balances with banks (Unpaid dividend)	0.70	1.54
Total	4,371.89	7,474.86

7 Loans

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Loans measured at Amortised Cost		
i) <u>Terms loans</u>		
Loans (Refer Note 48)	83,197.84	67,180.56
Total (A) Gross	83,197.84	67,180.56
Less: Impairment loss allowance (Refer Note 48)	(1,264.00)	(1,232.21)
Total (A) Net	81,933.84	65,948.35

Details of loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties that are repayable on demand or without specifying any terms or period of repayment as at 31 March 2022 are as follows:

(₹ in Lakhs)

Type of borrower	Amount of loan or advance in the nature of loan outstanding	% to the total loans and advances in the nature of loans
Promoter	3.64	0.004%
Director	-	-
KMPs	-	-
Related parties	-	-

Details of loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties that are repayable on demand or without specifying any terms or period of repayment as at 31 March 2021 are as follows:

(₹ in Lakhs)

Type of borrower	Amount of loan or advance in the nature of loan outstanding	% to the total loans and advances in the nature of loans
Promoter	-	-
Director	-	-
KMPs	-	-
Related parties	7.04	0.01%

8 Investments

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
i) Investments measured at amortised cost (Refer Note I)		
Investments in Government Securities (Quoted)	1,442.84	1,054.52
ii) Investments measured at fair value through Profit or Loss (Refer Note II)		
Investments in Equity Instruments (Quoted)	14.78	13.45
Investments in Mutual funds (Quoted)	-	5.15
<u>Other Investment</u>		
Investment in alternative investment fund units	104.67	103.97
Total - Gross (A)	1,562.29	1,177.09
(i) Investments outside India	-	-
(ii) Investments in India	1,562.29	1,177.09
Total (B)	1,562.29	1,177.09
Less: Allowance for Impairment loss (C)	-	-
Total - Net C= (A)-(B)	1,562.29	1,177.09

Details of investments -
Note I - Investments in government securities measured at amortised cost

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Investments measured at amortised cost (Quoted)		
7.80% GOI BONDS 2021	-	5.18
8.28% GOI BONDS 2027	4.85	4.82
8.03% GOI BONDS 2024	10.04	9.97
8.23% GOI BONDS 2027	6.06	6.07
8.30% GOI BONDS 2023	11.16	11.09
7.94% GOI BONDS 2021	-	10.26
8.26% GOI BONDS 2027	10.04	10.03
8.26% GOI BONDS 2027	5.08	5.08
8.83% GOI BONDS 2041	5.76	5.76
8.24% GOI BONDS 2027	5.03	5.03
8.83% GOI BONDS 2023	20.85	20.98
8.24% GOI BONDS 2027	9.97	9.95
8.35% GOI BONDS 2022	92.84	92.87
8.15% GOI BONDS 2026	92.60	92.62
8.26% GOI BONDS 2027	35.71	35.75
7.88% GOI BONDS 2030	20.00	19.99
7.16% GOI BONDS 2023	86.26	85.51
7.88% GOI BONDS 2030	36.54	36.68
7.88% GOI BONDS 2030	24.69	24.66
7.59% GOI BONDS 2029	45.29	45.49
7.88% GOI BONDS 2030	58.28	58.12
7.40% GOI BONDS 2035	9.33	9.30
7.88% GOI BONDS 2030	15.21	15.22
7.40% GOI BONDS 2035	76.75	76.82
7.73% GOI BONDS 2034	16.26	16.31
7.50% GOI BONDS 2034	12.51	12.53
7.40% GOI BONDS 2035	74.65	74.57
7.50% GOI BONDS 2034	18.23	18.28
7.40% GOI BONDS 2035	32.32	32.42
7.50% GOI BONDS 2034	24.99	25.10
6.22% GOI BONDS 2035	24.64	24.62
6.22% GOI BONDS 2035	153.44	153.44
6.22% GOI BONDS 2035	24.33	-
6.64% GOI BONDS 2035	49.96	-
6.22% GOI BONDS 2035	48.12	-
6.64% GOI BONDS 2035	141.15	-
6.83% GOI BONDS 2039	139.90	-
Total	1,442.84	1,054.52

Note II - Investments measured at Fair Value through Profit or Loss

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Investments measured at Fair Value through Profit or Loss		
i) Investments in Equity Instruments (Quoted)		
Sundaram Finance Ltd 100 (31 March 2021: 100)	1.94	2.58
Bajaj Finance Ltd. 100 (31 March 2021: 100)	7.26	5.15
HDFC LTD 100 (31 March 2021: 100)	2.39	2.50
KOTAK MAHINDRA BANK LTD 100 (31 March 2021: 100)	1.75	1.75
YES BANK LTD 1,500 (31 March 2021: 1,500)	0.19	0.24
AU SMALL FINANCE BANK LTD. 100 (31 March 2021: 100)	1.25	1.23
	14.78	13.45
ii) Investments in Mutual funds (Quoted)		
Sundaram Long Term Tax Advantage Fund Series III - Regular Idcw Nil (31 March 2021: 50,700 units)	-	5.15
Sundaram Short Term Debt Fund - Regular Growth Nil (31 March 2021: 6.559 units)	-	0.00
	-	5.15
iii) Other investments		
<u>Investment in Alternative Investment fund</u>		
Northern Arc Money Market Alpha Fund: 1,10,099.27 units (31 March 2021: 1,03,977.78 units)	104.67	103.98
	104.67	103.98
Total (i+ii+iii)	119.45	122.57

9 Other Financial assets

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Security deposits		
Premises	50.71	44.24
Others	19.19	55.83
Advances to employees	2.23	2.39
	72.13	102.46
Advances to dealers	2,291.76	1,803.78
Receivable from recovery agent	1,174.88	595.46
Others	148.93	48.62
Less: Impairment loss allowance	(67.90)	-
	3,547.67	2,447.86
Total	3,619.80	2,550.32

10 Current tax assets (net)

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Advance income tax (Net of provision for tax)	-	-
Total	-	-

11 Deferred tax assets/ (liabilities), net / tax expenses

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
(A) Deferred tax relates to the following:		
Deferred tax assets		
- on financial assets measured at amortised cost	418.98	302.49
- on expected credit loss provision on loans	335.21	257.96
- on lease as per Ind AS 116	5.41	3.49
- on ESOP	6.28	3.34
- on gratuity	58.50	33.16
- on leave encashment	32.17	19.45
- on Provision for bad debts	-	-
Total Deferred tax assets (A)	856.55	619.89
Deferred tax liabilities		
- On difference between written down value of fixed assets as per books of accounts and income tax	28.96	26.22
- On investments measured at FVTPL	0.49	0.01
- On financial assets measured at amortised cost	1.76	-
- On financial liabilities measured at amortised cost	96.19	122.01
- ECL provision claimed	56.46	-
Total Deferred tax liabilities (B)	183.86	148.24
Deferred tax asset / (liability), net (A-B)	672.69	471.65

(B) Reconciliation of deferred tax assets/ (liabilities) (net):

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance as of 1 April	471.65	364.98
Deferred tax assets/(liabilities) recognized in Statement of Profit and Loss	219.56	107.01
Deferred tax assets/(liabilities) recognized in OCI	(18.53)	(0.34)
Closing balance	672.68	471.65

(C) Income tax expense recognised in profit and loss

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
- Current tax	715.00	625.00
- Prior period income tax		
- Deferred tax charge / (income)	(219.56)	(107.01)
Total	495.44	517.99

(D) Income tax expense recognised in other comprehensive income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net loss/(gain) on remeasurements of defined benefit plans	(18.53)	(0.34)
Total	(18.53)	(0.34)

(E) Major Components of tax expense/(Income) :

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Statement of Profit and Loss:		
a) Profit & Loss Section		
i) <u>Current Tax</u>		
Current Tax expense for the year	715.00	625.00
Tax expense for the earlier years	-	-
	715.00	625.00
ii) <u>Deferred Tax</u>		
Tax expense on origination and reversal of temporary differences	(219.56)	(107.01)
	(219.56)	(107.01)
Income tax expense reported in the statement of profit or loss [(i)+(ii)]	495.44	517.99
Other Comprehensive Income (OCI) Section:		
i) <u>Items that will not be reclassified to profit or loss in subsequent years:</u>		
Current tax expense/(income):		
Deferred tax expense/(income):	(18.53)	(0.34)
	(18.53)	(0.34)
ii) <u>Items that will be reclassified to profit or loss in subsequent years:</u>	-	-
Income tax expenses reported in the other comprehensive income [i+ii]	(18.53)	(0.34)

(F) Reconciliation of tax charge

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	2,237.41	2,055.66
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expenses	563.11	517.37
Tax effects of:		
- Disallowed expense	164.66	148.21
- Excess Provision Made	59.50	11.77
- Other	-	(0.99)
- Tax at different rate	(0.14)	(17.65)
- Deductions under chapter VIA	(72.13)	(33.71)
- Adjustments related to tax of Prior Years	-	-
- Impact of Deferred Tax Adjustments	(219.56)	(105.34)
- Effect on Deferred Tax due to change in Tax Rates *	-	(1.67)
Tax expense recognised in Statement of Profit and Loss	495.44	517.99

(G) Computing Corporate Tax Rate Applicable to the Company

	Year ended 31 March 2022	Year ended 31 March 2021
Basic Tax Rate *	22%	22%
Add: Surcharge	10%	10%
Add: Cess	4%	4%
Corporate Tax Rate Applicable	25.17%	25.17%

* In the financial year ended March 31, 2021, the Taxation Laws (Amendment) Ordinance 2019, had inserted section 115BAA in the Income Tax Act, 1961, providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The Company had elected to apply the concessional tax rate and accordingly, the Company has recognized the provision for income tax for the years ended March 31, 2022 and March 31, 2021.

12 A. Property, plant and equipment

(₹ in Lakhs)

	Gross block			Accumulated depreciation and impairment					Net block	
	As at 31 March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2021	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2022	As at 31 March 2021
Owned assets										
Land-Freehold	1,181.08	-	-	1,181.08	-	-	-	-	-	1,181.08
Buildings	264.35	-	-	264.35	8.81	4.51	-	-	13.32	255.54
Office Equipments	91.97	28.76	1.10	119.63	32.09	18.27	0.96	-	49.40	59.88
Computers	102.98	74.78	0.20	177.56	38.23	37.64	0.20	-	75.67	64.75
Generator	14.03	-	-	14.03	0.53	1.32	-	-	1.85	13.50
Furniture & Fixtures	113.33	35.73	-	149.06	20.92	14.51	-	-	35.43	92.41
Vehicles	39.11	-	-	39.11	9.29	5.13	-	-	14.42	29.82
Printer	9.90	4.75	-	14.65	2.65	2.43	-	-	5.08	7.25
Server	3.74	6.71	-	10.45	2.75	1.44	-	-	4.19	0.99
Electrical Fitting	20.68	9.78	-	30.46	3.75	2.46	-	-	6.21	16.93
Total	1,841.17	160.51	1.30	2,000.38	119.01	87.71	1.16	-	205.57	1,794.81
										1,722.16

(₹ in Lakhs)

	Gross block			Accumulated depreciation and impairment					Net block	
	As at 31 March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2020	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2021	As at 31 March 2020
Owned assets										
Land-Freehold	1,181.08	-	-	1,181.08	-	-	-	-	-	1,181.08
Buildings	264.35	-	-	264.35	4.30	4.51	-	-	8.81	260.05
Office Equipments	70.21	22.88	1.12	91.97	16.25	16.91	1.07	-	32.09	53.96
Computers	58.12	44.86	-	102.98	17.03	21.20	-	-	38.23	41.09
Generator	0.18	13.85	-	14.03	-	0.53	-	-	0.53	0.18
Furniture & Fixtures	91.54	21.79	-	113.33	9.56	11.36	-	-	20.92	81.98
Vehicles	39.11	-	-	39.11	4.16	5.13	-	-	9.29	34.95
Printer	6.14	3.76	-	9.90	1.13	1.51	-	-	2.65	5.01
Server	3.74	-	-	3.74	1.37	1.38	-	-	2.75	2.36
Electrical Fitting	20.68	-	-	20.68	1.58	2.17	-	-	3.75	19.10
Total	1,735.15	107.15	1.12	1,841.17	55.38	64.70	1.07	-	119.01	1,679.77

(a) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Company.

(b) The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

(c) * Refer note 4A of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

B. Capital work in progress (CWIP)
CWIP ageing schedule as at 31 March 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.99	-	-	-	21.99
Projects temporarily suspended	-	-	-	-	-

CWIP ageing schedule as at 31 March 2021

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.00	-	-	-	9.00
Projects temporarily suspended	-	-	-	-	-

There are no projects as on each reporting date where activity had been suspended. Also there are no projects as on the reporting date which has exceeded cost as compared to its original plan or where completion is overdue.

13 Other Intangible assets

	Gross block			Accumulated amortisation and impairment			Net block		
	As at 31 March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2022	As at 31 March 2021
Computer Software	134.48	18.33	-	53.16	27.80	-	-	80.96	71.85
Total	134.48	18.33	-	53.16	27.80	-	-	80.96	71.85

	Gross block			Accumulated amortisation and impairment			Net block		
	As at 31 March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2021	As at 31 March 2020
Computer Software	118.77	15.71	-	10.14	43.02	-	-	53.16	108.63
Total	118.77	15.71	0.00	10.14	43.02	-	-	53.16	108.63

14 Right of use assets

(₹ in Lakhs)

	Amount
Carrying amount as at 31 March 2020	110.08
Addition	188.07
Adjustments/deletion	(0.03)
Depreciation for the year	(82.83)
Carrying amount as at 31 March 2021	215.29
Addition	203.53
Adjustments/deletion	(25.68)
Depreciation for the year	(121.53)
Carrying amount as at 31 March 2022	271.61

15 Other Non Financial Assets

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Advances to creditors for capital goods	-	0.66
Stamps in Hands	14.40	13.80
Total	14.40	14.46

16 Trade Payables

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	462.55	425.34
Total	462.55	425.34

16.1 DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006. The disclosures relating to Micro and Small Enterprises are as below:

	As At 31 March 2022	As At 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	-	-
- Interest	-	-
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-

- The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	-	-
Total	-	-

16.2 Trade Payables ageing

a) Trade payables ageing schedule as at 31 March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1. MSME	-	-	-	-	-
2. Others	278.67	-	-	-	278.67
3. Disputed dues - MSME	-	-	-	-	-
4. Disputed dues - Others	-	-	-	-	-
5. Unbilled trade payables, if any	183.88	-	-	-	183.88

b) Trade payables ageing schedule as at 31 March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1. MSME	-	-	-	-	-
2. Others	276.06	-	-	-	276.06
3. Disputed dues - MSME	-	-	-	-	-
4. Disputed dues - Others	-	-	-	-	-
5. Unbilled trade payables, if any	149.28	-	-	-	149.28

17 Debt Securities

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
At Amortised cost :		
Secured		
Non Convertible Debentures	12,224.08	12,066.02
Total	12,224.08	12,066.02

17.1 Disclosure on Debt Securities issued on private placement basis.
Issue of secured redeemable non convertible debentures as on March 31, 2022

(₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31 March 2022
13.18% Listed Non Convertible Debentures*	1.00	24-Feb-21	24-Feb-24	Redeemable at par at the end of 36 Months from the date of allotment.	1,145.63
13.91% Listed Non Convertible Debentures*	10.00	24-Mar-21	05-Feb-25	Redeemable at par at the end of 46 Months 12 days from the date of allotment.	3,399.01
12.50% Unlisted Non Convertible Debentures	10.00	22-Jun-20	22-Jun-23	Redeemable at par at the end of 36 Months from the date of allotment.	998.05
14.00% Unlisted Non Convertible Debentures	10.00	11-Sep-20	11-Sep-23	Redeemable at par at the end of 36 Months from the date of allotment.	990.56
13.75% Unlisted Non Convertible Debentures	10.00	18-Nov-20	30-Mar-23	Redeemable at par at the end of 29 Months from the date of allotment.	1,489.12
13.75% Unlisted Non Convertible Debentures	1.00	23-Dec-20	23-Dec-23	Redeemable at par at the end of 36 Months from the date of allotment.	1,486.25
13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	31-Oct-24	Redeemable at par at the end of 38 Months from the date of allotment.	1,411.93
13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	30-Nov-24	Redeemable at par at the end of 39 Months from the date of allotment.	1,303.53
Total					12,224.08

Issue of secured redeemable non convertible debentures as on March 31, 2021

(₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31 March 2021
13.18% Listed Non Convertible Debentures*	1.00	24-Feb-21	24-Feb-24	Redeemable at par at the end of 36 Months from the date of allotment.	1,738.40
15.00% Listed Non- Convertible Debentures*	10.00	24-Mar-21	05-Feb-25	Redeemable at par at the end of 46 Months 12 days from the date of allotment.	3,395.42
12.50% Unlisted Non Convertible Debentures	10.00	22-Jun-20	22-Jun-23	Redeemable at par at the end of 36 Months from the date of allotment.	994.50
12.75% Unlisted Non Convertible Debentures	10.00	29-Jul-20	28-Jul-21	Redeemable at par at the end of 364 days from the date of allotment.	997.11

13.00% Unlisted Non Convertible Debentures	10.00	30-Jul-20	02-Aug-21	Redeemable at par at the end of 1 Year 3 days from the date of allotment.	999.12
14.00% Unlisted Non Convertible Debentures	10.00	11-Sep-20	11-Sep-23	Redeemable at par at the end of 36 Months from the date of allotment.	984.87
13.75% Unlisted Non Convertible Debentures	10.00	18-Nov-20	30-Mar-23	Redeemable at par at the end of 29 Months from the date of allotment.	1,480.21
13.75% Unlisted Non Convertible Debentures	1.00	23-Dec-20	23-Dec-23	Redeemable at par at the end of 36 Months from the date of allotment.	1,476.39
Total					12,066.02

Nature of Security:

The Secured Non - Convertible Debentures are secured by Hypothecation of specific Loan receivables with a cover as per the terms of issue. It is further secured by personal guarantees of Mr. M.G.Jawanjar and Mr. S.M.Jawanjal.

* The NCDs are listed on BSE Ltd.

Secured redeemable non convertible debentures:

During the year, the Company has raised ₹ 2,500 lakhs issue of NCD's (31 March 2021: ₹ 12,200 lakhs). The Company has utilised ₹ 2,500 lakhs (31 March 2021: ₹ 7,000 lakhs) for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. Total unutilised balance amount of ₹ Nil (31 March 2021: ₹ 5,200 lakhs) is in form of Fixed Deposits with Banks.

18 Borrowings (Other than Debt Securities)

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
At Amortised cost :		
a) Term loans		
i) Secured		
Term Loan from Banks	18,522.89	18,237.40
Term Loan from Financial Institutions	23,413.67	25,211.31
Associated liabilities in respect of securitization transactions	1,235.73	156.07
b) Loans repayable on demand		
i) Secured		
Cash Credit from Banks	4,892.68	5,198.71
Total	48,064.97	48,803.49

18A Disclosure for Borrowings

Term loans from bank as on March 31, 2022 : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31 March 2022	As at 31 March 2021
Monthly	Upto 5 Years	10.01%-11.00%	652.02	975.47
Monthly	Upto 5 Years	11.01%-12.00%	7,300.35	4,570.76
Monthly	Upto 5 Years	12.01%-13.00%	4,998.22	1,211.29
Monthly	Upto 5 Years	13.01%-14.00%	4,380.45	9,448.87
Monthly	Above 5 Years	12.01%-13.00%	1,191.85	2,031.01
Total			18,522.89	18,237.40

Details of Securities Given

Term loan from banks are secured by first charge on specific receivables under Hypothecation Agreements. It is further secured by personal guarantees of Mr. M.G.Jawanjar and Mr. S.M.Jawanjal.

Term Loan taken from SBI is secured by equitable mortgage of Office premises situated at 1st & 2nd Floor at Avinisha Tower, Dhantoli, Nagpur.

Term loans from Financial Institutions as on March 31, 2022 : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31 March 2022	As at 31 March 2021
Monthly	Upto 5 Years	10.01%-11.00%	1,348.00	-
Monthly	Upto 5 Years	11.01%-12.00%	2,806.14	3,946.25
Monthly	Upto 5 Years	12.01%-13.00%	5,127.56	2,533.49
Monthly	Upto 5 Years	13.01%-14.00%	14,131.97	18,324.68
Quarterly	Upto 5 Years	12.01%-13.00%	-	406.89
Total			23,413.67	25,211.31

Details of Securities Given

Term loan from financial institutions is secured by first charge on specific receivables under Hypothecation Agreements other than those hypothecated to banks. It is further secured by personal guarantees of Mr. M.G.Jawanjar and Mr. S.M.Jawanjal.

Loan repayable on demand from bank : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31 March 2022	As at 31 March 2021
Bank overdraft/Cash Credit	Bullet	11.01%-12.00%	4,892.68	5,198.71
Total			4,892.68	5,198.71

Details of Securities Given

Loan repayable on demand from bank is secured by:

- First charge on Hypothecation loan receivables present and future, ranking pari passu, excluding assets which are specifically charged to others lenders.
- Equitable mortgage of Office premises situated at Amravati, Akola, Chandrapur, Chhindwara, Raipur and Nagpur office 3rd Floor.

- Hypothecation of furniture/Fixture/Computers/Equipments in the above office premises.
- Personal guarantees of Mr. M.G.Jawanjar, Mrs Jyoti Jawanjar and Mr. S.M.Jawanjal.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed. The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. Quarterly Returns or Statements of current assets filed by the Company with Banks or Financial Institutions are prima facie in agreement with the Books of Accounts prepared before giving the effect for adjustments made pursuant to Ind-AS.

19 Deposits

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
At Amortised cost :		
Deposits (Unsecured)		
- Public deposits	14,990.24	11,249.22
- Inter corporate deposits	73.90	69.17
Total	15,064.14	11,318.39

19.1 Maturity profile of public deposit (Including unclaimed deposit) and Rate of interest of Deposit (Fixed Deposits) are as set out below:

(₹ in Lakhs)

Rate of Interest	As at 31 March 2022		
	Upto 1 Year	1-3 Years	Total
8.50%	753.84	-	753.84
8.75%	941.66	168.09	1,109.75
9.00%	842.93	675.31	1,518.24
9.25%	1,586.39	519.67	2,106.06
9.50%	1,298.42	2,590.70	3,889.12
9.75%	796.57	2,012.79	2,809.36
10.00%	1,388.69	916.16	2,304.85
10.50%	-	914.58	914.58
Total	7,608.50	7,797.30	15,405.80

(₹ in Lakhs)

Rate of Interest	As at 31 March 2021		
	Upto 1 Year	1-3 Years	Total
9.00%	1,566.62	-	1,566.62
9.25%	2,138.06	218.45	2,356.51
9.50%	719.59	1,929.43	2,649.02
9.75%	594.60	2,140.82	2,735.42
10.00%	432.26	1,308.13	1,740.39
10.50%	-	860.81	860.81
Total	5,451.13	6,457.64	11,908.77

20 Other Financial liabilities

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Employee benefits payable	299.82	207.53
Unclaimed Dividend	1.19	1.54
Other expenses payable	41.26	43.52
Security deposits	330.49	256.08
Unclaimed matured deposits (Refer note 19.1)	415.56	659.55
Lease liability (Refer note 20.1)	285.96	221.89
Other credit balances	27.28	30.69
Total	1,401.56	1,420.80

20.1 Movement of lease liabilities

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening Balance	221.89	111.97
Additions	199.28	183.15
Interest expenses	34.90	20.64
Payments	(139.01)	(93.87)
Deletions	(31.10)	-
Total	285.96	221.89

21 Current tax liabilities (net)

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Current income tax payable for 31 March 2022, net of advance tax of INR 503.29 lakhs and TDS receivable of INR 31.18 lakhs (31 March 2021: net of advance tax INR 500 lakhs and TDS receivable INR 50.91 lakhs)	140.66	74.08
Total	140.66	74.08

22 Provisions

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Provision for employee benefits		
Provision for gratuity (Refer Note 40)	232.45	131.75
Provision for compensated absences (Refer Note 40)	127.81	77.26
Total	360.26	209.01

23 Other Non Financial liabilities

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Statutory dues payable	210.28	184.23
Total	210.28	184.23

24 Equity share capital

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Authorized		
1,45,00,000 (31 March 2021: 1,25,00,000) Equity shares of INR 10/- each.	1,450.00	1,250.00
5,00,000 (31 March 2021: 25,00,000) 0.1% Cumulative Compulsorily Convertible Participating Preference shares of INR 10/- each.	50.00	250.00
	1,500.00	1,500.00
Issued, Subscribed and Paid up		
1,23,36,846 (31 March 2021: 1,00,07,798) Equity shares of INR 10/- each.	1,233.68	1,000.78
Total	1,233.68	1,000.78

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

(₹ in Lakhs)

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	100.08	1,000.78	91.11	911.11
Add: Issued during the year - Private Placement	23.29	232.90	5.72	57.14
Add: On account of conversion of 0.1% Cumulative Compulsorily Convertible Participating Preference shares	-	-	3.25	32.53
Outstanding at the end of the year	123.37	1,233.68	100.08	1,000.78

(b) Reconciliation of 0.1% Cumulative Compulsorily Convertible Participating Preference shares outstanding at the beginning and at the end of the year

(₹ in Lakhs)

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	-	-	5.56	55.56
Add: Issued during the year - Private Placement	-	-	-	-
Add: Preference shares issued during the year through Private Placement	-	-	3.81	38.10
Less: Preference shares converted into equity shares during the year	-	-	(9.37)	(93.66)
Outstanding at the end of the year	-	-	-	-

On March 21, 2022, the Company allotted fully paid up 23,29,048 equity shares of face value of ₹10/- each in the preferential issue through private placement basis at an issue price of ₹429.36/- per shares (including premium of ₹419.36/- per equity shares).

On October 27, 2020, the Company had allotted fully paid up 5,71,428 Equity Shares and 3,80,953 0.1% Cumulative Compulsorily Convertible Participating Preference Shares ("CCPS") of face value of ₹10/- each to the eligible equity shareholders at an issue price of ₹210/- per shares (including premium of ₹200/- per equity shares and CCPS) in the preference issue.

(c) Rights, preferences and restrictions attached to shares

The Company has only one class of paid up share capital i.e equity share having a face value of INR 10 each. Each holder of equity shares is entitled to one vote per share.

In accordance with the Investor Agreement, on 30 March 2021, 5,55,556 Tranche 1 Series A CCPS of INR 10/- each were converted into 1,89,942 equity shares of INR 10/- each at a premium of INR 516.47 per share and 3,80,953 Tranche 2 Series A CCPS of INR 10/- each were converted into 1,35,317 equity shares of INR 10/- each at a premium of INR 581.20 per share.

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
i) M/s Avino Capcons Pvt Ltd	14.88	12.06%	14.88	14.87%
ii) Mr.Maroti Jawanjar	10.23	8.29%	10.21	10.20%
iii) Mr.Maroti Jawanjar (HUF)	8.69	7.04%	8.69	8.68%
iv) Amicus Capital Private Equity I LLP	21.28	17.25%	18.10	18.08%
v) Maj Invest Financial Inclusion Fund III K/S	19.80	16.05%	-	0.00%
Total	74.88	60.69%	51.88	51.83%

(e) Shareholding of Promoters

Name of the Promoter	As at 31 March 2022		As at 31 March 2021		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Maroti Jawanjar	10.23	8.29%	10.21	10.20%	-1.91%
Sandeep Jawanjal	3.26	2.64%	3.23	3.22%	-0.58%
Maroti Jawanjar (HUF)	8.69	7.04%	8.69	8.68%	-1.64%
Jyoti Jawanjar	2.74	2.22%	2.74	2.74%	-0.52%
Avino Capcons Pvt Ltd	14.88	12.07%	14.88	14.87%	-2.80%
Bakul Jawanjal	1.01	0.82%	1.01	1.01%	-0.19%
Radhemohan Jawanjal	0.01	0.01%	0.01	0.01%	0.00%
Sandeep Jawanjal(HUF)	1.18	0.96%	1.18	1.18%	-0.22%

25 Other equity

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Retained earnings	107.96	108.19
General Reserve	7,082.65	5,982.65
Securities Premium	14,123.93	4,675.44
Employee stock options plan	103.02	62.38
Statutory Reserve	3,262.95	2,812.95
Total	24,680.51	13,641.61

(A) Retained earnings

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance	108.19	(483.97)
Add: Net profit for the year	1,741.97	1,537.67
Add/(Less): Other comprehensive income	(92.14)	0.99
Appropriations:		
Less: Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(450.00)	(400.00)
Less: Dividend Paid including taxes on dividend		
Dividend Paid during the year	(100.06)	(46.50)
Dividend Distribution Tax	-	-
Less: Transfer to General Reserve	(1,100.00)	(500.00)
Closing balance	107.96	108.19

(B) General Reserve

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance	5,982.65	5,482.65
Add: Transferred during the year	1,100.00	500.00
Closing balance	7,082.65	5,982.65

(C) Securities Premium

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance	4,675.44	2,709.55
Add: Premium on issue of Equity Shares	9,767.10	1,965.89
Less: Expenses related to Issue of Shares (Private Placement)	(318.60)	
Closing balance	14,123.94	4,675.44

(D) Share option outstanding

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance	62.38	14.09
Add: Share based payment expense	40.64	48.29
Closing balance	103.02	62.38

(E) Statutory Reserve

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance	2,812.95	2,412.95
Add: Transferred during the year	450.00	400.00
Closing balance	3,262.95	2,812.95

Description of the nature and purpose of Other Equity :

- (A) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).
- (B) **General Reserve:** General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956.
- (C) **Securities premium:** Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.
- (D) **Employee stock options plan:** Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the Group.
- (E) **Statutory Reserve:** Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

The Company has transferred 25% of the profit after tax (as against 20%) required to the statutory reserves in accordance to the provision of Section 45-IC Reserve Bank of India Act, 1934.

26 Interest Income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on financial assets measured at amortised cost:		
- Interest on loans	15,558.93	11,856.94
- Interest on fixed deposits with banks	238.64	169.75
- Interest income from investments;	86.20	73.99
- Interest on security deposits	4.99	3.65
Total	15,888.76	12,104.33

27 Dividend Income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Dividend received	0.05	0.47
Total	0.05	0.47

28 Fee & Commission Income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Fee & Commission Income	1,630.48	1,184.61
Total	1,630.48	1,184.61

29 Net gain/ (loss) on fair value changes*

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net gain/ (loss) on financial instruments designated at fair value through profit or loss	8.73	88.13
Total Net gain/(loss) on fair value changes (A)	8.73	88.13
Fair Value changes:		
-Realised	6.71	75.85
-Unrealised	2.02	12.28
Total Net gain/(loss) on fair value changes (B) to tally with (A)	8.73	88.13

*Fair value changes in this schedule are other than those arising on account of interest income/expense.

30 Other operating Income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Securitisation fees	22.29	107.79
Total	22.29	107.79

31 Other Income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit on sale of assets	0.19	0.14
Gain on derecognition of leased asset	0.05	-
Gain on termination of lease	5.80	-
Miscellaneous income	3.55	0.72
Total	9.59	0.86

32 Finance Costs

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
On Financial liabilities measured at Amortised Cost		
Interest on deposits	1,293.95	965.69
Interest on borrowings	6,034.71	5,072.05
Interest on debt securities	1,558.16	589.48
Interest on lease liabilities	34.89	20.64
Bank charges	99.35	105.02
Total	9,021.06	6,752.88

33 Impairment on financial instruments

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Financial assets measured at amortised cost		
Loans	964.44	1,203.28
Total	964.44	1,203.28

34 Employee Benefits Expenses

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	2,215.51	1,425.32
Contribution to provident and other funds	143.83	78.97
Gratuity expenses (Refer Note 40)	33.65	25.58
Compensated absences expenses	68.07	20.27
Staff welfare expenses	18.58	29.96
Share based payment to employees	40.62	48.30
Commission to Managerial persons	118.65	91.00
Total	2,638.91	1,719.40

35 Depreciation and amortization expense

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property plant & equipments	87.71	64.70
Depreciation on right to use assets	121.53	82.83
Amortization of intangible assets	27.80	43.02
Total	237.04	190.55

36 Other expenses

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Rent expenses	80.33	51.06
Rates and taxes	4.68	5.91
Goods & Service Tax	468.95	211.88
Conveyance & Travelling	176.66	85.79
Directors sitting fees	2.72	2.24
Legal and Professional charges	214.35	158.92
Advertisement Expenses	23.24	19.77
Marketing Commission	795.98	599.91
Courier & Postage Charges	77.85	47.44
Computer Charges	124.70	48.58
Electricity expenses	44.09	30.68
Office Car Expenses	0.77	0.67
Printing & Stationery	107.77	78.33
Telecom Charges	76.29	55.85
Office Expenses	114.47	60.67
Office Building Maintenances	5.27	4.79
Statutory Auditors remuneration (Note I)	2.90	2.90
CSR Contribution (Note II)	51.18	41.11
Misc Expenses	88.84	57.92
Total	2,461.04	1,564.42

Note I – Payments to Auditors

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees	2.00	2.00
Taxation matters	0.75	0.75
Other Attest Services	0.15	0.15
Total	2.90	2.90

Note II - Corporate Social Responsibility (CSR) :

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company has made CSR expenditure for activities specified in Schedule VII of the Companies Act, 2013. As per section 135 (5) of the Companies Act, 2013, the Company was required to spend, in every financial year, at least two per cent of the average net profit of the company made during three immediately preceding financial years in pursuance of its Corporate Social Responsibility. The details are as follows:

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Amount required to be spent by the Company during the year	46.85	41.96
Amount of expenditure incurred	50.18	41.11
Shortfall at the end of the year*	-	0.85

The breakup of expenditure incurred on Corporate Social Responsibility activities:

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	50.18	41.11
- Paid in cash	50.18	41.11
- Yet to be paid in cash	-	-
Total	50.18	41.11

*There was a shortfall of Nil (31 March 2021: INR 84,823) required to be paid by the Company as per section 135(5) of the Act. In computation of eligible profit of CSR calculation for financial year 2020-21, certain allowances were not noticed and hence not included in the initial calculation of eligible profit for CSR calculation. Accordingly, the Company transferred INR 1 lakh on 21 June 2021 to the Prime Minister's National Relief Fund as specified in Schedule VII of Companies Act, 2013 to comply with provisions of second provision to Sec 135 (5) of the Companies Act, 2013.

CSR activities include promoting health care, undertaking livelihood enhancement projects, promoting education, including special education, eradicating hunger, poverty and malnutrition which are specified under Schedule VII of Companies Act, 2013. The Company has neither made any CSR Contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended 31 March 2022 and 31 March 2021.

37 Earnings per share

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (loss) attributable to ordinary equity holders	1,741.97	1,537.67
Less: Dividend attributable to preference shareholders (including tax thereon, if any)	-	-
Profit / (loss) attributable to ordinary equity holders	1,741.97	1,537.67
Weighted average number of equity shares for basic EPS	100.79	96.03
Weighted average number of equity shares for diluted EPS	101.41	96.65
Face Value per share	-	-
Basic earnings/(loss) per share (INR)	17.28	16.01
Diluted earnings/(loss) per share (INR)	17.18	15.91

38 Contingent liabilities

The Company is contesting the demand to the tune of ₹ 7.46 lakhs (31 March 2021: ₹ 7.46 lakhs) in respect of income tax matter relating to Assessment Year 2017-18 before the Commissioner of Income Tax (Appeals). Based on interpretation of the relevant provisions of the Income Tax Act, the company has been legally advised that the impugned demand is likely to be deleted and accordingly no provision is considered necessary.

39 Capital Commitments

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

40 Employee benefits**(A) Defined Contribution Plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to Provident, ESIC and labour welfare fund (Refer Note 34)	143.83	78.97
Total	143.83	78.97

(B) Defined benefit plans**a) Gratuity payable to employees**

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each reporting period using the projected unit credit method.

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Basis of Assumptions

Calculating Defined benefit obligation, by using Projected Unit Credit Method, requires an actuary to make a lot of assumptions, based on current market scenarios. The basis of different assumptions used while calculating the defined benefit obligation is as follows :-

Discount rate

Discount rate has been determined by reference to market yields on Government bonds of term consistent with estimated term of obligations.

Mortality/ disability

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

Employee turnover/withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

Salary escalation rate

More or less than expected increase in the future salary levels may result in increase / decrease in the liability.

i) Principal assumptions used for the purposes of the actuarial valuations

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
<u>Economic Assumptions</u>		
Discount rate (per annum)	7.10%	6.75%
Salary Escalation rate	6.00%	6.00%
<u>Demographic Assumptions</u>		
Mortality	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)
Employee turnover/Withdrawal rate	1% at all ages	1% at all ages
Retirement age	58 Years	58 Years

ii) Amount recognized in the Balance Sheet:

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Present value of unfunded obligation as at the end of the year	232.45	131.75
Net liability recognized in Balance Sheet (Refer Note 22)	232.45	131.75
Current obligation	54.58	42.10
Non-current obligation	177.87	89.65

iii) Changes in the present value of defined benefit obligation

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Present value of obligation at the beginning of the year	131.75	111.24
Interest cost	8.89	7.51
Current service cost	24.77	18.07
Past service cost	-	-
Benefits paid	(6.57)	(3.74)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(11.53)	-
Actuarial (gain)/ loss on obligations - Due to experience adjustments	85.14	(1.33)
Present value of obligation at the end of the year	232.45	131.75

iv) Expense recognized in the Statement of Profit and Loss

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	24.77	18.07
Net Interest cost	8.89	7.51
Past service cost	-	-
Total expenses recognized in the Statement Profit and Loss (Refer Note 34)	33.66	25.58

v) Expense recognized in Other comprehensive income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Remeasurements due to-		
- Effect of change in financial assumptions	(11.53)	-
- Effect of experience adjustments	85.14	(1.33)
Net actuarial (gains) / losses recognised in OCI	73.61	(1.33)

vi) A quantitative sensitivity analysis for significant assumption is shown below:

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate		
1% increase	(203.86)	(14.66)
1% decrease	267.86	18.19
Salary Escalation rate		
1% increase	267.89	18.14
1% decrease	(203.35)	(14.88)

vii) Maturity profile of defined benefit obligation

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Within next 12 months	54.58	40.92
Between 2 and 5 years	13.18	5.24
Between 6 and 10 years	22.10	10.71
Beyond 10 years	692.58	330.97
Total expected payments	782.44	387.84

41 Leases

The Company has taken office premises at certain locations on lease. The agreements are executed for a period ranging from 10 months to 60 months.

The changes in the carrying value of right of use assets for the years ended 31 March 2022 and 31 March 2021 has been disclosed in Note 14.

The aggregate depreciation expense on right of use assets is included under depreciation and amortisation expense in the statement of Profit and Loss (Refer Note 35).

The movement in lease liabilities has been disclosed in Note 20.1

The below table provides the details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	(₹ in Lakhs)	
	As At 31 March 2022	As At 31 March 2021
Less than one year	106.69	62.67
More than one year	179.27	159.22
Total	285.96	221.89

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Short term leases:

Rental expense incurred and paid for short term leases during the year was ₹ 80.33 lakhs (31 March 2021: ₹ 51.06 lakhs).

42 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

(a) Enterprises over which Key Management Personnel are able to exercise significant influence

- 1) Avino Capcons Private Ltd.
- 2) M.G.Jawanjar (HUF)
- 3) S.M.Jawanjal (HUF)

(b) Key Management Personnel

- 1) M.G.Jawanjar
- 2) S.M. Jawanjal
- 3) D.R. Balpande
- 4) Shantaram Mahakalkar
- 5) Dattatraya Dalal
- 6) Ashok Kachore
- 7) Vishwas Pathak
- 8) Atul Sarda
- 9) Rashmi Mitkary
- 10) Avishek Addy
- 11) Harishchandra Sukhdeve
- 12) Siva Vadivel Alagan
- 13) Y.M. Tahalyani

(c) Relatives of Key Management Personnel

- 1) Jyoti Jawanjar
- 2) Ravindra Balpande
- 3) Vaishali Charde
- 4) Bakul Jawanjal
- 5) Arjun Jawanjal
- 6) Radhemohan Jawanjal
- 7) Purushottam Mahakalkar
- 8) Mansaram Mahakalkar
- 9) Aadya Dalal
- 10) Girish Dalal
- 11) Sayali Pimple Dalal
- 12) Prathamesh Dalal
- 13) Suhasini Dalal
- 14) Roshani Tupkari
- 15) Meenakshi Kachore
- 16) Narendra Kachore
- 17) Pritam Kachore
- 18) Ravindra Kachore
- 19) Rekha Kachore
- 20) Meena Tiple
- 21) Priti Padole
- 22) Anuradha Pathak
- 23) Viveknand Pathak
- 24) Wasudha Pathak
- 25) Meena Pidadi
- 26) Hemant Charde
- 27) Samruddhi Charde
- 28) Mangala Mahakalkar

(B) Details of transactions with related parties in the ordinary course of business for the year ended:

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
I) Key Management Personnel		
<u>Remuneration*</u>		
M.G. Jawanjar	109.21	86.65
S.M. Jawanjal	85.91	72.81
D.R. Balpande	23.49	15.87
Y.M. Tahalyani	10.59	-
<u>Interest on Deposit</u>		
M.G. Jawanjar	2.16	2.19
S.M. Jawanjal	7.14	5.61
D.R. Balpande	1.49	1.12
Ashok Kachore	8.04	7.23
Vishwas Pathak	1.97	1.73
Rashmi Mitkary	0.13	0.12
<u>Deposit Repaid</u>		
M.G. Jawanjar	11.09	11.63
S.M. Jawanjal	46.37	7.95
D.R. Balpande	5.17	11.31
Dattatraya Dalal	-	23.00
Ashok Kachore	49.08	39.19
Vishwas Pathak	4.78	18.14
Rashmi Mitkary	0.71	0.63
<u>Loans Granted</u>		
S.M. Jawanjal	7.21	16.10
D.R. Balpande	-	2.79
<u>Equity Dividend</u>		
M.G. Jawanjar	10.21	5.11
S.M. Jawanjal	3.23	1.61
D.R. Balpande	0.42	0.21
Shantaram Mahakalkar	0.30	0.15
Dattatraya Dalal	1.14	0.57
Ashok Kachore	0.24	0.12
Vishwas Pathak	0.28	0.14

<u>Interest on Loans</u>		
S.M. Jawanjal	0.12	0.59
D.R. Balpande	-	0.02
<u>Repayment of Loans</u>		
S.M. Jawanjal	3.70	30.39
D.R. Balpande	-	2.81
<u>Deposits Accepted</u>		
M.G. Jawanjar	11.00	20.00
S.M. Jawanjal	39.08	25.50
D.R. Balpande	13.50	9.59
Dattatraya Dalal	9.00	53.50
Ashok Kachore	69.70	49.93
Vishwas Pathak	4.58	18.00
Rashmi Mitkary	0.70	0.62
II) Relatives of Key Management Personnel		
<u>Remuneration</u>		
Jyoti Jawanjar	13.00	10.70
<u>Interest on Deposit</u>		
Jyoti Jawanjar	1.35	0.63
Ravindra Balpande	0.37	0.15
Vaishali Charde	5.05	2.51
Hemant Charde	1.29	0.85
Samruddhi Charde	0.02	-
Bakul Jawanjal	2.15	1.61
Arjun Jawanjal	0.15	0.13
Radhemohan Jawanjal	0.29	0.24
Purushottam Mahakalkar	0.77	0.42
Mansaram Mahakalkar	0.49	0.49
Dattatraya Dalal	6.37	3.59
Aadya Dalal	0.27	0.19
Girish Dalal	1.35	1.20
Sayali Pimple Dalal	0.47	0.43
Prathamesh Dalal	2.22	1.89
Suhasini Dalal	6.92	0.49
Roshani Tupkari	0.86	0.66
Meenakshi Kachore	1.78	0.81

Narendra Kachore	1.35	2.10
Pritam Kachore	0.40	0.85
Ravindra Kachore	1.39	1.22
Rekha Kachore	5.95	5.53
Meena Tiple	-	0.06
Priti Padole	0.61	0.04
Anuradha Pathak	0.27	0.24
Viveknand Pathak	0.02	0.02
Wasudha Pathak	0.02	0.01
Meena Pidadi	1.22	1.09
Mangala Mahakalkar	0.35	-
<u>Deposit Repaid</u>		
Jyoti Jawanjar	0.13	0.05
Ravindra Balpande	0.04	0.99
Vaishali Charde	30.93	17.19
Hemant Charde	0.13	7.48
Bakul Jawanjal	6.00	10.50
Arjun Jawanjal	1.32	0.01
Radhemohan Jawanjal	0.03	0.81
Purushottam Mahakalkar	6.22	5.83
Aadya Dalal	0.67	1.16
Girish Dalal	-	12.67
Sayali Pimple Dalal	2.75	1.30
Prathamesh Dalal	0.22	15.71
Suhasini Dalal	20.17	42.19
Roshani Tupkari	-	6.64
Meenakshi Kachore	1.72	4.94
Narendra Kachore	24.39	20.41
Pritam Kachore	4.12	5.62
Ravindra Kachore	13.00	0.10
Rekha Kachore	41.38	21.54
Meena Tiple	-	1.38
Priti Padole	0.06	0.00
Anuradha Pathak	0.25	2.71
Viveknand Pathak	0.23	-
Wasudha Pathak	-	0.17
Meena Pidadi	12.64	3.26
Mangala Mahakalkar	0.04	-

<u>Loans Granted</u>		
Ravindra Kachore	-	7.00
Meena Tiple	-	0.20
<u>Equity Dividend</u>		
Jyoti Jawanjar	2.75	1.37
Ravindra Balpande	0.03	0.02
Vaishali Charde	0.27	0.13
Hemant Charde	0.08	0.04
Samruddhi Charde	0.04	0.02
Bakul Jawanjal	1.01	0.51
Radhemohan Jawanjal	0.01	0.01
Purushottam Mahakalkar	0.03	0.02
Mansaram Mahakalkar	0.14	0.07
Roshani Tupkari	0.07	0.04
Narendra Kachore	1.98	0.99
Ravindra Kachore	2.33	1.17
Meena Pidadi	0.02	0.01
Mangala Mahakalkar	0.14	0.07
<u>Interest on Loans</u>		
Ravindra Kachore	0.34	0.04
Meena Tiple	-	0.00
<u>Repayment of Loans Granted</u>		
Meena Tiple	-	0.20
Ravindra Kachore	7.38	-
<u>Deposits Accepted</u>		
Jyoti Jawanjar	10.00	11.00
Ravindra Balpande	2.25	2.50
Vaishali Charde	58.13	37.98
Hemant Charde	6.50	8.00
Samruddhi Charde	0.50	-
Bakul Jawanjal	10.71	14.00
Arjun Jawanjal	1.30	-
Radhemohan Jawanjal	-	1.29
Purushottam Mahakalkar	6.22	5.83
Aadya Dalal	1.45	1.65
Girish Dalal	-	12.67
Sayali Pimple Dalal	2.75	1.30
Prathamesh Dalal	3.50	16.06

Suhasini Dalal	22.89	47.19
Roshani Tupkari	-	8.04
Meenakshi Kachore	1.55	15.92
Narendra Kachore	37.93	20.24
Pritam Kachore	4.08	-
Ravindra Kachore	10.48	3.00
Rekha Kachore	40.78	21.09
Meena Tiple	-	13.88
Priti Padole	-	6.00
Anuradha Pathak	0.25	2.71
Viveknand Pathak	0.23	-
Wasudha Pathak	-	0.17
Meena Pidadi	12.43	3.87
Mangala Mahakalkar	20.00	-
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Interest on Deposit</u>		
M.G. Jawanjar (HUF)	1.09	0.41
S.M. Jawanjal (HUF)	0.47	0.36
<u>Deposit Repayment</u>		
M.G. Jawanjar (HUF)	0.11	0.03
S.M. Jawanjal (HUF)	0.05	1.65
<u>Equity Dividend</u>		
Avino Capcons Private Ltd.	14.88	7.44
M.G. Jawanjar (HUF)	8.69	4.34
S.M. Jawanjal (HUF)	1.18	0.59
<u>Interest on Loan</u>		
Avino Capcons Private Ltd.	-	0.53
<u>Repayment of Loans Granted</u>		
Avino Capcons Private Ltd.	-	23.95
<u>Deposit Accepted</u>		
M.G. Jawanjar (HUF)	10.00	8.00
S.M. Jawanjal (HUF)	1.00	2.12

(C) Amount due to/from related parties

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
I) Key Management Personnel		
<u>Amount receivable for Loans Granted</u>		
S.M. Jawanjal	3.64	-
<u>Amount payable for Deposits Accepted</u>		
M.G. Jawanjar	23.09	21.02
S.M. Jawanjal	75.02	75.17
D.R. Balpande	18.95	9.14
Dattatraya Dalal	70.00	61.00
Ashok Kachore	113.08	84.42
Vishwas Pathak	21.60	19.82
Rashmi Mitkary	1.47	1.35
II) Relatives of Key Management Personnel		
<u>Amount receivable for Loans Granted</u>		
Ravindra Kachore	-	7.04
<u>Amount payable for Deposits Accepted</u>		
Jyoti Jawanjar	22.80	11.58
Ravindra Balpande	5.17	2.59
Vaishali Charde	71.81	39.55
Bakul Jawanjal	26.19	19.34
Arjun Jawanjal	1.55	1.42
Radhemohan Jawanjal	3.05	2.79
Purushottam Mahakalkar	6.85	6.08
Mansaram Mahakalkar	5.00	5.00
Aadya Dalal	3.32	2.28
Girish Dalal	14.73	13.37
Sayali Pimple Dalal	5.14	4.67
Prathamesh Dalal	25.67	20.17
Suhasini Dalal	79.50	69.86
Roshani Tupkari	9.34	8.48
Meenakshi Kachore	18.16	16.56
Narendra Kachore	38.30	23.42
Pritam Kachore	4.40	4.04
Ravindra Kachore	14.12	15.25
Rekha Kachore	65.58	60.22
Meena Tiple	13.93	13.93

Priti Padole	6.59	6.04
Anuradha Pathak	3.02	2.75
Viveknand Pathak	0.25	0.23
Wasudha Pathak	0.18	0.17
Meena Pidadi	13.51	12.50
Hemant Charde	15.91	8.25
Samruddhi Charde	0.52	-
Mangala Mahakalkar	20.32	-
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Amount payable for Deposits Accepted</u>		
M.G. Jawanjar (HUF)	19.36	8.38
S.M. Jawanjar (HUF)	5.59	4.16

*The remuneration to key managerial personnel does not include the provision made for employee benefits (defined benefit plan and other long term benefits) as they are determined on an actuarial basis for the Company as a whole.

43 Operating Segment

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2022 or 31 March 2021.

44 Employee stock option scheme

- (a) On December 7, 2019 the members of company approved the Berar Stock Option Scheme 2019 (Scheme 2019) for issue of stock options to the key employees of the company. According to the Scheme 2019, the employee selected will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 60 months/ 48 months as the case may be.

In pursuant to the said scheme, the Company issued additional stock options on February 21, 2022.

- (b) **Summary of option granted under the scheme**

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	1.32	1.32
Granted during the year	1.08	-
Exercised during the year	-	-
Forfeited / Lapsed during the year	-	-
Closing balance	2.40	1.32
Vested and exercisable	0.36	0.13

(c) Expiry date and exercises prices of the share options outstanding

(₹ in Lakhs)

Grant date	Expiry date	Exercise price	Share options as at 31 March 2022	Share options as at 31 March 2021
23 Dec 19	22 Dec 24	95.00	1.32	1.32
21 Feb 22	21 Feb 26	250.00	1.08	-
Total			2.40	1.32
Weighted average remaining contractual life of options outstanding at the end of year			3.90	3.73

(d) The fair value of each option granted is estimated on the date of grant using the black Scholes model with the following assumptions

(₹ in Lakhs)

Scheme	A
Grant date	21 Feb 22
Weighted average fair value of options granted	83.04
Exercise price	250.00
Share price at the grant date	245.33
Expected volatility	39.97%
Risk free interest rate	5.29%
Expected dividend yield	0.41%

(₹ in Lakhs)

Scheme	A
Grant date	23 Dec 19
Weighted average fair value of options granted	110.41
Exercise price	95.00
Share price at the grant date	180.83
Expected volatility	30.50%
Risk free interest rate	6.29%
Expected dividend yield	Nil

(e) Expense arising from share based payment transaction

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Gross expense arising from share based payments	40.64	48.29
Less: Options granted to employees of subsidiaries recognised as deemed investment in subsidiaries	-	-
Less: Options granted to employees of subsidiaries on reimbursement basis over the vesting period	-	-
Employee share based payment expense recognised in statement of profit and loss (Refer Note 34)	40.64	48.29

45 Changes in Liability Arising from Financing Activities

(₹ in Lakhs)

Particulars	1st April 2021	Cash Flows	Exchange Differences	Others	31st March 2022
Borrowings	43,604.78	(740.79)	-	308.30	43,172.29
Debt Securities	12,165.85	123.80	-	(65.57)	12,224.07
Deposits Taken	11,318.39	3,745.75	-	-	15,064.14

(₹ in Lakhs)

Particulars	1st April 2020	Cash Flows	Exchange Differences	Others	31st March 2021
Borrowings	28,048.41	15,352.61	-	203.76	43,604.78
Debt Securities	-	12,165.85	-	-	12,165.85
Deposits Taken	8,687.67	2,630.72	-	-	11,318.39

46 Fair values of financial assets and financial liabilities
Classification of financial assets and financial liabilities

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as fair value through profit and loss (FVTPL) and amortised cost.

(₹ in Lakhs)

	FVOCI	FVTPL	Amortised cost
As at 31 March 2022			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents			9,507.52
Bank Balances other than cash and cash equivalents			4,371.89
Loans			81,933.84
Investments		119.45	1,442.84
Other Financial assets			3,619.80
Financial liabilities			
Trade Payables			462.55
Debt Securities			12,224.08
Borrowings (Other than Debt Securities)			48,064.97
Deposits			15,064.14
Other financial liabilities			1,401.56

(₹ in Lakhs)

	FVOCI	FVTPL	Amortised cost
As at 31 March 2021			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents			9,479.25
Bank Balances other than cash and cash equivalents			7,474.86
Loans			65,948.35
Investments		122.57	1,054.52
Other Financial assets			2,550.32
Financial liabilities			
Trade Payables			425.34
Debt Securities			12,066.02
Borrowings (Other than Debt Securities)			48,803.49
Deposits			11,318.39
Other financial liabilities			1,420.80

47 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial instruments measured at fair value on a recurring basis:

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
As at 31 March 2022				
Financial assets				
<u>Financial assets measured at fair value through profit or loss</u>				
Investment in equity instruments and Alternative Investment Fund	119.45	-	-	119.45
Total Financial Assets	119.45	-	-	119.45
As at 31 March 2021				
Financial assets				
<u>Financial assets measured at fair value through profit or loss</u>				
Investment in equity instruments, mutual funds and Alternative Investment Fund	122.57	-	-	122.57
Total Financial Assets	122.57	-	-	122.57

- 1) Investment in quoted equity instruments are valued using the closing market rate on the reporting date
- 2) Investment in Mutual funds and Alternative Investment Funds are valued using the closing NAV on the reporting date

The carrying amount of cash and cash equivalents, trade receivables, bank balances other than cash and cash equivalents, trade payables, and other receivables & payables are considered to be the same as their fair values.

48 Financial risk management objectives

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance. Management has not formed formal risk management policies, however, the risks are monitored by management by analyzing exposures by degree and magnitude of risk on a continued basis. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to floating interest rate borrowings, hence it is not exposed to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's mainly transacting in INR and hence the company is not exposed to any foreign currency risk.

(B) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk by following adequate internal controls according to the materiality of the risk involved.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements.

Credit risk arises mainly from retail loans and advances and loan commitments arising from such lending activities. Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time.

Cash and cash equivalents are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.

(i) Loans and advances (including loan commitments and guarantees).

The estimation of credit exposure for risk management purposes is complex, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as Probability of Default ("PD") and Loss Given Default ("LGD").

Computation of allowance for impairment losses:

The Company prepares its financial statements in accordance with the IND AS framework.

As per the RBI notification on acceptance of IND AS for regulatory reporting, the Company computes provision as per IND AS 109 as well as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where impairment allowance in aggregate for the Company under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning) for the Company, the difference is appropriated from net profit or loss after tax to a separate 'Impairment Reserve'. Any withdrawals from this reserve shall be done only with prior permission from the RBI.

In the current year, the provision as per IRACP has been done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 wherein the borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as Non-Performing Asset shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset shall reflect the asset classification status of an account at the day-end of that calendar date.

ECL allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgement and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the "Base case" (the "Central" scenario) and two "Worst case" scenarios (the "Downside" scenario) and three "Best case" (the "Upside" scenario). Probability weights are assigned to each scenario. The Central scenario is based on the Company outlook of GDP growth, inflation, unemployment and interest rates for India and most relevant for the Company's loan portfolio. The Upside and Downside scenarios generated at the reporting dates are designed to cover cyclical changes and are updated during the year only if the economic conditions change significantly.

In case where the estimate based on ECL model does not appropriately capture the stress in the portfolio given the lag effect between the actual stress and its impact on ECL computation, the management estimates an additional provision over and above the estimate based on the model and computation methodology stated above. This additional provision is referred to as management overlay.

In the previous year, in accordance with the Board approved moratorium policy read with the RBI guidelines dated March 27, 2020, April 17,2020 and May 23,2020 related to "Covid-19 Regulatory Package", the Company had granted moratorium up to five months for payment of installment falling due between April 1,2020 and August 31,2020 to selected borrowers in accordance with the Company's policy approved by the Board. The Company continued to recognize interest income during the moratorium period and in absence of other credit indicators, granting of moratorium period did not result in accounts becoming past due thereby automatically triggering stage 2 or stage 3 classification criteria as per IND AS 109. For all such accounts where moratorium is granted pursuant to the above RBI guidelines, the asset classification remained stand still during the moratorium period.

(ii) Other remaining financial assets ('Other financial assets and loans)

Other financial assets mainly includes deposit and advances given, and receivables from recovery agents. Loans, being a primary part of our operations, represent vehicle loans given to various parties for purchasing motor vehicles. Based on assessment carried by the Company, the majority receivables under this category is classified as "Stage 1" while provision has been created at INR 6.79 million on

the remaining receivables. The provision is created with respect to the established policy by Company to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Furthermore, there is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible for the receivables categorised under "Stage 1".

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Company's financial liabilities:

	(₹ in Lakhs)		
	Within 12 Months	Beyond 12 Months	Total
31 March 2022			
Trade payables	462.55	-	462.55
Debt Securities	5,188.97	9,967.03	15,156.00
Borrowings	32,745.42	19,899.52	52,644.94
Deposits (Including Unclaimed Deposits)	7,979.76	8,971.10	16,950.86
Other financial liabilities	986.00	330.49	1,316.49
	47,362.70	39,168.14	86,530.84

	(₹ in Lakhs)		
	Within 12 Months	Beyond 12 Months	Total
31 March 2021			
Trade payables	425.34	-	425.34
Debt Securities	4,034.92	11,583.66	15,618.58
Borrowings	31,907.15	23,513.44	55,420.59
Deposits (Including Unclaimed Deposits)	5,608.89	7,540.73	13,149.62
Other financial liabilities	761.25	256.08	1,017.33
	42,737.55	42,893.91	85,631.46

49 Maturity analysis of assets and liabilities

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

Maturity analysis of assets and liabilities as at 31st March 2022 (₹ in Lakhs)

	As at 31 March 2022		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	9,507.52	-	9,507.52
Bank Balances other than cash and cash equivalents	3,552.02	819.87	4,371.89
Loans	43,586.89	38,346.95	81,933.84
Investments	92.84	1,469.45	1,562.29
Other Financial assets	3,619.80	-	3,619.80
Deferred tax assets (Net)	-	672.69	672.69
Property, Plant and Equipment	-	1,794.81	1,794.81
Capital Work in Progress	-	21.99	21.99
Intangible assets	-	71.85	71.85
Right to use assets	-	271.61	271.61
Non-financial assets	14.40	-	14.40
Total Assets	60,373.47	43,469.22	1,03,842.69
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	462.55	-	462.55
Debt Securities	4,280.00	7,944.08	12,224.08
Borrowings (Other than Debt Securities)	29,799.57	18,265.40	48,064.97
Deposits	7,266.85	7,797.29	15,064.14
Other Financial liabilities	757.84	643.72	1,401.56
Tax liabilities (Net)	140.66	-	140.66
Provisions	360.26	-	360.26
Non-financial liabilities	210.28	-	210.28
Total Liabilities	43,278.01	34,650.49	77,928.50

Maturity analysis of assets and liabilities as at 31st March 2021

(₹ in Lakhs)

	As at 31 March 2021		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	9,479.25	-	9,479.25
Bank Balances other than cash and cash equivalents	6,913.48	561.38	7,474.86
Loans	34,320.97	31,627.38	65,948.35
Investments	15.44	1,161.65	1,177.09
Other Financial assets	2,401.64	148.68	2,550.32
Deferred tax assets (Net)	-	471.65	471.65
Property, Plant and Equipment	-	1,722.16	1,722.16
Capital Work in Progress	-	9.00	9.00
Intangible assets	-	81.32	81.32
Right to use assets	215.29	-	215.29
Non-financial assets	14.46	-	14.46
Total Assets	53,360.53	35,783.22	89,143.75
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	425.34		425.34
Debt Securities	2,516.01	9,550.01	12,066.02
Borrowings (Other than Debt Securities)	28,916.61	19,886.88	48,803.49
Deposits	4,860.74	6,457.65	11,318.39
Other Financial liabilities	912.14	508.66	1,420.80
Tax liabilities (Net)	74.08	-	74.08
Provisions	-	209.01	209.01
Non-financial liabilities	184.23	-	184.23
Total Liabilities	37,889.15	36,612.21	74,501.36

50 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders.

The Company's objective while managing the capital are to :-

- 1) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders;
- 2) Maintain an optimal Capital Structure to reduce the cost of capital
- 3) Maximize shareholder value

The company strategically manages its funds by :-

- 1) Maintaining diversity of sources of funding and spreading the maturity across periods in order to minimize the liquidity risk.
- 2) Minimizing or wherever possible, eliminating exposure to market rate risks like foreign exchange risk, interest rate risk and commodity price risk, thereby minimizing the impact of market volatility on earnings.
- 3) Analyzing the changes in macro economic factors affecting business environment and re-organizing its capital structure accordingly to adapt to the ever changing dynamics of business environment
- 4) By continuously monitoring and adjusting overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives.

The company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net gearing ratio : Net Debt (total borrowings net of cash and cash equivalents) divided by Total Equity (as shown in the balance sheet).

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Gross Debt	75,768.75	72,847.45
<u>Less: Liquid Assets</u>	(9,507.52)	(9,479.25)
Net Debt	66,261.23	63,368.20
Equity	25,914.20	14,642.39
Net Gearing Ratio	2.56	4.33

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

- 51** The country faced the second wave of COVID-19 in the April-June 2021 quarter. It led to higher levels of infections and fatality causing severe toll on life. Fortunately, the curtailment actions by the government were more localised and well calibrated at city and specific zone levels enabling continuity and minimal disruption to economic activity throughout the country. Though this caused a marginal uptick in instalment default rate and compression in debt management efficiencies for a period of three months, the revival was quick and strong. As a result, unlike the first wave, the impact on the portfolio and loan losses was not as severe for the Company. Adequate internal process in debt management services in FY2021 has helped in curtailing the impact on the portfolio amidst the second wave as well. The third wave which started in mid-December 2021 had no significant impact on risk metrics both for new business and the overall portfolio. The risk of a fourth wave remains but confidence and optimism seem to have been re-established among the general population. Also, due to adequate vaccination coverage and development of natural herd immunity, wide scale economic impact in near future may not occur. As the average tenure of loans sanctioned by the company is around 24 months, most of the loans sanctioned before the COVID-19 pandemic have either been closed or adequately provided for while computing ECL provision. Further, while granting new loans during the COVID-19 pandemic, the company has taken more agile and calibrated approach and has closely monitored the credit risk involved due to impact of the pandemic on economic activities. The management is of view that the ECL model used by the company adequately provides for the enhanced credit risks associated with the disruptions to economic activities that may be caused by COVID-19 pandemic. As such, no additional management overlay is required in FY 2022 and the earlier overlay made in FY 2021 need not be continued since the enhanced risks are already considered in ECL model. As such, management overlay of Rs.193.99 Lakhs created during FY 2021 in view of COVID-19 uncertainties has been reversed in FY 2022.

52 Analytical Ratios

Particulars	As at March 31, 2022	As at March 31, 2021	% Variance	Reasons for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)				
Tier I CRAR	28.51%	19.56%	45.76%	The company has infused equity in the FY 2022 due to which the Tier 1 capital has increased significantly.
Tier II CRAR	0.33%	0.90%	-63.33%	The management has not provided any management overlay in FY 2022 considering most of the loans sanctioned before the COVID-19 pandemic have either been closed or adequately provided for while computing ECL provision.
Liquidity Coverage Ratio	170.54%	449.87%	-62.09%	The company has improvised their debt and cash management system in the current FY. In FY 21 the company has maintained higher liquidity due to covid scenario.

53 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

54 Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

55 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

56 Expenditure in foreign currency (accrual basis)

(₹ in Crores)

	As At 31 March 2022	As At 31 March 2021
Share Issue Expenses*	0.30	0.00

* Share issue expenses are charged directly to the Securities premium account.

57 Floating charge on investment in government securities and Bank Deposits with Nationalised Banks

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities and bank deposits with Nationalised banks to the extent of ₹2185.23 Lakhs (March 31, 2021: ₹1607.86 Lakhs) in favour of trustees representing the public deposit holders of the Company.

58 Refer note 3.1 Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

59 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

60 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

61 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

62 Compliance with approved Scheme(s) of Arrangements

The Company has not approved any scheme of arrangements in the financial years ended March 31, 2022 and March 31, 2021

63 Utilisation of Borrowed funds and share premium

The Company, as part of its normal business, grants loans and advances, makes investment, to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

64 Undisclosed income

There are no transactions not recorded in the books of accounts.

65 Change in the process of NPA Classification.

Pursuant to RBI circular RBI/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. Had the Company followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by ₹ 195.40 Lakhs.

66 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

67 Relationship with Struck off Companies

The Company has not done any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

68 Previous year comparatives

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"
(a) Expected credit loss - Loans:
(₹ in Lakhs)

Particulars		As at March 31, 2022			As at March 31, 2021		
		Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	78,334.36	361.72	77,972.64	60,985.98	361.51	60,624.47
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	3,049.92	224.35	2,825.57	4,510.56	336.01	4,174.55
	Financial assets for which credit risk has increased significantly and credit-impaired	1,813.56	677.93	1,135.63	1,684.02	534.69	1,149.33
Total		83,197.84	1,264.00	81,933.84	67,180.56	1,232.21	65,948.35

(b) Reconciliation of loss allowance provision - Loans:**(₹ in Lakhs)**

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2020	96.98	181.80	387.39	666.16
New assets originated or purchased	176.60	161.59	107.62	445.81
Amount written off	(469.08)	(35.06)	(171.90)	(676.03)
Transfers to Stage 1	104.43	(80.60)	(23.83)	-
Transfers to Stage 2	(6.34)	12.10	(5.75)	-
Transfers to Stage 3	(4.65)	(30.60)	35.25	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	463.57	126.77	205.93	796.27
ECL as on March 31, 2021	361.51	336.01	534.69	1,232.21
New assets originated or purchased	253.53	116.48	94.32	464.34
Amount written off	(393.88)	(127.45)	(387.09)	(908.43)
Transfers to Stage 1	188.91	(107.83)	(81.08)	-
Transfers to Stage 2	(17.68)	24.45	(6.78)	-
Transfers to Stage 3	(18.03)	(57.81)	75.84	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(12.66)	40.50	448.03	475.88
ECL as on March 31, 2022	361.72	224.35	677.94	1,264.00

(c) Reconciliation of Gross carrying amount - Loans:**(₹ in Lakhs)**

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2020	41,885.01	3,582.22	1,210.97	46,678.20
New assets originated or purchased	45,391.36	2,783.21	344.91	48,519.49
Amount written off	(469.08)	(35.06)	(171.90)	(676.03)
Transfers to Stage 1	1,719.19	(1,643.37)	(75.82)	-
Transfers to Stage 2	(2,204.80)	2,222.64	(17.84)	(0.00)
Transfers to Stage 3	(1,258.01)	(572.22)	1,830.22	-
Net Recovery	(24,077.70)	(1,826.87)	(1,436.52)	(27,341.09)
Gross carrying amount as on March 31, 2021	60,985.98	4,510.56	1,684.03	67,180.56
New assets originated or purchased	57,509.83	1,595.93	249.30	59,355.07
Amount written off	(393.88)	(127.45)	(387.09)	(908.43)
Transfers to Stage 1	1,914.85	(1,659.25)	(255.60)	-
Transfers to Stage 2	(2,339.94)	2,361.35	(21.41)	0.00
Transfers to Stage 3	(1,281.83)	(691.64)	1,973.48	-
Net Recovery	(38,060.64)	(2,939.57)	(1,429.15)	(42,429.36)
Gross carrying amount as on March 31, 2022	78,334.36	3,049.92	1,813.56	83,197.84

(d) Asset classification as per Ind AS 109:

(₹ in Lakhs)

Asset Classification as per IND AS 109	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Gross carrying amount as per IndAS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount	Gross carrying amount as per IndAS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount
Stage-1	78,334.36	361.72	77,972.64	60,985.98	361.51	60,624.47
Stage-2	3,049.92	224.35	2,825.57	4,510.56	336.01	4,174.55
Stage-3	1,813.56	677.93	1,135.63	1,684.02	534.69	1,149.33
Total	83,197.84	1,264.00	81,933.84	67,180.56	1,232.21	65,948.35

(e) Asset classification as per RBI norms:

(₹ in Lakhs)

Asset Classification as per RBI norms	Provisions required as per IRACP norms (For the year ended March 31, 2022)	Provisions required as per IRACP norms) For the year ended March 31, 2021)
Performing assets		
Standard		279.19
Subtotal	341.26	279.19
Non-Performing Assets (NPA)		
Substandard	221.83	162.43
Doubtful - 1	101.68	23.43
Doubtful - 2	14.56	1.15
Doubtful - 3	8.26	5.05
Subtotal	346.33	192.06
Loss Asset	-	-
Total	687.59	471.25

69. Liquidity Coverage Ratio Disclosure

Disclosure as per circular No.RBI/2019-20/88 DOR.NBFC(PD)CC. No.102/03.10.001/2019-20 dated November 04,2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio(LCR)" Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2022, December 31,2021, September 30,2021 and June 30,2021.

(₹ in Crores)

Particular	31-Mar-22		31-Dec-21		30-Sep-21		30-Jun-21	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 **Total High Quality Liquid Assets (HQLA)	24.14	21.49	29.04	26.62	32.45	30.19	31.85	29.68
Cash Outflow								
2 Deposits (for deposit taking companies)	8.51	9.79	2.19	2.52	1.53	1.76	4.38	5.03

3	Unsecured wholesale funding	0.31	0.35	0.06	0.07	0.30	0.34	0.55	0.63
4	Secured wholesale funding	29.30	33.69	25.69	29.55	24.41	28.07	31.01	35.66
5	Additional requirements, of which	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(i) Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Outflow related to loss of funding on debt product	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding obligations	5.72	6.57	6.00	6.90	6.23	7.16	4.14	4.77
7	Other contingent funding obligations	0.00	0.00	0.07	0.08	0.07	0.08	0.07	0.08
8	TOTAL CASH OUTFLOW	43.83	50.41	34.01	39.11	32.53	37.41	40.15	46.17
	Cash Inflows								
9	Secured lending	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Inflow from fully performing exposures	61.16	45.87	66.94	50.20	59.78	44.83	56.15	42.12
11	Other cash inflow	0.59	0.45	0.13	0.10	0.25	0.19	0.26	0.19
12	TOTAL CASH INFLOWS	61.75	46.32	67.07	50.30	60.03	45.02	56.41	42.31
13	TOTAL HQLA		21.49		26.62		30.19		29.68
14	TOTAL NET CASH OUTFLOWS		12.60		9.79		9.35		11.54
15	LIQUIDITY COVERAGE RATIO (%)		170.54		271.92		322.93		257.18

Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and Outflow.

The figures pertaining to December 31, 2021 , September 30, 2021 and June 30, 2021 are unaudited and are as represented by the management, which have been relied upon by the auditors.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company, which has been relied upon by the auditors.

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All nondeposit taking NBFCs with asset size of Rs.10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLA s to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

**The LCR is calculated by dividing the company's stock of HQLA by its total net cash outflows over a 30-day stress period. "High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately

converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total Net cash outflows is defined as total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow.

The average LCR for the quarter ended June 30, 2021, September 30, 2021, and December 31, 2021 is computed as simple averages of monthly observations over the previous quarter. The average LCR for the quarter ended March 31, 2022 is computed as simple averages of daily observations over the previous quarter.

The average LCR for the quarter ended March 31, 2022 is 128% which is well above the RBI regulatory requirement.

70 Liquidity Risk

Public Disclosure on Liquidity Risk for the quarter ended March 2022 pursuant to RBI circular dated 4th November 2019 on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant counter parties	Amount (₹ in Crores)	% of total Deposits *	% of Total Liabilities
1	22	529.49	-	67.95%

* None of the Depositors hold more than 1% of the Total deposits

(ii) Top 20 large deposits

(₹ in Crores)

Particulars	As at March 31, 2022
Total amount of Top 20 Large Deposits	21.43
% of amount of Top 20 Large Deposits to Total Deposits	13.84%

(iii) Top 10 borrowings (Note: All borrowing other than deposits)

(₹ in Crores)

Particulars	As at March 31, 2022
Total amount of Top 10 Borrowings	392.43
% of amount of Top 10 Borrowings to Total Borrowings	66.02%

(iv) Funding Concentration based on significant instrument / product

(₹ in Crores)

Sl. No.	Name of the Instrument/product	Amount	% of Total Liabilities
1	Non-Convertible Debentures	122.24	15.69%
2	Term loan	468.04	60.06%
3	Public Deposits	118.48	15.20%
4	Commercial paper	0.00	0.00%
5	Other Bank Borrowings	48.93	6.28%

(v) Stock Ratios:

Sl. No.	Name of the Instrument / Product	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	0.00	0.00	0.00
2	Non-Convertible Debentures (original maturity < 1 year)	0.00	0.00	0.00
3	Other Short- term Liabilities	61.58	59.87	44.36

(vi) Institutional setup for Liquidity Risk management

Refer note no. 48 Risk management structure and Liquidity Risk and Funding Management for Institutional setup for Liquidity Risk Management

Board has setup the Asset Liability Management Committee (ALCO) and Risk Management Committee to manage various risks of the Company. ALCO meets on a regular basis and is responsible for ensuring adherence to the risk tolerance/limits set by the Board including the Liquidity risk of the Company. The performance of the ALCO is reviewed by Board.

The Company has formulated a policy on Liquidity Risk Management Framework. Accordingly, the Company,

- Performs stress testing on a quarterly basis which enables the Company to estimate the liquidity requirements as well as adequacy and cost of the liquidity buffer under stressed conditions.
- Has also formulated a contingency funding plan as a part of the outcome of stress testing results.
- Monitors liquidity risk based on 'Stock' approach to liquidity by way of pre-defined internal limits for various critical ratios pertaining to liquidity risk.

The Company has diversified source of funding to ensure that there is no significant source, the withdrawal of which could trigger liquidity problems.

The Company monitors cumulative mismatches across all time buckets by establishing internal prudential limits. The Company maintains adequate liquidity buffer of readily marketable assets, to protect itself against any liquidity risk at the same time is mindful of the cost associated with it.

Notes:

1. As per the circular issued by RBI on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies dated 04th Nov 2019, "Significant counterparty" is defined as a single counter party or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the total Liabilities and "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total Liabilities.
2. Total Liabilities represent 'Total Liabilities and Equity' as per Balance sheet less Equity.
3. Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. Other Short-term liabilities represent all Short-term borrowings other than CPs.

71 Customers Complaints

a.	No of Complaints pending at the beginning of the year	NIL
b.	No. of Complaints received during the year	162
c.	No. of Complaints redressed during the year	162
d.	No. of Complaints pending at the end of the year	0

72 Details of Registration with Financials Regulators

Sr.No	Regulator	Registration No.
a.	Ministry of Company Affairs	U65929MH1990PLC057829
b.	Reserve Bank of India	13.01109

73 Rating assigned by Credit Rating Agencies

The Company has been assigned rating of “ICRA BBB /(Stable)” for Bank Facilities. The Company has also been assigned “ICRA MA- (Stable)” for Fixed Deposit program.

74 Concentration of Deposits, Advances, Exposures and Stage III Assets

a. Concentration of Deposits (₹ in Crores)

Particulars	Amount
Total Deposits of Twenty Largest Depositors	21.43
Percentage of Deposits of Twenty largest depositors to Total Deposits	13.84%

b. Concentration of Advances (₹ in Crores)

Particulars	Amount
Total Advances of Twenty Largest borrowers	1.45
Percentage of Advances of Twenty largest borrowers to Total Advances	0.17%

c. Concentration of Exposures (₹ in Crores)

Particulars	Amount
Total Exposure of Twenty Largest borrowers	1.45
Percentage of Exposure of Twenty largest borrowers to Total Exposure	0.17%

d. Concentration of NPAs (₹ in Crores)

Particulars	Amount
Total Exposure of Top Four NPAs	0.36

75 Movements of NPAs

(₹ in Crores)

Particulars		31.03.2022	31.03.2021
i)	Net NPAs to Net Advances (%)	2.23%	1.74%
ii)	Movements of NPAs (Gross)		
	a. Opening Balances	16.84	12.11
	b. Addition during the year	21.11	14.85
	c. Reduction during the year	12.40	10.12
	d. Closing Balance	25.55	16.84
iii)	Movements of Net NPAs		
	a. Opening Balances	11.49	8.24
	b. Addition during the year	15.43	10.14
	c. Reduction during the year	8.62	6.88
	d. Closing Balance	18.30	11.49
iv)	Movements of ECL on NPAs		
	a. Opening Balances	5.35	3.87
	b. Provision made during the year	1.91	1.47
	c. Write-off/ Write back of excess provision		
	d. Closing Balance	7.25	5.35

76 NPAs as a percentage to Advances in the respective segments

Sr. No.	Sector	As At 31.03.2022	As At 31.03.2021
a.	Agriculture & Allied activities	3.78%	2.54%
b.	MSME	0.00%	0.00%
c.	Corporate Borrowers	0.00%	0.00%
d.	Services	0.00%	0.00%
e.	Unsecured personal loans	7.56%	4.48%
f.	Auto loans	2.99%	2.48%
g.	Other personal loans	0.00%	0.00%

77 Provisions and Contingencies

(₹ in Crores)

Break up of Provisions and Contingencies shows under the head Expenditure in Profit and Loss Accounts	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Impairment Loss Allowances on Loans	8.97	12.03
Impairment Loss Allowances on Other Financial Assets	0.68	-
Provision for Income Tax (excluding deferred tax)	7.15	6.25

78 Disclosure of Frauds reported during the year vide DNBS.PD.CC.NO. 256/03.10.042/2011-12 Dated March 02,2012:

Instances of fraud for the year ended March 31, 2022

(₹ in Crores)

No of Cases*	Nature of Fraud^	Amount of Fraud	Recovery*	Write off
2	Fraud committed by employees	0.28	-0.00	-0.00
1	Fraud committed by borrowers and outsiders	0.06	-0.00	-0.00

*Out of the above cases, Only one was reported to RBI during the financial year 2021-22 and the for the remaining two cases, the investigations were on going and final amount was brought to the knowledge of management in the month of May 2022 and were reported to RBI Immediately thereafter. The management had therefore made adhoc provision as on 31st March 2022 in respect of these frauds.

^Further there are certain instances reported in risk based internal audit reports of the company where in the recovery proceeds collected by the employee were not deposited in Company's bank account but were deposited after the lapse was identified by the Internal audit team of the Company. The management does not view these instances as fraud as there was only delay in deposit of the recovery proceeds and no loss was incurred by the Company.

Instances of fraud for the year ended March 31, 2021

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company was noticed or reported during the financial year.

79 During the year Company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

80 Registrations obtained from Other Financial Sector Regulators

During the year the Company has not obtained any registrations from other financial regulators

81 Penalties Imposed by RBI and Other Regulators

No Penalties have been levied by RBI during the financial Year 2021-22. However penalty of Rs.1.00 Lakh has been imposed by the SEBI under section 15A(b) of the SEBI Act, 1992 for failure on the part of the Company to timely comply with the provision of regulation 52(1) of SEBI LODR regulations,2015.

82 Derivatives

The Company has no transactions/exposure in derivatives in the current year and previous year.

83 Investments

(₹ in Crores)

Particulars		As at 31 March 2022	As at 31 March 2021
1.	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	15.62	11.77
	(b) Outside India	0	0
	(ii) Provision for Depreciation		
	(a) In India	0	0
	(b) Outside India	0	0
	(iii) Net Value of Investments		
	(a) In India	15.62	11.77
	(b) Outside India	0	0
2.	Movement of Provision held towards depreciation on Investments		
	(i) Opening Balances	0	0
	(ii) Add: Provision made during the year	0	0
	(iii) Less: Write off/Write-back of excess provision during the year	0	0
	(iv) Closing Balances	0	0

84 Disclosures relating to Securitisation

(₹ in Crores)

	As at 31 March 2022	As at 31 March 2021
No of SPVs sponsored by the NBFC for securitisation transactions	1	1
Total amount of securitised assets as per books of the SPVs sponsored	15.06	1.49
Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet	1.81	1.00
Off-balance sheet exposures		
First loss		
Others		
On-balance sheet exposures		
First loss (In the form of Fixed Deposit)	1.36	1.00
Others (over-collateralisation)	0.45	-
Amount of exposures to securitisation transactions other than MRR		
Off-balance sheet exposures		
Exposure to Own Securitisations		
First loss	-	-
Others	-	-
Exposure to third party Securitisations		
First loss	-	-
Others	-	-
On-balance sheet exposures		
Exposure to Own Securitisations		
First loss	-	-
Others	-	-
Exposure to third party Securitisations		
First loss	-	-
Others	-	-
Sale consideration received for the securitised assets	15.06	-
Gain/loss on sale on account of securitisation		
Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	15.06	-
Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc.		

Credit enhancement (12%)		
(a) Amount paid	1.81	-
(b) Repayment Received	3.39	1.81
(c) Outstanding Amount	1.81	3.39
Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	Nil	Nil
Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

85 Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM(PK)-2008 dated 1 August 2008

Capital Adequacy Ratio

Particulars	31.03.2022	31.03.2021
Capital Ratio		
CRAR - Tier I Capital (%)	28.51%	19.56%
CRAR - Tier II Capital (%)	0.33%	0.90%
Total Capital (%)	28.84%	20.46%

86 The Company has no Exposure to Real Estate Sector in the current year and previous year.

87 Exposure to Capital Market

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Direct Investment in equity shares, convertible bonds, convertible debentures and unit of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	1.19	1.23

88 The Company has given unsecured loan of ₹ 4,81,83,299 as a personal loans to the borrowers Personal loans are partly secured by assignment/pledge of life insurances polices, shares and other securities or are unsecured

89 Asset Liability Management Maturity Pattern of certain items of Assets & Liabilities

(₹ in Crores)

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years upto 5 Years	Over 5 Years	Total
Deposits	7.20	2.47	8.32	4.87	6.21	11.75	36.00	67.62	10.36	0.00	154.80
Advances (Net of Provision)	7.26	17.26	24.52	36.93	35.02	93.95	220.94	366.63	16.83	0.00	819.34
Investments	0.00	0.00	0.00	0.93	0.00	0.00	0.00	2.48	1.13	11.08	15.62
Borrowing	8.19	1.27	13.16	22.24	23.12	65.65	207.17	238.25	23.84	0.00	602.89

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2022

(As required in terms of paragraph 13 Of Non-Banking Financial (Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions,2007)

(₹ in Lakhs)

	Particulars	Amount outstanding	Amount overdue
	Liabilities :		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
	(a) Debentures : Secured	12,224.08	0.00
	Unsecured	0.00	0.00
	(other than falling within the meaning of public deposits)		
	(b) Deferred credits	0.00	0.00
	(c) Term Loans	43,172.29	--
	(d) Inter-corporate loans and borrowing	73.90	0.00
	(e) Commercial Paper	0.00	0.00
	(f) Public deposits (Including deposits from directors and their relatives)	15,405.80	415.56
	(h) Cash Credit & Working Capital Demand Loan	4,892.68	--
	Total	75,768.75	415.56
(2)	Break-up of (1)(f) above(outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of unsecured debentures	0.00	0.00
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	0.00	0.00
	(c) Other Public Deposits	15,405.80	415.56

(₹ in Lakhs)

No.	Particulars	Amount Outstanding
	Assets :	
3	Break-up of loans and advances including bills receivables [other than those included in (4) below]	
	(a) Secured	56.70
	(b) Unsecured	0.00
4	Break-up of leased assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	0.00
	(b) Operating lease	0.00
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	0.00
	(b) Repossessed assets	0.00
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	0.00
	(b) Loans other than (a) above	83141.14
5	Break-up of Investments :	
	Current Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	92.84
	(v) Others (please specify)	
	Investment in Alternative Instrument Fund	104.67
	2. Unquoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	0.00
	(v) Others (please specify)	0.00

Long Term Investments :		
1. Quoted :		
(i) Shares : (a) Equity		14.78
(b) Preference		0.00
(ii) Debentures and bonds		0.00
(iii) Units of mutual funds		0.00
(iv) Government securities		1,350.00
(v) Others (please specify)		0.00
2. Unquoted :		
(i) Shares : (a) Equity		0.00
(b) Preference		0.00
(ii) Debentures and bonds		0.00
(iii) Units of mutual funds		0.00
(iv) Government securities		0.00
(v) Others (please specify)		0.00

(6) Borrower group-wise classification of assets financed as in(3)and(4)above

(₹ in Lakhs)

	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	(a) Subsidiaries	0	0	0
	(b) Companies in the same group	0	0	0
	(c) Other related parties	0	0.00	0.00
(ii)	Other than related parties	83,197.84	481.83	83,679.67
	Total	83,197.84	481.83	83,679.67

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in Lakhs)

	Category	Market Value/Breakup or fair value of NAV	Book Value (Net of Provisions)
(i)	Related parties		
	(a) Subsidiaries	0	0
	(b) Companies in the same group	0	0
	(c) Other related parties	0	0
(ii)	Other than related parties	1562.29	1562.29
	Total	1562.29	1562.29

(8) Other information

(₹ in Lakhs)

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	0
	(b) Other than related parties	2555.40
(ii)	Net Non-Performing Assets	
	(a) Related parties	0
	(b) Other than related parties	1829.92
(iii)	Assets acquired in satisfaction of debt	0

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

YEAR	PAID-UP CAPITAL	NET WORTH	TOTAL ASSETS	PROFIT BEFORE TAX	PROFIT AFTER TAX	DIVIDEND	
						Rate%	AMOUNT
1990-91	1.44	1.50	3.03	0.06	0.06	--	--
1994-95	20.75	38.14	74.88	6.45	5.80	26.00%	4.07
1995-96	26.00	44.40	124.95	8.07	6.09	20.00%	5.04
1996-97	30.00	48.94	174.86	11.16	5.15	14.00%	3.72
1997-98	30.00	52.72	224.24	19.15	10.00	16.00%	4.80
1998-99	30.00	59.80	223.71	20.22	12.97	16.00%	4.80
1999-00	30.00	61.41	247.47	16.47	8.55	16.00%	4.80
2000-01	36.00	70.22	280.79	17.78	9.15	16.00%	4.92
2001-02	50.00	109.28	374.83	31.84	22.74	17.00%	7.70
2002-03	80.00	187.27	748.88	55.55	34.57	18.00%	14.40
2003-04	102.55	256.21	865.80	81.84	52.70	18.00%	15.55
2004-05	102.55	307.02	1,155.50	112.80	75.73	20.00%	20.51
2005-06	163.50	452.20	1,392.69	126.43	83.88	22.00%	26.04
2006-07	310.00	715.98	1,956.10	153.81	101.36	22.50%	44.64
2007-08	* 620.00	780.25	2,619.22	228.63	153.54	* 12.50%	90.67
2008-09	700.00	978.58	3,486.60	336.82	218.98	13.00%	100.66
2009-10	700.00	1,119.71	4,100.69	379.84	247.60	13.00%	106.47
2010-11	700.00	1,361.79	5,206.99	545.56	355.98	14.00%	113.90
2011-12	750.00	1,695.14	6,377.90	601.90	399.37	14.00%	116.01
2012-13	800.00	2,099.90	9,076.85	732.20	492.46	15.00%	137.70
2013-14	800.00	2,534.23	11,125.49	863.19	574.74	15.00%	140.39
2014-15	800.00	3,091.63	14,788.92	1,053.41	677.75	12.50%	120.35
2015-16	800.00	3,818.09	19,770.39	1,246.93	822.74	10.00%	96.29
2016-17	800.00	4,713.26	26,660.71	1,532.62	991.47	10.00%	96.29
2017-18	800.00	5,950.92	32,937.95	1,768.79	1,237.65	10.00%	96.44
2018-19	800.00	7,326.43	41,796.85	2,077.27	1,471.95	10.00%	96.44
2019-20	966.67	11,808.65	55,274.97	2,258.44	1,691.27	5.00%	46.50
2020-21	1,000.78	14,642.40	89,143.75	2,055.66	1,537.66	10.00%	100.07
2021-22	1,233.68	25,914.20	1,03,842.69	2,237.41	1,741.97	10.00%	123.36

*2007-08 Consequent upon issue of bonus shares in the ratio of 1:1

MISSION

Partnering To Prosper

COMMITMENT

Close To The People

VISION

Miles To Go

BRANCHES

MAHARASHTRA - Ahmednagar, Akola, Amravati, Aurangabad, Baramati, Bhandara, Bhusawal, Brahmapuri, Buldhana, Chalisgaon, Chandrapur, Dhule, Gadchiroli, Gondia, Hingoli, Jalgaon, Karad, Katol, Khamgaon, Kolhapur, Kudal, Latur, Manmad, Nanded, Nandurbar, Nashik, Osmanabad, Pandharpur, Paratwada, Parbhani, Pune, Pusad, Ratnagiri, Sangli, Satara, Solapur, Udgir, Wagholi, Wani, Wardha, Washim & Yavatmal.

MADHYA PRADESH - Betul, Bhopal, Burhanpur, Chhatarpur, Chhindwara, Damoh, Dewas, Dhar, Harda, Hoshangabad, Indore, Katni, Mandla, Narsinghpur, Rewa, Sagar, Satna, Sehore, Seoni, Shahdol, Sidhi & Vidisha.

CHHATTISGARH - Ambikapur, Balodabazar, Bemetara, Bilaspur, Dallirajhara, Dhamtari, Dongargarh, Durg, Gariyaband, Jagdalpur, Janjgir, Kanker, Kawardha, Kondagaon, Korba, Mahasamund, Raigarh, Raipur, Rajim, Rajnandgaon & Saraipali.

GUJARAT - Amreli, Bardoli, Botad, Junagadh, Navsari, Surat & Vyara.

KARNATAKA - Belgavi, Bidar, Kalaburagi, Raichur & Vijayapur.

TELANGANA - Adilabad, Jagtial, Jangaon, Kamareddy, Karimnagar, Khammam, Kothagudem, Mahabubnagar, Mancherial, Miriyalaguda, Nalgonda, Nirmal, Nizamabad, Sangareddy, Siddipeth, Suryapet & Warangal.



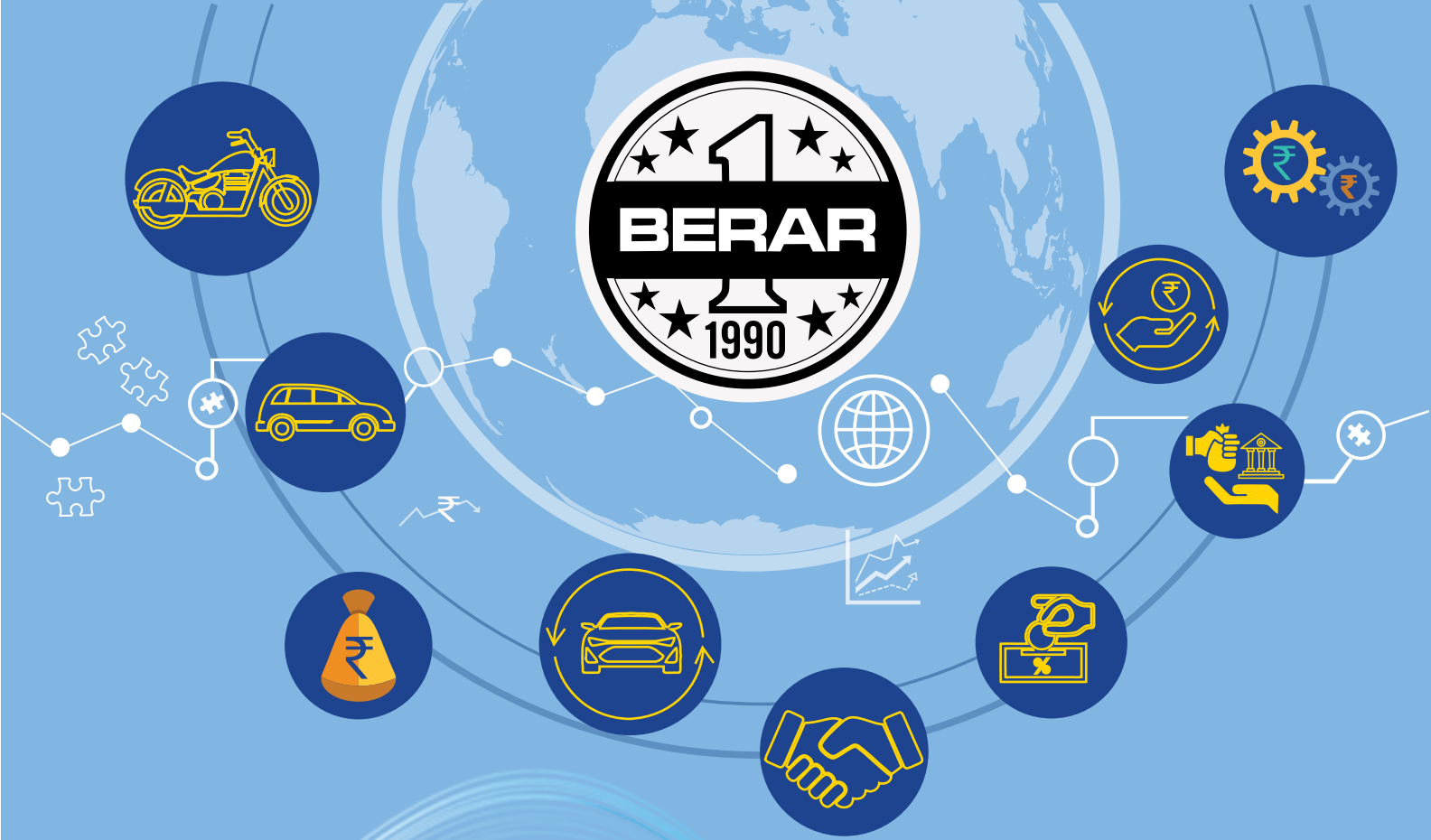
CIN No. : U65929MH1990PLC057829

REGD. OFFICE: AVINISHA TOWER, MEHADIA CHOWK,
DHANTOLI, NAGPUR-440 012

TEL.:- 0712 - 6663999

WEBSITE: WWW.BERARFINANCE.COM

EMAIL: INVESTOR.RELATIONS@BERARFINANCE.COM



Annual Report

2022-2023

CORPORATE INFORMATION

BOARD OF DIRECTORS:

CS Maroti Jawanjar Executive Chairman
Mr. Shantaram Mahakalkar
Mr. Vishwas Pathak
CA Atul Sarada
CS Rashmi Mitkary
CA Avishek Addy
Mr. Harishchandra Sukhdeve
Mr. Siva Vadivel Alagan
Mr. Himanshu Joshi
Mr. Sandeep Jawanjal Managing Director

COMPANY SECRETARY:

CS Deepali Balpande

CHIEF FINANCIAL OFFICER:

CA Ravindra Dorle

AUDITORS:

M/s Manubhai & Shah LLP, Chartered Accountants

SECRETARIAL AUDITORS:

M/s SPZ & Associates, Company Secretaries

BANKERS:

Bank of Maharashtra
IDBI Bank Ltd.
Punjab National Bank
AU Small Finance Bank Ltd.
IDFC First Bank Ltd.

REGISTERED OFFICE:

Avinisha Tower, Mehadia Chowk,
Dhantoli, NAGPUR - 440 012
Ph.: 0712 - 6663999
CIN: U65929MH1990PLC057829
Website: www.berarfinance.com
Email: investor.relations@berarfinance.com

REGISTRAR & SHARE TRANSFER AGENT:

Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East) Mumbai - 400 093
Tel: 022-6263 8222
Website: www.bigshareonline.com
Email: investor@bigshareonline.com

DEBENTURE TRUSTEE:

IDBI Trusteeship Services Limited
Ground Floor, Universal Insurance Building,
Sir Phirozshah Mehta Rd, Fort,
Mumbai - 400 001
Tel.: 022 - 4080 7000
Website: www.idbitrustee.com
Email: itsl@idbitrustee.com

DEBENTURE TRUSTEE/ PUBLIC DEPOSIT TRUSTEE:

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No.85,
Bhusari Colony (Right), Kothrud,
Pune - 411038
Tel No.: 020 - 6680 7200
Website: www.catalysttrustee.com
Email: dt@ctltrustee.com

DIRECTORS' REPORT

Your Directors are glad to present the 33rd Annual Report and the audited accounts of your Company for the financial year ended March 31, 2023 ("FY 2022-2023").

FINANCIAL RESULTS

The business operations of the Company continued to grow satisfactorily during the year, as evident from the following figures:

	(₹ in lakhs)	
Particulars	FY 2022-2023	FY 2021-2022
Loans Disbursed during the year	84,252.07	74,155.93
Gross Assets under Management (AUM)	94,704.78	83,197.84
Assets sold under Securitisation	299.46	1,235.73
Gross Income	21,796.16	17,559.90
Profit (before extra-ordinary items)	2,172.78	2,237.41
Net Profit (after Tax)	1,708.12	1,741.97

APPROPRIATION OF PROFITS

The operations of the Company have generated a Net Profit (after tax) of ₹ 1,708.12 lakhs (P.Y.: ₹ 1,741.98 lakhs) for the financial year ended March 31, 2023.

Your Directors propose to appropriate the same as under:

	(₹ in lakhs)	
Particulars	FY 2022-2023	FY 2021-2022
Net Profit (after Tax)	1,708.12	1,741.97
Add: Balance Brought Forward	107.96	108.19
Add/(Less): Other Comprehensive Income	1.15	(92.14)
Disposable Profit	1817.23	1,758.02
Appropriations:		
- Dividend paid during the year	123.34	100.06
- Transfer to Statutory Reserve (As per Section 45-IC of RBI Act, 1934)	450.00	450.00
- Transfer to General Reserve	1,100.00	1,100.00
Balance Carried Forward	143.89	107.96

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis forming part of this Report and attached to this Report as "Annexure I".

TRANSFER TO RESERVE FUND

Under section 45-IC (1) of Reserve Bank of India ("RBI") Act, 1934, non-banking financial companies ("NBFCs") are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of ₹ 450 lakhs to its reserve fund.

The Company, being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed debentures. However, the Company maintains sufficient liquidity buffer and asset cover at all times to fulfil its obligations under debenture documents.

SHARE CAPITAL

During FY 2022-2023, no new equity shares were issued by the Company.

As on March 31, 2023, the paid-up share capital of the Company stood at ₹ 1233.68 lakhs consisting of 1,23,36,846 equity shares of face value of ₹ 10 fully paid-up.

DIVIDEND

RBI vide its circular dated June 24, 2021 has laid down framework for declaration of dividend by NBFCs.

Accordingly, your Directors recommend for consideration of the members at the ensuing Annual General Meeting ("AGM"), payment of dividend of ₹ 1.00 per Equity Share for FY 2022-2023. The total dividend payable for FY 2022-2023 is ₹ 1,23,36,846.

The dividend recommended is in accordance with the principles and criteria set out in the Company's dividend distribution policy. Total dividend proposed for the year does not exceed the ceilings specified in said circular/RBI Master Directions.

The dividend, if declared, at the ensuing AGM will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer Notice of AGM.

FUNDING RESOURCES

i. Bank Facilities -

As on date, a consortium of bankers comprising of Bank of Maharashtra, IDBI Bank, Punjab National Bank, AU Small Finance Bank Limited and IDFC First Bank Limited are providing CC facilities of ₹ 6,500.00 lakhs. In addition, outside consortium, the Company has CC limits from Federal Bank, Kotak Mahindra Bank and HDFC bank of ₹ 700 Lakhs. The overall outstanding balance of the consortium and non-consortium CC Limit as on March 31, 2023 is ₹ 1,569.02 lakhs.

ii. Fixed Deposits -

As on March 31, 2023, total fixed deposits amounted to ₹ 18,565.36 lakhs, of which public deposits amounted to ₹ 17,367.78 lakhs. The following table provides the details of the flow of public deposits during FY 2022-2023:

Particulars	₹ in lakhs
Public Deposits at the beginning of the year	14,577.91
Less: Public deposits repaid/renewed during the year	6,623.62
Add: Public Deposits accepted / renewed during the year	9,413.49
Public Deposits at the end of the year	17,367.78

₹ 553.68 lakhs of deposits (from 224 deposit accounts) matured and were unclaimed as on March 31, 2023. All these were claimed/renewed subsequently except 6 deposit accounts belonging to same person amounting to ₹ 4.63 lakhs. Periodic reminders are being sent to the depositors for repayment/renewal of deposits.

iii. Term Loans -

Your Company has availed term loans for working capital from various lenders at favourable terms and at a reasonable rate of interest. The outstanding balance of such loans as on March 31, 2023 is ₹ 48,115.28 lakhs. The term loans offer ready availability, their repayments match maturity of receivables offered as security.

iv. Assets Securitised -

During the year your Company has not raised resources through securitization of receivables. The closing balance of assets securitized during earlier years as on March 31, 2023 is ₹ 299.46 lakhs.

v. Non-Convertible Debentures -

During the year, your Company has issued unlisted Non-Convertible Debentures ("NCDs") on private placement basis amounting to ₹ 4,000 lakhs and listed Non-Convertible Debentures ("NCDs") basis amounting to ₹ 3,000 lakhs.

The Company has been regular in the payment of principal / interest towards all the outstanding Non-Convertible Debentures. As on March 31, 2023 the total outstanding Secured NCDs stood at ₹ 14,641.10 lakhs.

REVIEW OF OPERATIONS

Financing of two-wheelers continues to be the mainstay product of your Company. Additionally, your Company offers other loan products like personal loans, used car loans and two-wheeler re-financing loans. During the period under review, your Company has started a new product Loan against Property on a pilot basis in select branches.

Your Company has a strong network and presence in rural and semi-urban India which has demonstrated strong growth potential and resilience in spite of multiple macro-economic challenges during the year. Your Company has recorded satisfactory growth in business with a 13.61% increase in disbursement and 24.12% increase in gross income during FY 2022-2023 compared to FY 2021-2022.

BRANCH NETWORK

During FY 2022-2023, your Company had opened 14 new branches - 1 in Maharashtra, 6 in Madhya Pradesh, 2 in Telangana, 3 in Chhattisgarh and 2 in Gujarat. As on March 31, 2023, besides the registered office situated at Nagpur, the Company had 115 branches comprising 42 in Maharashtra, 22 in Madhya Pradesh, 21 in Chhattisgarh, 17 in Telangana, 8 in Gujarat and 5 in Karnataka.

Your Company plans to add more branches during the financial year 2023-2024 as it seeks to increase its geographical coverage and expand its customer reach across strategic locations in Central, Western and Southern India.

RESERVE BANK OF INDIA GUIDELINES

Your Company has been following guidelines issued by the Reserve Bank of India (“RBI”) including those related to prudential norms for income recognition, asset classification, provisioning of bad and doubtful debts, capital adequacy and concentration of credit and investments. Your Company has a comfortable capital adequacy ratio of 26.33% (as against 15% prescribed by RBI) as on March 31, 2023. Under the regulatory framework of RBI, your Company is classified as **Systemically Important Asset Finance Company-Deposit Taking**.

Reserve Bank of India vide its notification no. RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 February 22, 2019 harmonized different categories of NBFCs. According to this notification, your Company falls under the category of **NBFC - Investment & Credit Company (NBFC-ICC)**.

Reserve Bank of India issued a circular on “Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs” on 22 October 2021 (“SBR Framework”) as per which your Company being a deposit taking NBFC is classified as NBFC- Middle Layer.

The Liquidity Coverage Ratio (“LCR”) requirement was applicable from December 1, 2020 with the minimum High Quality Liquid Assets (“HQLA”) to be held being 50% of the LCR, progressively reaching a level up to 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively. The LCR of the Company was 164.62% against the LCR requirement of 70% as on March 31, 2023.

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm’s length basis. The Company did not enter into any material transaction with related parties under Section 188 of the Companies Act, 2013 (“Act”), during FY 2022-2023. Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as part of this Report vide **Annexure V (i)**. Further, the Company’s Policy on Related Party Transactions is attached as part of this report, vide “**Annexure V (ii)**”.

Further details on the transactions with related parties are provided in the accompanying financial statements.

CREDIT RATING

The details of Credit Ratings assigned to various programmes of the Company by various agencies are as follows:

Sr. No.	Instrument	Rating by CARE Ratings Ltd.	Rating by ICRA Limited	Rating by Acuité Ratings & Research Limited
1.	Fixed Deposits Programme	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable); reaffirmed, put on notice for withdrawal for 6 months.	-
2.	Long Term Bank Facilities	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable); reaffirmed, withdrawn and removed from issuer non-cooperation category.	BBB+ Positive

3.	Long Term Bank Facilities – Term Loan (TL)	A- (CE); Stable	A- (CE) (Stable); Reaffirmed, withdrawn and removed from issuer non-cooperation category.	A (CE) Positive
4.	Non-Convertible Debentures	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable) reaffirmed and removed from issuer non-cooperation category*	-
5.	Market Linked Debentures	BBB+; Stable (Triple B Plus; Outlook: Stable)	PP - MLD [ICRA] BBB (Stable) Reaffirmed and removed from issuer non-cooperation category	-

* The NCDs issued and allotted under the ISIN INE998Y07113, INE998Y07121 and INE998Y07139 are rated only by CARE Ratings Ltd.

LISTING ON STOCK EXCHANGES

The Company has issued Non-Convertible Debentures (NCDs) on private placement basis some of which are listed on the Wholesale Debt Market Segment of BSE Limited.

STATUTORY AUDITORS & AUDITORS' REPORT

In compliance with the RBI Guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company (“NBFC”) vide Circular RBI/2021-22/25 Ref. No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (“RBI Guidelines”), the Members of the Company appointed M/s. Manubhai & Shah LLP (Firm Registration No.: 106041W/W100136), Chartered Accountants, Ahmedabad as Statutory Auditors of the Company at the 32nd Annual General Meeting held on September 26, 2022 to hold office from conclusion of 32nd Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors. The Auditors Report on the financial statements of the Company for the year ended March 31, 2023 is self-explanatory and unmodified, i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

In terms of the RBI Master Direction – Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016, the Statutory Auditors have also submitted an additional report dated June 26, 2023 for FY 2022-2023. There were no comments or adverse remarks in the said report as well.

INTERNAL AUDITORS

The internal audit function provides an independent view to the Board of Directors, the Audit Committee and the senior management on the quality and efficacy of the internal controls, governance systems and processes. In line with the RBI’s guidelines on Risk Based Internal Audit, the Company has adopted a Risk Based Internal Audit Policy.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee. Pursuant to Risk Based Internal Audit Framework, internal audit is aligned in such a manner that assurance is provided to the Audit Committee and Board of Directors on quality and effectiveness of the internal controls, and governance related systems and processes.

The Audit Committee regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls. Significant audit observations, corrective and preventive actions thereon are presented to the Audit Committee on a quarterly basis.

The Committee also meets with the internal auditors without the presence of Management.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s. SPZ & Associates, Company Secretaries, Nagpur (Firm Unique Identification Number S2015MH305600) (“**Secretarial Auditor**”) to conduct Secretarial Audit for FY 2022-2023.

The Secretarial Audit Report for the financial year ended March 31, 2023 in Form MR-3 is attached to this report as “**Annexure II**” and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (“KMP”)

The Company’s Board has an optimum combination of Executive and Non-Executive Directors including a Woman Independent Director.

(A) Changes in Directors and KMP during the financial year:

(i) Appointments and Resignation of Directors:

Sr. No	Name of Director	Designation	Date of Approval of the Members	Remarks
1.	Mr. Siva Chidambaram Vadivel Alagan (DIN: 08242283)	Non-Executive Non - Independent Director liable to retire by rotation.	Extra-ordinary General Meeting held on April 18, 2022	Representative Director of private equity investor namely Maj Invest Financial Inclusion Fund III K/S.
2.	Ms. Rashmi Mitkary (DIN: 08960192)	Non-Executive Independent Director	Annual General Meeting held on September 26, 2022	Appointed for a second and final term of 2 (two) years effective from November 13, 2022 till November 12, 2024.
3.	Mr. Shantaram Mahakalkar (DIN No. 00379988)	Non-Executive Non-Independent Director, liable to retire by rotation.	Annual General Meeting held on September 26, 2022	Re-appointed on retiring by rotation.

During the financial year, no Director resigned from the Board of Directors of the Company.

(ii) Appointments and Resignation of KMP:

During the financial year, Mr. Yogesh Tahalyani resigned as the Chief Financial Officer (“**CFO**”) of the Company w.e.f. closure of business hours of October 22, 2022. Subsequently, the Board through resolution passed at its meeting held on March 30, 2023 designated Mr. Rangarajan Srinivasan, Vice-President (“**Treasury**”) as the Chief Financial Officer (“**CFO**”) of the Company with effect from April 01, 2023.

(B) Appointment of Non – Executive Director:

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors approved the appointment of Mr. Himanshu Joshi (DIN: 07214254) as Non-Executive Independent Director for a term of 1 (One) year w.e.f. June 1, 2023 subject to approval of members at the ensuing Annual General Meeting of the Company. He holds a valid registration certificate with the database of Independent Directors and has cleared the proficiency test for Independent Directors conducted by the Indian Institute of Corporate Affairs.

The Board is of the opinion that Mr. Himanshu Joshi is a person of integrity, expertise, and competent experience and proficiency to serve the Company as an Independent Director that can strengthen the overall composition of the Board.

(C) Re-appointment of Director retiring by rotation:

Mr. Avishek Addy (DIN No. 07973542), Non-Executive Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for reappointment.

Pursuant to provisions of section 149(7), all Independent Directors have submitted the declaration of independence, confirming that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Further, the Independent Directors have complied with the Code applicable for Independent Directors as stipulated under Schedule IV of the Companies Act, 2013 and have registered their name in the data bank of Independent Directors and have also passed the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs (IICA).

All the Directors of the Company have confirmed that they satisfy the “fit and proper” criteria as prescribed in Chapter XI of RBI Master Direction No. DNBR. PD. 008/ 03.10.119/2016-17 dated 1st September 2016 as amended and that they are not disqualified from being appointed / continuing as Directors under the terms of Section 164(2) of the Act.

(D) Changes in Key Managerial Personnel:

Mr. Rangarajan Srinivasan resigned as the CFO of the Company w.e.f. closure of business hours of August 04, 2023. He continues to be associated with the Company in the capacity of Vice-President (“Treasury”). Further, the Board at its meeting held on August 12, 2023 appointed Mr. Ravindra Dorle, Vice President (Accounts) as the CFO of the Company with immediate effect.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors has carried out an annual performance evaluation of the Board, Chairman of the Board, its Committees, Managing Director and individual Directors based on the questionnaires duly filled in by the members of the Board. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition, administration, effectiveness of control systems, and flow of information etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Board Members on the basis of the criteria such as the composition of committees, amount of responsibility delegated to the Committees, independence of Committees etc. The performance of the Chairman of the Board and Managing Director was evaluated by the Board members after seeking inputs on the basis of the criteria such as attendance, leadership qualities, and compliance with policies etc. The Board of Directors reviewed the performance of the other individual Directors on the basis of the criteria such as the attendance and participation in the meetings, raising of valid concerns to the Board, relations with other Directors and Management and Understanding of the Company and the external environment in which it operates and contribution to strategic direction etc.

The Nomination and Remuneration Committee evaluated the performance of all the Directors of the Company, the Board and its Committees based on the questionnaires received from all the Directors and expressed its satisfaction on their overall performance.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole, and performance of the Chairperson were evaluated taking into account the views of Executive and Non-Executive Directors. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

REPORT ON CORPORATE GOVERNANCE

Your Company has been following robust governance practices since its inception and is committed to adhere to high standards of the Corporate Governance Code in words and spirit.

The report on Corporate Governance forms a part of this report and is annexed as “**Annexure III**”.

STATUS OF COMPOUNDING APPLICATION FILED WITH NATIONAL COMPANY LAW TRIBUNAL (“NCLT”), MUMBAI

As informed in the previous Boards’ report dated August 12, 2022, the Board had *suo-moto* floated an Exit Offer Scheme where an invitation to Offer was given to the identified shareholders by Mr. Maroti Jawanjar and Mr. Sandeep Jawanjal to sell their shares at a pre-determined price, as a remediation measure against the arguable non-compliance of the regulatory requirements during the Allotments made by the Company between 1990 and 2005.

After, the successful completion of exit offer, the Company has approached the Hon’ble National Company Law Tribunal, Mumbai Bench for compounding of the aforesaid offence voluntarily and there is no further update in the said matter since the last Board’s report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) and Section 134(5) of the Act, your Directors confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the Company for that period;
- c) They 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;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

POLICY ON REMUNERATION OF DIRECTORS AND THE REMUNERATION POLICY FOR KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES OF THE COMPANY

Your Company has adopted the Policy on Remuneration of Directors and the Remuneration Policy for Key Managerial Personnel and Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Act. The Nomination & Remuneration Policy mainly covers the criteria for determining qualifications, positive attributes and independence of a Director and the Remuneration policies for Directors, Key Managerial Personnel and other senior managerial employees, functionality of Nomination & Remuneration committee and to administer and supervise the Employee Stock Option Plans of the Company. The said Policy is available on the Company's website <https://www.berarfinance.com/investors.html>

Further, RBI has vide its circular dated 29 April 2022 issued Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs pursuant to revised regulatory framework for NBFC (SBR). Accordingly, the Board of Directors at their meeting held on May 30, 2023 based on the recommendation of Nomination and Remuneration Committee, adopted a policy exclusively governing compensation payable to Key Managerial Personnel and Senior Management. This Policy lays down detailed framework, inter alia, encompassing the following:

- Principles for determination of compensation;
- Compensation components;
- Principles of variable pay;
- Deferral of variable pay;
- Compensation for control and assurance function personnel; and
- Provisions for malus and clawback and circumstances under which application of malus and clawback is to be considered.

RISK MANAGEMENT

Your Company, being in the business of retail financing has to face inherent risks like credit risk, liquidity risk, interest rate risk and operational risk. The survival and growth of any financing entity largely depends upon effectively managing these risks. The Audit Committee, Risk Management Committee and Asset-Liability Management Committee review and monitor these risks at periodic intervals.

The Company manages credit risks through stringent credit norms and continues to follow the time-tested practice of personally assessing every borrower before committing credit exposure.

Liquidity risk and interest rate risk arising out of maturity mismatch of the maturity of assets and liabilities are managed through regular monitoring of the maturity profiles.

Operational risks, arising from inadequate or failed internal process, people and systems or from external events are, adequately addressed by the internal control system and are continuously reviewed and monitored by a dedicated team of people.

INTERNAL FINANCIAL CONTROLS

Internal Financial Controls laid down by the Company is a systematic set of controls and procedures to ensure orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Internal financial controls not only require the system to be designed effectively but also to be tested for operating effectiveness periodically. The internal financial control with reference to the financial statements were tested and reported adequate and operating effectively. The internal financial controls are commensurate with the size, scale and complexity of operations.

HUMAN RESOURCES AND EMPLOYEES STOCK OPTIONS PLAN:

Quality organization needs quality people. To the Company, its people are the most valuable resource. Your Company is putting a strong emphasis on attracting, training and retaining the right talent with focus on merit and performance.

Your Company takes pride in having committed and competent employees at all levels, equipped to deliver a variety of products and services to the rapidly growing customer base. The relationship with employees continues to be cordial.

In order to reward performance and elicit long term commitment of the employees towards the growth of the Company the "Berar Employee Stock Option Plan, 2019" ("**ESOP 2019**"/"Plan") was introduced with the approval of Board & Shareholders in FY 2019-2020.

During the period under review, 28,800 options were vested with the employees to whom stock options were granted under the Plan.

The summary of status of ESOP 2019 as required under the Indian Accounting Standard (Ind AS) 102 - Share-based Payment is annexed as "**Annexure VI**" and forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN TERMS OF SECTION 134 (3) (M):

(a) Conservation of Energy

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, we always take adequate measures to ensure optimum utilization and maximum possible saving of energy. The Company has also implemented process to install all the energy saving devices in the branches such as energy savers for ACs, PLC, LED Light, etc. which runs on very nominal energy with high impact.

(b) Technology Upgradation:

The Company has considerably focused on introducing advanced technologies like Cloud Computing, Artificial Intelligence (AI) and Mobile applications etc. to change the operational model from manual processing to smart & automated processing providing new revenue and value-producing opportunities moving towards digitalization and automation. To upgrade the Network security the Company has transitioned its network (Head Office, Official Website & Payment Gateway) from IPV4 to IPV6 in dual stack environment.

The Company has appointed 'Autonom8 Inc.' as Technology Partner to implement a new "Cloud Based Loan Origination System" to assist Business users accelerate the lending process. To outsource the software services the Company has also appointed Cleartouch Solutions (TCN) for Call Centre Solutions, Technovation IT Consultants & Services to implement advanced Cyber Security Solutions & IT Infra Upgradation, Arotalk Global Pvt. Ltd. for "Service portals", "Genuine Windows, MS365 Licenses", "Helpdesk System with Mini CRM implementation", Envee Solutions for "Oracle NetSuite Accounting Software" implementation and Sensei for "Fixed Deposit Solution" implementation.

The Company is majorly concentrating on operational cost optimization by reducing the unrequired expenses and to improve their operational efficiencies across different touch points to save time, cost, and resources. The Company is also focusing to upskill its employees to understand the dynamic business conducting relevant trainings on technologies, information security and best practices to be followed to achieve self-reliance and avail secured work environment.

(c) Foreign Exchange Earning & Outgo:

During FY 2022-2023, the Company did not have any foreign exchange earnings but the foreign exchange outgo in terms of actual outflow amounted to ₹ 57.66 lakhs.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is pursuing the CSR programs and projects as per its approved Corporate Social Responsibility Policy.

The CSR Policy is uploaded on the Company's website at the web link:

https://www.berarfinance.com/investors.html/pdf/policies/csr/corporate_social_responsibility_policy.pdf

In terms of the provisions of the Act, read with the CSR Rules, the Annual Report on CSR activities under the format prescribed in the amended CSR Rules is annexed to this Report as “**Annexure IV**”.

Further, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY 2022-2023.

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

Your Company has put in place a policy for prevention, prohibition and redressal against sexual harassment of women at the workplace, to protect the women employees of the Company including any woman coming into any office premises of the Company and enable them to report sexual harassment at the workplace in line with the requirements of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' (“**the Act**”). An Internal Committee (“**IC**”) headed by a woman employee has also been constituted for the purpose. All employees (including permanent, contractual, temporary, trainees) and any woman coming into any office premises of the Company are covered under this policy.

The Company has complied with provisions relating to constitution of Internal Committee under the Act.

No cases have been filed pursuant to the Act. There has been no incidence/complaint related to sexual harassment of women at workplace during the period under review.

SECRETARIAL STANDARDS OF INSTITUTE OF COMPANIES SECRETARIES OF INDIA

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with MCA circulars.

MAINTENANCE OF COST RECORDS

The provisions of Section 148 of the Act are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under Section 148(1) of the Act.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

Pursuant to Section 186(11) of the Act, the provisions of Section 186(4) of the Act requiring disclosure in the Financial Statements of the full particulars of the loans made and guarantees given or securities provided by a Non-Banking Financial Company in the ordinary course of its business and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security are exempted from disclosure in the Annual Report. Further, pursuant to the provisions of Section 186(4) of the Act, the details of investments made by the Company are given in the Notes to the Financial Statements.

ANNUAL RETURN

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at https://www.berarfinance.com/pdf/agm/agm-23/mgt_7_annual_return_2022_2023.pdf

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of your Company during the FY 2022-2023.

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

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

During the period under review, there were no significant or material orders passed by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

OTHER STATUTORY DISCLOSURES

- Information pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under Rule 5(3) of the said Rules, forms part of this report and is annexed to this report as “**Annexure VII**”.
- The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.
- The auditors, i.e., statutory auditors and secretarial auditors have not reported any matter under section 143(12) of the Act, and therefore, no details are required to be disclosed under section 134(3)(ca) of the Act.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principle of any of its debt securities.
- As on March 31, 2023, there is no amount remaining unclaimed in respect of non-convertible debentures.
- Your Company, being an NBFC registered with the RBI, the provisions of Section 185 of the Act are not applicable to the Company.
- No application was made under the Insolvency and Bankruptcy Code, 2016 during the year, therefore there is no requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year.
- Disclosures pursuant to RBI Master Directions, unless provided in the Directors’ Report, form part of the notes to the standalone financial statements.

Annexures forming part of this Report:

1. Management Discussion and Analysis: **Annexure I**
2. Secretarial Audit Report: **Annexure II**
3. Report on Corporate Governance: **Annexure III**
4. Annual Report on CSR Activities: **Annexure IV**
5. Form AOC-2: **Annexure V(i)**
6. Related Party Transaction (“RPT”) Policy: **Annexure V(ii)**
7. Disclosure under the Indian Accounting Standard (Ind AS) 102 - Share-based Payment: **Annexure VI**
8. Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: **Annexure VII**

ACKNOWLEDGEMENT

The Board of Directors takes the opportunity to express its sincere appreciation for the support and co-operation from its members, depositors, debenture holders, banks, financial institutions and the regulators - RBI, SEBI and BSE Limited.

The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and employees of the Company.

For and on behalf of Board of Directors

M.G. Jawanjar
Chairman
DIN: 00379916

Date: August 12, 2023
Place: Nagpur

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

On the global front, economic activity remained largely resilient during FY 2023, amidst geo-political tension and hostilities, persistence of inflation at elevated level, tight financial conditions and turmoil in the banking system in some advanced economies. The year started with the impact of Russia-Ukraine war that resulted in a sharp commodity price surge leading to inflationary pressures.

In the second half of 2022-2023, global growth was stronger than anticipated, reflecting pent-up demand, accumulated household savings, labour market gains, easing supply bottlenecks and short correction in energy prices. With this, the global economy turned for better outlook amid resurgent hopes.

Indian Economy

Indian economic growth in FY 2023 was robust. The growth estimate for India is higher than almost all major economies and even slightly above the average growth of the Indian economy in the leading up to the pandemic. But the level of inflation was a cause of concern; rising from 5.5% in FY 2022 to 6.7% during FY 2023, largely due to rising commodity prices as well as local weather conditions which kept the food prices at higher level.

Market Scenario

Your Company's primary business is financing two - wheelers with focus on semi-urban and rural areas. The domestic two-wheeler industry posted a year on year double digit growth in FY 2022-2023 after 3 consecutive years of decline. Furthermore, electric two-wheelers are experiencing steady demand. Two-wheelers are accepted as mode of transport for individuals as also for agri-produce.

Outlook

As the market and customer expectations mature, differentiated customer acquisition and deeper customer engagement throughout the lifecycle will assume importance with technology being a key enabler towards achieving this. Your Company with a diversified product suite with products such as 2 wheelers loans, car finance, personal loan and loan against property is well positioned to chart a growth path for fiscal 2024 and expects a sustained growth in business and profitability.

Your Company added 14 branches during FY 2022-2023, thereby increasing its network to 115 branches. With the increase in branch network and sound branch infrastructure, the Company is ready to take advantage of the improved business sentiments.

Your Company expects to improve its performance in FY 2023-2024 and sustain its growth trajectory. The approach would be to continue with the growth momentum while balancing risks. With a view to meet its growth plans the Company will continue to tap diverse source of funds including equity, debt and public deposits to maintain an optimal capital structure.

Performance during the Financial Year 2022 - 2023

The performance of the Company during the year was as follows:

			(₹ in Lakhs)
Particulars	FY 2021-2022	FY 2022-2023	% Change
Total Income	17,559.90	21,796.16	+24.12
Total Cost	15,322.49	19,623.38	+28.07
Profit Before Tax	2,237.41	2,172.78	-2.89
Profit after Tax	1,741.97	1,708.12	-1.94
Earnings per Share (Fig. in ₹)			
Basic	17.28	13.85	-
Diluted	17.18	13.79	-

The decline in profit for current year is due to increase in cost of new branches and change of accounting of certain incomes from accrued basis to cash basis.

Risk Management

The Company promotes a strong risk culture that is embedded across the organisation. At the highest level, the Board of Directors has established a Risk Management Committee (RMC), which assists the Board in maintaining oversight and review of the risk management principles and policies, strategies, risk appetite, processes, and controls.

The Company prioritises risk management to protect the interest of customers, colleagues, shareholders, and the Company while ensuring sustainable growth. Our risk management framework aligns with industry standards, and a strong control framework forms the foundation for effective risk management. The Risk Management Committee identifies major risk classes, including Credit, Market, legal and regulatory, operational, liquidity, interest rate, cyber security, information technology, strategic, and economic risks. We address increasingly complex risks through our risk management system, which conducts risk analysis and implements preventive measures. Our risk-focused culture is supported by standards, guidelines, processes, procedures, and controls. Policies are reviewed and approved by the Board and its Committees encompassing independent identification, assessment, and management of risk across business verticals. Our philosophy is to ensure a sustainable and ethical business environment, reflected in our risk management practices.

Your Company is exposed to various risks that are an inherent part of any financial service business. The Company has a policy to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with business. The Company's risk management framework is well dimensioned and managed based on a clear understanding of various risks, disciplined risk assessment, measurement procedures and continuous monitoring.

The main focus of your Company has been to ensure a diversified loan portfolio, improve credit quality, reduced mismatch in assets and liabilities and lower cost of funds. The Risk Management Committee and Asset-Liability Management Committee have been working constantly to meet these objectives. The Company has been largely successful in managing the risks and concerns inherent in the business of a finance company. With multiple lenders and other sources of funds, the Company is assured of availability of funds at lower cost for its growing business. Your Company does not perceive any material threat to the profitable business growth.

Customer Service

Your Company continues to remain customer focused. '*Once a Berar customer- always a Berar customer*' is a key motto of the Company. Customer data and status is available online at all branches. Accepting that time has value, the Company provides prompt services while sanctioning/dispersing loans as well as post-disbursement services.

Customer enquiries and complaints are attended instantly. The Company is known for its customer friendly and transparent finance schemes. There are committed employees at Head Office level as well as branch level to attend to customer enquiries, to offer prompt services and address customer's complaints promptly.

The Company has a dedicated team for customer relationship that deals with the concerns or complaints raise by the customers. It has implemented the grievance redressal mechanism, the RBI Integrated Ombudsman scheme and Internal Ombudsman ("IO") scheme within the organisation to deal with the unresolved concerns and complaints. More recently, the RBI introduced the Internal Ombudsman scheme extended to NBFCs on a selective basis in which the IO at the apex of the NBFC's shall independently review the resolution provided by the NBFC in the case of wholly or partially rejected complaints. The Company has appointed an IO who independently reviews the resolution provided by the Company in the case of wholly or partially rejected complaints.

Annexure II
Form No. MR- 3
SECRETARIAL AUDIT REPORT

[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]
For the Financial year ended 31st March, 2023

To,
The Members,
Berar Finance Limited
(CIN- U65929MH1990PLC057829)
Add- Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur, Maharashtra - 440012, India.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Berar Finance Limited (The Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2023 duly complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for financial year ended 31st March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchanges Board of India Act, 1992 ("SEBI Act") to the extent applicable i.e.
 - The Listing Agreement entered into by the Company with BSE Limited with respect to Non-Convertible Debentures issued by the Company read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***(Not Applicable to the Company during the audit period)***
 - 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 to the Company during the audit period)***
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; ***(Not Applicable to the Company during the audit period)***
 - The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; ***(Not Applicable to the Company during the audit period)***
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***(Not Applicable to the Company during the audit period)***

- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; ***(Not Applicable to the Company during the audit period)***

- (vi) Applicable Secretarial Standards issued by the Institute of Company Secretaries of India;
- (vii) Rules, regulations and guidelines issued by the Reserve Bank of India from time to time as are applicable to Deposit taking Non-Banking Financial Companies (Hereinafter called as “Applicable Act, Rules, Regulations, Guidelines, Standards, and Directions”)

During the period under review, the Company ***has duly complied*** with the provisions of the Applicable Act, Rules, Regulations, Guidelines, Standards, and Directions.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The decisions in the meeting are carried out with requisite majority.

We further report that there ***are adequate systems and processes*** in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the Applicable Act, Rules, Regulations, Guidelines, Standards, and Directions.

We further report that during the audit period;

- 1) In the Extra-Ordinary General Meeting (“EGM”) held on 18th April, 2022, following resolutions were passed:
 - The amendment, re-statement and entrenchment of the Articles of Association of the Company.
 - Appointment of Mr. Siva Chidambaram Vadivel Alagan (DIN: 08242283) as a Director liable to retire by rotation.
- 2) In the Board Meeting held on 30th May, 2022, the Board has approved Annual Financial Statement of the Company for the financial year ended 31st March, 2022.
- 3) In the Board Meeting held on 30th May, 2022, the Board has appointed M/s SPZ & Associates, Company Secretaries (Firm Unique Identification Number - S2015MH305600) as Secretarial Auditors of the Company for FY 2022-2023.
- 4) In the Board Meeting held on 29th July 2022, the Board has accorded for issue and allotment of 40,000 (Forty Thousand) rated, secured, senior, unlisted, transferable, taxable, redeemable, non-convertible debentures denominated in Indian Rupees (“INR”) having a face value of INR 10,000 (Indian Rupees Ten Thousand) each and an aggregate face of INR 40,00,00,000 (Indian Rupees Forty Crore) on private placement basis to SK Finance Limited and MAS Financial Services Limited.
- 5) The Board of Directors of the Company vide Circular Resolution No. 2/2022-2023 dated 05th August 2022 approved the allotment of 40,000 (Forty Thousand) rated, secured, senior, unlisted, transferable, taxable, redeemable, non-convertible debentures denominated in Indian Rupees (“INR”) having a face value of INR 10,000 (Indian Rupees Ten Thousand) each and an aggregate face of INR 40,00,00,000 (Indian Rupees Forty Crore) on private placement basis to SK Finance Limited and MAS Financial Services Limited.
- 6) In the Board Meeting held on 12th August 2022, the Board has adopted the Director’s Report for the Financial Year ended on 31st March, 2022.
- 7) In the Board Meeting held on 05th September 2022, the Board has accorded for issue and allotment of 300 (Three Hundred) rated, senior, secured, listed, transferable, redeemable, non-convertible debentures denominated in Indian Rupees (“INR”) having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of INR 30,00,00,000 (Indian Rupees Thirty Crore) on private placement basis to Unifi AIF.
- 8) In the Board Meeting held on 5th September, 2022, the Board has noted the resignation of Mr. Yogesh Tahalyani as Chief Financial Officer (CFO) of the Company with effect from closure of business hours on 22nd October, 2022.

- 9) The Board of Directors of the Company vide Circular Resolution No.3/2022-2023 dated 16th September 2022 approved the allotment of 300 (Three Hundred) rated, senior, secured, listed, transferable, redeemable, non-convertible debentures denominated in Indian Rupees (“INR”), having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of INR 30,00,00,000 (Indian Rupees Thirty Crore) on a private placement basis to Unifi AIF.
- 10) In the Thirty-Second Annual General Meeting held on 26th September 2022, following resolutions were passed:
- Re-appointment of Mr. Shantaram Krishnarao Mahakalkar (DIN: 00379988), as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
 - Appointment of M/s Manubhai & Shah LLP (Firm Registration No. 106041W/W100136), Chartered Accountants, Ahmedabad as Statutory Auditors of the Company.
 - Re-appointment of Ms. Rashmi Mitkary (DIN: 08960192) as Independent Director of the Company.
- 11) In the Board Meeting held on 30th March, 2023, the Board has approved the appointment of Mr. Rangarajan Srinivasan, Vice-President (“Treasury”) as Chief Financial Officer (“CFO”) of the Company with effect from 1st April, 2023.

This Secretarial Audit Report is being issued on 13th July, 2023.

For SPZ & Associates
Company Secretaries

CS Sunil Zore
Certificate of Practice. No. 11837
Membership Number: 22144
Firm Unique Identification Number: S2015MH305600
Peer Review Certificate Number: 965/2020
ICSI UDIN: A022144E000601074

(NOTE- This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.)

Annexure A to the Secretarial Audit Report

To,
The Members,
Berar Finance Limited
(CIN- U65929MH1990PLC057829)
Add- Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur, Maharashtra - 440012, India.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

This letter is being issued on 13th July, 2023.

For SPZ & Associates
Company Secretaries

CS Sunil Zore
Certificate of Practice. No. 11837
Membership Number: 22144
Firm Unique Identification Number: S2015MH305600
Peer Review Certificate Number: 965/2020

Annexure III

REPORT ON CORPORATE GOVERNANCE

Corporate Governance creates and enhances long term sustainable value for the stakeholders through ethically driven business process. It promotes fairness, transparency, accountability, commitment to values, ethical business conduct and prioritizing all stakeholders' interest while conducting business.

This report outlines compliance with requirements of the Companies Act, 2013 as amended (the 'Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI Listing Regulations') and the Regulations of the Reserve Bank of India ('RBI') for Non-Banking Financial Companies (the 'RBI Regulations'), as applicable to the Company.

Company's Philosophy on Corporate Governance:

Corporate governance aims at facilitating effective monitoring and efficient control of business. A strong and effective corporate governance helps to develop your Company's culture of integrity, leading to positive performance and a sustainable business overall.

Key elements of Company's Corporate Governance:

- Compliance with applicable laws.
- Number of Board and Committee meetings are more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans and risks.
- Board comprises of Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- Separate meeting of independent directors without presence of non-independent directors or Executive Management.
- Independent discussions by the Audit Committee members with Chief Internal Auditor without presence of Managing Director and Senior Management on a quarterly basis.
- Confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board as a whole.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.

1) Board of Directors:

All the members of the Board are eminent persons with considerable experience and expertise in finance, accounting, banking, legal compliance and academics. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board.

i. The Composition of the Board as on March 31, 2023 is as follows:

Sl. No.	Name of Director	Director since	Capacity	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in the Company
					Held	Attended		Salary and other compensation (Rs. in Lakh)	Sitting Fee (Rs. in Lakh)	Commission (Rs. in Lakh)	
i.	Mr. Maroti Jawanjar	22/08/1990	Promoter and Executive Chairman	00379916	8	8	0	45.2	-	40.56	10,22,894
ii.	Mr. Shantaram Mahakalkar	25/09/2002	Non-Executive Director	00379988	8	7	0	-	0.28	-	29,900
iii.	Mr. Vishwas Pathak	01/09/1990	Independent Director	00452917	8	7	0	-	0.38	-	24,600
iv.	Mr. Atul Sarda	05/04/2008	Independent Director	02161209	8	8	0	-	0.60	-	13,200

v.	Ms. Rashmi Mitkary	13/11/2020	Independent Director	08960192	8	8	0	-	0.34	-	-
vi.	Mr. Avishek Addy	19/01/2021	Non- Executive Director	07973542	8	8	3	-	-	-	-
vii.	Mr. Harishchandra Sukhdeve	23/08/2021	Non- Executive Director	09289094	8	6	0	-	0.22	-	-
viii.	Mr. Siva Vadivel Alagan	21/03/2022	Non- Executive Director	08242283	8	6	3	-	-	-	-
ix.	Mr. Sandeep Jawanjal	01/04/2007	Promoter and Managing Director	01490054	8	8	0	40.49	-	37.44	3,29,718

Details of Directorship in other entities of director(s) as on March 31, 2023 (except Berar Finance Limited):

Mr. Avishek Addy holds directorship in the following companies:

1. Opendoors Fintech Private Limited;
2. D2C Insurance Broking Private Limited; and
3. Altum Credo Home Finance Private Limited.

Mr. Siva Vadivel Alagan holds directorship in the following companies:

1. SAVE Solutions Private Limited;
2. SAVE Microfinance Private Limited; and
3. SAVE Financial Services Private Limited.

Notes:

- i. As on March 31, 2023, there are no convertible instruments issued by the Company and as a result none of the Directors hold any convertible instrument.
- ii. All independent Directors confirmed that they meet the criteria of independence and all the directors provided the fit and proper declaration as per RBI regulation.
- iii. Except Mr. Maroti Jawanjar who is the father of Mr. Sandeep Jawanjal, no other directors are related to each other.
- iv. Except Mr. Harishchandra Sukhdeve, all the Directors attended the AGM held on September 26, 2022.

Details of change in composition of the Board during the year under review and previous year i.e., from April 01, 2021 to March 31, 2023 is given below:

Sl. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Mr. Ashok Ghanshyam Kachore (DIN: 00380102)	Non-Executive- Director	Resignation	July 08, 2021
2.	Mr. Harishchandra Sukhdeve (DIN: 09289094)	Non-Executive- Director	Appointment	August 23, 2021
3.	Mr. Dattatraya Dalal (DIN: 00380199)	Non-Executive- Director	Resignation	March 09, 2022
4.	Mr. Siva Vadivel Alagan (DIN: 08242283)	Non-Executive- Director	Appointment	March 21, 2022

After the closure of the Financial Year 2022-2023 till the date of this report, the below mentioned change took place in the composition of the Board of Directors:

Sl. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Mr. Himanshu Joshi (DIN: 07214254)*	Independent Director	Appointment	June 01, 2023

*Appointed as Additional Director in the category of Independent Director.

ii. **The brief description consisting of skills and domain expertise of the Board of Directors of the Company are as under:**

The brief profile of Board members of the Company is hosted on website of the Company and can be accessed at <https://www.berarfinance.com/investors.html/management.html>.

The table summarizes the key skills and attributes to identify, select and nominate the candidate to serve on the Board of the Company.

Sl. No.	Particulars	Description
1.	Business	Experience and understanding of the industry, business environment, economic conditions, strategic thinking, etc.
2.	Corporate Governance	Maintaining Board and management accountability, environmental awareness, ethical behaviour, policies adoption for governance, etc.
3.	Financial	Knowledge and understanding of finance management, ability to read and understand financial statements, etc.
4.	Leadership	Leadership ability in regular and complex business environment, management, decision making, strategy formulation abilities, etc.
5.	Risk Management	Experience and understanding of industry & business, market scenario, ability to quantify risks and choose mitigation strategy, etc.

iii. **Remuneration of Directors:**

The Nomination and Remuneration Committee (“NRC”) reviews and assesses Board composition and recommends the appointment of new Directors. Based on recommendations of the NRC, the Board evaluates the candidate(s) and decide on the selection of the appropriate member.

The NRC while determining the remuneration of the Directors ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully. The criteria of making payments to Director has been stipulated in NRC Policy of the Company. The said Policy is available on the Company’s website <https://www.berarfinance.com/investors.html/investors.html>

The Non-executive Directors are entitled to receive sitting fees for attending Board Meetings and Committees Meeting and profit related commission, if any, approve by the shareholders of the Company and as determined by the Board of Directors, from time to time. The remuneration to the Managing Director and Whole-Time Director(s) is paid as determined by the NRC/Board of Directors and also approved by the shareholders at the General Meeting.

iv. **Board Meeting**

The Board of Directors formulate the broad business and operational Policies, periodically review the performance and engages itself with strategic issues concerning the Company.

8 (Eight) Board Meetings were held during the financial year ended March 31, 2023. The dates of the Board meetings held are as under:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	April 28, 2022	5.	September 5, 2022
2.	May 30, 2022	6.	December 23, 2022
3.	July 29, 2022	7.	February 14, 2023
4.	August 12, 2022	8.	March 30, 2023

2) **Committees of the Board and their composition**

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as the case may be. The Board has established the following statutory and non-statutory Committees in line with the Companies Act, 2013 and Rules made thereunder and Master Directions of Reserve Bank of India:

i. Audit Committee:

The Board has set up an Audit Committee pursuant to Section 177 of the Companies Act, 2013 which reviews the financial accounting policies, adequacy of internal control system and system audit and interacts with statutory auditors, internal auditors and senior executives. The Committee reviews the audit plan, quarterly and annual financial results of operations, and observations of internal and external auditors.

During the year under review, the Committee met Six (6) times on May 30, 2022, July 28, 2022, August 12, 2022, December 23, 2022, February 14, 2023 and March 30, 2023.

The particulars of Members of the Committee and the number of meetings attended by them during the year are as follows:

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Atul Sarda	May 27, 2014	Independent Director as Chairman of the Committee	6	6	13,200
2.	Mr. Vishwas Pathak	May 27, 2014	Independent Director as Member	6	6	24,600
3.	Ms. Rashmi Mitkary	January 19, 2021	Independent Director as Member	6	6	-
4.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	6	6	-
5.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	6	3	-

The Company Secretary acts as Secretary to the Audit Committee.

The Board has accepted all the mandated recommendations made by the Audit Committee during the year. Besides the members of the Committee, meetings of the Audit Committee are attended by the Invitees, the representatives of the Statutory Auditors, the Head-Internal Audit and Chief Financial Officer of the Company etc.

ii. Risk Management Committee :

The Board has set up a Risk Management Committee pursuant to the requirement of the Reserve Bank of India which regularly reviews the quality of assets and liabilities and its business risk. The Internal Auditors also reports to the Committee from time to time for risk management purposes.

Business risk evaluation and management is an ongoing process within the organization. The Company has a strong risk management framework to identify monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises the following:

1. Oversight of risk management by executive management.
2. Reviewing the policy and framework in line with legal requirement and RBI guidelines.
3. Reviewing risk and evaluating treatment including mitigation action.
4. Defining framework for identification, assessment, monitoring, mitigation and reporting risks.
5. Within the overall scope as aforesaid, the Committee reviews risk trends, exposure and potential impact analysis and mitigation plan.

During the year under review, the Committee met Four (4) times on May 30, 2022, August 12, 2022, December 23, 2022 and March 30, 2023.

The particulars of Members of the Committee and the number of meetings attended by them during the year are as follows:

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Maroti Jawanjar	May 27, 2014	Executive Chairman as Chairman of the Committee	4	4	10,22,894
2.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	4	3	3,29,718
3.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	4	4	-
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	4	2	-

The Company Secretary acts as Secretary to the Risk Management Committee.

Besides the members of the Committee, meetings of the Risk Management are attended by the Invitees, the Head-Internal Audit and Chief Financial Officer of the Company etc.

iii. Asset-Liability Management (ALM) Committee:

The Board has set up Asset-Liability Management (ALM) Committee pursuant to the requirement of the Reserve Bank of India which regularly reviews the Company's assets and liabilities. The classification of assets and liabilities by the Company into various maturity buckets reflects adjustments for prepayments and renewals in accordance with the guidelines issued by Reserve Bank of India.

During the year under review, the Committee met Four (4) times on May 30, 2022, August 12, 2022, December 23, 2022 and March 30, 2023.

The particulars of Members of the Committee and the number of meetings attended by them during the year are as follows:

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Maroti Jawanjar	May 27, 2014	Executive Chairman as Chairman of the Committee	4	4	10,22,894
2.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	4	4	3,29,718
3.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	4	4	-
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	4	2	-

The Company Secretary acts as Secretary to the ALM Committee.

iv. Nomination and Remuneration Committee:

The Board has set up Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013.

The broad terms of reference of this Committee include recommending a Policy relating to remuneration and employment terms of Managing Directors, Executive Directors, senior management personnel, adherence to the remuneration and employment policy, preparing the criteria, identifying persons who may be appointed as Directors or senior management of the Company, administering Employee Stock Option Plan and evaluation of performance of Directors of the Company, Committees of the Board and Board as a whole.

The Committee ensures, fit and proper status of the Directors to be appointed/reappointed and recommend their appointment/reappointment to the Board of Directors.

During the year under review, the Committee met Three (3) times on April 28, 2022, August 10, 2022 and March 30, 2023.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Vishwas Pathak	May 27, 2014	Independent Director as Chairman of the Committee	3	2	24,600
2.	Mr. Atul Sarda	May 27, 2014	Independent Director as Member	3	2	13,200
3.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	3	2	-
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	3	2	-

The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

v. Information Technology (IT) Strategy Committee:

The Company has constituted IT Strategy Committee pursuant to the RBI Master Direction RBI/DNBS/2016-17/53 DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017 pertaining to “Information Technology Framework for the NBFC Sector”.

During the year under review, the Committee met two (2) times on September 26, 2022 and February 23, 2023.

The particulars of Members of the Committee and their attendance in the meetings held during the year is as follows:

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Atul Sarda	March 22, 2021	Independent Director as Chairman of the Committee	2	2	13,200
2.	Mr. Sandeep Jawanjal	March 22, 2021	Managing Director as Member	2	2	3,29,718
3.	Mr. Amar Helonde	March 22, 2021	IT Manager as Chief Technology Officer(CTO) and Chief Information Officer(CIO)	2	2	-

The Company Secretary acts as Secretary to the IT Strategy Committee.

During the year under review, the Committee was apprised, inter alia, on IT Infrastructure upgradation, Security Overview, IT strategy review, implementation status of Cloud Solutions and accounting software, new software requirements, digital solutions, data migration activity, new policy creation activity, and digitalisation of IT processes.

vi. Stakeholders Relationship Committee:

The Board has set up Stakeholders Relationship Committee to consider and resolve the grievances of holders of the Company i.e., shareholders, debenture holders and depositors of the Company.

During the year under review, the Committee met Five (5) times on April 2, 2022, June 14, 2022, July 18, 2022, October 14, 2022 and January 17, 2023.

The particulars of Members of the Committee and the number of meetings attended by them during the year are as follows:

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Shantaram Mahakalkar	May 27, 2014	Non-Executive Director as Chairman of the Committee	5	5	29,900
2.	Mr. Harishchandra Sukhdeve	August 23, 2021	Non-Executive Director as Member	5	5	-
3.	Mr. Maroti Jawanjar	March 21, 2022	Executive Chairman as Member	5	5	10,22,894

The Company Secretary acts as Secretary to the Stakeholders Relationship Committee.

The status and details of the investor complaints received during the Financial Year 2022-23 are as follows:

PARTICULARS OF INVESTOR COMPLAINTS	NUMBER OF COMPLAINTS
No. of Complaints received during the year	0
No. of Complaints disposed off during the year	0
No. of Complaints not resolved to the satisfaction of investors	0
No. of Pending Complaints	0

vii. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee has formulated a Corporate Social Responsibility Policy indicating the CSR activities to be undertaken by the Company in accordance with the Annual Action Plan for each financial year approved by the Board. The terms of reference of the CSR Committee include recommending to the Board the amount of expenditure to be incurred on the CSR activities and monitoring the implementation of the CSR Policy from time to time. The CSR Policy of the Company, incorporating the recent changes, as approved and adopted by the Board, has been posted on the website https://www.berarfinance.com/investors.html/pdf/policies/csr/corporate_social_responsibility_policy.pdf

During the year under review, the Committee met Four (4) times on April 28, 2022, August 10, 2022, December 07, 2022 and March 11, 2023.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Maroti Jawanjar	May 27, 2014	Executive Chairman as Chairman of the Committee	4	4	10,22,894
2.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	4	4	3,29,718
3.	Mr. Vishwas Pathak	May 27, 2014	Independent Director as member	4	3	24,600
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as member	4	4	-

The Company Secretary acts as Secretary to the CSR Committee.

viii. Fund Management Committee:

The Board of Directors of the Company has constituted Fund Management Committee (“Committee”) and delegated the following powers to the Committee:

- To avail an aggregate borrowing facility (fund based and non –fund based) which includes various credit facilities by way of overdrafts, cash credits, term loans, letter of credits, guarantees including deferred payment guarantees and indemnities, negotiation and discounting of demand and/or usance bills and cheques (inland as well as foreign) and such other facilities as may be agreed upon from time to time between the lenders and the Company.
- To authorize sell, transfer and assign the standard loan receivables originated by the Company through securitization or direct assignment route.

During the year under review, the Committee met 10 (Ten) times on May 04, 2022, June 13, 2022, July 28, 2022, August 16, 2022, September 15, 2022, October 17, 2022, October 28, 2022, November 23, 2022, January 19, 2023 and February 17, 2023.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Maroti Jawanjar	November 23, 2019	Executive Chairman as Chairman of the Committee	10	10	10,22,894
2.	Mr. Sandeep Jawanjal	November 23, 2019	Managing Director as Member	10	9	3,29,718
3.	Mr. Atul Sarda	April 28, 2022	Independent Director as member	10	9	13,200

The Company Secretary acts as Secretary to the Fund Management Committee.

3) Independent Directors Meeting

During the year under review the Independent Directors met on March 29, 2023, *inter alia* to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Executive Chairman of the Company, considering the views of Executive and Non-executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to perform its duties effectively and reasonably

All the Independent Directors were present at the meeting. The meeting was conducted without the presence of Non-Independent Directors and members of senior management.

4) General Body Meetings
I. The particulars of last 3 years Annual General Meetings (AGM) are as under:

Financial Year	Day	Date	Time (IST)	Venue
2021-2022	Monday	September 26, 2022	04.00 P.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
2020-2021	Monday	September 27, 2021	04.00 P.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
2019-2020	Monday	September 28, 2020	11.00 A.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

Details of the Special Resolutions passed at the AGM held during the last three years:

Sr. No.	Detail of resolutions	Date of passing	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1	To approve the amendment, re-statement and entrenchment of the Articles of Association of the Company.	28.09.2020	56,94,211	0	100 %	0%
2	To authorize the issuance of Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Shares.	28.09.2020	56,94,211	0	100 %	0%
3	To approve issuance of Tranche 2 Series A Equity Shares and Tranche 2 Series A CCPS through Private Placement.	28.09.2020	56,94,211	0	100 %	0%
4	Appointment of Mr. Maroti Gendaru Jawanjar (DIN: 00379916) as Executive Chairman of the Company	27.09.2021	66,62,048	0	100%	0%
5	Reappointment of Ms. Rashmi Mitkary (DIN: 08960192) as Independent Director of the Company	26.09.2022	68,12,071	0	100%	0%

The Special Resolutions were passed through E-voting and remote E-voting at AGM as per the procedure prescribed under Section 108 of the Act read with Companies (Management and Administration) Rules, 2014 under the overall supervision of the Scrutinizer, Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837), Nagpur.

All the resolutions were passed by the shareholders with requisite majority.

II. Extraordinary General Meeting (EGM):

During the Financial year ended March 31, 2023 the EGM of the shareholders of the Company was held on Monday, April 18, 2023 at 12.30 P.M.(IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') and the following Special Resolution was passed:

Sr. No.	Detail of resolution	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1.	Approving the amendment, re-statement and entrenchment of the Articles of Association of the Company	53,78,487	0	100%	0%

Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837) Nagpur was appointed as the Scrutinizer for the purpose of scrutinizing the remote e-voting process along with e-voting during the EGM, in a fair and transparent manner.

The resolution was passed by the shareholders with requisite majority.

III. Annual General Meeting Information:

AGM Date, Time and Venue	September 25, 2023 at 3.30 P.M. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') (Deemed Venue: Registered office)
Financial Year	April 01, 2022 to March 31, 2023
Dividend Payment Date	Within 30 days from declaration of dividend

Registrar and Share Transfer Agent	Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093
Debenture Trustees	IDBI Trusteeship Services Limited Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Rd, Fort, Mumbai, Maharashtra - 400 001 Catalyst Trusteeship Limited “GDA HOUSE”, first floor, Plot no.85, S. No. 94 & 95, Bhusari Colony (right), Kothrud, Pune-411 038
Address for Correspondences	The Company Secretary & Compliance Officer, Berar Finance Limited, Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur - 440012, Maharashtra
Name and Address of the Stock Exchange(s)	Privately Placed Debentures are Listed on BSE Limited P J Towers, Dalal Street, Fort, Mumbai – 400 001 Annual Listing Fees to the stock exchange have been paid for the financial year ended March 31, 2023
Scrip Code / ISIN [listed during FY 2022-23]	Scrip Code: 973024 ISIN: INE998Y07071 Scrip Code: 973106 ISIN: INE998Y07089 Scrip Code: 974200 ISIN: INE998Y07139
Share Transfer System	Transfers of securities is done through the depositories with no involvement of the Company.
Credit Rating	The details of Credit Ratings are part of the Board’s report.

5) Means of Communication:

The Company has provided adequate and timely information to its stakeholders or public at large, interalia, through the following means:

- i. **Publication of quarterly /annual financial results:** The quarterly and annual financial results of the Company are published in the English national daily newspaper circulating in the whole or substantially the whole of India viz. Financial Express and Indian express and in the vernacular language where the registered office of the Company is situated viz. Loksatta.
- ii. **Update on official website:** The Company hosts financial results, Annual Reports, intimations made to stock exchange, press releases, CSR activities, policies, codes and procedures and other disclosures on its website under investor section and CSR section for the Company’s investors and other stakeholders.
- iii. **Management’s Discussion and Analysis Report:** is annexed with this Board Report.
- iv. **BSE Listing Centre (Listing Centre):** All periodical and other event-based compliance filings of the Company are filed electronically on web-based application.
- v. **SEBI Complaints Redress System (SCORES):** Your Company is registered on SEBI SCORES (SEBI Complaints Redress System) an online platform designed to help investors to lodge their complaints, pertaining to securities market, online with SEBI against listed companies. Further, it is informed that your Company has not received any investor complaint in FY 2022-2023.

6) Shareholding as on March 31, 2023:

(Below details are on paid up capital basis and does not include ESOP to be allotted)

Category	No. of Shares	Percentage of holding (%)
Promoter & their Group	4204700	34.08
Corporates	12150	0.10
Institutional Investors	4336846	35.15
Investors Education and Protection Fund	4550	0.04
Public	3778600	30.63
Total	12336846	100

7) Details of Shares transferred to Investor Education and Protection Fund (IEPF) during FY 2022-2023 and unclaimed dividend due dates:

The details of outstanding shares in Berar Finance Limited Investor Education and Protection Fund Authority, Ministry of Corporate Affairs are as follows:

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Berar Finance Limited IEPF Account
Opening Balance as on April 01, 2022	8	4,550
Less: Requests received for transfer / delivery during F.Y. 2022-2023 and Shares transferred / delivered during F.Y. 2022-2023	0	0
Add: Transfer of shares to Investor Education and Protection Fund Authority of Ministry of Corporate Affairs during F.Y. 2022-2023	0	0
Balance as on March 31, 2023	8	4,550

The Company sends statutory reminders to shareholders before transfer of their shares/unclaimed dividend to IEPF. The Shareholders who have not encashed their dividend are requested to contact the Company immediately.

Following dividends are transferable to the Investor Education and Protection Fund (IEPF) on the respective due dates, as under, in accordance with the provisions of Section 124(5) of the Act:

Nature of Dividend	Transferable to IEPF on
Final Dividend 2015-16	September 26, 2023
Final Dividend 2016-17	October 2, 2024
Final Dividend 2017-18	October 8, 2025
Final Dividend 2018-19	October 21, 2026
Final Dividend 2019-20	October 28, 2027
Final Dividend 2020-21	October 27, 2028
Final Dividend 2021-22	October 26, 2029

Reminders are sent to members for encashing their unclaimed and unpaid dividends, on a regular basis through speed post at their address registered with the Company. Members who have not yet made claims are, therefore, requested to contact the Company /Registrar and Share Transfer Agent immediately.

8) Other disclosures:

a) Related Party Transactions:

In line with the requirements of the Companies Act, 2013, your Company has adopted Related Party Transaction (RPT) Policy:

- i. All the related party transactions entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. Further, there were no material related party transaction entered by the Company. Disclosures on transactions with related parties are provided in the notes to the Financial Statements.
- ii. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. The Related Party Transaction (RPT) Policy is hosted on the website of the Company at <https://www.berarfinance.com/investors.html>

b) Code of Conduct for Prohibition of Insider Trading:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted a Code for the Prohibition of Insider Trading to regulate, monitor and report trading by Designated Person(s) in listed securities of the Company. The Code is hosted on the website of the Company at <https://www.berarfinance.com/investors.html>

The Audit Committee at its meetings held on March 30, 2023, respectively, had reviewed the compliance in terms of regulation 9A (4) of the SEBI (Prohibition of Insider Trading Regulation) 2015 and confirmed that the systems for internal control with respect to the SEBI (Prohibition of Insider Trading Regulation) 2015 are adequate and are operating effectively.

c) Vigil Mechanism/Whistle Blower Policy:

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner with highest standard of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil Mechanism and Whistle Blower Policy. The mechanism of reporting under this Policy is in place and a copy of the Policy is posted on website of the Company i.e. <https://www.berarfinance.com/investors.html>

No personnel have been denied access to the Chairman or members of the Audit Committee.

d) Recommendations of the Committees:

No instances have been observed where the Board has not accepted recommendations of any of the Board Committee(s).

e) Penalties and strictures:

No penalties or strictures have been imposed on the Company by the RBI/ Stock Exchange(s)/SEBI or any other statutory authorities except the fine of Rs.3, 85, 860/- imposed by the BSE Limited (where the Non-Convertible Debentures are listed) regarding delay in submission of un-audited financial results for the quarter and half ended September 30, 2022.

f) Details of non-compliance with requirements of Companies Act, 2013:

There has been no instance of non-compliance of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

g) Breach of covenant:

There is breach of covenant with respect to Net Non-Performing Assets (NNPA) and PAR 90 + Write off by AUM with some lenders from which the Company has availed term loan facilities.

However the Company is in process of obtaining waiver from such lenders.

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

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board Report.

i) Accounting Treatment:

Your Company has adopted accounting policies which are in line with the Accounting Standards and the Financials statements are prepared in adherence to the accounting policies, Accounting Standards and applicable provisions of Companies Act, 2013 and Master Directions of Reserve Bank of India.

j) Utilization of Funds:

The debt fund raised during the year, through private placement has been utilised to meet the capital & business requirements while supporting the growth plans and for other general corporate purposes as mentioned in the offer documents.

k) Status of compliance of discretionary requirements:

Being the debt listed entity, as Privately Placed Debentures are listed on BSE Limited the Company has complied with the requirements prescribed under Regulations 49 to 62 of the SEBI Listing Regulations, during the year under review.

- i. **A half-yearly/quarterly (wherever applicable) declaration of financial performance including summary of the significant events in the last six months/quarter may be sent to each household of security holders:**

Half-yearly/Quarterly (wherever applicable) financial results published in the newspapers, displayed on the website of the Company as well as disseminated to the Stock Exchange after Board approval for information of Shareholders and other Stakeholders.

- ii. **The Company may appoint separate persons to the post of Chairperson and Managing Director (MD) :**

The Company is having separate positions for Chairman and MD.

- iii. **The Internal auditor may report directly to the Audit Committee:**

The Internal Auditor reports to the Managing Director of the Company and the Internal Audit Report are place before Audit Committee on quarterly basis.

- iv. **Modified opinion(s) in audit report:**

During the year under review, there is no audit qualification on the Company's financial statements.

Annexure IV

Annual Report on Corporate Social Responsibility (“CSR”) Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **Brief outline on CSR Policy of the Company:**

The Company’s CSR Policy (‘Policy’) was approved at the Board Meeting held on March 07, 2015 and last modification being made on December 23, 2022. The Policy is available on the Company’s website at the following link: https://https://www.berarfinance.com/investors.html/pdf/policies/csr/corporate_social_responsibility_policy.pdf

Our CSR initiatives are guided by our Policy. Our CSR activities focus on Education, Health Care, Livelihood, Environmental Sustainability, Poverty Alleviation and Promoting Sports.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Maroti Jawanjar	Executive Chairman	4	4
2.	Mr. Vishwas Pathak	Independent Director	4	3
3.	Mr. Sandeep Jawanjal	Managing Director	4	4
4.	Mr. Siva Vadivel Alagan	Non-Executive Director	4	4

3. **The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company is provided below:**

Sl. No.	Particular	Web-link
1.	The composition of the CSR Committee	https://https://www.berarfinance.com/investors.html/csr.html
2.	CSR Policy	
3.	CSR projects as approved by the Board	

4. **Details of executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:**

Since the average CSR obligation of the Company is below Rupees Ten Crore in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, hence the impact assessment is **Not Applicable (NA)**.

5. (a) **Average net profit of the company as per sub-section (5) of section 135.**

Average net profit: ₹ 24,04,85,457/- (Indian Rupees Twenty Four Crore Four Lakh Eighty Five Thousand Four Hundred Fifty Seven).

(b) **Two percent of average net profit of the company as per sub-section (5) of section 135:** ₹ 48,09,709/- (Indian Rupees Fourty Eight Lakh Nine Thousand Seven Hundred Nine only)

(c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.** NIL

(d) **Amount required to be set-off for the financial year, if any.** NIL

(e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 48,09,709/- (Indian Rupees Fourty Eight Lakh Nine Thousand Seven Hundred Nine only)

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 51,00,753 (Indian Rupees Fifty One Lakh Seven Hundred Fifty Three Only)

(b) **Amount spent in Administrative Overheads:** NIL

(c) **Amount spent on Impact Assessment, if applicable:** NIL

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 51,00,753 (Indian Rupees Fifty One Lakh Seven Hundred Fifty Three Only)

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
51,00,753/-	Nil	NA	NA	Nil	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	48,09,709/-
(ii)	Total amount spent for the Financial Year	51,00,753/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	2,91,044/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	2,91,044/-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl No.	Preceding Financial Year(s).	Amount transferred to Unspent CSR Account Under sub-section (6) of section 135 (in ₹).	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹).	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹).	Deficiency, if any
				Amount (in ₹).	Date of transfer			
1	-	Nil	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Nil							

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.: Not Applicable**

Sandeep Jawanjal
Managing Director
DIN: 01490054

Maroti Jawanjar
Executive Chairman cum Chairman of CSR Committee
DIN: 00379916

Annexure V (i) Form 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 Act including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis.

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis.

The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

For and on behalf of Board of Directors

Date: August 12,2023
Place: Nagpur

M.G Jawanjar
Chairman

Annexure V (ii) Related Party Transaction ("RPT") Policy

(As per Master Directions of Reserve Bank of India requiring Non-Banking Financial Companies to formulate a Policy on Related Party Transactions.)

The Company shall enter into transactions with related parties only on arm's length basis and in the ordinary course of business, supported by agreement or formal letter. If the transaction is not in the ordinary course of business and not on arm's length basis, then, necessary compliances under the Companies Act, 2013 and Rules framed there under will be adhered to.

For the purpose of the above clause, transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual turnover of the Company as per the last audited financial statements of the Company.

The above policy is subject to change from time to time.

Annexure VI

Requirements under the Indian Accounting Standard (Ind AS) 102 - Share -based Payment

Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

Sr. No.	Particulars	ESOP 2019
I. Details of the ESOP		
1	Date of Shareholder's Approval	07.12.2019
2	Total Number of Options approved	240,000
3	Vesting Requirements	Time based vesting
4	Exercise Price or Pricing formula (Rs.)	Exercise price for the first grant dated December 23,2019 - ₹ 95 Exercise price for the second grant dated February 21,2022 - ₹ 250
5	Maximum term of Options granted (years)	Maximum terms of the options granted dated December 23, 2019 - 5 years Maximum terms for the options granted dated February 21, 2022 - 4 years
6	Source of shares	Primary issuance
7	Variation in terms of ESOP	Nil

II. Option Movement during the year

1	No. of Options Outstanding at the beginning of the year	240,000
2	Options Granted during the year	0
3	Options Forfeited / lapsed during the year	58,250
4	Options Vested during the year	28,800
5	Options Exercised during the year	0
6	Total number of shares arising as a result of exercise of options	0
7	Money realised by exercise of options (Rs.)	0
8	Number of options Outstanding at the end of the year	181,750
9	Number of Options exercisable at the end of the year	64,800

* Unvested option of employee left during year shown under option forfeited and that option transfer to option pool.

III. Weighted average exercise price of Options granted during the year whose

(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	NIL
(c)	Exercise price is less than market price	NIL
Weighted average fair value of options granted during the year whose		
(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	NIL
(c)	Exercise price is less than market price	NIL

The weighted average market price of options exercised during the year	No options Exercised during the year
Remaining Contractual life of options outstanding (Years)	2.90

IV Employee-wise details of options granted during the financial year 2022-2023 to:**(i) Senior managerial personnel :**

Name	No. of options granted
Nil	

(ii) Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year

Name	No. of options granted
Nil	

(iii) Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Name	No. of options granted
Nil	

Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model.

The Assumptions used in the model are as follows:

Date of grant	Particulars
1. Risk Free Interest Rate	0.00%
2. Expected Life	0.00%
3. Expected Volatility	0.00%
4. Dividend Yield	0.00%
5. Price of the underlying share in market at the time of the option grant (Rs.)	0.00%

Assumptions:

Stock Price: Share price is taken as informed by the Company.

Volatility: The historical volatility over the expected life has been considered to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected divided yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	₹ 13.79
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Annexure VII

Statement of Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, and forming part of the Directors’ Report for the year ended March 31, 2023:

Sr. No	Name of the Employee	Designation/ Nature of Employment	Age/ Qualification	Experience (in years)	Remuneration (₹) F.Y. 2022-2023	Last Employment	Date of Appointment	Equity holding %
1	Mr. Maroti Jawanjar	Executive Chairman, Permanent	71, Company Secretary	33	85,76,000	--	01/10/1997	8.29
2	Mr. Sandeep Jawanjal	Managing Director, Permanent	39, B.Com.	17	77,93,400	--	01/08/2006	2.67
3	Mrs. Deepali Balpande	Company Secretary, Permanent	43, Company Secretary	20	24,51,150	--	09/06/2003	0.34
4	Mr. Satish Kumar Gupta	Head- Internal Audit, Permanent	41, C.A, MBA, M.Com, DISA, CIA (IIA-USA)	17	21,64,500	Cholamandalam Investment and Finance Company Limited	14/06/2021	--
5	Mr. Sewak Bhisikar	Head Business Development, Permanent	38, MBA (HR & Finance)	13	14,75,007	Sanvijay Rolling & Engineering Limited	05/08/2013	--
6	Mr. Someshwar Dhonge	Head- Collection, Permanent	36, M.Com., PGDBM	14	14,67,732	V.K Surana & Co.	01/10/2010	--
7	Mr. Faisal Farooqui	Senior Manager (IT), Permanent	49, BCA, PGADM, MBA	18	12,21,300	Rattan India Finance Pvt. Ltd.	11/10/2021	--
8	Mr. Amar Helonde	Senior Manager (IT), Permanent	42, Diploma in Industrial Electronics	21	10,59,100	Tata Consultancy Services	01/10/2020	--
9	Mr. Rajesh Hinge	State Head- CG, Permanent	40, M.A.	17	10,37,800	--	01/06/2006	--
10	Mrs. Jyoti Jawanjar	Manager (P.R.), Permanent	65, B.A.	32	10,22,550	--	01/04/1991	2.23

Notes:

- i. Remuneration includes Salary and allowances.
- ii. None of the above employees are related to any Director or Manager except Mr. Sandeep Jawanjal, Mrs. Jyoti Jawanjar and Mrs. Deepali Balpande who are relatives of Mr. Maroti Jawanjar (Executive Chairman).
- iii. Mr. Faisal Farooqui, Mr. Someshwar Dhonge and Mr. Sewak Bhisikar left the Company on December 31,2022, January 02,2023 and January 04,2023 respectively.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To

The Members of Berar Finance Limited

Report on the financial statements

Opinion

We have audited the accompanying financial statements of **Berar Finance Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 31st March 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred to as "SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the financial statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below to be the Key Audit Matters to be communicated in our Report:

Sr. No.	Key Audit Matters	How was the matter addressed in our audit
1.	<p><u>Impairment of Loans as at Balance Sheet Date (Expected Credit Losses): (Refer Note 3.6 to the financial statements)</u></p> <p>Ind AS 109 requires the Company to provide for impairment of its loans designated at amortised cost using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on loans receivable over their life, considering reasonable and supportable information about past events, current conditions and forecast of future economic conditions which could impact the credit quality of the Company's loan receivables. In the process, significant degree of judgment has been applied by the management for;</p> <p>(a) Staging of the loan receivable (i.e., classification in significant increase in credit risk ("SICR") and default categories)</p>	<p>We have performed following audit procedures:</p> <p>(a) Assessed Company's accounting policies for impairment of loans and their compliance with Ind AS.</p> <p>(b) Evaluated reasonableness of management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</p> <p>(c) Assessed the criteria for staging of financial assets based on their past- due status to check compliance with the requirement of Ind AS 109. Tested a sample of stage 1 assets to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 and stage 3.</p>

<p>(b) Grouping of borrowers based on category of loans.</p> <p>(c) Estimation of life of loans under various stages for each category, recoverable amounts in case of defaults etc.</p> <p>(d) Determining macro-economic factors impacting the credit quality of loans</p> <p>(e) Estimation of losses for loans receivable with no / minimal historical defaults.</p> <p>(f) Determination of whether restructuring of principal / interest to a borrower under regulatory directions resulting in restructuring conclusion under Ind AS is subject to interpretation / judgment.</p> <p>(g) Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and</p> <p>(h) Assessment of qualitative factors having an impact on the credit risk.</p> <p>Since the loan receivable form major portion of Company’s assets and due to the significance of judgments used in classifying loans into various stages as stipulated in Ind AS 109 and determining related impairment provision requirements this is considered to be area of key focus of overall Company audit and thus a key audit matter.</p>	<p>(d) Tested the ECL model, including assumptions and underlying computation. Assessed the floor / minimum rates of provisioning applied by the Company for loans receivable with inadequate historical defaults.</p> <p>(e) Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of factors caused by Covid-19.</p> <p>Tested a sample of exposures, the appropriateness of determining exposure at default (“EAD”), calculation of probability of default (“PD”) and Loss given default (“LGD”) in calculation.</p>
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Information Other than the financial statements and Auditor’s 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 Management Discussion and Analysis, Board’s Report including Annexures 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financials Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 the internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 01st April 2022, taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in "**Annexure B**";
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 financial statements -Refer Note 38 to the financial statement.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
- (v) During the current year, the final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

FOR MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS
FRN: 106041W/ W100136

Mumbai, 30th May, 2023

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 23103750BGGVQY2632

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
2. The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a program of verification to cover all items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In our opinion, and according to the information and explanations given to us, no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31stMarch 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As stated in note no. 18A, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, by banks or financial institutions on the basis of security of loans (assets) during the year. We have observed differences/reconciliation items in the quarterly returns or statements filed by the Company with such banks or financial institutions as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The differences are primarily due to furnishing of quarterly returns to the banks by the company before giving effect to adjustments as per Ind-AS as stated in note no. 18A of the financials statements of the Company.
- (iii) (a) The Company is primarily engaged in lending activities and hence reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) In our opinion, having regard to the nature of the Company’s business, the investments made, security given and the terms and conditions of the grant of all loans and advances provided are not prejudicial to the Company’s interest.
- (c) In respect of loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being NBFC, there are some cases during the year and as at March 31, 2023 wherein the amounts were overdue vis-a- vis stipulated terms.
- (d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount of active account for more than ninety days as at March 31, 2023 except for the following cases:

Rs. in Lakhs

Number of Cases	Principal Amount Overdue	Interest Amount Overdue	Total Amount Due
9494	Rs 1,618.72	Rs 346.78	Rs 1,965.50

According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery of the principal and interest.

- (e) The Company is primarily engaged in lending activities and hence reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

- (f) Based on the information and explanations provided to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- (g) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.
- (h) In our opinion and according to the information and explanations given to us, the Company being NBFC registered with RBI, provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (i) We are informed that maintenance of cost records prescribed by the Central Government of India under section 148(1) of the Act, is not applicable in respect of Company's business.
- (j) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Service Tax, Sales Tax, Excise Duty, Custom Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues as at 31st March 2023 which have not been deposited on accounts of any disputes except as stated below:

Nature of Statute	Nature of Dues	Forum Where Dispute is Pending	Period to which the Amount Relates	Amount under Dispute*	Amount Paid
The Income Tax Act, 1961	Income Tax	CIT(A)	AY 2020-21	7,45,844	1,49,170

*Paid under Protest

- (k) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (l) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans and interest on loans from financial institution, bank, and dues to debenture holders.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans from bank during the year for the purposes for which they were obtained, other than temporary parking in Cash credit account or in the form of a term deposit for a few days, pending utilization towards purpose for which the same are obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis do not seem to have used during the year for long term purposes.

- (e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting requirements of clause 3 (ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting requirements of clause 3 (ix)(f) of the Order is not applicable to the Company.
- (m) (a) In our opinion, and according to the information and explanations given to us, the Debt raised by the Company during the year were utilised for the purpose for which they were raised.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (n) (a) To the best of our knowledge Based on the audit procedures performed and representations obtained from the management and as disclosed in note-77 to the financial statements, we report that five instances of fraud on the company were noticed and reported by the management to Reserve Bank of India in terms of applicable regulatory provisions. Of this, four instances involving amount of Rs.30.61 lakhs were in respect of fraud committed by employees and one instance involving amount of Rs.5.77 lakhs were in respect of fraud committed by outsider (recovery agent). All the cases were reported during the year 2022-23. The nature of fraud in all five cases was short or non-deposit of cash collected and/ or seized vehicle from customers (borrowers) of company. The company has made provision against expected loss due to such frauds. The Company has taken necessary legal actions for the recovery of the amount from the concerned parties. Besides, there are instances reported in Risk Statutory Reports Financial Statements Based Internal Audit Report of the company wherein cash collected from customers was deposited after prodding by internal audit team. The company has treated such instances as late deposit of cash and not classified the same as fraud citing that no loss has occurred to the company.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year.
- (o) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per clause 3 (xii) of the Order is not required.
- (p) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (q) (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- (r) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting as per clause 3 (xv) of the Order is not required.
- (iv) (a) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, and it has obtained the registration.
- (b) The Company has conducted the non-banking financial activities with a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.

- (d) The Group (as defined under Master Direction DNBR.PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) to which the company belongs does not have any CICs as part of the group.
- (v) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (vi) There has been resignation of the statutory auditors of the Company during the year due to capping of audit period as per RBI guideline dated 27-04-2021. There were no issues, objections or concerns raised by the outgoing auditors.
- (vii) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (viii) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act
- (b) According to the information and explanation given to us, no amount is remaining unspent towards Corporate Social Responsibility (CSR) ongoing project, which was required to be transferred to special account in compliance with provision of sub-section (6) of Section 135 of the said Act.

FOR MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS
FRN: 106041W/ W100136

Mumbai, 30th May, 2023

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 23103750BGGVQY2632

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date,

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

We have audited the internal financial controls over financial reporting of Berar Finance Limited (“the Company”) as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s 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 issued by ICAI (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement 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 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS
FRN: 106041W/ W100136

Mumbai, 30th May, 2023

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 23103750BGGVQY2632

Financial Statements

Balance Sheet as at 31st March 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	5	10,525.19	9,507.52
(b) Bank Balances other than cash and cash equivalents	6	1,580.96	4,371.89
(c) Loans	7	92,212.64	81,933.84
(d) Investments	8	1,829.45	1,562.29
(e) Other Financial assets	9	4,132.85	4,063.88
Non-financial Assets			
(a) Deferred tax assets (Net)	10	967.65	672.69
(b) Property, Plant and Equipment	11	1,866.62	1,794.81
(c) Capital Work in Progress	12	31.39	21.99
(d) Intangible assets	13	66.74	71.85
(e) Right of use assets	14	813.70	271.61
(f) Other non-financial assets	15	80.95	93.69
Total Assets		1,14,108.14	1,04,366.06
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	16	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	489.29	462.55
Debt Securities	17	14,641.10	12,224.08
Borrowings (Other than Debt Securities)	18	49,983.76	48,064.97
Deposits	19	18,011.68	15,064.14
Other financial liabilities	20	2,543.93	1,924.93
Non-Financial Liabilities			
Current Tax liabilities (Net)	21	143.04	140.66
Provisions	22	407.11	360.26
Other non-financial liabilities	23	364.63	210.28
EQUITY			
Equity Share capital	24	1,233.68	1,233.68
Other Equity	25	26,289.92	24,680.51
Total Liabilities and Equity		1,14,108.14	1,04,366.06

Summary of significant accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 88

As per our Report of even date attached

For and On Behalf of Board of Directors

For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjar
Managing Director
DIN: 01490054

CA Ashish Shah
M.No :103750

R.Srinivasan
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2023

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

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
I) Revenue from operations			
i) Interest Income	26	20,605.04	15,888.76
ii) Dividend Income	27	0.07	0.05
iii) Fee & Commission Income	28	1,060.70	1,630.48
iv) Net gain on fair value changes	29	10.34	8.73
v) Other operating Income	30	112.78	22.29
I) Total Revenue from operations		21,788.93	17,550.31
II) Other Income	31	7.23	9.59
III) Total Income (I+II)		21,796.16	17,559.90
IV) Expenses			
i) Finance Costs	32	9,994.54	9,021.06
ii) Impairment on financial instruments	33	3,067.99	964.44
iii) Employee Benefits Expenses	34	3,482.28	2,638.91
iv) Depreciation, amortization and impairment	35	396.44	237.04
v) Other expenses	36	2,682.13	2,461.04
IV) Total Expenses		19,623.38	15,322.49
V) Profit before tax (IV-III)		2,172.78	2,237.41
VI) Tax Expense:			
i) - Current Tax	10	760.00	715.00
ii) - Deferred Tax	10	(295.34)	(219.56)
VII) Profit for the year (V-VI)		1,708.12	1,741.97
VIII) Other Comprehensive Income			
A) Items that will not be reclassified to profit or loss			
i) Re-measurement gains / (losses) on defined benefit plans		1.53	(73.61)
ii) Income tax impact		(0.38)	(18.53)
B) Items that will be reclassified to profit or loss		-	-
VIII) Other Comprehensive Income for the year		1.15	(92.14)
IX) Total Comprehensive Income for the year (Comprising Profit and other comprehensive income for the year (VII+VIII))		1,709.27	1,649.83
X) Earnings per equity share			
i) Basic (INR)		13.85	17.28
ii) Diluted (INR)		13.79	17.18

Summary of significant accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 88

As per our Report of even date attached

For and On Behalf of Board of Directors

For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

CA Ashish Shah
M.No :103750

R.Srinivasan
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2023

Statement of Cash Flows for the year ended 31st March 2023

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A. Cash flow from operating activities		
Profit before tax	2,172.78	2,237.41
Adjustments for:		
Depreciation and amortisation expense	396.44	237.04
ESOP expense	23.47	40.62
Provision for Defined Benefit Obligation	60.71	33.65
Finance cost	526.23	377.45
Interest Income on Security Deposit	(4.44)	(4.99)
Interest income on investment	(106.63)	(86.20)
Net gain on fair value changes in Investment	(13.69)	(2.02)
Profit on sale of investment	0.00	(6.71)
Gain on termination of lease	(0.10)	(4.33)
Income on Mutual Funds	-0.00	0.24
Impairment on financial instruments	3,067.99	964.44
Profit on sale of property, plant and equipment (Net)	(2.86)	(0.19)
Operating profit before working capital changes	6,119.90	3,786.41
Changes in working capital		
Increase/ (decrease) in trade payables	26.74	37.21
Increase/ (decrease) in other financial liabilities	(466.13)	(83.31)
Increase/ (decrease) in provisions and other liabilities	142.02	70.04
(Increase)/ decrease in other financial assets	(74.59)	(1,070.46)
(Increase)/ decrease in Loans	(13,346.79)	(16,949.93)
(Increase)/ decrease in other assets	12.74	0.06
Cash generated from/(used in) operations	(7,586.13)	(14,209.98)
Income tax paid	(757.42)	(648.42)
Net cash used in operating activities (A)	(8,343.54)	(14,858.40)
B. Cash flow from Investing activities		
Payment for property, plant and equipment, intangible assets and Capital Work-in-progress	(213.86)	(191.83)
Change in Other Bank balances not available for Immediate use	2,790.93	3,102.97
Proceeds from sale of property plant and equipment	3.36	0.34
Purchase of investment	(346.30)	(400.42)
Proceeds from sale of Investments	90.00	20.55
Interest received	106.75	90.00
Net cash used in investing activities (B)	2,430.89	2,621.61
C. Cash flow from Financing activities		
Proceeds from Bank & Financial Institution Borrowing (Net of Repayments)	4,913.49	(740.79)
Debt Securities issued	2,298.53	123.80
Deposits taken (Net of Repayments)	2,947.54	3,745.75
Capital raised	-0.00	232.90
Premium received on issue of shares	-0.00	9,767.10

Expenses related to Issue of Shares	-.00	(318.59)
Dividend Paid	(123.37)	(100.06)
Repayment of lease liabilities	(401.22)	(139.01)
Net cash used generated from financing activities (C)	9,634.98	12,571.10
Net increase in cash and cash equivalents (A+B+C)	3,722.33	334.31
Cash and cash equivalents at the beginning of the year	4,614.84	4,280.54
Cash and cash equivalents at the end of the year	8,337.17	4,614.84

Notes:

- Statement of Cash flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash flows" as specified in the Companies(Indian Accounting Standard Rules), 2015
- Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows

2A) Changes in liabilities arising from financing activity

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Opening Balances (Borrowing and debt/subordinated -debt securities) as at 1st April 2022	55,396.37	55,670.79
Proceeds from borrowings	36,195.00	22,945.00
Proceeds from issue of Non-convertible debantures	7,000.00	2,500.00
Repayment of borrowings	(30,405.53)	(23,119.43)
Repayment of Non-convertible debantures	(5,130.00)	(2,600.00)
Closing Balances (Borrowing and debt/subordinated -debt securities)	63,055.84	55,396.37

3. Cash & Cash Equivalents included in the Statement of Cash Flow includes the following

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Balances with banks		
In current accounts	818.06	3,968.60
In fixed deposits (with original maturity less than 3 months)	9,680.41	5,495.88
Cash Credit from Banks	(1,569.02)	(4,892.68)
Cash in Hand	26.72	43.04
	8,956.17	4,614.84

Summary of significant accounting policies

1 to 4

**The accompanying notes are an integral part of the
financials statements**

5 to 88

As per our Report of even date attached
For and On Behalf of Board of Directors
**For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136**
**M.G.Jawanjar
Executive Chairman
DIN: 00379916**
**S.M.Jawanjal
Managing Director
DIN: 01490054**
**CA Ashish Shah
M.No :103750**
**R.Srinivasan
Chief Financial Officer**
**D.R.Balpande
Company Secretary**
**Place : Nagpur
Date: 30/05/2023**

Statement of Changes in Equity for the year ended 31st March 2023

A. Equity Share Capital

(1) Current reporting period

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,233.68	-	1,233.68	0.00	1,233.68

(2) Previous reporting period

(₹ in Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
1,000.78	-	1,000.78	232.90	1,233.68

B. Other Equity

(1) Current reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	Total
Balance at the beginning of the current reporting period	3,262.95	14,123.94	7,082.65	103.02	107.96	24,680.53
Changes in accounting policy/ prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	3,262.95	14,123.94	7,082.65	103.02	107.96	24,680.53
Profit for the year	-	-	-	-	1,708.12	1,708.12
Other comprehensive income for the year	-	-	-	-	1.15	1.15
Total comprehensive income for the year	3,262.95	14,123.94	7,082.65	103.02	1,817.23	26,389.79
Dividend Paid including taxes on dividend	-	-	-	-	(123.34)	(123.34)
Transfers to Statutory reserves	450.00	-	-	-	(450.00)	-
Transfers to General reserves	-	-	1,100.00	-	(1,100.00)	-
Any other change:	-	-	-	-	-	-
Premium on issue of Shares	-	-	-	-	-	-
Expenses related to issue of shares (Private Placement)	-	-	-	-	-	-
Share based payment expense	-	-	-	23.47	-	23.47
Balance at the end of the current reporting period	3,712.95	14,123.94	8,182.65	126.49	143.89	26,289.92

(2) Previous reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	Total
Balance at the beginning of the previous reporting period	2,812.95	4,675.44	5,982.65	62.38	108.20	13,641.61
Changes in accounting policy/ prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	2,812.95	4,675.44	5,982.65	62.38	108.20	13,641.61
Profit for the year	-	-	-	-	1,741.97	1,741.97
Other comprehensive income for the year	-	-	-	-	(92.14)	(92.14)
Total comprehensive income for the year	2,812.95	4,675.44	5,982.65	62.38	1,758.02	15,291.44
Dividend Paid including taxes on dividend	-	-	-	-	(100.06)	(100.06)
Transfers to Statutory reserves	450.00				(450.00)	-
Transfers to General reserves			1,100.00		(1,100.00)	-
Any other change:						-
Premium on issue of Shares	-	9,767.09	-	-	-	9,767.09
Share based payment expense		(318.60)				(318.60)
Balance at the end of the previous reporting period	-		-	40.64	-	40.64
	3,262.95	14,123.93	7,082.65	103.02	107.96	24,680.51

Summary of significant accounting policies

1 to 4

The accompanying notes are an integral part of the financials statements

5 to 88

As per our Report of even date attached

For and On Behalf of Board of Directors

For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136

M.G.Jawanjar
Executive Chairman
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S.M.Jawanjal
Managing Director
DIN: 01490054

CA Ashish Shah
M.No :103750

R.Srinivasan
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1 Corporate Information

The Company is a registered non-banking finance company engaged in the business of providing finance. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) with effect from 24 November 1998, with Registration No. 13.01109. The Company primarily deals in the financing of two-wheelers, used car finance, and personal loan etc. The Company is a systemically important NBFC as per Reserve Bank of India. The company was re-classified from Asset Finance Company to Investment & Credit Company (NBFC-ICC) as per RBI notification no. 097/03.10.001/2018-19 dated 22-Feb-2019. The Company is having its head office at Nagpur and currently having 116 branches as on 31 March 2023. The financial statements of the Company for the year ended March 31, 2023 were approved in accordance with the resolution of the Board of Directors on May 30, 2023.

2 Basis of Preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The financial statements for the year ended March 31, 2021 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2019. The financial statements upto the year ended March 31, 2020, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2020 have now been restated under Ind AS to provide comparability.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹) in lakhs (INR in lakhs or ₹ In lakhs) which is the currency of the primary economic environment in which the Company operates (the 'functional currency'). Due to rounding off, numbers presented in the tables given may not add up precisely to the totals provided.

2.4 Use of estimates, judgements and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

The fair value of financial instruments 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 another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

ii) Effective interest rate ('EIR') method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ('ECL') calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').
- d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 38.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

2.5 Presentation of the financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 (“the Act”) applicable for Non-Banking Finance Companies (“NBFC”). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in lakhs.

3 Significant Accounting Policies

3.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

A Interest and dividend income

Interest income for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) are recognised in ‘Interest income’ in the profit or loss account using the effective interest method (EIR).

Effective interest rate (EIR) wherever applicable in case of a financial asset is computed as the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. It is computed by considering all contractual terms of the financial instrument in estimating the cash flows. The cash flows are estimated using all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit impaired financial assets and financial asset classified as measured at FVTPL. Interest income on credit-impaired financial assets are treated to accrue only upon realisation, due to uncertainty involved in its realisation and are accounted accordingly.

Dividend income is recognised when the Company’s right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

B Other Financial Charges

Other Financial Charges includes fees other than those that are an integral part of EIR. Service income, bounce charges, penal charges and foreclosure charges etc. are recognised upfront in the statement of profit & loss account .

C Net gain or fair value change

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in “Net gains or fair value changes” under revenue from operations and if there is a net loss the same is disclosed “Expenses”, in the statement of profit and loss.

D Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.2 Financial instrument - Initial recognition

A Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3 Financial assets and liabilities

A Financial assets

Business model assessment

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 and is based on observable factors such as:

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. 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 or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set. In contrast, contractual terms that introduce a more than the minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

- i) Financial assets carried at amortised cost ('AC')

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms

of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets measured at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

B Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition.

ii) Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. The EIR amortization is included as finance costs in the statement of profit and loss.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2023 and 31 March 2022.

3.5 Derecognition of financial assets and liabilities

i) Financial assets

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

B. Derecognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

- i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- ii) Full lifetime expected credit losses ('LTECL') (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD: Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. For investments and balances with banks, the Company uses external ratings for determining the PD of respective instruments.

EAD: Exposure at Default ('EAD') is an estimate of the amount outstanding when the borrower defaults. It is the total amount of an asset the entity is exposed to at the time of default. It is defined based on characteristics of the asset.

LGD: Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Forward looking information

The Company use multiple economic factors and test their correlations with past loss trends witnessed. These were GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, unemployment rate, crude oil prices and policy interest rates. Based on past correlation trends, GDP growth rate was considered to be the factor with acceptable correlation with past loss trends which was in line with Management views on the drivers of portfolio trends.

3.7 Write-offs

Financial assets are written off when there are no prospects of recovery which are subject to management decision. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under bad debts and write offs forming part of impairment on financial instruments in statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- **Level 2** financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and market-corroborated inputs.
- **Level 3** financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 I) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ('PPE') are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

- i) Building - 60 years
- ii) Office equipment - 5 years
- iii) Computers - 3 years
- iv) Furniture and electrical fittings - 10 years
- v) Vehicles - 8 years
- vi) Printers - 5 years
- vii) Server - 6 years
- viii) Generator-10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

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.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. 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 recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

The estimated useful life is, as follows:

- i) Computer Software - 5 years

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses.

The right-of-use assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- Low value leases; and
- Leases which are short-term.

3.15 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed in the financial statements.

3.17 Taxes

A. Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

A deferred tax asset is recognised for the carry forward of unused tax losses and accumulated depreciation to the extent that it is probable that future taxable profit will be available against which the unused tax losses and accumulated depreciation can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3.18 Earnings per share

Basic earnings per share ('EPS') is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.20 Cash flow statement

Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4 Standards (including amendments) issued but not yet effective

MCA notifies new standard or amendments to the existing standards. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which is effective from April 01, 2022. On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013 effective from April 01, 2021. Amendments relating to Division III which relate to NBFCs whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, have been complied with.

5 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Cash on hand	26.72	43.04
<u>Balances with banks</u>		
In current accounts	818.06	3,968.60
In fixed deposits (with original maturity less than 3 months)	9,680.41	5,495.88
Total	10,525.19	9,507.52

6 Bank Balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Fixed Deposits (Including accrued Interest)	916.43	4,120.01
Balances with banks to the extent held as margin money or security against the borrowings	663.65	251.18
Earmarked balances with banks (Unpaid dividend)	0.88	0.70
Total	1,580.96	4,371.89

7 Loans

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Loans measured at Amortised Cost- (Refer Note 48)		
i) Terms loans-Secured		
Hypothecation Loans	94,093.46	82,621.13
Loans Against Deposits	86.13	56.70
ii) Term Loans- Unsecured		
Personal Loans	525.19	520.01
Total (A) Gross	94,704.78	83,197.84
Less: Impairment loss allowance (Refer Note 48)	(2,492.16)	(1,264.00)
Total (A) Net	92,212.64	81,933.84

Details of loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties.

(₹ in Lakhs)

Type of borrower	As at 31st March 2023	As at 31st March 2022
Promoter	2.21	3.64

8 Investments

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
i) Investments measured at amortised cost (Refer Note I)		
Investments in Government Securities (Quoted)	1,699.02	1,442.84
ii) Investments measured at fair value through Profit or Loss (Refer Note II)		
Investments in Equity Instruments (Quoted)	13.64	14.78
<u>Other Investment</u>		
Investment in alternative investment fund units	116.79	104.67
Total - Gross (A)	1,829.45	1,562.29
(i) Investments in India	1,829.45	1,562.29
Total (B)	1,829.45	1,562.29
Total (A) to tally with (B)		
Less: Allowance for Impairment loss (C)	0.00	0.00
Total - Net D= (A)-(C)	1,829.45	1,562.29

Details of investments -

Note I - Investments in government securities measured at amortised cost

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Investments measured at amortised cost (Quoted)		
8.28% GOI BONDS 2027	4.87	4.85
8.03% GOI BONDS 2024	10.10	10.04
8.23% GOI BONDS 2027	6.06	6.06
8.30% GOI BONDS 2023	11.23	11.16
8.26% GOI BONDS 2027	10.05	10.04
8.26% GOI BONDS 2027	5.08	5.08
8.83% GOI BONDS 2041	5.77	5.76
8.24% GOI BONDS 2027	5.03	5.03
8.83% GOI BONDS 2023	20.71	20.85
8.24% GOI BONDS 2027	9.99	9.97
8.35% GOI BONDS 2022	-	92.84
8.15% GOI BONDS 2026	92.59	92.60
8.26% GOI BONDS 2027	35.67	35.71
7.88% GOI BONDS 2030	20.00	20.00
7.16% GOI BONDS 2023	87.08	86.26
7.88% GOI BONDS 2030	36.40	36.54
7.88% GOI BONDS 2030	24.72	24.69
7.59% GOI BONDS 2029	45.07	45.29
7.88% GOI BONDS 2030	58.45	58.28
7.40% GOI BONDS 2035	9.36	9.33
7.88% GOI BONDS 2030	15.21	15.21
7.40% GOI BONDS 2035	76.68	76.75
7.73% GOI BONDS 2034	16.21	16.26
7.50% GOI BONDS 2034	12.49	12.51
7.40% GOI BONDS 2035	74.73	74.65
7.50% GOI BONDS 2034	18.17	18.23
7.40% GOI BONDS 2035	32.21	32.32
7.50% GOI BONDS 2034	24.88	24.99
6.22% GOI BONDS 2035	24.66	24.64
6.22% GOI BONDS 2035	154.09	153.44
6.22% GOI BONDS 2035	24.33	24.33
6.64% GOI BONDS 2035	49.95	49.96
6.22% GOI BONDS 2035	48.26	48.12
6.64% GOI BONDS 2035	141.31	141.15
6.83% GOI BONDS 2039	140.08	139.90
6.67% GOI BONDS 2035	94.29	-
6.67% GOI BONDS 2035	18.98	-
7.10% GOI BONDS 2029	39.80	-
7.10% GOI BONDS 2029	9.96	-
7.10% GOI BONDS 2036	20.29	-
7.41% GOI BONDS 2036	102.52	-
6.67% GOI BONDS 2035	61.69	-
TOTAL	1,699.02	1,442.84

Note II - Investments measured at Fair Value through Profit or Loss

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Investments measured at Fair Value through Profit or Loss		
i) Investments in Equity Instruments (Quoted)		
Sundaram Finance Ltd 100 (31 March 2022: 100)	2.28	1.94
Bajaj Finance Ltd. 100 (31 March 2022: 100)	5.62	7.26
HDFC LTD 100 (31 March 2022: 100)	2.63	2.39
KOTAK MAHINDRA BANK LTD 100 (31 March 2022: 100)	1.73	1.75
YES BANK LTD 1,500 (31 March 2022: 1,500)	0.23	0.19
AU SMALL FINANCE BANK LTD. 200 (31 March 2022: 100)	1.15	1.25
	13.64	14.78
ii) Other investments		
Investment in Alternative Investment fund Northern Arc Money Market Alpha Fund: 1,16,792.82 units (31 March 2022: 1,10,099.27 units)	116.79	104.67
	116.79	104.67
Total (i+ii)	130.43	119.45

9 Other Financial assets

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Security deposits		
Premises	53.60	50.71
Others	8.24	19.19
Advances to employees	4.93	2.23
	66.77	72.13
Advances to dealers	2,926.72	2,815.13
Receivable from recovery agent	919.54	1,174.88
Others	329.76	69.64
Less: Impairment loss allowance	(109.94)	(67.90)
	4,066.08	3,991.75
Total	4,132.85	4,063.88

10 Deferred tax assets/ (liabilities), net / tax expenses

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(A) Deferred tax relates to the following:		
Deferred tax assets		
- on financial assets measured at amortised cost	436.77	418.98
- on expected credit loss provision on loans	654.89	335.21
- on lease as per Ind AS 116	-	5.41
- on ESOP	12.17	6.28
- on gratuity	65.94	58.50
- on leave encashment	36.52	32.17
Total Deferred tax assets (A)	1,206.29	856.55

Deferred tax liabilities		
- On difference between written down value of fixed assets as per books of accounts and income tax	34.45	28.96
- on lease as per Ind AS 116	12.75	-
- On investments measured at FVTPL	3.30	0.49
- On financial assets measured at amortised cost	1.05	1.76
- On financial liabilities measured at amortised cost	69.62	96.19
- ECL provision claimed	117.47	56.46
Total Deferred tax liabilities (B)	238.64	183.86
Deferred tax asset / (liability), net (A-B)	967.65	672.69

(B) Reconciliation of deferred tax assets/ (liabilities) (net): (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance as of 1st April 2022	672.69	471.65
Deferred tax assets/(liabilities) recognized in Statement of Profit and Loss	295.34	219.57
Deferred tax assets/(liabilities) recognized in OCI	(0.38)	(18.53)
Closing balance	967.65	672.69

(C) Income tax expense recognised in profit and loss (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
- Current tax	760.00	715.00
- Deferred tax charge / (income)	(295.34)	(219.56)
Total	464.66	495.44

(D) Income tax expense recognised in other comprehensive income (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Net loss/(gain) on remeasurements of defined benefit plans	(0.38)	(18.53)
Total	(0.38)	(18.53)

(E) Major Components of tax expense/(Income) : (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Statement of Profit and Loss:		
a) Profit & Loss Section		
i) <u>Current Tax</u>		
Current Tax expense for the year	760.00	715.00
Tax expense for the earlier years		-
	760.00	715.00
ii) <u>Deferred Tax</u>		
Tax expense on origination and reversal of temporary differences	(295.34)	(219.56)
	(295.34)	(219.56)
Income tax expense reported in the statement of profit or loss[(i)+(ii)]	464.66	495.44
Other Comprehensive Income (OCI) Section:		
i) Items that will not be reclassified to profit or loss in subsequent years:		
Current tax expense/(income):		
Deferred tax expense/(income):	(0.38)	(18.53)
	(0.38)	(18.53)
Income tax expenses reported in the other comprehensive income [i+ii]	(0.38)	(18.53)

(F) Reconciliation of tax charge

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit before tax	2,172.78	2,237.41
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expenses	546.89	563.11
Tax effects of:		
- Disallowed expense	309.34	164.66
- Excess Provision Made	6.12	59.50
- Tax at different rate	-	(0.14)
- Deductions under chapter VIA	(102.35)	(72.13)
- Impact of Deferred Tax Adjustments	(295.34)	(219.56)
Tax expense recognised in Statement of Profit and Loss	464.66	495.44

(G) Computing Corporate Tax Rate Applicable to the Company

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Basic Tax Rate *	22%	22%
Add: Surcharge	10%	10%
Add: Cess	4%	4%
Corporate Tax Rate Applicable	25.17%	25.17%

11 Property, plant and equipment March 2023

(₹ in Lakhs)

Particulars	Gross block			Accumulated depreciation and impairment					Net block	
	As at 31st March 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2023	As at 31st March 2022	For the year	Deductions/ Adjustments	Impairment	As at 31st March 2023	As at 31st March 2022
Owned assets										
Land-Freehold	1,181.08	-	-	1,181.08	-	-0.00	-	-	1,181.08	1,181.08
Buildings	264.35	-	-	264.35	13.32	4.51	-	-	246.52	251.03
Office Equipments	119.63	38.31	0.98	156.96	49.40	18.98	0.86	-	89.44	70.23
Computers	177.56	43.12	-	220.67	75.67	50.86	-	-	94.15	101.89
Generator	14.03	-	-	14.03	1.85	1.32	-	-	10.86	12.18
Furniture & Fixtures	149.06	27.22	-	176.28	35.43	17.72	-	-	123.14	113.63
Vehicles	39.11	12.40	7.57	43.95	14.42	5.54	7.19	-	31.17	24.69
Printer	14.65	3.78	0.07	18.36	5.08	3.18	0.07	-	10.17	9.57
Server	10.45	42.70	-	53.15	4.19	4.43	-	-	44.46	6.26
Electrical Fitting	30.46	14.92	-	45.37	6.21	3.55	-	-	35.62	24.25
Total	2,000.38	182.45	8.62	2,174.21	205.57	110.09	8.12	-	1,866.62	1,794.81

11 Property, plant and equipment March 2022

(₹ in Lakhs)

Particulars	Gross block			Accumulated depreciation and impairment			Net block		
	As at 31st March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2021	For the year	Deductions/ Adjustments	Impairment	As at 31st March 2022	As at 31st March 2021
Owned assets									
Land-Freehold	1,181.08	-	-	-	-	-	-	1,181.08	1,181.08
Buildings	264.35	-	-	8.81	4.51	-	-	251.03	255.54
Office Equipments	91.97	28.76	1.10	32.09	18.27	0.96	-	70.23	59.88
Computers	102.98	74.78	0.20	38.23	37.64	0.20	-	101.89	64.75
Generator	14.03	-	-	0.53	1.32	-	-	12.18	13.50
Furniture & Fixtures	113.33	35.73	-	20.92	14.51	-	-	113.63	92.41
Vehicles	39.11	-	-	9.29	5.13	-	-	24.69	29.82
Printer	9.90	4.75	-	2.65	2.43	-	-	9.57	7.25
Server	3.74	6.71	-	2.75	1.44	-	-	6.26	0.99
Electrical Fitting	20.68	9.78	-	3.75	2.46	-	-	24.25	16.93
Total	1,841.17	160.51	1.30	119.01	87.71	1.16	-	1,794.81	1,722.16

(a) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Company.

(b) The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

12. Capital work in progress (CWIP)
CWIP ageing schedule as at 31st March 2023

(₹ in Lakhs)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	31.39	-	-	-	31.39
Projects temporarily suspended	-	-	-	-	-

CWIP ageing schedule as at 31 March 2022

(₹ in Lakhs)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.99	-	-	-	21.99
Projects temporarily suspended	-	-	-	-	-

There are no projects as on each reporting date where activity had been suspended. Also there are no projects as on the reporting date which has exceeded cost as compared to its original plan or where completion is overdue.

13. Other Intangible assets as on 31st March 2023

(₹ in Lakhs)

Particulars	Gross block			Accumulated amortisation and impairment			Net block			
	As at 31st March 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2023	As at 31st March 2022	For the year	Deductions/ Adjustments	Impairment	As at 31st March 2023	As at 31st March 2022
Computer Software	152.81	22.76	-	175.57	80.96	27.88	-	-	108.84	71.85
Total	152.81	22.76	-	175.57	80.96	27.88	-	-	108.84	71.85

(₹ in Lakhs)

Particulars	Gross block			Accumulated amortisation and impairment			Net block			
	As at 31st March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2022	As at 31st March 2021	For the year	Deductions/ Adjustments	Impairment	As at 31st March 2022	As at 31st March 2021
Computer Software	134.48	18.33	-	152.81	53.16	27.80	-	-	80.96	81.32
Total	134.48	18.33	-	152.81	53.16	27.80	-	-	80.96	81.32

14 Right of use assets (₹ in Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2021	215.29
Addition	203.53
Adjustments/deletion	(25.68)
Depreciation for the year	(121.53)
Carrying amount as at 31st March 2022	271.61
Addition	812.63
Adjustments/deletion	(12.06)
Depreciation for the year	(258.48)
Carrying amount as at 31st March 2023	813.70

15 Other Non Financial Assets (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Prepaid expenses	43.53	79.29
Advances to Creditors	21.84	-
Stamps in Hands	15.58	14.40
Total	80.95	93.69

16 Trade Payables (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	489.29	462.55
Total	489.29	462.55

16.1 DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006. The disclosures relating to Micro and Small Enterprises are as below:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	-	-
- Interest	-	-
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
- The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	-	-
Total	-	-

16.2 Trade Payables ageing

a) Trade payables ageing schedule as at 31st March 2023 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1. MSME		-	-	-	-
2. Others	458.87	-	-	-	458.87
3. Disputed dues - MSME	-	-	-	-	-
4. Disputed dues - Others	-	-	-	-	-
5. Unbilled trade payables, if any	30.42	-	-	-	30.42

b) Trade payables ageing schedule as at 31st March 2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1. MSME		-	-	-	-
2. Others	278.67	-	-	-	278.67
3. Disputed dues - MSME	-	-	-	-	-
4. Disputed dues - Others	-	-	-	-	-
5. Unbilled trade payables, if any	183.88	-	-	-	183.88

17 Debt Securities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At Amortised cost :		
Secured		
Non Convertible Debentures	14,641.10	12,224.08
Total	14,641.10	12,224.08

17.1 Disclosure on Debt Securities issued on private placement basis.

Issue of secured redeemable non convertible debentures as on March 31st, 2023 (₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31st March 2023
13.18% Listed Non Convertible Debentures*	1.00	24-Feb-21	24-Feb-24	Redeemable at par at the end of 36 Months from the date of allotment.	548.44
13.91% Listed Non Convertible Debentures*	10.00	24-Mar-21	05-Feb-25	Redeemable at par at the end of 46 Months 12 days from the date of allotment.	2,720.11
12.50% Unlisted Non Convertible Debentures	10.00	22-Jun-20	22-Jun-23	Redeemable at par at the end of 36 Months from the date of allotment.	1,002.36
14.00% Unlisted Non Convertible Debentures	10.00	11-Sep-20	11-Sep-23	Redeemable at par at the end of 36 Months from the date of allotment.	997.16
13.75% Unlisted Non Convertible Debentures	1.00	23-Dec-20	23-Dec-23	Redeemable at par at the end of 36 Months from the date of allotment.	745.63

13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	31-Oct-24	Redeemable at par at the end of 38 Months from the date of allotment.	1,633.23
11.25% Unlisted Non Convertible Debentures	0.10	05-Aug-22	07-Aug-24	Redeemable at par at the end of 24 Months from the date of allotment.	3,082.75
11.50% Listed Non Convertible Debentures*	10.00	16-Sep-22	16-Mar-25	Redeemable at par at the end of 30 Months from the date of allotment.	2,402.39
13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	30-Nov-24	Redeemable at par at the end of 39 Months from the date of allotment.	1,509.03
Total					14,641.10

Issue of secured redeemable non convertible debentures as on March 31st, 2022 (₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31st March 2022
13.18% Listed Non Convertible Debentures*	1.00	24-Feb-21	24-Feb-24	Redeemable at par at the end of 36 Months from the date of allotment.	1145.63
13.91% Listed Non Convertible Debentures*	10.00	24-Mar-21	05-Feb-25	Redeemable at par at the end of 46 Months 12 days from the date of allotment.	3399.01
12.50% Unlisted Non Convertible Debentures	10.00	22-Jun-20	22-Jun-23	Redeemable at par at the end of 36 Months from the date of allotment.	998.05
14.00% Unlisted Non Convertible Debentures	10.00	11-Sep-20	11-Sep-23	Redeemable at par at the end of 36 Months from the date of allotment.	990.56
13.75% Unlisted Non Convertible Debentures	10.00	18-Nov-20	30-Mar-23	Redeemable at par at the end of 29 Months from the date of allotment.	1489.12
13.75% Unlisted Non Convertible Debentures	1.00	23-Dec-20	23-Dec-23	Redeemable at par at the end of 36 Months from the date of allotment.	1486.25
13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	31-Oct-24	Redeemable at par at the end of 38 Months from the date of allotment.	1411.93
13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	30-Nov-24	Redeemable at par at the end of 39 Months from the date of allotment.	1303.53
Total					12,224.08

Nature of Security:

The Secured Non - Convertible Debentures are secured by Hypothecation of specific Loan receivables with a cover as per the terms of issue. It is further secured by personal guarantees of Mr. M.G.Jawanjar and Mr. S.M.Jawanjal.

* The NCDs are listed on BSE Ltd.

Secured redeemable non convertible debentures:

During the year, the Company has raised ₹ 7,000 lakhs through issue of NCD's (31 March 2022: ₹ 2,500 lakhs). The Company has utilised ₹ 7,000 lakhs (31 March 2022: ₹ 2,500 lakhs) for the purpose of onward lending,

financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. Total unutilised balance amount is ₹ Nil (31 March 2022: ₹ NIL lakhs).

18 Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At Amortised cost :		
a) Term loans		
i) Secured		
Term Loan from Banks	22,726.85	18,522.89
Term Loan from Financial Institutions	25,388.43	23,413.67
Associated liabilities in respect of securitization transactions	299.46	1,235.73
b) Loans repayable on demand		
i) Secured		
Cash Credit from Banks	1,569.02	4,892.68
Total	49,983.76	48,064.97

18A Disclosure for Borrowings

Term loans from bank as on March 31st, 2023 : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2023	As at 31st March 2022
Monthly	Upto 5 Years	9.01%-10.00%	2,851.18	-
Monthly	Upto 5 Years	10.01%-11.00%	7,826.55	652.02
Monthly	Upto 5 Years	11.01%-12.00%	6,990.33	7,300.35
Monthly	Upto 5 Years	12.01%-13.00%	2,611.83	4,998.22
Monthly	Upto 5 Years	13.01%-14.00%	2,073.88	4,380.45
Monthly	Upto 5 Years	14.01%-15.00%	373.08	1,191.85
Total			22,726.85	18,522.89

Details of Securities Given

Term loan from banks are secured by first charge on specific receivables under Hypothecation Agreements. It is further secured by personal guarantees of Mr. M.G.Jawanjar and Mr. S.M.Jawanjal.

Term Loan taken from SBI is secured by equitable mortgage of Office premises situated at 1st & 2nd Floor at Avinisha Tower, Dhantoli, Nagpur.

Term loans from Financial Institutions as on March 31st, 2022 : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2023	As at 31st March 2022
Monthly	Upto 5 Years	10.01%-11.00%	902.63	1,348.00
Monthly	Upto 5 Years	11.01%-12.00%	13,164.69	2,806.14
Monthly	Upto 5 Years	12.01%-13.00%	5,310.93	5,127.56
Monthly	Upto 5 Years	13.01%-14.00%	3,160.47	14,131.97
Monthly	Upto 5 Years	14.01%-15.00%	2,679.87	-
Monthly	Upto 5 Years	15.01%-16.00%	169.84	-
Total			25,388.43	23,413.67

Details of Securities Given

Term loan from financial institutions is secured by first charge on specific receivables under Hypothecation Agreements other than those hypothecated to banks. It is further secured by personal guarantees of Mr. M.G.Jawanjar and Mr. S.M.Jawanjal.

Loan repayable on demand from bank : Secured
(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2023	As at 31st March 2022
Bank overdraft/Cash Credit	Bullet	9.00%-13.00%	1,569.02	4,892.68
Total			1,569.02	4,892.68

Details of Securities Given

Loan repayable on demand from bank is secured by:

- First charge on Hypothecation loan receivables present and future, ranking pari passu, excluding assets which are specifically charged to others lenders.
- Equitable mortgage of Office premises situated at Amravati, Akola, Chandrapur, Chhindwara, Raipur and Nagpur office 3rd Floor.
- Hypothecation of furniture/Fixture/Computers/Equipments in the above office premises.
- Personal guarantees of Mr. M.G.Jawanjar, Mrs Jyoti Jawanjar and Mr. S.M.Jawanjal.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed. The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. Quarterly Returns or Statements of current assets filed by the Company with Banks or Financial Institutions are prima facie in agreement with the Books of Accounts prepared before giving the effect for adjustments made pursuant to Ind-AS.

19 Deposits
(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At Amortised cost :		
Deposits (Unsecured)		
- Public deposits	16,817.80	14,169.11
- Inter corporate deposits	917.22	555.19
Director and director relatives	276.66	339.84
Total	18,011.68	15,064.14

19.1 Maturity profile of public deposit (Including unclaimed deposit) and Rate of interest of Deposit (Fixed Deposits) are as set out below:
(₹ in Lakhs)

Rate of Interest	As at 31st March 2023		
	Upto 1 Year	1-3 Years	Total
8.50%	1,685.78	-	1,685.78
8.75%	2,684.76	446.29	3,131.05
9.00%	393.73	1,743.08	2,136.81
9.25%	236.83	931.71	1,168.54
9.50%	2,512.53	2,303.58	4,816.11
9.75%	1,687.07	925.65	2,612.72
10.00%	0.61	2,049.32	2,049.93
10.50%	-	964.42	964.42
Total	9,201.31	9,364.05	18,565.36

(₹ in Lakhs)

Rate of Interest	As at 31st March 2022		
	Upto 1 Year	1-3 Years	Total
8.50%	753.84	-	753.84
8.75%	1,015.56	168.09	1,183.65
9.00%	842.93	675.31	1,518.24
9.25%	1,586.39	519.67	2,106.06
9.50%	1,298.42	2,590.70	3,889.12
9.75%	796.57	2,012.79	2,809.36
10.00%	1,388.69	916.16	2,304.85
10.50%	-	914.58	914.58
Total	7,682.40	7,797.30	15,479.70

20 Other Financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Employee benefits payable	304.07	299.82
Unclaimed Dividend	1.17	1.19
Other expenses payable	48.77	41.26
Security deposits	347.25	330.49
Unclaimed matured deposits (Refer note 19.1)	553.68	415.56
Lease liability (Refer note 20.1)	752.09	285.96
Other credit balances	112.13	27.28
Advances from dealers	424.77	523.37
Total	2,543.93	1,924.93

20.1 Movement of lease liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Balance	285.96	221.89
Additions	803.22	199.28
Interest expenses	78.78	34.90
Payments	(401.21)	(139.01)
Deletions	(14.66)	(31.10)
Total	752.09	285.96

21 Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Current income tax payable for 31 March 2023, net of advance tax of INR 700.00 lakhs and TDS receivable of INR 53.93 lakhs (31 March 2022: net of advance tax INR 503.29 lakhs and TDS receivable INR 31.18 lakhs)	143.04	140.66
Total	143.04	140.66

22 Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits	-	-
Provision for gratuity (Refer Note 40)	262.01	232.45
Provision for compensated absences (Refer Note 40)	145.10	127.81
Total	407.11	360.26

23 Other Non Financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues payable	364.63	210.28
Total	364.63	210.28

24 Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Authorized		
1,45,00,000 (31 March 2022: 1,45,00,000) Equity shares of INR 10/- each.	1,450.00	1,450.00
5,00,000 (31 March 2022: 5,00,000) 0.1% Cumulative Compulsorily Convertible Participating Preference shares of INR 10/- each.	50.00	50.00
	1,500.00	1,500.00
Issued, Subscribed and Paid up		
1,23,36,846 (31 March 2022: 1,23,36,846) Equity shares of INR 10/- each.	1,233.68	1,233.68
Total	1,233.68	1,233.68

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year (₹ in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	123.37	1,233.68	100.08	1,000.78
Add: Issued during the year - Private Placement	-	-	23.29	232.90
Outstanding at the end of the year	123.37	1,233.68	123.37	1,233.68

On March 21, 2022, the Company allotted fully paid up 23,29,048 equity shares of face value of ₹10/- each in the preferential issue through private placement basis at an issue price of ₹429.36/- per shares (including premium of ₹419.36/- per equity shares).

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of paid up share capital i.e equity share having a face value of INR 10 each. Each holder of equity shares is entitled to one vote per share.

(c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholders	As at 31st March 2023		As at 31st March 2022	
	Number of shares	% Holding	Number of shares	% Holding
i) M/s Avino Capcons Pvt Ltd	14,88,484	12.06%	14,88,484	12.06%
ii) Mr.Maroti Jawanjar	10,22,894	8.29%	10,22,894	8.29%
iii) Mr.Maroti Jawanjar (HUF)	8,68,954	7.04%	8,68,954	7.04%
iv) Amicus Capital Private Equity I LLP	21,28,263	17.25%	21,28,263	17.25%
v) Maj Invest Financial Inclusion Fund III K/S	19,79,691	16.05%	19,79,691	16.05%
Total	74,88,286	60.69%	74,88,286	60.69%

(d) Shareholding of Promoters

Name of the Promoter	As at 31st March 2023		As at 31st March 2022		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Maroti Jawanjar	10,22,894	8.29%	10,22,894	8.29%	0.00%
Sandeep Jawanjal	3,29,718	2.67%	3,26,318	2.64%	0.03%
Maroti Jawanjar (HUF)	8,68,954	7.04%	8,68,954	7.04%	0.00%
Jyoti Jawanjar	2,74,550	2.22%	2,74,550	2.22%	0.00%
Avino Capcons Pvt Ltd	14,88,484	12.07%	14,88,484	12.07%	0.00%
Bakul Jawanjal	1,01,000	0.82%	1,01,000	0.82%	0.00%
Radhemohan Jawanjal	1,400	0.01%	1,400	0.01%	0.00%
Sandeep Jawanjal(HUF)	1,17,700	0.95%	1,17,700	0.96%	0.00%

25 Other equity

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Retained earnings	143.89	107.96
General Reserve	8,182.65	7,082.65
Securities Premium	14,123.94	14,123.93
Employee stock options plan	126.49	103.02
Statutory Reserve	3,712.95	3,262.95
Total	26,289.92	24,680.51

(A) Retained earnings

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	107.96	108.19
Add: Net profit for the year	1,708.12	1,741.97
Add/(Less): Other comprehensive income	1.15	(92.14)
Appropriations:		
Less: Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(450.00)	(450.00)
Dividend Paid	(123.34)	(100.06)
Transfer to General Reserve	(1,100.00)	(1,100.00)
Closing balance	143.89	107.96

(B) General Reserve

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	7,082.65	5,982.65
Add: Transferred during the year	1,100.00	1,100.00
Closing balance	8,182.65	7,082.65

(C) Securities Premium (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	14,123.94	4,675.44
Add: Premium on issue of Equity Shares	-	9,767.10
Less: Expenses related to Issue of Shares (Private Placement)	-	-
Less: Expenses related to Issue of Shares (Private Placement)	-	(318.60)
Closing balance	14,123.94	14,123.94

(D) Share option outstanding (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	103.02	62.38
Add: Share based payment expense	23.47	40.64
Closing balance	126.49	103.02

(E) Statutory Reserve (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	3,262.95	2,812.95
Add: Transferred during the year	450.00	450.00
Closing balance	3,712.95	3,262.95

Description of the nature and purpose of Other Equity :

- (A) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).
- (B) **General Reserve:** General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956.
- (C) **Securities premium:** Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.
- (D) **Employee stock options plan:** Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the Group.
- (E) **Statutory Reserve:** Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

The Company has transferred 26% of the profit after tax (as against 20%) required to the statutory reserves in accordance to the provision of Section 45-IC Reserve Bank of India Act, 1934.

26 Interest Income (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest income on financial assets measured at fair value through profit or loss:		
- Interest income on bonds held for trading	-	-
Interest income on financial assets measured at amortised cost:		
- Interest on loans	20,163.14	15,558.93
- Interest on fixed deposits with banks	330.83	238.64
- Interest income from investments;	106.63	86.20
- Interest on security deposits	4.44	4.99
Total	20,605.04	15,888.76

27 Dividend Income		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Dividend received	0.07	0.05	
Total	0.07	0.05	

28 Fee & Commission Income		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Fee & Commission Income	1,060.70	1,630.48	
Total	1,060.70	1,630.48	

29 Net gain/ (loss) on fair value changes*		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Net gain/ (loss) on financial instruments designated at fair value through profit or loss	10.34	8.73	
Total Net gain/(loss) on fair value changes (A)	10.34	8.73	
Fair Value changes:			
-Realised	0.00	6.71	
-Unrealised	10.34	2.02	
Total Net gain/(loss) on fair value changes (B) to tally with (A)	10.34	8.73	

*Fair value changes in this schedule are other than those arising on account of interest income/expense.

30 Other operating Income		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Securitisation fees	112.78	22.29	
Total	112.78	22.29	

31 Other Income		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Profit on sale of assets	2.86	0.19	
Gain on derecognition of leased asset	0.10	0.05	
Gain on termination of lease	1.84	5.80	
Miscellaneous income	2.43	3.55	
Total	7.23	9.59	

32 Finance Costs		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
On Financial liabilities measured at Amortised Cost			
Interest on deposits	1,582.38	1,293.95	
Interest on borrowings	6,120.65	6,034.71	
Interest on debt securities	2,067.99	1,558.16	
Interest on lease liabilities	78.78	34.89	
Bank charges	144.74	99.35	
Total	9,994.54	9,021.06	

33 Impairment on financial instruments

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Financial assets measured at amortised cost		
Loans	3,067.99	964.44
Total	3,067.99	964.44

34 Employee Benefits Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries, wages and bonus	3,069.23	2,215.51
Contribution to provident and other funds	190.36	143.83
Gratuity expenses (Refer Note 40)	60.71	33.65
Compensated absences expenses	53.83	68.07
Staff welfare expenses	6.68	18.58
Share based payment to employees	23.47	40.62
Commission to Managerial persons	78.00	118.65
Total	3,482.28	2,638.91

35 Depreciation and amortization expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Depreciation on property plant & equipments	110.08	87.71
Depreciation on right to use assets	258.48	121.53
Amortization of intangible assets	27.88	27.80
Total	396.44	237.04

36 Other expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Rent expenses	100.41	80.33
Rates and taxes	3.39	4.68
Goods & Service Tax	389.85	468.95
Conveyance & Travelling	247.20	176.66
Directors sitting fees	1.82	2.72
Legal and Professional charges	270.87	214.35
Advertisement Expenses	17.50	23.24
Marketing Commission	841.62	795.98
Courier & Postage Charges	93.14	77.85
Computer Charges	156.50	124.70
Electricity expenses	52.22	44.09
Office Car Expenses	1.58	0.77
Printing & Stationery	136.68	107.77
Telecom Charges	93.18	76.29
Office Expenses	111.94	114.47
Office Building Maintenances	6.58	5.27
Statutory Auditors remuneration (Note I)	15.00	2.90
CSR Contribution (Note II)	51.01	51.18
Misc Expenses	91.64	88.84
Total	2,682.13	2,461.04

Note I – Payments to Auditors

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Statutory audit fees	9.00	2.00
Taxation matters	1.00	0.75
Other Attest Services	5.00	0.15
Total	15.00	2.90

Note II - Corporate Social Responsibility (CSR) :

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company has made CSR expenditure for activities specified in Schedule VII of the Companies Act, 2013. As per section 135 (5) of the Companies Act, 2013, the Company was required to spend, in every financial year, at least two per cent of the average net profit of the company made during three immediately preceding financial years in pursuance of its Corporate Social Responsibility. The details are as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Amount required to be spent by the Company during the year	48.10	46.85
Amount of expenditure incurred	51.01	50.18
Shortfall at the end of the year*	-	-

The breakup of expenditure incurred on Corporate Social Responsibility activities:

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	51.01	50.18
- Paid in cash	51.01	50.18
- Yet to be paid in cash	-	-
Total	51.01	50.18

CSR activities include promoting health care, undertaking livelihood enhancement projects, promoting education, including special education, eradicating hunger, poverty and malnutrition which are specified under Schedule VII of Companies Act, 2013. The Company has neither made any CSR Contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended 31 March 2023 and 31 March 2022.

37 Earnings per share

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit / (loss) attributable to ordinary equity holders	1,708.12	1,741.97
Less: Dividend attributable to preference shareholders (including tax thereon, if any)	-	-
Profit / (loss) attributable to ordinary equity holders	1,708.12	1,741.97
Weighted average number of equity shares for basic EPS	123.37	100.79
Weighted average number of equity shares for diluted EPS	123.86	101.41
Face Value per share		
Basic earnings/(loss) per share (INR)	13.85	17.28
Diluted earnings/(loss) per share (INR)	13.79	17.18

38 Contingent liabilities

The Company is contesting the demand to the tune of ₹ 7.46 lakhs (31 March 2022: ₹ 7.46 lakhs) in respect of income tax matter relating to Assessment Year 2017-18 before the Commissioner of Income Tax (Appeals). Based on interpretation of the relevant provisions of the Income Tax Act, the company has been legally advised that the impugned demand is likely to be deleted and accordingly no provision is considered necessary.

39 Capital Commitments

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

40 Employee benefits**(A) Defined Contribution Plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Contribution to Provident, ESIC and labour welfare fund (Refer Note 34)	190.36	143.83
Total	190.36	143.83

(B) Defined benefit plans**a) Gratuity payable to employees**

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each reporting period using the projected unit credit method.

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience:

Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates:

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Basis of Assumptions

Calculating Defined benefit obligation, by using Projected Unit Credit Method, requires an actuary to make a lot of assumptions, based on current market scenarios. The basis of different assumptions used while calculating the defined benefit obligation is as follows :-

Discount rate

Discount rate has been determined by reference to market yields on Government bonds of term consistent with estimated term of obligations.

Mortality/ disability

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

Employee turnover/withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

Salary escalation rate

More or less than expected increase in the future salary levels may result in increase / decrease in the liability.

i) Principal assumptions used for the purposes of the actuarial valuations (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<u>Economic Assumptions</u>		
Discount rate (per annum)	7.50%	7.10%
Salary Escalation rate	6.00%	6.00%
<u>Demographic Assumptions</u>		
Mortality	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)
Employee turnover/Withdrawal rate	1% at all ages	1% at all ages
Retirement age	58 Years	58 Years

ii) Amount recognized in the Balance Sheet: (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Present value of unfunded obligation as at the end of the year	262.01	232.45
Net liability recognized in Balance Sheet (Refer Note 22)	262.01	232.45
Current obligation	61.33	54.58
Non-current obligation	200.68	177.87

iii) Changes in the present value of defined benefit obligation (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Present value of obligation at the beginning of the year	232.45	131.75
Interest cost	16.51	8.89
Current service cost	44.21	24.77
Benefits paid	(29.62)	(6.57)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(14.54)	(11.53)
Actuarial (gain)/ loss on obligations - Due to experience adjustments	13.01	85.14
Present value of obligation at the end of the year	262.02	232.45

iv) Expense recognized in the Statement of Profit and Loss (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Current service cost	44.21	24.77
Net Interest cost	16.51	8.89
Total expenses recognized in the Statement Profit and Loss (Refer Note 34)	60.72	33.66

v) Expense recognized in Other comprehensive income
(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Remeasurements due to-		
- Effect of change in financial assumptions	(14.54)	(11.53)
- Effect of experience adjustments	13.01	85.14
Net actuarial (gains) / losses recognised in OCI	(1.53)	73.61

vi) A quantitative sensitivity analysis for significant assumption is shown below: (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Discount rate		
1% increase	(230.59)	(203.86)
1% decrease	300.82	267.86
Salary Escalation rate		
1% increase	301.03	267.89
1% decrease	(229.91)	(203.35)

vii) Maturity profile of defined benefit obligation (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Within next 12 months	61.33	54.58
Between 2 and 5 years	15.61	13.18
Between 6 and 10 years	29.41	22.10
Beyond 10 years	827.37	692.58
Total expected payments	933.72	782.44

41 Leases

The Company has taken office premises at certain locations on lease. The agreements are executed for a period ranging from 10 months to 60 months.

The changes in the carrying value of right of use assets for the years ended 31 March 2023 and 31 March 2022 has been disclosed in Note 14.

The aggregate depreciation expense on right of use assets is included under depreciation and amortisation expense in the statement of Profit and Loss (Refer Note 35).

The movement in lease liabilities has been disclosed in Note 20.1

The below table provides the details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Less than one year	402.70	106.69
More than one year	349.39	179.27
Total	752.09	285.96

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Short term leases:

Rental expense incurred and paid for short term leases during the year was INR 100.41 lakhs (31 March 2022: INR 80.33 lakhs).

42 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

(a) Enterprises over which Key Management Personnel are able to exercise significant influence:

- 1) Avino Capcons Private Ltd.
- 2) M.G.Jawanjar (HUF)
- 3) S.M.Jawanjal (HUF)

(b) Key Management Personnel and directors who have significant influence over the company:

- 1) M.G.Jawanjar
- 2) S.M. Jawanjal
- 3) D.R. Balpande
- 4) Shantaram Mahakalkar
- 5) Vishwas Pathak
- 6) Atul Sarda
- 7) Rashmi Mitkary
- 8) Avishek Addy
- 9) Harishchandra Sukhdeve
- 10) Siva Vadivel Alagan
- 11) Y.M. Tahalyani (CFO up to 22nd October 2022.)

(c) Relatives of Key Management Personnel and Directors:

- 1) Jyoti Jawanjar
- 2) Ravindra Balpande
- 3) Vaishali Charde
- 4) Bakul Jawanjal
- 5) Arjun Jawanjal

- 6) Radhemohan Jawanjal
- 7) Purushottam Mahakalkar
- 8) Mansaram Mahakalkar
- 9) Viveknand Pathak
- 10) Wasudha Pathak
- 11) Meena Pidadi
- 12) Hemant Charde
- 13) Mangala Mahakalkar
- 14) Arvind Mahakalkar
- 15) Swati Agnihotri

(B) Details of transactions with related parties in the ordinary course of business for the year ended:
(₹ in Lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
I) Key Management Personnel and Directors who have significant influence		
<u>Remuneration*</u>		
<i>M.G. Jawanjar</i>	97.59	109.21
<i>S.M. Jawanjal</i>	82.33	85.91
<i>D.R. Balpande</i>	26.15	23.49
<i>Y.M. Tahalyani</i>	9.66	10.59
<u>Interest on Deposit</u>		
<i>M.G. Jawanjar</i>	2.36	2.16
<i>S.M. Jawanjal</i>	3.01	7.14
<i>D.R. Balpande</i>	1.84	1.49
<i>Vishwas Pathak</i>	2.09	1.97
<i>Rashmi Mitkary</i>	0.14	0.13
<u>Deposit Repaid</u>		
<i>M.G. Jawanjar</i>	0.24	11.09
<i>S.M. Jawanjal</i>	69.79	46.37
<i>D.R. Balpande</i>	11.90	5.17
<i>Vishwas Pathak</i>	17.50	4.78
<i>Rashmi Mitkary</i>	0.75	0.71
<u>Loans Granted</u>		
<i>S.M. Jawanjal</i>	2.00	7.21
<u>Equity Dividend</u>		
<i>M.G. Jawanjar</i>	10.23	10.21
<i>S.M. Jawanjal</i>	3.29	3.23
<i>D.R. Balpande</i>	0.42	0.42
<i>Shantaram Mahakalkar</i>	0.30	0.30
<i>Vishwas Pathak</i>	0.25	0.28
<u>Interest on Loans</u>		
<i>S.M. Jawanjal</i>	0.21	0.12
<u>Repayment of Loans</u>		
<i>S.M. Jawanjal</i>	3.64	3.70
<u>Deposits Accepted</u>		
<i>M.G. Jawanjar</i>	-	11.00

<i>S.M. Jawanjal</i>	-	39.08
<i>D.R. Balpande</i>	10.60	13.50
<i>Vishwas Pathak</i>	16.72	4.58
<i>Rashmi Mitkary</i>	0.73	0.70
II) Relatives of Key Management Personnel and Directors		
<u>Remuneration</u>		
<i>Jyoti Jawanjar</i>	10.47	13.00
<u>Interest on Deposit</u>		
<i>Jyoti Jawanjar</i>	2.24	1.35
<i>Ravindra Balpande</i>	0.62	0.37
<i>Vaishali Charde</i>	6.76	5.05
<i>Hemant Charde</i>	1.50	1.29
<i>Bakul Jawanjal</i>	2.27	2.15
<i>Arjun Jawanjal</i>	0.15	0.15
<i>Radhemohan Jawanjal</i>	0.32	0.29
<i>Purushottam Mahakalkar</i>	0.80	0.77
<i>Mansaram Mahakalkar</i>	0.49	0.49
<i>Arvind Mahakalkar</i>	0.62	-
<i>Viveknand Pathak</i>	0.02	0.02
<i>Wasudha Pathak</i>	0.00	0.02
<i>Meena Pidi</i>	1.24	1.22
<i>Mangala Mahakalkar</i>	1.84	0.35
<i>Swati Agnihotri</i>	0.30	-
<u>Deposit Repaid</u>		
<i>Jyoti Jawanjar</i>	0.22	0.13
<i>Ravindra Balpande</i>	1.86	0.04
<i>Vaishali Charde</i>	30.79	30.93
<i>Hemant Charde</i>	15.16	0.13
<i>Bakul Jawanjal</i>	33.49	6.00
<i>Arjun Jawanjal</i>	0.28	1.32
<i>Radhemohan Jawanjal</i>	1.73	0.03
<i>Mansaram Mahakalkar</i>	0.49	
<i>Arvind Mahakalkar</i>	0.62	-
<i>Viveknand Pathak</i>	0.25	0.23
<i>Wasudha Pathak</i>	0.18	-
<i>Meena Pidi</i>	6.50	12.64
<i>Mangala Mahakalkar</i>	21.81	0.04
<i>Swati Agnihotri</i>	3.28	-
<u>Equity Dividend</u>		
<i>Jyoti Jawanjar</i>	2.75	2.75
<i>Ravindra Balpande</i>	0.03	0.03
<i>Vaishali Charde</i>	0.27	0.27
<i>Hemant Charde</i>	0.08	0.08
<i>Bakul Jawanjal</i>	1.01	1.01
<i>Radhemohan Jawanjal</i>	0.01	0.01
<i>Purushottam Mahakalkar</i>	0.03	0.03
<i>Mansaram Mahakalkar</i>	0.14	0.14

<i>Meena Pidad</i>	0.02	0.02
<i>Mangala Mahakalkar</i>	0.14	0.14
<i>Arvind Mahakalkar</i>	0.10	-
<u>Deposits Accepted</u>		
<i>Jyoti Jawanjar</i>	-	10.00
<i>Ravindra Balpande</i>	3.25	2.25
<i>Vaishali Charde</i>	28.29	58.13
<i>Hemant Charde</i>	13.43	6.50
<i>Bakul Jawanjal</i>	18.37	10.71
<i>Arjun Jawanjal</i>	0.26	1.30
<i>Radhemohan Jawanjal</i>	1.70	-
<i>Purushottam Mahakalkar</i>	2.50	6.22
<i>Arvind Mahakalkar</i>	-	6.50
<i>Viveknand Pathak</i>	0.25	0.23
<i>Meena Pidad</i>	5.93	12.43
<i>Mangala Mahakalkar</i>	21.63	20.00
<i>Swati Agnihotri</i>	2.68	-
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Interest on Deposit</u>		
<i>M.G. Jawanjar (HUF)</i>	2.31	1.09
<i>S.M. Jawanjal (HUF)</i>	0.58	0.47
<i>Avino Capcons Private Ltd.</i>	0.74	-
<u>Deposit Repayment</u>		
<i>M.G. Jawanjar (HUF)</i>	0.56	0.11
<i>S.M. Jawanjal (HUF)</i>	2.26	0.05
<i>Avino Capcons Private Ltd.</i>	0.74	-
<u>Equity Dividend</u>		
<i>Avino Capcons Private Ltd.</i>	14.88	14.88
<i>M.G. Jawanjar (HUF)</i>	8.69	8.69
<i>S.M. Jawanjal (HUF)</i>	1.18	1.18
<u>Deposit Accepted</u>		
<i>M.G. Jawanjar (HUF)</i>	8.00	10.00
<i>S.M. Jawanjal (HUF)</i>	2.20	1.00
<i>Avino Capcons Private Ltd.</i>	15.00	-

(C) Amount due to/from related parties

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
I) Key Management Personnel		
<u>Amount receivable for Loans Granted</u>		
<i>S.M. Jawanjal</i>	2.21	3.64
<u>Amount payable for Deposits Accepted</u>		
<i>M.G. Jawanjar</i>	25.21	23.09
<i>S.M. Jawanjal</i>	8.25	75.02
<i>D.R. Balpande</i>	19.49	18.95
<i>Vishwas Pathak</i>	22.91	21.60
<i>Rashmi Mitkary</i>	1.60	1.47
II) Relatives of Key Management Personnel		
<u>Amount payable for Deposits Accepted</u>		
<i>Jyoti Jawanjar</i>	24.82	22.80
<i>Ravindra Balpande</i>	7.18	5.17
<i>Vaishali Charde</i>	76.08	71.81
<i>Bakul Jawanjal</i>	13.34	26.19
<i>Arjun Jawanjal</i>	1.69	1.55
<i>Radhemohan Jawanjal</i>	3.33	3.05
<i>Purushottam Mahakalkar</i>	10.15	6.85
<i>Mansaram Mahakalkar</i>	5.00	5.00
<i>Viveknand Pathak</i>	0.27	0.25
<i>Meena Pidi</i>	14.18	13.51
<i>Hemant Charde</i>	15.69	15.91
<i>Mangala Mahakalkar</i>	21.97	20.32
<i>Swati Agnihotri</i>	2.72	-
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Amount payable for Deposits Accepted</u>		
<i>M.G. Jawanjar (HUF)</i>	29.11	19.36
<i>S.M. Jawanjal (HUF)</i>	6.11	5.59
<i>Avino Capcons Private Ltd.</i>	15.00	-

*The remuneration to key managerial personnel does not include the provision made for employee benefits (defined benefit plan and other long term benefits) as they are determined on an actuarial basis for the Company as a whole.

43 Operating Segment

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2023 or 31 March 2022.

44 Employee stock option scheme

- (a) On December 7, 2019 the members of company approved the Berar Stock Option Scheme 2019 (Scheme 2019) for issue of stock options to the key employees of the company. According to the Scheme 2019, the employee selected will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 60 months/ 48 months as the case may be.

In pursuant to the said scheme, the Company issued additional stock options on February 21, 2022.

(b) Summary of option granted under the scheme

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Opening balance	2.40	1.32
Granted during the year	-0.00	1.08
Exercised during the year	-	-
Forfeited / Lapsed during the year	(0.58)	-
Closing balance	1.82	2.40
Vested and exercisable	0.65	0.36

(c) Expiry date and exercises prices of the share options outstanding

(₹ in Lakhs)

Grant date	Expiry date	Exercise price	Share options as at 31 March 2023	Share options as at 31 March 2022
23 Dec 19	23 Dec 24	95.00	1.04	1.32
21 Feb 22	21 Feb 26	250.00	0.78	1.08
Total			1.82	2.40
Weighted average remaining contractual life of options outstanding at the end of year			2.90	3.90

- (d) The fair value of each option granted is estimated on the date of grant using the black Scholes model with the following assumptions

(₹ in Lakhs)

Scheme	A
Grant date	21 Feb 22
Weighted average fair value of options granted	83.04
Exercise price	250.00
Share price at the grant date	245.33
Expected volatility	39.97%
Risk free interest rate	5.29%
Expected dividend yield	0.41%

(₹ in Lakhs)

Scheme	A
Grant date	23 Dec 19
Weighted average fair value of options granted	110.41
Exercise price	95.00
Share price at the grant date	180.83
Expected volatility	30.50%
Risk free interest rate	6.29%
Expected dividend yield	Nil

(e) Expense arising from share based payment transaction (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Gross expense arising from share based payments	23.47	40.64
Less: Options granted to employees of subsidiaries recognised as deemed investment in subsidiaries	-	-
Less: Options granted to employees of subsidiaries on reimbursement basis over the vesting period	-	-
Employee share based payment expense recognised in statement of profit and loss (Refer Note 34)	23.47	40.64

45 Changes in Liability Arising from Financing Activities (₹ in Lakhs)

Particulars	1st April 2022	Cash Flows	Exchange Differences	Others	31st March 2023
Borrowings	43,172.29	4,913.49	-	328.96	48,414.74
Debt Securities	12,224.08	2,298.53	-	118.49	14,641.10
Deposits Taken	15,064.14	2,947.54	-	-	18,011.67

(₹ in Lakhs)

Particulars	1st April 2021	Cash Flows	Exchange Differences	Others	31st March 2022
Borrowings	43,604.78	(740.79)	-	308.30	43,172.29
Debt Securities	12,165.85	123.80	-	(65.57)	12,224.08
Deposits Taken	11,318.39	3,745.75	-	-	15,064.14

46 Fair values of financial assets and financial liabilities
Classification of financial assets and financial liabilities

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as fair value through profit and loss (FVTPL) and amortised cost.

(₹ in Lakhs)

Particulars	FVOCI	FVTPL	Amortised cost
As at 31 March 2023			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents			10,525.19
Bank Balances other than cash and cash equivalents			1,580.96
Loans			92,212.64
Investments		130.43	1,699.02
Other Financial assets			4,132.85
Financial liabilities			
Trade Payables			489.29
Debt Securities			14,641.10
Borrowings (Other than Debt Securities)			49,983.76
Deposits			18,011.68
Other financial liabilities			2,543.93

(₹ in Lakhs)

Particulars	FVOCI	FVTPL	Amortised cost
As at 31 March 2022			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents			9,507.52
Bank Balances other than cash and cash equivalents			4,371.89
Loans			81,933.84
Investments		119.45	1,442.84
Other Financial assets			4,063.88
Financial liabilities			
Trade Payables			462.55
Debt Securities			12,224.08
Borrowings (Other than Debt Securities)			48,064.97
Deposits			15,064.14
Other financial liabilities			1,924.93

47 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial instruments measured at fair value on a recurring basis:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2023				
Financial assets				
<u>Financial assets measured at fair value through profit or loss</u>				
Investment in equity instruments and Alternative Investment Fund	130.43	-	-	130.43
Total Financial Assets	130.43	-	-	130.43
As at 31 March 2022				
Financial assets				
<u>Financial assets measured at fair value through profit or loss</u>				
Investment in equity instruments, mutual funds and Alternative Investment Fund	119.45	-	-	119.45
Total Financial Assets	119.45	-	-	119.45

- 1) Investment in quoted equity instruments are valued using the closing market rate on the reporting date.
- 2) Investment in Mutual funds and Alternative Investment Funds are valued using the closing NAV on the reporting date.
- 3) Investment in gold is valued using the rate of gold as on the reporting date.

The carrying amount of cash and cash equivalents, trade receivables, bank balances other than cash and cash equivalents, trade payables, and other receivables & payables are considered to be the same as their fair values.

48 Financial risk management objectives

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance. Management has not formed formal risk management policies, however, the risks are monitored by management by analyzing exposures by degree and magnitude of risk on a continued basis. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to floating interest rate borrowings, hence it is not exposed to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's mainly transacting in INR and hence the company is not exposed to any foreign currency risk.

(B) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk by following adequate internal controls according to the materiality of the risk involved.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements."

Credit risk arises mainly from retail loans and advances and loan commitments arising from such lending activities. Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time.

Cash and cash equivalents are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.

(i) Loans and advances (including loan commitments and guarantees).

The estimation of credit exposure for risk management purposes is complex, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as Probability of Default ("PD") and Loss Given Default ("LGD").

Computation of allowance for impairment losses:

The Company prepares its financial statements in accordance with the IND AS framework.

As per the RBI notification on acceptance of IND AS for regulatory reporting, the Company computes provision as per IND AS 109 as well as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where impairment allowance in aggregate for the Company under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning) for the Company, the difference is appropriated from net profit or loss after tax to a separate 'Impairment Reserve'. Any withdrawals from this reserve shall be done only with prior permission from the RBI.

In the current year, the provision as per IRACP has been done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 wherein the borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such

processes. Similarly, classification of borrower accounts as Non-Performing Asset shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset shall reflect the asset classification status of an account at the day-end of that calendar date.”

ECL allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgement and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the “Base case” (the “Central” scenario) and two “Worst case” scenarios (the “Downside” scenario) and three “Best case” (the “Upside” scenario). Probability weights are assigned to each scenario. The Central scenario is based on the Company outlook of GDP growth, inflation, unemployment and interest rates for India and most relevant for the Company’s loan portfolio. The Upside and Downside scenarios generated at the reporting dates are designed to cover cyclical changes and are updated during the year only if the economic conditions change significantly.

In case where the estimate based on ECL model does not appropriately capture the stress in the portfolio given the lag effect between the actual stress and its impact on ECL computation, the management estimates an additional provision over and above the estimate based on the model and computation methodology stated above. This additional provision is referred to as management overlay.

(ii) Other remaining financial assets (‘Other financial assets and loans)

Other financial assets mainly includes deposit and advances given, and receivables from recovery agents. Loans, being a primary part of our operations, represent vehicle loans given to various parties for purchasing motor vehicles. Based on assessment carried by the Company, the majority receivables under this category is classified as “Stage 1” while provision has been created at INR 49.73 million on the remaining receivables. The provision is created with respect to the established policy by Company to perform an assessment, at the end of each reporting period, of whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Furthermore, there is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible for the receivables categorised under “Stage 1”.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Company’s financial liabilities:

(₹ in Lakhs)			
Particulars	Within 12 Months	Beyond 12 Months	Total
31 March 2023			
Trade payables	489.29	-	489.29
Debt Securities	7,536.99	6,020.69	13,557.69
Borrowings	30,122.77	24,295.87	54,418.63
Deposits (Including Unclaimed Deposits)	9,533.79	10,788.04	20,321.82
Other financial liabilities	2,196.68	347.25	2,543.93
Total	49,879.52	41,451.85	91,331.36

(₹ in Lakhs)

Particulars	Within 12 Months	Beyond 12 Months	Total
31 March 2022			
Trade payables	462.55	-	462.55
Debt Securities	5,188.97	9,967.03	15,156.00
Borrowings	32,745.42	19,899.52	52,644.94
Deposits (Including Unclaimed Deposits)	7,979.76	8,971.10	16,950.86
Other financial liabilities	986.00	330.49	1,316.49
Total	47,362.70	39,168.14	86,530.84

49 Maturity analysis of assets and liabilities

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

Maturity analysis of assets and liabilities as at 31st March 2023

(₹ in Lakhs)

Particulars	As at 31st March 2023		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	10,525.19	-	10,525.19
Bank Balances other than cash and cash equivalents	517.96	1,063.00	1,580.96
Loans	60,046.28	32,166.36	92,212.64
Investments	113.93	1,715.52	1,829.45
Other Financial assets	4,132.85	-	4,132.85
Tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	967.65	967.65
Investment Property	-	-	-
Property, Plant and Equipment	-	1,866.62	1,866.62
Capital Work in Progress	-	31.39	31.39
Intangible assets	-	66.74	66.74
Right to use assets	-	813.70	813.70
Non-financial assets	80.95	-	80.95
Total Assets	75,417.16	38,690.98	1,14,108.14
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	489.29	-	489.29
Debt Securities	7,520.00	7,121.10	14,641.10
Borrowings (Other than Debt Securities)	27,745.54	22,238.22	49,983.76
Deposits	8,647.62	9,364.06	18,011.68
Other Financial liabilities	1,444.59	1,099.34	2,543.93
Tax liabilities (Net)	143.04	-	143.04
Provisions	407.11	-	407.11
Non-financial liabilities	364.63	-	364.63
Total Liabilities	46,761.82	39,822.72	86,584.54

Maturity analysis of assets and liabilities as at 31st March 2022

(₹ in Lakhs)

Particulars	As at 31st March 2022		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	9,507.52	-	9,507.52
Bank Balances other than cash and cash equivalents	3,552.02	819.87	4,371.89
Loans	43,586.89	38,346.95	81,933.84
Investments	92.84	1,469.45	1,562.29
Other Financial assets	4,063.88	-	4,063.88
Tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	672.69	672.69
Investment Property	-	-	-
Property, Plant and Equipment	-	1,794.81	1,794.81
Capital Work in Progress	-	21.99	21.99
Intangible assets	-	71.85	71.85
Right to use assets	-	271.61	271.61
Non-financial assets	93.69	-	93.69
Total Assets	60,896.84	43,469.22	1,04,366.06
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	462.55	-	462.55
Debt Securities	4,280.00	7,944.08	12,224.08
Borrowings (Other than Debt Securities)	29,799.57	18,265.40	48,064.97
Deposits	7,266.85	7,797.29	15,064.14
Other Financial liabilities	1,281.21	643.72	1,924.93
Tax liabilities (Net)	140.66	-	140.66
Provisions	360.26	-	360.26
Non-financial liabilities	210.28	-	210.28
Total Liabilities	43,801.38	34,650.49	78,451.87

50 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders.

The Company's objective while managing the capital are to :-

- 1) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders;
- 2) Maintain an optimal Capital Structure to reduce the cost of capital
- 3) Maximize shareholder value

The company strategically manages its funds by :-

- 1) Maintaining diversity of sources of funding and spreading the maturity across periods in order to minimize the liquidity risk.
- 2) Minimizing or wherever possible, eliminating exposure to market rate risks like foreign exchange risk, interest rate risk and commodity price risk, thereby minimizing the impact of market volatility on earnings.
- 3) Analyzing the changes in macro economic factors affecting business environment and re-organizing its capital structure accordingly to adapt to the ever changing dynamics of business environment

- 4) By continuously monitoring and adjusting overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives.

The company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net gearing ratio : Net Debt (total borrowings net of cash and cash equivalents) divided by Total Equity (as shown in the balance sheet).

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Gross Debt	83,190.22	75,768.75
Less: Liquid Assets	(10,525.19)	(9,507.52)
Net Debt	72,665.03	66,261.24
Equity	27,523.60	25,914.20
Net Gearing Ratio	2.64	2.56

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2023.

51 Analytical Ratios

Particulars	As at 31st March 2023	As at 31st March 2022	% Variance	Reasons for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)				LGD has been increased from Last financial year due to which Stage I provision (Which is a part of Tire II Capital) has been increased beyond 25%.
Tier I CRAR	25.90%	28.51%	-9.15%	
Tier II CRAR	0.43%	0.33%	30.30%	
Liquidity Coverage Ratio	164.62%	170.54%	-3.47%	

52 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023 and March 31, 2022.

53 Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

54 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2023 and March 31, 2022.

55 Expenditure in foreign currency

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Share Issue Expenses*	-	30.00
Dividend Paid	19.80	-
Legal and Professional charges (MAJ)	30.03	-
Computer Charges	7.83	-

* Share issue expenses are charged directly to the Securities premium account.

56 Floating charge on investment in government securities and Bank Deposits with Nationalised Banks

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities and bank deposits with Nationalised banks to the extent of ₹2515.33 Lakhs (March 31, 2022: ₹2185.23 Lakhs) in favour of trustees representing the public deposit holders of the Company.

57 Refer note 3.1 Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

58 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

59 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2023 and March 31, 2022. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

60 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

61 Compliance with approved Scheme(s) of Arrangements

The Company has not approved any scheme of arrangements in the financial years ended March 31, 2023 and March 31, 2022

62 Utilisation of Borrowed funds and share premium

The Company, as part of its normal business, grants loans and advances, makes investment, to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

63 Undisclosed income

There are no transactions not recorded in the books of accounts.

64 Change in the process of NPA Classification.

Pursuant to RBI circular RBI/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. During the year, for calculation of ECL provision, the Company has change the asset classification from DPD basis to asset classification pursuant to the RBI circular dated November 12, 2021. Had the Company followed the earlier method of calculating ECL provision, the profit before tax for the year ended on March 31, 2023 would have been higher by ₹ 355.11 Lakhs

65 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2023 and March 31, 2022.

66 Relationship with Struck off Companies

The Company has not done any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2023 and March 31, 2022

67 Liquidity Coverage Ratio Disclosure

Disclosure as per circular no.RBI/2019-20/88 DOR.NBFC(PD)CC. No.102/03.10.001/2019-20 dated November 04,2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio(LCR)", Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2023, December 31,2022, September 30,2022 and June 30,2022.

(₹ in Crores)

Particular	31-Mar-23		31-Dec-22		30-Sep-22		30-Jun-22		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	
High Quality Liquid Assets									
1	**Total High Quality Liquid Assets (HQLA)	33.33	30.00	29.34	26.20	26.53	23.60	22.10	19.19
Cash Outflow									
2	Deposits (for deposit taking companies)	10.76	12.38	6.19	7.12	3.32	3.82	5.63	6.47
3	Unsecured wholesale funding	0.04	0.05	0.40	0.46	0.25	0.29	0.23	0.26
4	Secured wholesale funding	46.02	52.91	37.46	43.08	31.85	36.63	28.93	33.27
5	Additional requirements, of which	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Outflow related to loss of funding on debt product	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding obligations	6.56	7.55	5.26	6.05	39.46	45.38	6.12	7.04
7	Other contingent funding obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	TOTAL CASH OUTFLOW	63.38	72.89	49.31	56.70	74.89	86.12	40.91	47.05
Cash Inflows									
9	Secured lending	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Inflow from fully performing exposures	80.94	60.71	83.01	62.26	69.95	52.46	60.58	45.44
11	Other cash inflow	0.40	0.30	0.60	0.45	0.33	0.25	0.28	0.21
12	TOTAL CASH INFLOWS	81.34	61.01	83.61	62.71	70.27	52.71	60.86	45.65
13	TOTAL HQLA		30.00		26.20		23.60		19.19
14	TOTAL NET CASH OUTFLOWS		18.22		14.18		21.53		11.76
15	LIQUIDITY COVERAGE RATIO (%)		164.62		184.80		109.61		163.19

Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and Outflow.

The figures pertaining to December 31, 2022 , September 30, 2022 and June 30, 2022 are unaudited and are as represented by the management, which have been relied upon by the auditors.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company, which has been relied upon by the auditors.”

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All nondeposit taking NBFCs with asset size of Rs.10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLA s to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

The LCR is calculated by dividing the company’s stock of HQLA by its total net cash outflows over a 30-day stress period. “High Quality Liquid Assets (HQLA)” means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total Net cash outflows is defined as total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow.

The average LCR for the quarter ended June 30, 2022, September 30, 2022, and December 31, 2022 is computed as simple averages of monthly observations over the previous quarter. The average LCR for the quarter ended March 31, 2023 is computed as simple averages of daily observations over the previous quarter.

The average LCR for the quarter ended March 31, 2023 is 164.62% which is well above the RBI regulatory requirement.

68 Liquidity Risk

Public Disclosure on Liquidity Risk for the quarter ended March 2023 pursuant to RBI circular dated 4th November 2019 on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies.

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant counter parties	Amount (₹ in Crores)	% of total Deposits	% of Total Liabilities
1	25	593.02	-	68.49%
2	2	5.78	3.11%	-

(ii) Top 20 large deposits (₹ in Crores)

Particulars	As at March 31st, 2023
Total amount of Top 20 Large Deposits	23.8
% of amount of Top 20 Large Deposits to Total Deposits	12.82%

(iii) Top 10 borrowings (Note: All borrowing other than deposits) (₹ in Crores)

Particulars	As at March 31st, 2023
Total amount of Top 10 Borrowings	377.85
% of amount of Top 10 Borrowings to Total Borrowings	58.47%

(iv) Funding Concentration based on significant instrument / product **(₹ in Crores)**

Sl. No.	Name of the Instrument/product	Amount	% of Total Liabilities
1	Non-Convertible Debentures	146.41	16.91%
2	Term loan	484.15	55.92%
3	Public Deposits	144.71	16.71%
4	Commercial paper	0.00	0.00%
5	Other Bank Borrowings	0.00	0.00%

(v) Stock Ratios:

Sl. No.	Name of the Instrument / Product	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	0.00	0.00	0.00
2	Non-Convertible Debentures (original maturity < 1 year)	0.00	0.00	0.00
3	Other Short- term Liabilities	53.45	51.36	38.10

(vi) Institutional setup for Liquidity Risk management

Refer note no. 48 Risk management structure and Liquidity Risk and Funding Management for Institutional setup for Liquidity Risk Management

Board has setup the Asset Liability Management Committee (ALCO) and Risk Management Committee to manage various risks of the Company. ALCO meets on a regular basis and is responsible for ensuring adherence to the risk tolerance/limits set by the Board including the Liquidity risk of the Company. The performance of the ALCO is reviewed by Board.

The Company has formulated a policy on Liquidity Risk Management Framework. Accordingly, the Company,

- Performs stress testing on a quarterly basis which enables the Company to estimate the liquidity requirements as well as adequacy and cost of the liquidity buffer under stressed conditions.
- Has also formulated a contingency funding plan as a part of the outcome of stress testing results.
- Monitors liquidity risk based on 'Stock' approach to liquidity by way of pre-defined internal limits for various critical ratios pertaining to liquidity risk."

The Company has diversified source of funding to ensure that there is no significant source, the withdrawal of which could trigger liquidity problems.

The Company monitors cumulative mismatches across all time buckets by establishing internal prudential limits. The Company maintains adequate liquidity buffer of readily marketable assets, to protect itself against any liquidity risk at the same time is mindful of the cost associated with it.

Notes:

1. As per the circular issued by RBI on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies dated 04th Nov 2019, "Significant counterparty" is defined as a single counter party or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the total Liabilities and "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total Liabilities.
2. Total Liabilities represent 'Total Liabilities and Equity' as per Balance sheet less Equity.
3. Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. Other Short-term liabilities represent all Short-term borrowings other than CPs.

69 Customers Complaints
Disclosure of complaints
Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:

Sr. No.	Particulars	Current Year	Previous Year
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	0	0
2	Number of complaints received during the year	428	162
3	Number of complaints disposed during the year	428	162
3.1	Of which, number of complaints rejected by the NBFC	28	0
4	Number of complaints pending at the end of the year	0	0
4.1	Maintainable complaints received by the NBFC from Office of Ombudsman	11	11
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman		
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	11	11
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6*	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended March 31,2023					
CIBIL related complaints	0	121	236.11%	0	2
Customer Services related complaints	0	60	160.87%	0	0
NOC related complaints	0	96	284.00%	0	0
Penalty charges related complaints	0	67	135.71%	0	0
CIBIL and NOC related complaints	0	5	150.00%	0	1
Others	0	79	62.50%	0	1
Total	0	428	262.96%	0	4
Year ended March 31,2022					
CIBIL related complaints	0	36	1100%	0	2
Customer Services related complaints	0	23	2300%	0	1
NOC related complaints	0	25	317%	0	1
Penalty charges related complaints	0	28	600%	0	0
CIBIL and NOC related complaints	0	2	200%	0	0
Others	0	48	433%	0	2
Total		162	636%	0	6

70 Details of Registration with Financials Regulators

Sr.No	Regulator	Registration No.
a.	Ministry of Company Affairs	U65929MH1990PLC057829
b.	Reserve Bank of India	13.01109

71 Rating assigned by Credit Rating Agencies

Sr. No.	ISIN/Instrument Name	Rating by CARE Ratings Limited	Rating by ICRA Limited	Rating by Acuite Ratings & Research Limited
1	Fixed Deposits Programme	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable); reaffirmed, put on notice for withdrawal for 6 months	-
2	Long Term Bank Facilities	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable); reaffirmed, withdrawn and removed from issuer non-cooperation category	BBB+ Positive
3	Long Term Bank Facilities – Term Loan (TL)	A- (CE); Stable	A- (CE) (Stable); reaffirmed, withdrawn and removed from issuer non-cooperation category	A (CE) Positive
4	Non-Convertible Debentures	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable) reaffirmed and removed from issuer non-cooperation category*	-
5	Market Linked Debentures	BBB+; Stable (Triple B Plus; Outlook: Stable)	PP -MLD[ICRA]BBB(Stable) reaffirmed and removed from issuer non-cooperation category	-

*The NCDs issued and allotted under the ISIN INE998Y07113, INE998Y07121 and INE998Y07139 are rated only by CARE Ratings Limited.

72 Concentration of Deposits, Advances, Exposures and Stage III Assets**a. Concentration of Deposits (₹ in Crores)**

Particulars	Amount
Total Deposits of Twenty Largest Depositors	23.80
Percentage of Deposits of Twenty largest depositors to Total Deposits	12.82%

b. Concentration of Advances (₹ in Crores)

Particulars	Amount
Total Advances of Twenty Largest borrowers	0.82
Percentage of Advances of Twenty largest borrowers to Total Advances	0.00%

c. Concentration of Exposures (₹ in Crores)

Particulars	Amount
Total Exposure of Twenty Largest borrowers	0.82
Percentage of Exposure of Twenty largest borrowers to Total Exposure	0.00%

d. Concentration of NPAs (₹ in Crores)

Particulars	Amount
Total Exposure of Top Four NPAs	0.26

73 Movements of NPAs

(₹ in Crores)

Particulars		As at 31st March 2023	As at 31st March 2022
i)	Net NPAs to Net Advances (%)	3.03%	2.23%
ii)	Movements of NPAs (Gross)		
	a. Opening Balances	25.55	16.84
	b. Addition during the year	34.94	21.11
	c. Reduction during the year	16.36	12.40
	d. Closing Balance	44.14	25.55
iii)	Movements of Net NPAs		
	a. Opening Balances	18.30	11.49
	b. Addition during the year	26.23	15.43
	c. Reduction during the year	16.36	8.62
	d. Closing Balance	28.17	18.30
iv)	Movements of ECL on NPAs		
	a. Opening Balances	7.25	5.35
	b. Provision made during the year	8.72	1.91
	c. Write-off/ Write back of excess provision		
	d. Closing Balance	15.97	7.25

74 NPAs as a percentage to Advances in the respective segments

Sr. No.	Sector	As at 31st March 2023	As at 31st March 2022
a.	Agriculture & Allied activities	2.43%	3.78%
b.	MSME	0.00%	0.00%
c.	Corporate Borrowers	0.00%	0.00%
d.	Services	0.00%	0.00%
e.	Unsecured personal loans	4.35%	7.56%
f.	Auto loans	5.59%	2.99%
g.	Other personal loans	0.00%	0.00%

75 Provisions and Contingencies

(₹ in Crores)

Break up of Provisions and Contingencies shows under the head Expenditure in Profit and Loss Accounts	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Impairment Loss Allowances on Loans	12.70	8.97
Impairment Loss Allowances on Other Financial Assets	1.10	0.68
Provision for Income Tax (excluding deferred tax)	7.60	7.15

76 Disclosure of Frauds reported during the year vide DNBS.PD.CC.NO. 256/03.10.042/2011-12 Dated March 02,2012: Instances of fraud for the year ended March 31, 2023

(₹ in Lakhs)

No of Cases*	Nature of Fraud^	Amount of Fraud	Recovery*	Write off
4	Fraud committed by employees	30.61	2.79	1.46
1	Fraud committed by borrowers and outsiders	5.77	-0.00	5.77

There are certain instances reported in risk based internal audit reports of the company where in the recovery proceeds collected by the employee were not deposited in Company's bank account but were deposited after the lapse was identified by the Internal audit team of the Company. The management does not view these instances as fraud as there was only delay in deposit of the recovery proceeds and no loss was incurred by the Company.

Instances of fraud for the year ended March 31, 2022

(₹ in Lakhs)

No of Cases*	Nature of Fraud^	Amount of Fraud	Recovery*	Write off
2	Fraud committed by employees	0.28	-0.00	-0.00
1	Fraud committed by borrowers and outsiders	0.06	-0.00	-0.00

*Out of the above cases, Only one was reported to RBI during the financial year 2021-22 and the for the remaining two cases, the investigations were on going and final amount was brought to the knowledge of management in the month of May 2022 and were reported to RBI Immediately thereafter. The management had therefore made adhoc provision as on 31st March 2022 in respect of these frauds.

77 During the year Company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

78 Registrations obtained from Other Financial Sector Regulators

During the year the Company has not obtained any registrations from other financial regulators

79 Penalties Imposed by RBI and Other Regulators

The fine of Rs.3,85,860/- imposed by the BSE Limited (where the Non-Convertible Debentures are listed) regarding delay in submission of un-audited financial results for the quarter and half ended September 30, 2022.

And in the financial year 2021-22 penalty of Rs.1,00,000 Lakh has been imposed by the SEBI under section 15A(b) of the SEBI Act, 1992 for failure on the part of the Company to timely comply with the provision of regulation 52(1) of SEBI LODR regulations,2015.”

80 Derivatives

The Company has no transcatons/exposure in derivaties in the current year and previous year.

81 Investments

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
1. Value of Investments		
(i) Gross Value of Investments		
(a) In India	18.29	15.62
(b) Outside India	0	0
(ii) Provision for Depreciation		
(a) In India	0	0
(b) Outside India	0	0
(iii) Net Value of Investments		
(a) In India	18.29	15.62
(b) Outside India	0	0
2. Movement of Provision held towards depreciation on Investments		
(i) Opening Balances	0	0
(ii) Add: Provision made during the year	0	0
(iii) Less: Write off/Write-back of excess provision during the year	0	0
(iv) Closing Balances	0	0

82 Disclosures relating to Securitisation

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
No of SPVs sponsored by the NBFC for securitisation transactions	1	1
Total amount of securitised assets as per books of the SPVs sponsored	3.91	1.49
Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet	1.36	1.00
Off-balance sheet exposures		
First loss		

Others		
On-balance sheet exposures		
First loss (In the form of Fixed Deposit)	1.36	1.00
Others (over-collateralisation)	-	-
Amount of exposures to securitisation transactions other than MRR		
Off-balance sheet exposures		
Exposure to Own Securitisations		
First loss	-	-
Others	-	-
Exposure to third party Securitisations		
First loss	-	-
Others	-	-
On-balance sheet exposures		
Exposure to Own Securitisations		
First loss	-	-
Others	-	-
Exposure to third party Securitisations		
First loss	-	-
Others	-	-
Sale consideration received for the securitised assets	-	-
Gain/loss on sale on account of securitisation		
Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc.	-	-
Credit enhancement (12%)		
(a) Amount paid	-	-
(b) Repayment Received	-	1.81
(c) Outstanding Amount	-	3.39
Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	2.03%	-
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	Nil	Nil
Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

83 Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM(PK)-2008 dated 1 August 2008

Capital Adequacy Ratio

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Ratio		
CRAR - Tier I Capital (%)	25.90%	28.51%
CRAR - Tier II Capital (%)	0.43%	0.33%
Total Capital (%)	26.33%	28.84%

84 The Company has no Exposure to Real Estate Sector in the current year and previous year.

85 Exposure to Capital Market

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Direct Investment in equity shares, convertible bonds, convertible debentures and unit of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	1.30	1.19

86 The Company has given unsecured loan of ₹ 5,25,19,000 as a personal loans to the borrowers Personal loans are partly secured by assignment/pledge of life insurances polices, shares and other securities or are unsecured.

87 Asset Liability Management Maturity Pattern of certain items of Assets & Liabilities

(₹ in Crores)

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years upto 5 Years	Over 5 Years	Total
Deposits	2.90	3.11	11.73	6.82	6.22	19.53	36.17	72.79	20.85	0.00	180.12
Advances (Net of Provision)	15.00	20.00	24.79	58.93	57.14	161.43	263.16	285.58	36.08	0.00	922.13
Investments	0.00	0.00	0.00	0.82	0.00	0.00	0.31	1.44	1.91	13.80	18.29
Borrowing	8.21	1.27	17.56	25.80	39.46	94.96	165.39	290.53	3.06	0.00	646.25

88 Previous year comparatives

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification

Summary of significant accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 88

As per our Report of even date attached

For and On Behalf of Board of Directors

**For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136**

**M.G.Jawanjar
Executive Chairman
DIN: 00379916**

**S.M.Jawanjal
Managing Director
DIN: 01490054**

**CA Ashish Shah
M.No :103750**

**R.Srinivasan
Chief Financial Officer**

**D.R.Balpande
Company Secretary**

**Place : Nagpur
Date: 30/05/2023**

Disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”
(a) Expected credit loss - Loans:

(₹ in Lakhs)

Particulars		As at March 31, 2023			As at March 31, 2022		
		Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	85,185.82	497.28	84,688.55	78,114.77	358.98	77,755.79
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	5,104.35	397.59	4,706.76	2,527.67	179.55	2,348.12
	Financial assets for which credit risk has increased significantly and credit-impaired	4,414.61	1,597.29	2,817.33	2,555.40	725.47	1,829.93
Total		94,704.78	2,492.16	92,212.64	83,197.84	1,264.00	81,933.84

(b) Reconciliation of loss allowance provision - Loans:

(₹ in Lakhs)

Particular	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2021	361.51	336.01	534.69	1,232.21
New assets originated or purchased	252.62	100.68	111.03	464.34
Amount written off	(393.88)	(127.45)	(387.09)	(908.43)
Transfers to Stage 1	184.60	(104.28)	(80.32)	(0.00)
Transfers to Stage 2	(13.00)	16.01	(3.01)	(0.00)
Transfers to Stage 3	(24.14)	(73.37)	97.50	(0.01)
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(8.75)	31.95	452.67	475.87
ECL as on March 31, 2022	358.98	179.55	725.47	1,263.98
New assets originated or purchased	336.42	213.29	407.72	957.43
Amount written off	(892.61)	(133.13)	(823.48)	(1,849.21)
Transfers to Stage 1	71.28	(48.01)	(23.27)	-
Transfers to Stage 2	(23.57)	29.17	(5.60)	(0.00)
Transfers to Stage 3	(21.45)	(46.72)	68.17	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	668.42	203.23	1,248.27	2,119.93
ECL as on March 31, 2023	497.48	397.39	1,597.27	2,492.12

(c) Reconciliation of Gross carrying amount - Loans:

(₹ in Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2021	60,985.98	4,510.56	1,684.03	67,180.56
New assets originated or purchased	57,416.42	1,426.88	511.77	59,355.07
Amount written off	(393.88)	(127.45)	(387.09)	(908.43)
Transfers to Stage 1	1,864.35	(1,611.16)	(253.20)	(0.00)
Transfers to Stage 2	(1,791.89)	1,801.38	(9.49)	(0.00)
Transfers to Stage 3	(2,050.70)	(907.84)	2,958.54	-
Net Recovery	(37,915.51)	(2,564.69)	(1,949.16)	(42,429.36)
Gross carrying amount as on March 31, 2022	78,114.77	2,527.67	2,555.40	83,197.84
New assets originated or purchased	61,115.45	2,737.58	1,133.63	64,986.67
Amount written off	(892.61)	(133.13)	(823.48)	(1,849.21)
Transfers to Stage 1	918.26	(716.40)	(201.86)	-
Transfers to Stage 2	(4,212.86)	4,271.49	(58.63)	(0.00)
Transfers to Stage 3	(3,179.75)	(632.79)	3,812.54	-
Net Recovery	(46,677.44)	(2,950.07)	(2,003.00)	(51,630.52)
Gross carrying amount as on March 31, 2023	85,185.82	5,104.35	4,414.61	94,704.78

(d) Asset classification as per Ind AS 109:

(₹ in Lakhs)

Asset Classification as per IND AS 109	For the year ended March 31, 2023				
	Gross carrying amount as per IndAS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount	Provisions required as per IRACP norms (For the year ended March 31, 2023)	Difference between provisions as per IND AS 109 and IRAC Norms
Stage-1	85,185.82	497.28	84,688.54	340.40	156.88
Stage-2	5,104.35	397.59	4,706.76	20.42	377.17
Stage-3	4,414.61	1,597.29	2,817.32	787.23	810.06
Total	94,704.78	2,492.16	92,212.62	1,148.05	1,344.11

(d) Asset classification as per Ind AS 109:

(₹ in Lakhs)

Asset Classification as per IND AS 109	For the year ended March 31, 2022				
	Gross carrying amount as per IndAS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount	Provisions required as per IRACP norms (For the year ended March 31, 2022)	Difference between provisions as per IND AS 109 and IRAC Norms
Stage-1	78,114.77	358.98	77,755.79	312.46	46.52
Stage-2	2,527.67	179.55	2,348.12	10.11	169.44
Stage-3	2,555.40	725.47	1,829.93	346.33	379.14
Total	83,197.84	1,264.00	81,933.84	668.90	595.10

(6) Borrower group-wise classification of assets financed as in(3)and(4)above (₹ in Lakhs)

Sr. No	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	(a) Subsidiaries	0.00	0.00	0.00
	(b) Companies in the same group	0.00	0.00	0.00
	(c) Other related parties	0.00	0.00	0.00
(ii)	Other than related parties	91,705.54	507.10	92,212.64
	Total	91,705.54	507.10	92,212.64

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : (₹ in Lakhs)

Sr. No	Category	Market Value/Breakup or fair value of NAV	Book Value (Net of Provisions)
(i)	Related parties		
	(a) Subsidiaries	0	0
	(b) Companies in the same group	0	0
	(c) Other related parties	0	0
(ii)	Other than related parties	1829.45	1829.45
	Total	1829.45	1829.45

(8) Other information (₹ in Lakhs)

Sr. No	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	0
	(b) Other than related parties	44.14
(ii)	Net Non-Performing Assets	
	(a) Related partied	0
	(b) Other than related parties	28.17
(iii)	Assets acquired in satisfaction of debt	0

As per our Report of even date attached

For and On Behalf of Board of Directors

For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

CA Ashish Shah
M.No :103750

R.Srinivasan
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2023

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

YEAR	PAID-UP CAPITAL	NET WORTH	TOTAL ASSETS	PROFIT BEFORE TAX	PROFIT AFTER TAX	DIVIDEND	
						Rate%	AMOUNT
1990-91	1.44	1.50	3.03	0.06	0.06	--	--
1994-95	20.75	38.14	74.88	6.45	5.80	26.00%	4.07
1995-96	26.00	44.40	124.95	8.07	6.09	20.00%	5.04
1996-97	30.00	48.94	174.86	11.16	5.15	14.00%	3.72
1997-98	30.00	52.72	224.24	19.15	10.00	16.00%	4.80
1998-99	30.00	59.80	223.71	20.22	12.97	16.00%	4.80
1999-00	30.00	61.41	247.47	16.47	8.55	16.00%	4.80
2000-01	36.00	70.22	280.79	17.78	9.15	16.00%	4.92
2001-02	50.00	109.28	374.83	31.84	22.74	17.00%	7.70
2002-03	80.00	187.27	748.88	55.55	34.57	18.00%	14.40
2003-04	102.55	256.21	865.80	81.84	52.70	18.00%	15.55
2004-05	102.55	307.02	1,155.50	112.80	75.73	20.00%	20.51
2005-06	163.50	452.20	1,392.69	126.43	83.88	22.00%	26.04
2006-07	310.00	715.98	1,956.10	153.81	101.36	22.50%	44.64
2007-08	* 620.00	780.25	2,619.22	228.63	153.54	* 12.50%	90.67
2008-09	700.00	978.58	3,486.60	336.82	218.98	13.00%	100.66
2009-10	700.00	1,119.71	4,100.69	379.84	247.60	13.00%	106.47
2010-11	700.00	1,361.79	5,206.99	545.56	355.98	14.00%	113.90
2011-12	750.00	1,695.14	6,377.90	601.90	399.37	14.00%	116.01
2012-13	800.00	2,099.90	9,076.85	732.20	492.46	15.00%	137.70
2013-14	800.00	2,534.23	11,125.49	863.19	574.74	15.00%	140.39
2014-15	800.00	3,091.63	14,788.92	1,053.41	677.75	12.50%	120.35
2015-16	800.00	3,818.09	19,770.39	1,246.93	822.74	10.00%	96.29
2016-17	800.00	4,713.26	26,660.71	1,532.62	991.47	10.00%	96.29
2017-18	800.00	5,950.92	32,937.95	1,768.79	1,237.65	10.00%	96.44
2018-19	800.00	7,326.43	41,796.85	2,077.27	1,471.95	10.00%	96.44
2019-20	966.67	11,808.65	55,274.97	2,258.44	1,691.27	5.00%	46.50
2020-21	1,000.78	14,642.40	89,143.75	2,055.66	1,537.66	10.00%	100.07
2021-22	1,233.68	25,914.20	1,03,842.69	2,237.41	1,741.97	10.00%	123.36
2022-23	1,233.68	27,523.60	1,14,108.14	2,172.78	1,708.12	10.00%	123.36

*2007-08 Consequent upon issue of bonus shares in the ratio of 1:1

MISSION

Partnering To Prosper

COMMITMENT

Close To The People

VISION

Miles To Go

BRANCHES

MAHARASHTRA -

Ahmednagar, Akola, Amravati, Aurangabad, Baramati, Bhandara, Bhusawal, Brahmapuri, Buldhana, Chalisgaon, Chandrapur, Dhule, Gadchiroli, Gondia, Hingoli, Jalgaon, Karad, Katol, Khamgaon, Kolhapur, Kudal, Latur, Manmad, Nanded, Nandurbar, Nashik, Osmanabad, Pandharpur, Paratwada, Parbhani, Pune, Pusad, Ratnagiri, Sangli, Satara, Solapur, Udgir, Wagholi, Wani, Wardha, Washim & Yavatmal.

MADHYA PRADESH -

Betul, Bhopal, Burhanpur, Chhatarpur, Chhindwara, Damoh, Dewas, Dhar, Harda, Hoshangabad, Indore, Katni, Mandla, Narsinghpur, Rewa, Sagar, Satna, Sehore, Seoni, Shahdol, Sidhi & Vidisha.

CHHATTISGARH -

Ambikapur, Balodabazar, Bemetara, Bilaspur, Dallirajhara, Dhamtari, Dongargarh, Durg, Gariyaband, Jagdalpur, Janjgir, Kanker, Kawardha, Kondagaon, Korba, Mahasamund, Raigarh, Raipur, Rajim, Rajnandgaon & Saraipali.

GUJARAT -

Amreli, Bardoli, Botad, Junagadh, Navsari, Rajpipla, Surat & Vyara.

KARNATAKA -

Belgavi, Bidar, Kalaburagi, Raichur & Vijayapur.

TELANGANA -

Adilabad, Jagtial, Jangaon, Kamareddy, Karimnagar, Khammam, Kothagudem, Mahabubnagar, Mancherial, Miriyalaguda, Nalgonda, Nirmal, Nizamabad, Sangareddy, Siddipeth, Suryapet & Warangal.



CIN No. : U65929MH1990PLC057829
REGD. OFFICE: AVINISHA TOWER, MEHADIA CHOWK,
DHANTOLI, NAGPUR-440 012
TEL.:- 0712 - 6663999
WEBSITE: WWW.BERARFINANCE.COM
EMAIL: INVESTOR.RELATIONS@BERARFINANCE.COM

ANNEXURE VI: IN-PRINCIPLE APPROVAL

(As specified in the relevant Key Information Document)

ANNEXURE VII: ALM STATEMENTS AS ON 31ST MARCH 2023

1) DISCLOSURES BY NBFC MAKING PRIVATE PLACEMENT

- (a) Details with regard to the lending done by the Issuer out of the proceeds of debt securities in last three years, including details regarding the following:
- (i) Lending policy: Should contain overview of origination, risk management, monitoring and collections;
Please refer the Lending Policy attached with this General Information Document.
- (ii) Classification of loans / advances given to associates, entities / person relating to board, senior management, promoters, others, etc.;;
Not Applicable
- (iii) Classification of loans / advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile, etc.;;
Please refer to Point (b) in this table below.
- (iv) Aggregated exposures to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on corporate governance for NBFCs or housing finance companies, from time to time;

Sr. No.	Name of the Borrower	Type of Borrower	Total Sanctioned Loan Amount (In lakhs)	Disbursed Loan Amount (In lakhs)	Un-disbursed Loan Amount (In lakhs)	Total Principal Outstanding Amount (In lakhs)	Total Accrued Interest Amount (In lakhs)	Status of Account	Amount Outstanding (In lakhs)
			X020	X030	X040	X050	X060		
1	SUNITA KANHAIYALAL SHENDE	Individual	19.00	19.00	0.00	18.00	0.00	Standard	18.00
2	PAIGUDE SANDEEP ABURAO	Individual	17.00	17.00	0.00	1.99	0.00	Standard	1.99
3	YENPURE VINAYAK MARUTI	Individual	15.14	15.14	0.00	7.50	0.00	Doubtful 1	7.50
4	JADHAV SANDIP HANUMANT	Individual	15.00	15.00	0.00	3.24	0.00	Doubtful 1	3.24
5	KANHAIYALAL HIRANAND TOLANI	Individual	15.00	15.00	0.00	9.38	0.00	Standard	9.38

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

6	SHENDE SHASHIKANT GULAB	Individual	13.00	13.00	0.00	0.95	0.00	Standard	0.95
7	SHARAD DAGA CHAUDHARI	Individual	11.50	11.50	0.00	11.13	0.00	Standard	11.13
8	GORAD SOMNATH VITTHAL	Individual	10.00	10.00	0.00	2.74	0.00	Doubtful 1	2.74
9	NANDKISHOR BHAGWAN WAGH	Individual	10.00	10.00	0.00	9.36	0.00	Standard	9.36
10	VILAS HIRAMAN GANVIR	Individual	10.00	10.00	0.00	9.33	0.00	Standard	9.33
11	AKSHAY NAMDEV FERAN	Individual	10.00	10.00	0.00	9.68	0.00	Standard	9.68
12	MUTKURE PRAVIN RAMRAOJI	Individual	9.50	9.50	0.00	3.86	0.00	Standard	3.86
13	PARWANI HEMLATA DILIP	Individual	9.50	9.50	0.00	1.39	0.00	Standard	1.39
14	PREMCHAND AMEET BHAGWAN DAS	Individual	9.00	9.00	0.00	4.55	0.00	Standard	4.55
15	NIRANJAN VITTHAL BANTE	Individual	9.00	9.00	0.00	7.03	0.00	Standard	7.03
16	KHURRAM KHAN ASLAMKHAN PATHAN	Individual	9.00	9.00	0.00	8.88	0.00	Standard	8.88
17	GANESH BALAJI CHAVAN	Individual	9.00	9.00	0.00	8.72	0.00	Standard	8.72
18	VIJAY VASANTRAO SAKHARKAR	Individual	8.00	8.00	0.00	6.59	0.00	Standard	6.59
19	SURAJ SANJAY NANNAWARE	Individual	8.00	8.00	0.00	7.40	0.00	Standard	7.40
20	SHRIKRISHNA JANARDAN NIMBALAKAR	Individual	8.00	8.00	0.00	7.57	0.00	Standard	7.57

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21	GAURAV SHIVAJI PAWAR	Individual	8.00	8.00	0.00	7.40	0.00	Standard	7.40
22	PANKAJ SHRIKRUSHNA KOTHALKAR	Individual	8.00	8.00	0.00	7.38	0.00	Standard	7.38
23	JIVAN RAMDAS JUNARE	Individual	7.80	7.80	0.00	7.24	0.00	Standard	7.24
24	AKARE DNYANESHWAR RAMJI	Individual	7.70	7.70	0.00	2.33	0.00	Standard	2.33
25	PRAKASH SHAMRAO GAVANDE	Individual	7.50	7.50	0.00	6.95	0.00	Standard	6.95

(v) Details of loans, overdue and classified as non-performing in accordance with RBI stipulations.

Please refer to Point (b) (vi) in this table below.

In order to allow investors to better assess the Debentures issued by the Issuer, the following disclosures shall also be made by such issuers in this Placement Memorandum:

(A) A portfolio summary with regard to industries / sectors to which borrowings have been made;

Please refer to Point (b) (iii) in this table below.

(B) NPA exposures of the Issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer;

Please refer to Point (b) (vi) in this table below.

(C) Quantum and percentage of secured vis-à-vis unsecured borrowings made;

Please refer to Point (b) (i) in this table below.

(D) Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI.

Nil

(b) Classification of loans / advances given according to:

(i) Type of Loans:

Details of types of loans

Sr. No.	Type of loans	Rs. Crore (As on 31.03.2023)
1	Secured	959.21

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2	Unsecured	5.13
	Total assets under management (“AUM”)*^	964.33

- Information required at borrower level (and not by loan account as customer may have multiple loan accounts);

^ Issuer is also required to disclose off balance sheet items.

(ii) Denomination of loans outstanding by loan-to-value (“LTV”):

Details of LTV:

Sr. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 50%	3.58%
2	51-60%	5.77%
3	61-70%	12.11%
4	71-80%	34.12%
5	81-90%	41.30%
6	Above 90%	3.12%
Total		100.00%

(iii) Sectoral exposure:

Details of sectoral exposure:

Sr. No.	Segment-wise break-up of AUM	Percentage of AUM
1	Retail	
A	Mortgages (home loans and loans against property)	-
B	Gold loans	-
C	Vehicle finance	100.00%
D	MFI	-
E	MSME	-
F	Capital market funding (loans against shares, margin funding)	-
G	Others	-
2	Wholesale	-
A	Infrastructure	-
B	Real estate (including builder loans)	-
C	Promoter funding	-
D	Any other sector (as applicable)	-
E	Others	-

(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

*Please indicate the gross NPA recognition policy (Day's Past Due)

Movement of provisions for NPA	INR (Crores) (As on 31.03.2023)
Opening balance	7.25
-Provisions made during the year	8.72
-Write-off/ write-back of excess provisions	0.00
Closing balance	15.97

(vii) Segment-wise gross NPA:

Sr. No.	Segment-wise gross NPA	Gross NPA (%)
1	Retail	
A	Mortgages (home loans and loans against property)	-
B	Gold loans	-
C	Vehicle finance	4.66%
D	MFI	-
E	MSME	-
F	Capital market funding (loans against shares, margin funding)	-
G	Others	-
2	Wholesale	
A	Infrastructure	-
B	Real estate (including builder loans)	-
C	Promoter funding	-
D	Any other sector (as applicable)	-
E	Others	-
	Total	4.66%

(viii) Residual maturity profile of assets and liabilities (in line with the RBI format)

Residual maturity profile of assets and liabilities:

Category	Up to 30/31 days	>1 month – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 year – 3 years	>3 years – 5 years	> 5 years	Total
Deposit	17.74	6.82	6.22	19.53	36.17	72.79	20.85	0.00	180.12

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Advances	59.79	58.93	57.14	161.43	263.16	285.58	36.08	0.00	922.13
Investments	0.00	0.82	0.00	0.00	0.31	1.44	1.91	13.80	18.29
Borrowings	27.04	25.80	39.46	94.96	165.39	290.53	3.06	0.00	646.25
FCA*	0.00	0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00
FCL*	0.00	0.00	0.00	0.00	0.000	0.00	0.00	0.00	0.00

* FCA – Foreign Currency Assets
 * FCL – Foreign Currency Liabilities

(ix) Disclosure of latest asset liability management statements to stock exchange
 Not Applicable

ANNEXURE VIII: BOARD RESOLUTION

(As attached separately)

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT DULY CONVENED 6/F.Y. 2023-2024 MEETING OF THE BOARD OF DIRECTORS OF BERAR FINANCE LIMITED (THE "COMPANY" AND TOGETHER WITH THE FORGOING, THE "BOARD") HELD ON WEDNESDAY, MARCH 27, 2024 AT THE REGISTERED OFFICE OF THE COMPANY AT AVINISHA TOWER, MEHADIA CHOWK, DHANTOLI, NAGPUR, MAHARASHTRA, 440012.

TO APPROVE THE ISSUANCE OF UPTO 2500 LISTED NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "Act"), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and the SEBI circular bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 (updated as on July 07, 2023) on "Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" (as amended and modified from time to time) ("SEBI NCS Master Circular"), or any other regulatory authority, whether in India or abroad, and in accordance with the memorandum of association and the articles of association of the Company and the listing agreements entered into with the stock exchanges (the "Stock Exchanges") where the securities of the Company may be listed, and subject to such approvals, consents, permissions and sanctions as may be required from any statutory or regulatory authority, the approval of the Board be and is hereby accorded for:

(a) issue and allotment of upto 2,500 (Two Thousand Five Hundred) senior, secured, rated, listed, redeemable, taxable, transferable, non-convertible debentures denominated in Indian Rupees ("INR") having a face value of INR 1,00,000/- (Indian Rupees One Lakh) each for cash, at par, aggregating up to INR 25,00,00,000/- (Indian Rupees Twenty-Five Crores only) or such other number of debentures, face value and amount as may be determined ("Debentures") at 11.65% (eleven decimal six five percent) per annum (fixed), or such other interest rate as may be agreed, payable at such frequency as may be agreed, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for a period of up to 24 (Twenty-Four) months from the deemed date of allotment or such other maturity period (subject to applicable law) as may be agreed, on a private placement basis to identified investors (being the identified persons for the purposes of Section 42 of the Act) ("Investors") for raising debt for the on-lending purposes only and for such other purposes as may be agreed with the Investors, in accordance with the terms and conditions as specified in the private placement offer cum application letter ("PPOAL"), Key Information Document ("Key Information Document") and the General Information Document ("GID") (collectively "Debt Disclosure Documents") to be issued by the Company to the Investors which inter alia contains the disclosures that are required to be made

by the Company under Form PAS-4 under Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014; and

(b) securing the amounts to be raised pursuant to the issue of the Debentures together with all interest and other charges thereon (up to such limits and security cover as may be agreed) by one or more of the following (i) hypothecation of certain identified loan receivables / book debts (and/or other assets) of the Company, (ii) unconditional and irrevocable personal guarantees to be provided by Mr. Maroti G. Jawanjar and Mr. Sandeep M. Jawanjal (collectively hereinafter referred as "**Guarantors**"), and/or (iii) such other security or contractual comfort as may be required in terms of the issuance of the Debentures (the "**Security**").

RESOLVED FURTHER THAT Mr. Maroti Jawanjar, Executive Chairman (DIN: 00379916), Mr. Sandeep Jawanjal, Managing Director (DIN: 01490054), and Ms. Deepali Balpande, Company Secretary of the Company (collectively, the "**Authorised Persons**") be and are hereby severally authorised to do all such acts, deeds and things as they deem necessary or desirable in connection with the issue, offer and allotment of the Debentures, including, without limitation the following:

- (a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures;
- (b) executing the term sheet in relation to the Debentures;
- (c) negotiating, approving and deciding the terms of the issue, offer and allotment of the Debentures and all other related matters;
- (d) seeking the listing of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;
- (e) creating and maintaining a recovery expense fund with the relevant Stock Exchanges in accordance with the requirements of the master circular issued by SEBI bearing reference no. SEBI/HO/DDHS-PoD1 /P/CIR/2023/109 dated March 31, 2023 on "Master Circular for Debenture Trustee" ("**SEBI Debenture Trustees Master Circular**");
- (f) (if so required) providing such information or documents to the debenture trustee in accordance with the requirements of SEBI Debenture Trustees Master Circular as amended, modified or restated from time to time;
- (g) providing such information/disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the requirements of SEBI NCS Master Circular;
- (h) approving and issuing the Debt Disclosure Document (including amending, varying or modifying the Debt Disclosure Documents, as may be considered desirable or expedient), in accordance with all the applicable laws, rules, regulations and guidelines;

Sandeep



- (i) finalising the terms and conditions of the appointment of an arranger (if required), a debenture trustee, a registrar and transfer agent, a credit rating agency(ies), a legal counsel, the depository(ies) and such other intermediaries including their successors and their agents, as may be required in relation to the issue, offer and allotment of the Debentures;
- (j) finalising the terms of the issue, offer and allotment of the Debentures;
- (k) entering into arrangements with the depository(ies) in connection with the issue, offer and allotment of the Debentures in dematerialised form;
- (l) creating and perfecting the Security as required in accordance with the terms of the Transaction Documents (as defined) in relation to the issue, offer and allotment of the Debentures;
- (m) requesting the Guarantors to provide unconditional and irrevocable personal guarantees in accordance with the terms of the Transaction Documents;
- (n) finalising the deemed date of allotment of the Debentures;
- (o) negotiating, executing, filing and delivering any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures and dealing with regulatory authorities in connection with the issue, offer and allotment of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange, the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository(ies), and such other authorities as may be required;
- (p) to execute all documents with, file forms with and submit applications to any Stock Exchange, the relevant registrar of companies, the Ministry of Corporate Affairs, the Central Registry of Securitisation Asset Reconstruction and Security Interest, information utility or any depository(ies) , if any;
- (q) sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;
- (r) to take all steps and do all such things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):
 - (i) the Debt Disclosure Documents for the issue, offer and allotment of the Debentures;
 - (ii) the debenture trust deed, the debenture trustee appointment agreement, the deed of personal guarantee to be provided by the Guarantors, the deed of hypothecation, the power of attorney pursuant to the deed of hypothecation and any other documents required for the creation of security interest over the Company's movable properties and assets, or the issue, offer and allotment of the Debentures (including any powers of attorney in connection thereto), and any other document in relation thereto ((i) and (ii) above are collectively referred to as the "Transaction Documents");



- (iii) the debenture certificate(s) for the Debentures (if required);
- (iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and
- (v) any other document designated as a Transaction Documents by the debenture trustee/holders of the Debentures;
- (s) to do all such acts necessary for the issue, offer and allotment of the Debentures in accordance with the terms set out in the Transaction Documents; and
- (t) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the issue, offer and allotment of the Debentures and the transactions contemplated thereby, and to give such directions as it deems fit or as may be necessary or desirable in relation to the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms with the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or the depository (ies), and/or the other relevant governmental authorities.

RESOLVED FURTHER THAT the Board hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purposes of the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other acts, deeds and things as may be required to give effect to the issuance, allotment and the listing of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to pay all stamp duty required to be paid for the issue, offer and allotment of the Debentures in accordance with the applicable laws of India and procure the stamped documents from the relevant governmental authorities.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to approve and finalise, sign, execute and deliver the Transaction Documents and such other agreements, deeds, undertakings, indemnities and documents as may be required, or any of them in connection with the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to register or lodge for registration any Transaction Documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or any governmental authority competent in that behalf.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to delegate the powers to any other employee/representative/agent, as may be deemed necessary to do all such acts and execute such documents as may be required in connection with any of the matters relating to the issue of the Debentures.

Signature



RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any Director or the Company Secretary of the Company be furnished to such persons as may be deemed necessary."

Certified True Copy

For Berar Finance Limited



(Ms. Deepali Balpande)

Company Secretary

Membership Number: ACS 21290

Address: Plot No. 18, Maske Layout,

Santaji Colony, Narendra Nagar,

Nagpur – 440015



ANNEXURE IX: SHAREHOLDERS RESOLUTION

(As attached separately)



CIN No. : U65929MH1990PLC057829
Regd. Office : AVINISHA TOWER, MEHADIA SQUARE, DHANTOLI, NAGPUR - 440 012
Tel : (0712) 6663999
Website : www.berarfinance.com ★ Email : info@berarfinance.com

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE 29TH ANNUAL GENERAL MEETING OF BERAR FINANCE LIMITED HELD ON SATURDAY, 21ST DAY OF SEPTEMBER, 2019 AT ARJUNA CELEBRATIONS , PANDE LAYOUT ROAD, KHAMLA , NAGPUR- 440025 AT 4.00 P.M.

“**RESOLVED** that in supersession of the Special Resolution passed by the Shareholders by means of a Postal Ballot on 25th September , 2015 and pursuant to the provisions of 180(1)(c) and all other applicable provisions of the Companies Act, 2013 read with such Rules as may be applicable (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing monies for the purposes of the Company, from time to time, notwithstanding that the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up share capital of the Company , its free reserves and securities premium reserves provided however that the aggregate of the amounts so borrowed and to be borrowed and outstanding at any time (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed ₹.2000 Crores (Rupees Two Thousand Crores only).”

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 and notified by the Ministry of Corporate Affairs on 9th February, 2018, the Board of Directors of the Company cannot borrow moneys in excess of the amount of the paid-up share capital, free reserves and securities premium reserve, (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), without the approval of the Members, by way of a Special Resolution. The Members by a Special Resolution passed by means of a Postal Ballot Voting process dated 25th September, 2015 had empowered the Board of Directors of the Company to borrow moneys upto ₹ . 400 Crores even though such borrowing would be in excess of the paid-up share capital and free reserves of the Company. Taking into account the future business plans of the company, the Board of Directors may need to resort to further borrowings from time to time and hence it is proposed to revise the said limit upwards to ₹ .2,000 crores. A fresh resolution is proposed authorizing the Board of Directors to borrow monies for the purposes of the company not exceeding ₹.2,000 crores (apart from temporary loans obtained from the Company’s bankers in the ordinary course of Business) under Section 180(1)(c) of the Companies Act, 2013.

(1)

[Handwritten Signature]





CIN No. :- U65929MH1990PLC057829
Regd. Office : AVINISHA TOWER, MEHADIA SQUARE, DHANTOLI, NAGPUR - 440 012
Tel. : (0712) 6663999
Website : www.berarfinance.com ★ Email : info@berarfinance.com

The board of directors recommends passing of the special resolution set out in item no. 7 of the notice.

None of the directors, key managerial personnel of the company and their relatives is, concerned or interested in this resolution, except to the extent of their respective shareholding, if any, in the company.

Certified True Copy

For Berar Finance Limited


(CS. Deepali Balpande)
Company Secretary



(2)



CIN No. - U65929MH1990PLC057829
Regd. Office : AVINIS-A TOWER, MEHADIA SQUARE, DHANTOLI, NAGPUR - 440 012
Tel. (0712) 6663999
Website : www.berarfinance.com ★ Email : info@berarfinance.com

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE 29TH ANNUAL GENERAL MEETING OF BERAR FINANCE LIMITED HELD ON SATURDAY, 21ST DAY OF SEPTEMBER, 2019 AT ARJUNA CELEBRATIONS , PANDE LAYOUT ROAD, KHAMLA , NAGPUR- 440025 AT 4.00 P.M.

“RESOLVED that in supersession of the Special Resolution passed by the Shareholders by means of a Postal Ballot on 25th September, 2015 and pursuant to the provisions of 180(1)(a) and all other applicable provisions of the Companies Act, 2013 read with such Rules as may be applicable (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company from time to time of such mortgages, charges, liens, hypothecation and /or other securities , in addition to the mortgages, charges, liens, hypothecation and /or other securities created by the Company , on such terms and conditions as the Board at it's sole discretion may deem fit of the Company's assets and properties , both present and future , whether movable or immovable , including the whole or substantially the whole of the Company's undertaking or undertakings in favour of any person including ,but not limited to, financial/investment institution(s), bank(s), insurance company(ies), mutual funds(s), corporate body(ies), trustee(s) to secure any loans, guarantee, financial assistance, working capital arrangement etc. already availed/to be availed by the Company together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, premium on prepayment, costs, charges, expenses and other monies payable by the Company to the said lenders and/or any issue of non convertible debentures, bonds, or compulsorily or optionally, fully or partly convertible debentures linked to equity shares, within the overall ceiling prescribed by the Members of the Company, from time to time, in terms of Section 180(1)(c) of the Companies Act, 2013.

FURTHER RESOLVED THAT the Board of Directors or such committee/ or person/(s) as authorized by the Board be and is hereby authorized to finalize the form , extent and manner of, and the documents and deeds , as may be applicable, for creating the appropriate mortgages ,charges, liens, hypothecation on such of the immovable and /or movable properties of the Company on such terms and conditions as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this Resolution.”

(1)





CIN No. - U65929MH1990PLC057529
Regd. Office : AVINISHA TOWER, MEHADIA SQUARE, DHANTOLI, NAGPUR - 440 012
Tel. : (0712) 6663999
Website : www.berarfinance.com ★ Email : info@berarfinance.com

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

The Members by a Special Resolution passed by means of a Postal Ballot Voting process dated 25th September, 2015 had empowered the Board of Directors of the Company for creation of mortgages, charges, liens, hypothecation and/or other securities of the company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the company's undertaking or undertakings, for securing the borrowings of the Company in terms of Section 180(1)(a) of the Companies Act, 2013.

Considering the future business plans of the company, the Board of Directors may need to resort to further borrowings from time to time, by future way of loans / financial assistance from various banks / financial institutions and other lenders, issue of debentures / bonds or other debt instruments and through acceptance of fixed deposits. These borrowings may also have to be secured by creation of mortgages, charges, liens, hypothecation and/or other securities of the company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the company's undertaking or undertakings, in favor of banks / financial institutions / other lenders / debenture trustee / fixed deposits trustee / security trustee. Since the amount secured by such mortgages, charges, liens, hypothecation and/or other securities together with the existing mortgages, charges, liens, hypothecation and/or other securities may exceed the limit of ₹ .400 crores, members' approval is sought for increasing the limit up to ₹.2,000 crores and for authorizing the board of directors to create security by way of mortgages, charges, liens, hypothecation and/or other securities of the company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the company's undertaking or undertakings, on such terms and conditions as it may deem fit. For this purpose, the requisite special resolution is being proposed for consideration of the members under Section 180(1)(a) of the Companies Act, 2013.

The board of directors recommends passing of the special resolution set out in item no. 8 of the notice.

None of the directors, key managerial personnel of the company and their relatives is, concerned or interested in this resolution, except to the extent of their respective shareholding, if any, in the company.

Certified True Copy

For Berar Finance Limited


(CS. Deepali Balpande)
Company Secretary



ANNEXURE X: DUE DILIGENCE CERTIFICATES

(As specified in the relevant Key Information Document)

ANNEXURE XI: STATUTORY AUDITOR PEER REVIEW CERTIFICATE

(As attached separately)

No. 014039



Peer Review Certificate

Peer Review Board

The Institute of Chartered Accountants of India
New Delhi

This is to certify that the Peer Review of

M/s Manubhai & Shah LLP

G-4, Capstone, Opp. Chirag Motors,

Sheth Mangaldas Road, Ellisbridge,

Ahmedabad-380006

FRN/Mem. No. 106041W/W100136

(Name of PU, Address, FR No./M. No.)

has been carried out for the period

2018-2021

pursuant to the Statement on Peer Review.

This Certificate shall be effective from 11-02-2022

and shall remain valid till 28-02-2025

Issued at New Delhi on 09-02-2022

CA. DAYANIWAS SHARMA
Chairman
Peer Review Board

CA. RAJESH SHARMA
Vice-Chairman
Peer Review Board

CA. NIDHI SINGH
Secretary
Peer Review Board