



Annual Report

2023-2024

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

CS Maroti Jawanjar Executive Chairman
Mr. Shantaram Mahakalkar
Mr. Vishwas Pathak
CA Atul Sarda
CS Rashmi Mitkary
CA Avishek Addy
Mr. Harishchandra Sukhdeve
Mr. Siva Vadivel Alagan
Mr. Himanshu Joshi
(upto May 31, 2024)
Mr. Rajesh Vasudevan
(w.e.f May 23, 2024)
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

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BOARD'S REPORT

The Board of Directors ("the Board") of Berar Finance Limited ("the Company") have pleasure in presenting the 34th Annual Report and the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 ("FY 2023-2024").

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 2023-2024	FY 2022-2023
Loans Disbursed during the year	95,792.48	84,252.07
Gross Assets under Management (AUM)	1,11,762.30	94,704.78
Assets sold under Securitisation	1,425.51	299.46
Gross Income	25,181.03	21,796.16
Profit (before tax and extra-ordinary items)	2,995.29	2,172.78
Net Profit (after Tax)	2,218.06	1,708.12

APPROPRIATION OF PROFITS

The operations of the Company have generated a Net Profit (after tax) of ₹ 2218.06 lakhs (P.Y.: ₹ 1708.12 lakhs) for the financial year ended March 31, 2024.

Your Directors propose to appropriate the same as under:

(₹ in lakhs)

Particulars	FY 2023-2024	FY 2022-2023
Net Profit (after Tax)	2,218.06	1,708.12
Add: Balance Brought Forward	143.89	107.96
Add/(Less): Other Comprehensive Income	(4.27)	1.15
Disposable Profit	2,357.68	1,817.23
Appropriations:		
- Dividend paid during the year	(123.37)	(123.34)
- Transfer to Statutory Reserve (As per Section 45-IC of RBI Act, 1934)	(445.00)	(450.00)
- Transfer to General Reserve	-	(1,100.00)
Balance Carried Forward	1,789.31	143.89

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 ₹ 445 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 fulfill its obligations under debenture documents.

SHARE CAPITAL

During FY 2023-2024, no new equity shares were issued by the Company.

As on March 31, 2024, 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 (including any amendment thereof) 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 per Equity Share for FY 2023-2024. The total dividend payable for FY 2023-2024 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, 2024 is ₹ 5408.76 lakhs.

ii. Fixed Deposits -

As on March 31, 2024, total fixed deposits amounted to ₹ 20,318.76 lakhs, of which public deposits amounted to ₹ 18,905.83 lakhs. The following table provides the details of the flow of public deposits during FY 2023-2024:

Particulars	₹ in lakhs
Public Deposits at the beginning of the year	17,367.78
Less: Public deposits repaid/renewed during the year	8,005.87
Add: Public Deposits accepted / renewed during the year	9,543.92
Public Deposits at the end of the year	18,905.83

₹ 575.23 lakhs of deposits (from 207 deposit accounts) matured and were unclaimed as on March 31, 2024. All these were claimed/renewed subsequently except 10 deposit accounts amounting to ₹ 19.14 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, 2024 is ₹ 63,197.88 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 raised resources through securitization of receivables. The closing balance of assets securitized as on March 31, 2024 is ₹1425.51 lakhs.

v. Non-Convertible Debentures -

During the year, your Company has not issued Non-Convertible Debentures (“NCDs”).

During the year, the Company has redeemed the following Non-Convertible Debentures (“NCDs”):

Sr. No	ISIN	Date of Allotment	No. of Debentures	Face Value (per debenture) ₹ in Lakhs	Total Amount ₹ in lakhs	Date of Redemption	Remarks
1	INE998Y07014	22-06-2020	100	10	1000	22-06-2023	Unlisted
2	INE998Y07048	11-09-2020	100	10	1000	11-09-2023	Unlisted
3	INE998Y07063	23-12-2020	1500	1	1500	22-12-2023	Unlisted
4	INE998Y07071	24-02-2021	1800	1	1800	23-02-2024	Listed

The Company has been regular in the payment of principal / interest towards all the outstanding Non-Convertible Debentures. As on March 31, 2024 the total outstanding Secured NCDs stood at ₹ 7,490.26 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, two-wheeler re-financing loans and Secured MSME/ Loan against property. 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 13.69% increase in disbursement and 15.53% increase in gross income during FY 2023-2024 compared to FY 2022-2023.

BRANCH NETWORK

As on March 31, 2024, 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.

After end of the FY 2023-2024, till the date of this report, the Company has opened 11 branches comprising 2 in Madhya Pradesh, 2 in Chhattisgarh, 2 in Karnataka, 1 in Telangana and 4 in Odisha. Pune (Wagholi) branch (non-deposit taking branch) was closed w.e.f May 10, 2024 and the business of the said branch was merged with the Pune Branch. As on date of this report, the total branch count is 125.

Your Company plans to add more branches during the financial year 2024-2025 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 24.95% (as against 15% prescribed by RBI) as on March 31, 2024. 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)**.

As per Reserve Bank of India circular on “Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs” on 22 October 2021 (‘SBR Framework’), your Company is a deposit taking NBFC classified as **NBFC-Middle Layer**.

Further, the Company exceeds the regulatory requirement of Liquidity Coverage Ratio (‘LCR’) introduced by the RBI in FY2020. As against the LCR requirement of 85%, the Company’s LCR as on 31 March 2024 was 136.57%.

The Company continues to be in compliance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI on October 19 2023 (‘RBI Scale Based Regulation’).

INTERNAL CAPITAL ADEQUACY ASSESSMENT POLICY ('ICAAP')

Pursuant to RBI Scale Based Regulation, NBFCs are required to have an ICAAP in place. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business and also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing their risks. Accordingly, the Company has framed an ICAAP Policy. This Policy is developed considering the requirements of the SBR and is based on the Pillar-2 requirements under Basel III Framework developed by the Basel Committee on Banking Supervision (BCBS).

The objective of the policy is to provide an ongoing assessment of the Company's entire spectrum of risks and the methodology to assess current and future capital, reckoning other mitigating factors and also to assist and apprise the Board on these aspects and on the Company's internal capital adequacy assessment process and the Company's approach to capital management.

INFORMATION TECHNOLOGY GOVERNANCE AND CYBER SECURITY

RBI vide Master Direction dated June 8, 2017 has laid down an Information Technology Framework for the NBFC sector. Accordingly, the Company has constituted an Information Technology Strategy Committee ('IT Strategy Committee') comprising of an Independent Director as Chairman and comprising Chief Technology Officer and other members of the Management.

The RBI has issued Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023 effective April 1, 2024.

In line with said Directions, the Company has re-constituted the IT Strategy Committee comprising of Independent Director as its Chairman and other Executive and Non- Executive Directors as members with Chief Technology Officer and Chief Information Security Officer being the permanent invitees to the Committee.

The Committee is vested with the roles and responsibilities as mentioned under the said Master Direction and as per the Information Technology Policy of the Company.

The IT Strategy Committee met three (3) times during the year under review.

In terms of the aforementioned Directions, the Committee would now meet at least on a quarterly basis.

Pursuant to the said Directions, the Company has appointed a CISO who shall be responsible for driving cyber security strategy and ensuring compliance to the extant regulatory/statutory instructions on information/cyber security and other roles and responsibilities as stipulated therein.

In accordance with IT Governance framework, the Company has put in place policies which, inter alia, includes Business Continuity Policy, Information Security Policy, Information Technology Policy, Information Security and Cyber Security Policy, IT Outsourcing Policy, Cyber Crisis Management Plan and Security and Cyber Incident Management Policy.

The Company continues to enhance cyber security and information security aspects while transforming to a customer-centric digital enterprise.

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 2023-2024. 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; Outlook: Stable)	BBB (Stable); reaffirmed and Withdrawn	-
2.	Long Term Bank Facilities	BBB; Stable (Triple B; Outlook: Stable)	-	BBB+; Negative (Triple B; Outlook; Negative) Reaffirmed and Withdrawn
3.	Long Term Bank Facilities – Term Loan (TL)	A- (CE); Stable, Reaffirmed	-	A (CE); Negative, Reaffirmed and Withdrawn
4.	Non-Convertible Debentures	BBB; Stable (Triple B; Outlook: Stable)	BBB (Stable) reaffirmed	-
5.	Market Linked NCDs	PP-MLD BBB; Stable (Triple B; Outlook: Stable)	PP-MLD[ICRA]BBB (Stable) reaffirmed	-

*The NCDs issued and allotted under the ISIN INE998Y07113, INE998Y07121 and INE998Y07139 are rated only by CARE Limited.

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, 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 Company obtains the declaration of fulfillment of eligibility criteria in accordance with the provisions of Section 141 of the Companies Act, 2013 and guidelines issued by RBI from the Statutory Auditors on an annual basis.

The Auditors Report on the financial statements of the Company for the year ended March 31, 2024 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 23, 2024 for FY 2023-2024. 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 (RBIA) 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 of Board (“ACB”) regularly reviews the RBIA 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 ACB reviewed the performance of the RBIA Function and acknowledged the improvement in the performance of Risk based audit function of the Company as per the quality assurance and improvement program which includes adherence to the internal audit policy, objectives and expected outcomes. Further the ACB recommended to the use of new audit tools/new technologies for reducing the extent of manual monitoring/ transaction testing/ compliance monitoring etc.

The ACB also meets with the internal auditors without the presence of Management.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Act 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 2023-2024.

The Secretarial Audit Report for the financial year ended March 31, 2024 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. Himanshu Joshi (DIN : 07214254)	Non-Executive Independent Director.	Annual General Meeting held on September 25, 2023	Appointed for a first term of 1 (one) year effective from June 01, 2023 till May 31, 2024.
2.	Mr. Avishek Addy (DIN : 07973542)	Non-Executive Non- Independent Director, liable to retire by rotation.	Annual General Meeting held on September 25, 2023	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:

The following appointment and resignation of KMP took place during the financial year ended on March 31, 2024:

Name of KMP	Designation	Nature of Change (Appointment/ Resignation)	Date of change
Mr. Rangarajan Srinivasan	Chief Financial Officer (“CFO”)	Resignation	August 04, 2023
Mr. Ravindra Dorle	CFO	Appointment	August 12, 2023

(B) Appointment of Non-Executive Directors:

i. Mr. Rajesh Vasudevan (DIN: 02711990)

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors at its meeting held on May 23, 2024, approved the appointment of Mr. Rajesh Vasudevan (DIN: 02711990) as an Additional Director (Category: Non-Executive, Independent Director) of the Company.

His appointment as an Independent Director will be for a term of 5 (Five) consecutive years w.e.f. May 23, 2024 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.

The Board is of the opinion that Mr. Rajesh Vasudevan 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.

ii. Mr. Varun Bhalla (DIN: 09687552)

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors at its meeting held on August 13, 2024 recommended the appointment of Mr. Varun Bhalla (DIN: 09687552) as an Non- Executive Independent Director of the Company for a term of Five (5) consecutive years w.e.f. September 20, 2024 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.

The Board is of the opinion that Mr. Varun Bhalla 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) Cessation of Non-Executive Directors:

i. Mr. Himanshu Joshi (DIN: 07214254)

Mr. Himanshu Joshi (DIN: 07214254) ceased to be an Independent Director with effect from May 31, 2024 due to completion of his 1st term and he communicated his intention to cease to be director. The Board accepted the resignation and placed on record its sincere appreciation for the valuable contribution made by him during his tenure as director on the Board of the Company.

ii. Mr. Atul Sarda (DIN: 02161209)

Mr. Atul Sarda (DIN: 02161209), Independent Director was re-appointed for a second term of 5 years at the Annual General Meeting of the Company held on September 21, 2019 and holds office till September 20, 2024. Thereafter, he shall cease to be a Director of the Company. The Board extends its sincere appreciation for the valuable contribution made by him during his association with the Company as a director.

iii. Mr. Vishwas Pathak (DIN: 00452917)

Mr. Vishwas Pathak (DIN: 00452917), Independent Director was re-appointed for a second term of 5 years at the Annual General Meeting of the Company held on September 21, 2019 and holds office till September 20, 2024. Thereafter, he shall cease to be a Director of the Company. The Board extends its sincere appreciation for the valuable contribution made by him during his association with the Company as a director.

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

Mr. Harishchandra Sukhdeve (DIN: 09289094), Non-Executive Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for reappointment. The brief profile of director seeking re-appointment is given in the Notice of 34th AGM.

(E) Declaration by Directors:

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 RBI Scale Based Regulation and that they are not disqualified from being appointed / continuing as Directors under the terms of Section 164(2) of the Act.

(F) Key Managerial Personnel:

In terms of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Maroti Jawanjar, Executive Chairman, Mr. Sandeep Jawanjal, Managing Director, Mr. Ravindra Dorle, Chief Financial Officer and Ms. Deepali Balpande, Company Secretary & Compliance Officer are the key managerial personnel of the Company as on March 31, 2024.

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.

MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board of Directors met Six (6) times during the year and the maximum gap between any two meetings did not exceed the limit of 120 days as prescribed under the provisions of the Act and Rules made thereunder and the Secretarial Standard on Meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India.

The Company has formed several Board Committees as stipulated by relevant Acts, Regulations, and Guidelines to enhance Board efficiency, aid decision-making processes, and promote robust corporate governance practices. These Committees convened meetings as necessary throughout the year to fulfill their respective roles.

The Independent Directors conducted their separate meeting on March 26, 2024 without attendance of non-independent Directors and members of management, inter alia, to review the matters statutorily prescribed under the Act.

Details of these meetings, including attendance records of each member, are comprehensively described in the report on Corporate Governance forming **Annexure- III** to this Board's Report.

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 Board's report dated August 12, 2023, 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. The Hon'ble Tribunal sought copy of report from the Registrar of Companies ("ROC") which was duly e-filed by ROC. The matter is scheduled for hearing on September 02, 2024.

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.

NOMINATION AND REMUNERATION POLICY

Your Company has adopted the Nomination and Remuneration Policy 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, independence of a Director and the Remuneration 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>

COMPENSATION POLICY FOR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

RBI has vide its circular dated April 29, 2022 issued Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs pursuant to RBI Scale Based Regulation. Accordingly, the Company has adopted a Board approved 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, 29350 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 absorption:

Recently, the Company has efficiently invested its resources in implementing advanced Cloud-Based Solutions, robust cyber security technologies, including threat intelligence, encryption, multi-factor authentication (MFA), centralized branch connectivity and biometric authentication to safeguard the customer data, protect the systems against evolving threats and provide a secured environment for all the business users and stakeholders.

In order to enhance the operational efficiency by automating the underwriting process and decision-making processes while customer onboarding, the Company has implemented BRE Rules (Business Rule Engine) in the advanced Autonom8 LOS. It will significantly improve the faster processing of loan applications and reducing the time customers spend waiting for responses.

The Company is majorly concentrating on integrating advanced technologies and strategies to optimize operations, enhance personalized experiences by improving customer experience, increase efficiency at reduced costs and stay competitive in a rapidly evolving marketplace. This digitalization journey will help the Company to transform the way to do its business, manage their teams and provide better value to their customers.

(c) Foreign Exchange Earning & Outgo:

During FY 2023-2024, the Company did not have any foreign exchange earnings but the foreign exchange outgo in terms of actual outflow amounted to ₹ 34.63 lakhs.

CORPORATE SOCIAL RESPONSIBILITY:

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

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_re_sponsibility_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"**.

The CSR obligation of the Company for the FY 2023-2024 is ₹ 55.33 lakhs. As on March 31, 2024, total amount spent on CSR activities by the Company is ₹ 55.80 lakhs.

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 2023-2024.

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' (**"POSH 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 POSH Act.

No cases have been filed pursuant to the POSH 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.

INFORMATION ABOUT SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

Your Company did not have any Subsidiary/Material Subsidiary/Joint Venture/Associate during the year under review. Hence the details of this clause are not applicable to the Company.

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-24/draft_annual_return_form_mgt_7.pdf

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of your Company during the FY 2023- 2024.

CHANGES TO THE CONSTITUTIONAL DOCUMENTS

i. Articles of Association

SEBI vide its notification dated February 2, 2023 amended SEBI (Issue and Listing of Non- Convertible Securities) Regulations, 2021 by inserting sub-regulation (6) in regulation 23 which mandates an issuer to ensure that its Articles of Association ('AoA') require its Board of Directors to appoint a person nominated by the Debenture Trustee ('DT') upon occurrence of any of the events of default as per regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993 ('DT Regulations'). In order to comply with above requirements, the AoA of the Company was amended to enable DT to appoint their Nominee on the Board upon occurrence of any of the event specified in regulation 15(1)(e) of the DT Regulations vide special resolution passed by shareholders on September 25, 2023. Details of the same can be accessed on the website of the Company at <https://www.berarfinance.com/investors.html>

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

- In this report, any reference to the statutory or regulatory guidelines, acts, circulars, regulations, notifications and directions, unless the context otherwise requires, be construed to include any amendments, modifications, updations or re-enactment thereof as the case may be.
- 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 fraud 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 completed all corporate actions within the specified time limits. The securities were not suspended from trading during the year due to corporate actions or otherwise.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principal of any of its debt securities.
- As on March 31, 2024, 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 Board's Report, form part of the notes to the standalone financial statements.
- SEBI vide its circular no. SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/176 dated November 8, 2023 ('the Circular'), has prescribed the procedural framework for dealing with unclaimed interest and redemption amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by investors.

The Circular requires such companies to formulate a policy specifying the process to be followed by investors for claiming their unclaimed amounts. Accordingly, a policy titled 'Policy for filing and processing of claim for unclaimed amount by Investors of Non-Convertible Securities' has been framed by the Company. The policy can be accessed at https://www.berarfinance.com/pdf/listed_non_convertible_securities/updates/policy_for_filing_and_processing_of_claim_unclaimed_amount_of_ncs.pdf.

The Company Secretary has been designated as the Nodal Officer for the purposes of this circular. As on March 31, 2024, there is no amount remaining unclaimed in respect of non-convertible debentures.

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, private equity investors, depositors, debenture holders, banks, financial institutions and the regulators.

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 13,2024
Place: Nagpur

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

Global Economy

The global economy has shown remarkable resilience despite enduring repeated and overlapping shocks like supply chain disruption, conflict in Ukraine and Gaza, coupled with unprecedented monetary tightening measures to counter high inflation. Growth in the US and several key emerging market economies (EMEs) has outperformed expectations. While, manufacturing activity has remained subdued, services have exhibited strength, amid falling inflation and steady employment.

Global growth is projected at 3.2% in 2025, which is still below the pre-pandemic level of 3.8%. Inflation is expected to ease down to 5.9% in 2024 and 4.5% in 2025, with the 2025 forecast revised down. With inflation easing, market expectations that future policy rates will decline have contributed to a reduction in longer-term interest rates and rising equity markets.

Indian Economy

India's economic journey in FY 2023-24 stands as a testament to determination and resilience, as it overcame the obstacles of global volatility to sustain growth momentum and solidify its place as the world's fifth-largest economy. The IMF has placed India as the fastest growing economy in the World. Despite global economic uncertainties, India's GDP grew by 8.2% in FY 2023-2024, driven by increased public sector investments, significant government led capital expenditure, a resilient financial sector, and significant growth in food and non-food credit. The average retail inflation eased to 5.5% which is now stable and within the tolerance band of RBI.

Market Scenario

The services of your Company encompass loans tailored for the purchase of two- Wheelers, Cars, personal loan for house hold needs alongside disbursements for LAP and Secured Business Loans specifically designed for the MSME sector with focus on semi-urban and rural areas. The domestic two-wheeler industry posted a year on year double digit growth in FY 2023-2024 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

Your Company's financial services benefit around 2,55,000 customers. Headquartered in Nagpur, Maharashtra. At present the Company is having a widespread network of 125 branches spanning across Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh, Telangana, Karnataka and Odisha. Geographical expansion, large customer franchise and adoption of digital technology continue to be critical pillars of the Company's growth.

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, personal loan and Secured MSME (Micro, Small, and Medium Enterprises) Loan are well positioned to chart a growth path for fiscal 2025 and expects a sustained growth in business and profitability.

Your Company is optimistic about its growth potential in the future years, with its strong financial position, low NPAs, growth momentum, well provisioned balance sheet, strong capital adequacy and strong start into FY2025.

With the customer base of around 2,55,000, Asset under Management(AUM) at Rs.1117.62 Crore, Capital adequacy ratio at 24.95 % which is well above the RBI norms. Your Company looks to take quantum jump in near future while balancing risks.

Performance during the Financial Year 2023 - 2024

The performance of the Company during the year was as follows:

(₹ in Lakhs)

Particulars	FY 2022-2023	FY 2023-2024	% Change
Total Income	21,796.16	25,181.03	+15.53
Total Cost	19,623.38	22,185.74	+13.06
Profit Before Tax	2,172.78	2,995.29	+37.86
Profit after Tax	1,708.12	2,218.06	+29.85
Earnings per Share (Fig. in ₹)			
Basic	13.85	17.98	-
Diluted	13.79	17.92	-

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. This is enabled by a robust governance system and review mechanisms which include quarterly risk management review. We address increasingly complex risks through our risk management system, which conducts risk analysis and implements preventive measures. Our risk-focussed 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/disbursing loans as well as post-disbursement services.

Your Company strives to deliver exceptional customer experience by proactively addressing and reducing complaints over time. The 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 RBI Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 ("Master Direction") dated December 29, 2023 within the organisation to deal with the unresolved concerns and complaints of its customers. To strengthen the existing customer grievance redressal mechanism, the Company has constituted Customer Service Committee, in conformity with the said Master Direction. The details of the Committee composition forms a part of Corporate Governance section.

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, 2024

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, 2024 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 31st March, 2024, 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, as amended;
 - 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, as amended;
 - 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/Committee 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 some major events were taken place in Company, having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. of which some are as under;

- 1) In the Board Meeting held on 30th May, 2023, the Board has made appointment of Mr. Himanshu Joshi (DIN: 07214254), as an Additional Director in the category of Non-Executive Independent Director on the Board of the Company.
- 2) In the Board Meeting held on 12th August, 2023, the Board has noted the resignation of Mr. Rangarajan Srinivasan, as Chief Financial Officer (“CFO”) of the Company with effect from 4th August 2023 and approved the appointment of Mr. Ravindra Dorle, Vice-President (“Accounts”) as Chief Financial Officer (“CFO”) of the Company with effect from 12th August 2023.
- 3) Approval has been taken for reappointment of Mr. Avishek Addy (DIN : 07973542), as a Director, who retires by rotation and being eligible, offers himself for re-appointment in the Thirty-Third Annual General Meeting held on 25th September 2023.
- 4) Approval has been taken for amendment in the Articles of Association of the Company in the Thirty-Third Annual General Meeting held on 25th September 2023.
- 5) Approval has been taken Appointment of Mr. Himanshu Joshi (DIN: 07214254) as an Independent Director of the Company in the Thirty-Third Annual General Meeting held on 25th September 2023.
- 6) In the Board Meeting held on 27th March, 2024, the approval of board has been accorded for 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) on private placement basis to Identified Investors and complied with the rules and regulations under various Acts.

This Secretarial Audit Report is being issued on 31st July 2024.

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 : A022144F000861268

(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 31st July 2024.

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.
- 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 Head of 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 the Board members in advance to enable them to evaluate matters carefully for meaningful discussions.

1) Board of Directors:

The composition of the Board is in conformity with Act and rules made thereunder and RBI Regulations. The Company have a balanced Board, having optimum combination of Executive and Non-Executive Directors in compliance with the requirements of the Act.

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.

As on March 31, 2024, the Board comprised 10 (Ten) Directors, consisting of 4 (four) Independent Directors, 4(four) Non-Executive Directors including Nominee Directors and 2 (two) Executive Directors. The Independent Directors of the Company are duly registered on the Independent Directors databank and have submitted their annual disclosures/declarations with respect to the criteria of independence as stipulated under the Act, and confirmed that they are independent of the management and meet the criteria of independence laid down thereunder.

i. The Composition of the Board as on March 31, 2024 is as follows:

Sl. No.	Name of Director	Director since	Capacity	DIN	Number of Board Meetings held (6)		No. of other Directorships	Remuneration (Rs. in Lakh)			No. of shares held in the Company
					Entitled to attend	Attended		Salary and other compensation	Sitting Fee	Commission*	
i.	Mr. Maroti Jawanjar	22/08/1990	Promoter and Executive Chairman	00379916	6	6	0	45.6	-	51	10,22,894
ii.	Mr. Shantaram Mahakalkar	25/09/2002	Non-Executive Director	00379988	6	6	0	-	0.49	-	29,900
iii.	Mr. Vishwas Pathak	01/09/1990	Independent Director	00452917	6	5	0	-	0.83	-	24,600
iv.	Mr. Atul Sarda	05/04/2008	Independent Director	02161209	6	6	0	-	1.30	-	13,200
v	Ms. Rashmi Mitkary	13/11/2020	Independent Director	08960192	6	6	1	-	0.64	-	-
vi	Mr. Avishek Addy	19/01/2021	Non-Executive Director	07973542	6	6	2	-	-	-	-
vi	Mr. Harishchandra Sukhdeve	23/08/2021	Non-Executive Director	09289094	6	6	0	-	0.44	-	-
viii	Mr. Siva Vadivel Alagan	21/03/2022	Non-Executive Director	08242283	6	5	4	-	-	-	-
ix	Mr. Himanshu Joshi	01/06/2023	Independent Director	07214254	5	4	1	-	0.55	9.45	-
x	Mr. Sandeep Jawanjal	01/04/2007	Promoter and Managing Director	01490054	6	6	0	42.98	-	49	3,31,218

*Note: The Commission will be paid post adoption of the financial statements at the ensuing Annual General Meeting ("AGM").

Details of Directorship in other entities of director(s) as on March 31, 2024 (except Berar Finance Limited):

Name of Director	Number of Directorship	Companies in which a director is a member or chairperson of the Board	Category
*Mr. Avishek Addy	2	1. D2C Insurance Broking Private Limited; 2. Altum Credo Home Finance Private Limited	Non- Executive Director
**Mr. Siva Vadivel Alagan	4	1. SAVE Solutions Private Limited; 2. SAVE Microfinance Private Limited; 3. SAVE Financial Services Private Limited; 4. Belstar Microfinance Limited	Non- Executive Director
Ms. Rashmi Mitkary	1	TG Sugars Limited	Independent Director
Mr. Himanshu Joshi	1	Altum Credo Home Finance Private Limited	Independent Director

* Nominee Director on behalf of Amicus Capital Partners India Fund I and Amicus Capital Private Equity I LLP, equity investors in the Company.

** Nominee Director on behalf of Maj Invest Financial Inclusion Fund III K/S, equity investor in the Company.

Notes:

- As on March 31, 2024, there are no convertible instruments issued by the Company and as a result none of the Directors hold any convertible instrument.
- 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.
- Except Mr. Maroti Jawanjar who is the father of Mr. Sandeep Jawanjar, no other directors are related to each other.
- None of the Key Managerial Personnel of the Company holds any office (including Directorship) in any other NBFC-ML or NBFC-UL.
- Except Mr. Siva Vadivel Alagan, all the Directors attended the AGM held on September 25, 2023.

Changes in composition of Board during FY2024 and FY2023

Details of change in composition of the Board during the year under review and previous year i.e., from April 01, 2022 to March 31, 2024 is given below:

Sl. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Mr. Siva Vadivel Alagan (DIN: 08242283)	Non- Executive Director	Regularised as Non- Executive Director	April 18,2022
2.	Mr. Himanshu Joshi (DIN: 07214254)	Additional Director (Category: Non-Executive, Independent Director)	Appointment	June 01,2023
3.	Mr. Himanshu Joshi (DIN: 07214254)	Independent Director	Regularised as Independent Director	September 25, 2023

After the closure of the Financial Year 2023-2024 till the date of this report, the below mentioned changes took place in the composition of the Board of Directors:

Sl. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Mr. Rajesh Vasudevan (DIN: 02711990)	Additional Director (Independent and Non- Executive) subject to approval of members at the ensuing Annual General meeting of the Company.	Appointment	May 23, 2024
2.	Mr. Himanshu Joshi (DIN: 07214254)	Independent Director	Cessation	May 31,2024

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 behavior, 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.
6.	Information Technology	Knowledge about technology and innovation.

Name / skill and Expertise	Leadership	Business	Financial	Corporate Governance	Risk Management	Technology
Mr. Maroti Jawanjar	Yes	Yes	Yes	Yes	Yes	-
Mr. Shantaram Mahakalkar	Yes	Yes	-	Yes	-	-
Mr. Vishwas Pathak	Yes	Yes	Yes	Yes	-	-
Mr. Atul Sarda	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Rashmi Mitkary	Yes	Yes	Yes	Yes	Yes	-
Mr. Avishek Addy	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Harishchandra Sukhdeve	Yes	Yes	Yes	Yes	Yes	-
Mr. Siva Vadivel Alagan	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Himanshu Joshi	Yes	Yes	Yes	Yes	Yes	-
Mr. Sandeep Jawanjal	Yes	Yes	Yes	Yes	Yes	Yes

iii. **Remuneration of Directors:**

The Nomination and Remuneration Committee (“NRC”) reviews and assesses Board composition and recommends the appointment/ re- appointment of 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 Directors 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 Committee meetings and profit related commission, if any, approved 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.

The members of the Company vide special resolution passed at the Annual General Meeting (‘AGM’) of the Company held on September 25, 2023 have approved the payment of commission up to a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of

section 198 of the Act be paid to and distributed amongst the directors of the Company or some or any of them (other than the Managing Director and Executive Chairman) in such amounts, subject to such ceiling/s and in such manner and in such respects, as may be decided by the Board of Directors of the Company and such payments shall be made in respect of the profits of the Company for each year for a period of five years commencing from April 1,2023.

Pursuant to the recommendation of NRC ,the Board at its meetings held on May 23, 2024, approved payment of Profit related Commission of Rs. 9,45,000/- (Rupees Nine Lakh Forty Five Thousand only) subject to applicable TDS to Mr. Himanshu Joshi, Independent Director of the Company for financial year 2023-2024 for devoting his valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and for providing valuable advice, suggestion and guidance to the management of the Company from time to time.

The commission will be paid to Mr. Himanshu Joshi, after the adoption of audited financial statements by the members at the ensuing AGM.

Details of Remuneration paid to all the Directors and Key Managerial Personnel during the Financial Year 2023-2024 is also provided in Annual Return in form ‘MGT- 7’ as available on the website of the Company and can be accessed at https://www.berarfinance.com/pdf/agm/agm-24/draft_annual_return_form_mgt_7.pdf

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.

6 (Six) Board Meetings were held during the financial year ended March 31, 2024. The dates of the Board meetings held are as under:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	May 30, 2023	4.	November 10, 2023
2.	August 12,2023	5.	February 9,2024
3.	September 29,2023	6.	March 27, 2024

Besides, the Directors of the Company have passed resolutions by circulation viz. July 11, 2023, September 22, 2023, February 28, 2024 and February 29, 2024.

2) Committees of the Board and their composition

The Board has established the following Committees in line with the Companies Act, 2013 and Rules made thereunder and circulars and regulations issued by RBI from time to time. 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.

i. Audit Committee:

The Board has set up an Audit Committee pursuant to Section 177 of the Companies Act, 2013 and the RBI Scale Based Regulation. All the Members of the Committee are financially literate and possess strong accounting and related financial management expertise.

The Audit Committee reviews the financial accounting policies, adequacy of internal control system and system audit and interacts with statutory auditors, internal auditors and senior executives of the Company, reviews the compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The Committee also 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, 2023, August 12, 2023, November 10, 2023, January 05, 2024, February 09, 2024 and March 27, 2024.

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 Member	Member of Committee since	Capacity	Number of Committee Meetings held (6)		No. of Equity shares held in the Company
				Entitled to attend	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	5	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	5	-
6.	Mr. Himanshu Joshi	August 12, 2023	Independent Director as Member	4	3	-

The Company Secretary acted as the 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 in line with the provisions of the RBI Master Directions read with other circulars and guidelines issued by Reserve Bank of India ('Guidelines') from time to time 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 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 Five (5) times on May 30, 2023, August 12, 2023, September 29, 2023, January 05, 2024 and March 27, 2024.

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 Member	Member of Committee since	Capacity	Number of Committee Meetings held (5)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Maroti Jawanjar	May 27, 2014	Executive Chairman as Chairman of the Committee	5	5	10,22,894
2.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	5	5	3,31,218
3.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	5	5	-
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	5	5	-
5.	Mr. Himanshu Joshi	August 12,2023	Independent Director as Member	3	2	-

The Company Secretary acts as Secretary to the Risk Management Committee.

Besides the members of the Committee, meetings of the Risk Management Committee are attended by the Invitees, the Head-Internal Audit and Chief Financial Officer of the Company etc.

iii. Asset-Liability Management (ALM) Committee:

The Asset-Liability Management (ALM) Committee regularly reviews the ALM mismatch in the Company. The Committee also conducts periodic review relating to the liquidity position and stress test assuming various what if scenarios, investment Portfolio and monitor the data of unencumbered assets of the Company etc.

The Board at its meeting held on August 12, 2023 reconstituted management level ALM Committee comprising of following as members:

1. Chairman
2. Managing Director
3. Chief Financial Officer
4. Treasury Head

Accordingly, Mr. Avishek Addy and Mr. Siva Vadivel Alagan ceased to be members of the Committee w.e.f. August 12,2023.

During the year under review, the Committee met Five (5) times on May 30, 2023, September 29, 2023, January 05, 2024, February 09, 2024 and March 27, 2024.

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 Member	Member of Committee since	Capacity	Number of Committee Meetings held (5)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Maroti Jawanjar	May 27, 2014	Executive Chairman as Chairman of the Committee	5	5	10,22,894
2.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	5	5	3,31,218
3.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	1	1	-
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	1	1	-
5.	Mr. Ravindra Dorle	August 12,2023	Chief Financial Officer as Member	4	4	-
6.	Mr. Rangarajan Srinivasan #	August 12,2023	Treasury Head as Member	1	0	-
7.	Mr. Yogesh Tahalyani	October 03,2024	Treasury Head as Member	3	3	-

Resigned with effect from September 30, 2023.

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 Act.

The broad terms of reference of this Committee include recommending a Policy relating to remuneration and employment terms of Key Managerial Personal(KMPs), 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 Criteria for performance evaluation of the Directors of the Company, the Board and its Committees forms a part of the Board's Report.

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 30, 2023, August 11, 2023, September 29, 2023, January 05, 2024 and March 27, 2024.

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 Member	Member of Committee since	Capacity	Number of Committee Meetings held (5)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Vishwas Pathak	May 27, 2014	Independent Director as Chairman of the Committee	5	5	24,600
2.	Mr. Atul Sarda	May 27, 2014	Independent Director as Member	5	5	13,200
3.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	5	5	-
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	5	5	-
5.	Mr. Himanshu Joshi	August 12,2023	Independent Director as Member	3	2	-

The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

v. Information Technology (IT) Strategy Committee:

This Committee is constituted in compliance with the RBI guidelines. During the year under review, the Committee met Three (3) times on May 29, 2023, September 26, 2023 and March 23, 2024.

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

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Committee Meetings held (3)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Atul Sarda	March 22, 2021	Independent Director as Chairman of the Committee	3	3	13,200
2.	Mr. Sandeep Jawanjal	March 22, 2021	Managing Director as Member	3	3	3,31,218
3.	Mr. Amar Helonde*	March 22, 2021	Chief Technology Officer (CTO) as member	3	3	-
4.	Mr. Avishek Addy*	March 27, 2024	Non-Executive Director as member	0	0	-

The Company Secretary acts as Secretary to the IT Strategy Committee.

*In order to comply with the provisions of the “Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023 issued by the Reserve Bank of India”, the Board at its meeting held on March 27,2024 reconstituted the IT Strategy Committee and appointed Mr. Avishek Addy, Non-Executive Director being technically competent as a member of the Committee and Mr. Amar Helonde, CTO ceased to be member of the Committee and shall be permanent invitee to the Committee meetings.

During the year under review, the Committee was apprised, inter alia, on Digital transformation, Cyber Security enhancement, automating customer onboarding & underwriting process, Status implementation of Cloud-Based Solutions (Autonom8 LOS, CWS, CRMS etc.), AML Solution Implementation, Centralized branch connectivity and KYC upgradation (Aadhar Vaulting/Masking).

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 Four (4) times on April 20, 2023, July 20, 2023, October 20, 2023 and January 19, 2024.

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 Member	Member of Committee since	Capacity	Number of Committee Meetings held (4)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Shantaram Mahakalkar	May 27, 2014	Non-Executive Director as Chairman of the Committee	4	4	29,900
2.	Mr. Harishchandra Sukhdeve	August 23, 2021	Non-Executive Director as Member	4	4	-
3.	Mr. Maroti Jawanjar	March 21, 2022	Executive Chairman as Member	4	4	10,22,894

The Company Secretary acts as Secretary to the Stakeholders Relationship Committee. She is also acting as Compliance officer for redressal of investor grievances.

The status and details of the investor complaints received during the Financial Year 2023-2024 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 Three (3) times on May 17, 2023, August 11, 2023, and March 22, 2024.

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 Member	Member of Committee since	Capacity	Number of Committee Meetings held (3)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Maroti Jawanjar	May 27, 2014	Executive Chairman as Chairman of the Committee	3	3	10,22,894
2.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	3	3	3,31,218
3.	Mr. Vishwas Pathak	May 27, 2014	Independent Director as Member	3	3	24,600
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	3	3	-

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.
- To open and close of bank accounts and to avail banking services.

During the year under review, the Committee met Fourteen (14) times on April 24, 2023, June 13, 2023, August 18, 2023, August 29, 2023, September 15, 2023, September 28, 2023, November 02, 2023, November 24, 2023, December 05, 2023, December 27,2023, January 09, 2024, February 02,2024, February 28, 2024 and March 21, 2024.

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 Member	Member of Committee since	Capacity	Number of Committee Meetings held (14)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Maroti Jawanjar	November 23, 2019	Executive Chairman as Chairman of the Committee	14	14	10,22,894
2.	Mr. Sandeep Jawanjal	November 23, 2019	Managing Director as Member	14	14	3,31,218
3.	Mr. Atul Sarda*	April 28, 2022	Independent Director as Member	7	7	13,200
4.	Mr. Ravindra Dorle	November 10,2023	Chief Financial Officer as Member	7	7	-
5.	Mr. Yogesh Tahalyani	November 10,2023	Vice President - Treasury and Finance as Member	7	7	-

The Company Secretary acts as Secretary to the Fund Management Committee.

* The Board at its meeting dated November 10, 2023 reconstituted the Committee as follows:

- Chairman
- Managing Director
- CFO
- Vice President - Treasury and Finance

and accordingly Mr. Atul Sarda ceased to be a member w.e.f November 10, 2023.

ix. Exit offer implementation Committee:

The Board of Director vide its meeting dated August 23, 2021 constituted the Exit offer implementation Committee to review the exit offer/ refund process, settlement, compounding and all relevant remediation processes in this regard.

During the year under review, the Committee met One (1) time on March 06, 2024.

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 Member	Member of Committee since	Capacity	Number of Committee Meetings held (1)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Atul Sarda	August 23,2021	Independent Director as Chairman of the Committee	1	1	13,200
2.	Ms. Rashmi Mitkary	August 23,2021	Independent Director as Member	1	1	-
3.	Mr. Shantaram Mahakalkar	August 23,2021	Non-Executive Director as Member	1	1	29,900

The Company Secretary acts as Secretary to the Exit offer implementation Committee.

x. Customer Service Committee:

The Board at its meeting held on February 09, 2024 constitute the Customer Service Committee in compliance with the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023 to strengthen the existing mechanism for redressal of customer grievances.

The Customer Service Committee comprising of following as members:

- Mr. Maroti Jawanjar – Executive Chairman - Chairman of the Committee
- Mr. Harishchandra Sukhdeve – Non-Executive Director - Member
- Ms. Rashmi Mitkary- Independent Director- Member

The Internal Ombudsman of the Company is the permanent Invitee to the said Committee meetings.

The Company Secretary acts as the Secretary to the Customer Service Committee.

The meetings of the Committee commenced from financial year 2024-2025.

3) Independent Directors Meeting

During the year under review the Independent Directors met on March 26, 2024, inter alia 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 Executive Chairman of the Company, considering the views of Executive and 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.

Except Mr. Himanshu Joshi, other 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
2022-2023	Monday	September 25, 2023	03.30 P.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
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')

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	Appointment of Mr. Maroti Gendaru Jawanjar (DIN: 00379916) as Executive Chairman of the Company.	27.09.2021	66,62,048	0	100%	0%
2	Reappointment of Ms. Rashmi Mitkary (DIN: 08960192) as Independent Director of the Company.	26.09.2022	68,12,071	0	100%	0%
3	To consider & approve the amendment in the Articles of Association of the Company.	25.09.2023	87,88,462	0	100%	0%
4	To consider & approve profit related commission payable to the non-executive Directors of the Company	25.09.2023	87,88,462	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. Extra-ordinary General Meeting (EGM):

No Extra-ordinary General Meeting was held during the Financial Year under review.

III. Postal Ballot:

During the year under review, no resolution was passed through Postal Ballot and no special resolution is proposed to be passed through postal ballot under the provisions of the Act, on or before the ensuing AGM.

IV. Annual General Meeting Information:

AGM Date, Time and Venue	September 20, 2024 at 04.00 P.M. at Arjuna Celebrations, Pande Layout Road, Khamla , Nagpur- 440 025
Financial Year	April 01, 2023 to March 31, 2024
Dividend Payment Date	September 24, 2024
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 Non-Convertible Debentures ("NCDs") 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 2024-2025
Company Scrip Code (NCDs)	959857
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, inter alia, 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's 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 2.0):** 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 2023-2024.

- vi. **Online dispute resolution Portal (“ODR Portal”)**: The Company has also enrolled itself on the online dispute resolution Portal (“ODR Portal”) to streamline the existing dispute resolution mechanism and for prompt resolution of investor’s disputes in the Indian Securities Market. Further, it is informed that your Company has not received any investor complaint in FY 2023-2024.

6) Shareholding as on March 31, 2024:

(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	4206200	34.10
Corporates	17450	0.14
Institutional Investors	4336846	35.15
Investors Education and Protection Fund	4550	0.04
Public	3771800	30.57
Total	12336846	100

7) Details of Shares transferred to Investor Education and Protection Fund (IEPF) during FY 2023-2024 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, 2023	8	4,550
Less: Requests received for transfer / delivery during F.Y. 2023-2024 and Shares transferred / delivered during F.Y. 2023-2024	0	0
Add: Transfer of shares to Investor Education and Protection Fund Authority of Ministry of Corporate Affairs during F.Y. 2023-2024	0	0
Balance as on March 31, 2024	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 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
Final Dividend 2022-23	October 25, 2030

Reminders are sent to the 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 Act, your Company has adopted Related Party Transaction(RPT) Policy:

- i. All the related party transactions entered into by the Company, during the review period, were in its ordinary course of business and on an arm's length basis. Further, there were no material related party transaction entered into 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 27, 2024, respectively, had reviewed the compliance in terms of regulation 9A (4) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and confirmed that the systems for internal control with respect to the SEBI (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively.

Further, the Company has a Structured Digital Database in place and is maintained in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. In this regard the Company has filed the compliance certificate with the Stock Exchanges on a quarterly basis.

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 behavior, 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/strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority on any matter relating to capital markets, during the last 3 (three) financial years.

The Reserve Bank of India (RBI) vide order dated December 08, 2023 imposed a monetary penalty of Rs.10,54,000/- on the Company for non-compliance with certain provisions of the Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016 . The Company has since taken necessary corrective actions in this regards.

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:

All covenants are monitored on a quarterly basis, and waivers from the respective lenders are obtained as and when necessary.

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's 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 the Act and RBI Master Directions.

j) Utilization of Funds:

During the year under review, your Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement as specified under the SEBI Listing Regulations.

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 62A 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 BSE Limited after Board approval for information of NCD holders 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. However, Chairman is Executive Director and is related to the Managing Director as per the definition of the term "relative" defined under the Act.

iii. The Internal auditor may report directly to the Audit Committee:

The Head of In-house Risk based Internal Audit reports to the Managing Director of the Company and the Internal Audit Report is placed 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.

v. The Company has framed the "Policy for filing and processing of claim for unclaimed amount by Investors of Non-Convertible Securities" as per circular dated November 08, 2023 issued by Securities and Exchange Board of India ("SEBI") which is hosted on Company's website at https://www.berarfinance.com/pdf/listed_non_convertible_securities/updates/policy_for_filing_and_processing_of_claim_unclaimed_amount_of_ncs.pdf.

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://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	3	3
2.	Mr. Vishwas Pathak	Independent Director	3	3
3.	Mr. Sandeep Jawanjal	Managing Director	3	3
4.	Mr. Siva Vadivel Alagan	Non-Executive Director	3	3

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://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: Rs. 27,66,46,411/- (Indian Rupees Twenty Seven Crore Sixty Six Lakh Forty Six Thousand Four Hundred Eleven only).

(b) Two percent of average net profit of the company as per sub-section (5) of section 135:

Rs. 55,32,928/- (Indian Rupees Fifty Five Lakh Thirty Two Thousand Nine Hundred Twenty Eight 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)]: Rs. 55,32,928/- (Indian Rupees Fifty Five Lakh Thirty Two Thousand Nine Hundred Twenty Eight only).**

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs. 55,79,571/- (Indian Rupees Fifty Five Lakh Seventy Nine Thousand Five Hundred Seventy One 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)]:** Rs. 55,79,571/- (Indian Rupees Fifty Five Lakh Seventy Nine Thousand Five Hundred Seventy One only).
- (e) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (In Rs.)				
	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
55,79,571/-	Nil	NA	NA	Nil	NA

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

Sl. No.	Particulars	Amount (In Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	55,32,928/-
(ii)	Total amount spent for the Financial Year	55,79,571/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	46,643/-
(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)]	46,643/-

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 Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	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 Rs.)	Deficiency ,if any
					Amount (in Rs.)	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

NA

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 (in Rs.)	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: NA

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 13, 2024
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	181750
2	Options Granted during the year	0
3	*Options Forfeited / lapsed during the year	27000
4	Options Vested during the year	29350
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	154750
9	Number of Options exercisable at the end of the year	94150

* Unvested option of employees 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)	1.90

IV	Employee-wise details of options granted during the financial year 2023-2024 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 Indian Accounting Standard (IND- AS) 33	₹ 17.92
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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 Board's Report for the year ended March 31, 2024:

Sr. No	Name of the Employee	Designation/ Nature of Employment	Age/ Qualification	Experience (in years)	Remuneration (₹) F.Y. 2023-2024	Last Employment	Date of Appointment	Equity holding %
1	Mr. Maroti Jawanjar	Executive Chairman, Permanent	72, Company Secretary	34	96,60,000	--	01/10/1997	8.29
2	Mr. Sandeep Jawanjal	Managing Director, Permanent	40, B.Com.	18	91,98,400	--	01/08/2006	2.68
3	Mr. Ravindra Dorle	Chief Financial Officer, Permanent	34, Chartered Accountant	12	26,23,207	Svatantra Microfin Pvt Ltd	20/06/2023	--
4	Mrs. Deepali Balpande	Company Secretary, Permanent	44, Company Secretary	21	26,86,600	--	09/06/2003	0.34
5	Mr. Satish Kumar Gupta	Head-Internal Audit, Permanent	42, C.A, MBA, M.Com, DISA, CIA (IIA-USA)	17	23,48,600	Cholamandalam Investment and Finance Company Limited	14/06/2021	--
6	Mr. Avinash Menon	Vice President – HR, Permanent	43, B.E. (Electronics), M.B.A (HR)	16	15,18,938	Bharat Financial Inclusion Limited	01/08/2023	--
7	Mr. Amar Helonde	Chief Technology Officer, Permanent	42, B.E. (Electronics), M.B.A (IT Management)	22	13,83,400	Tata Consultancy Services	01/10/2020	--
8	Mr. Rajesh Hinge	Zonal Business Head, Permanent	41, M.A.	18	13,46,680	--	01/06/2006	--
9	Mr. R. Srinivasan	Vice President – Treasury, Permanent	54, Cost Accountant	30	11,84,280	Pragati Finserv Pvt Ltd	01/03/2023	--
10	Mr. Mahesh Thakare	Vice President – Sales Permanent	46, B.A.	13	12,28,400	HDFC BANK LIMITED	01/08/2011	--

Notes:

- Remuneration includes Salary and allowances.
- None of the above employees are related to any Director or Manager except Mr. Sandeep Jawanjal, and Ms. Deepali Balpande who are relatives of Mr. Maroti Jawanjar (Executive Chairman).
- Mr. R. Srinivasan left the Company on September 30, 2023.

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 2024, 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 material 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 2024, 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):</u> <u>(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.</p> <p>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 2024, taken on record by the Board of Directors, none of the director is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls 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) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated from 1 July 2023 to 31 March 2024 for all relevant transactions recorded in the respective software.

- We noted that the payroll software used for the period April 1, 2023 till September 30, 2023 did not have an audit trail feature.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for respective accounting software, we did not come across any instance of the audit trail feature being tampered with in respect of accounting software.

FOR MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS
FRN: 106041W/ W100136

Mumbai, 23rd May, 2024

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 24103750BKEXSC4774

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 31st March 2024 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. 18.1 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. 18.1 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, 2024 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, 2024 except for the following cases:

Rs. in Lakhs

Number of Cases	Principal Amount Overdue	Interest Amount Overdue	Total Amount Overdue
12,243	Rs 2022.63	Rs 405.15	Rs 2427.78

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.
- (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) 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.
- (vii) (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 2024 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 2024 which have not been deposited on accounts of any disputes except as stated below:

Amount (In Rs)

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
The Goods and Service Tax Act 2017	GST	Appellate Authority	FY 2018-19	20,28,228	1,07,006

*Paid under Protest

- (viii) 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).
- (ix) (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.
- (x) (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.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (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.
- (xii) 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.
- (xiii) 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.
- (xiv) (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".
- (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 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.
- (xvi) (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 CIC as part of the group.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) 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.
- (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
- (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, 23rd May, 2024

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 24103750BKEXSC4774

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, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS**

FRN: 106041W/ W100136

Mumbai, 23rd May, 2024

**ASHISH SHAH
PARTNER**

Membership No.: 103750

UDIN: 24103750BKEXSC4774

Financial Statements

Balance Sheet as at 31st March 2024

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	5	5,193.65	6,746.56
(b) Bank Balances other than cash and cash equivalents	6	8,724.05	5,359.59
(c) Loans	7	108,207.59	92,212.64
(d) Investments	8	1,974.89	1,829.45
(e) Other Financial assets	9	3,496.41	4,132.85
Non-financial Assets			
(a) Current tax asset (Net)	21	155.74	-
(b) Deferred tax assets (Net)	10	1,086.29	967.65
(c) Property, Plant and Equipment	11	1,860.66	1,866.62
(d) Capital Work in Progress	12	11.70	31.39
(e) Intangible assets	13	96.18	66.74
(f) Right of use assets	14	638.28	813.70
(g) Other non-financial assets	15	140.33	80.95
Total Assets		1,31,585.77	1,14,108.14
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
(a) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	16	94.09	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	621.32	489.29
(b) Debt Securities	17	7,490.26	14,641.10
(c) Borrowings (Other than Debt Securities)	18	70,032.15	49,983.76
(d) Deposits	19	19,743.53	18,011.68
(e) Other financial liabilities	20	3,228.84	2,543.93
Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	21	-	143.04
(b) Provisions	22	496.87	407.11
(c) Other non-financial liabilities	23	257.25	364.63
EQUITY			
(a) Equity Share capital	24	1,233.68	1,233.68
(b) Other Equity	25	28,387.78	26,289.92
Total Liabilities and Equity		1,31,585.77	1,14,108.14

Summary of material accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 93

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

Ravindra Dorle
Chief Financial Officer
Nagpur

D.R.Balpande
Company Secretary
Nagpur

Place : Mumbai
Date : 23rd May 2024

Statement of Profit and Loss for the year ended 31st March 2024

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March 2024	Year ended 31st March 2023
I) Revenue from operations			
i) Interest Income	26	22,945.97	20,760.08
ii) Dividend Income	27	0.10	0.07
iii) Fee & Commission Income	28	2,104.47	946.10
iv) Net gain on fair value changes	29	12.33	10.34
v) Other operating Income	30	73.53	72.34
I) Total Revenue from operations		25,136.40	21,788.93
II) Other Income	31	44.63	7.23
III) Total Income (I+II)		25,181.03	21,796.16
IV) Expenses			
i) Finance Costs	32	10,386.26	10,040.57
ii) Impairment on financial instruments	33	3,907.19	3,067.99
iii) Employee Benefits Expenses	34	4,550.80	3,482.27
iv) Depreciation, amortization and impairment	35	467.69	396.44
v) Other expenses	36	2,873.80	2,636.11
IV) Total Expenses		22,185.74	19,623.38
V) Profit before tax (IV-III)		2,995.29	2,172.78
VI) Tax Expense:			
i) - Current Tax	10	840.00	760.00
ii) - Prior period income tax	10	54.43	-
iii) - Deferred Tax	10	(117.20)	(295.34)
VII) Profit for the year (V-VI)		2,218.06	1,708.12
VIII) Other Comprehensive Income			
A) Items that will not be reclassified to profit or loss			
i) Re-measurement gains / (losses) on defined benefit plans		(5.70)	1.53
ii) Income tax impact		1.43	(0.38)
B) Items that will be reclassified to profit or loss			
(i) Income tax relating to items that will be reclassified to profit or loss		-	-
VIII) Other Comprehensive Income for the year		(4.27)	1.15
IX) Total Comprehensive Income for the year (Comprising Profit and other comprehensive income for the year) (VII+VIII)		2,213.79	1,709.27
X) Earnings per equity share			
i) Basic (INR)		17.98	13.85
ii) Diluted (INR)		17.92	13.79

Summary of material accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 93

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

Ravindra Dorle
Chief Financial Officer
Nagpur

D.R.Balpande
Company Secretary
Nagpur

Place : Mumbai
Date : 23rd May 2024

Statement of Cash Flows for the year ended 31st March 2024

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
A. Cash Flow from operating activities		
Profit before tax	2,995.29	2,172.78
Adjustments for:		
Depreciation and amortisation expense	467.69	396.44
ESOP expense	7.45	23.47
Provision for Defined Benefit Obligation	88.19	60.71
Finance cost	411.22	526.23
Interest Income on Security Deposit	(5.09)	(4.44)
Interest income on investment	(126.41)	(106.63)
Net gain on fair value changes in Investment	(3.43)	(13.69)
Profit on sale of investment	(8.91)	0.00
Gain on termination of lease	(0.05)	(0.10)
Impairment on financial instruments	3,907.20	3,067.99
Profit on sale of property, plant and equipment (Net)	(0.50)	(2.86)
Operating profit before working capital changes	7,732.65	6,119.90
Changes in working capital		
Increase/ (decrease) in trade payables	226.12	26.74
Increase/ (decrease) in other financial liabilities	804.19	152.87
Increase/ (decrease) in provisions and other liabilities	(105.81)	142.02
(Increase)/ decrease in other financial assets	636.73	(74.59)
(Increase)/ decrease in Loans	(19,902.14)	(13,346.79)
(Increase)/ decrease in other assets	(59.38)	12.73
Cash generated from/(used in) operations	(10,667.64)	(6,967.12)
Income tax paid	(1,193.55)	(757.42)
Net cash used in operating activities (A)	(11,861.19)	(7,724.53)
B. Cash Flow from Investing activities		
Payment for property, plant and equipment, intangible assets and Capital Work-in-progress	(153.94)	(213.86)
Change in Other Bank balances not available for Immediate use	(3,364.46)	(987.70)
Proceeds from sale of property plant and equipment	0.90	3.36
Purchase of investment	(370.96)	(346.30)
Proceeds from sale of Investments	238.44	90.00
Interest received	128.84	106.75
Net cash used in investing activities (B)	(3,521.18)	(1,347.75)
C. Cash Flow from Financing activities		
Proceeds from Bank & Financial Institution Borrowing (Net of Repayments)	15,872.49	4,913.49
Debt Securities issued	(7,157.43)	2,298.53
Deposits taken (Net of Repayments)	1,731.85	2,947.55
Dividend Paid	(123.37)	(123.37)
Repayment of lease liabilities	(333.82)	(401.23)
Net cash used generated from financing activities (C)	9,989.72	9,634.97
Net increase in cash and cash equivalents (A+B+C)	(5,392.66)	562.69
Cash and cash equivalents at the beginning of the year	5,177.54	4,614.85
Cash and cash equivalents at the end of the year	(215.12)	5,177.54

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

2A) Changes in liabilities arising from financing activity

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Opening Balances (Borrowing and debt/subordinated -debt securities) as at 1st April 2023	63,055.84	55,396.37
Proceeds from borrowings	48,673.98	36,195.00
Proceeds from issue of Non-convertible debantures	-	7,000.00
Repayment of borrowings	(32,465.33)	(30,405.53)
Repayment of Non-convertible debantures	(7,150.84)	(5,130.00)
Closing Balances (Borrowing and debt/subordinated -debt securities)	72,113.65	63,055.84

3. Cash & Cash Equivalents included in the Statement of Cash Flow includes the following

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Balances with banks		
In current accounts	2,172.63	818.06
In fixed deposits (with original maturity less than 3 months)	3,000.37	5,901.77
Working capital loan Cash credit from banks	(5,408.77)	(1,569.02)
Cash in Hand	20.65	26.73
	(215.12)	5,177.54

Summary of material accounting policies 1 to 4

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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
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CA Ashish Shah
M.No :103750

Ravindra Dorle
Chief Financial Officer
Nagpur

D.R.Balpande
Company Secretary
Nagpur

Place : Mumbai
Date : 23rd May 2024

Statement of Changes in Equity for the year ended 31st March 2024

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	-	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
1,233.68	-	1,233.68	-	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	3,712.95	14,123.94	8,182.65	126.49	143.89	26,289.92
Changes in accounting policy/ prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	3,712.95	14,123.94	8,182.65	126.49	143.89	26,289.92
Profit for the year	-	-	-	-	2,218.06	2,218.06
Other comprehensive income for the year	-	-	-	-	(4.27)	(4.27)
Total comprehensive income for the year	3,712.95	14,123.94	8,182.65	126.49	2,357.68	28,503.71
Dividend Paid including taxes on dividend	-	-	-	-	(123.37)	(123.37)
Transfers to Statutory reserves	445.00	-	-	-	(445.00)	-
Transfers to General reserves	-	-	-	-	-	-
Any other change:	-	-	-	-	-	-
Premium on issue of Shares	-	-	-	-	-	-
Expenses related to issue of shares (Private Placement)	-	-	-	-	-	-
Share based payment expense	-	-	-	7.45	-	7.45
Balance at the end of the current reporting period	4,157.95	14,123.94	8,182.65	133.93	1,789.31	28,387.78

(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	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 previous 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 previous reporting period	3,712.95	14,123.94	8,182.65	126.49	143.89	26,289.92

Summary of material accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 93

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

Ravindra Dorle
Chief Financial Officer
Nagpur

D.R.Balpande
Company Secretary
Nagpur

Place : Mumbai
Date : 23rd May 2024

MATERIAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2024

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 115 branches as on 31 March 2024. The financial statements of the Company for the year ended March 31, 2024 were approved in accordance with the resolution of the Board of Directors on May 23, 2024.

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 & 79.

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 Material 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 2024 and 31 March 2023.

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 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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

5 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Cash on hand	20.65	26.73
Balances with banks		
In current accounts	2,172.63	818.06
In fixed deposits (with original maturity less than 3 months)	3,000.37	5,901.77
Total	5,193.65	6,746.56

6 Bank Balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Fixed Deposits (Including accrued Interest)	7,940.77	4,695.06
Balances with banks to the extent held as margin money or security against the borrowings	782.42	663.65
Earmarked balances with banks (Unpaid dividend)	0.86	0.88
Total	8,724.05	5,359.59

7 Loans

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Loans measured at Amortised Cost- (Refer Note 47)		
i) Terms loans-Secured		
Hypothecation Loans	1,11,061.31	94,152.22
Loans Against Deposits	94.65	86.13
ii) Term Loans- Unsecured		
Personal Loans	606.34	466.43
Total (A) Gross	1,11,762.30	94,704.78
Less: Impairment loss allowance (Refer Note 47)	(3,554.71)	(2,492.15)
Total (A) Net	1,08,207.59	92,212.64

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:

(₹ in Lakhs)

Type of borrower	As at 31st March 2024	As at 31st March 2023
Promoter	-	2.21
Director	-	-
KMPs	-	-
Related parties	-	-

8 Investments

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
i) Investments measured at amortised cost (Refer Note I)		
* Investments in Government Securities (Quoted)	1957.83	1,699.02
ii) Investments measured at fair value through Profit or Loss (Refer Note II)		
Investments in Equity Instruments (Quoted)	17.06	13.64
Other Investment		
Investment in alternative investment fund units	-	116.79
Total	1,974.89	1,829.45
(i) Investments outside India	-	-
(ii) Investments in India	1,974.89	1,829.45
Total	1,974.89	1,829.45

*Securities are purchased for SLR purpose.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Details of investments -

Note I - Investments in government securities measured at amortised cost

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Investments measured at amortised cost (Quoted)		
8.28%GOI BONDS 2027	4.90	4.87
8.03% GOI BONDS 2024	10.18	10.10
8.23% GOI BONDS 2027	6.06	6.06
8.30% GOI BONDS 2023	-	11.23
8.26% GOI BONDS 2027	10.07	10.05
8.26%GOI BONDS 2027	5.08	5.08
8.83% GOI BONDS 2041	5.78	5.77
8.24% GOI BONDS 2027	5.04	5.03
8.83% GOI BONDS 2023	-	20.71
8.24% GOI BONDS 2027	10.02	9.99
8.15% GOI BONDS 2026	92.59	92.59
8.26% GOI BONDS 2027	35.63	35.67
7.88% GOI BONDS 2030	20.01	20.00
7.16% GOI BONDS 2023	-	87.08
7.88% GOI BONDS 2030	36.25	36.40
7.88% GOI BONDS 2030	24.77	24.72
7.59% GOI BONDS 2029	45.67	45.07
7.88% GOI BONDS 2030	58.65	58.45
7.40% GOI BONDS 2035	9.39	9.36
7.88% GOI BONDS 2030	15.20	15.21
7.40% GOI BONDS 2035	76.62	76.68
7.73% GOI BONDS 2034	16.16	16.21
7.50% GOI BONDS 2034	12.47	12.49
7.40% GOI BONDS 2035	74.83	74.73
7.50% GOI BONDS 2034	18.11	18.17
7.40% GOI BONDS 2035	32.10	32.21
7.50% GOI BONDS 2034	24.76	24.88
6.22% GOI BONDS 2035	24.68	24.66
6.22% GOI BONDS 2035	154.47	154.09
6.22% GOI BONDS 2035	24.43	24.33
6.64% GOI BONDS 2035	49.96	49.95
6.22% GOI BONDS 2035	48.37	48.26
6.64% GOI BONDS 2035	141.40	141.31
6.83% GOI BONDS 2039	140.29	140.08
6.67% GOI BONDS 2035	94.67	94.29
6.67% GOI BONDS 2035	19.05	18.98
7.10% GOI BONDS 2029	39.98	39.80
7.10% GOI BONDS 2029	10.00	9.95
7.10% GOI BONDS 2036	20.34	20.29
7.41% GOI BONDS 2036	102.51	102.52
6.67% GOI BONDS 2035	61.93	61.69
6.67% GOI BONDS 2035	89.10	-
6.22% GOI BONDS 2035	36.81	-
7.18% GOI BONDS 2037	110.08	-
7.18% GOI BONDS 2037	50.26	-
7.37% GOI BONDS 2028	10.43	-
6.54% GOI BONDS 2032	78.72	-
TOTAL	1,957.83	1,699.02

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note II - Investments measured at Fair Value through Profit or Loss

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Investments measured at Fair Value through Profit or Loss		
i) Investments in Equity Instruments (Quoted)		
Sundaram Finance Ltd 100 (31 March 2023: 100)	4.13	2.28
Bajaj Finance Ltd. 100 (31 March 2023: 100)	7.24	5.62
HDFC LTD 168 (31 March 2023: 100)	2.43	2.63
KOTAK MAHINDRA BANK LTD 100 (31 March 2023: 100)	1.78	1.73
YES BANK LTD 1,500 (31 March 2023: 1,500)	0.35	0.23
AU SMALL FINANCE BANK LTD. 200 (31 March 2023: 200)	1.13	1.15
	17.06	13.64
ii) Other investments		
<u>Investment in Alternative Investment fund</u> Northern Arc Money Market Alpha Fund: 0 units (31 March 2023: 1,16,792.82 units)	-	116.79
	-	116.79
Total (i+ii)	17.06	130.43

9 Other Financial assets

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Security deposits		
Premises	56.64	53.60
Others	311.97	8.24
Advances to employees	9.93	12.66
	378.54	74.50
Advances to dealers	2,736.83	2,926.72
Receivable from recovery agent	154.89	919.54
Others	452.85	322.02
Less: Impairment loss allowance	(226.70)	(109.94)
	3,117.87	4,058.34
Total	3,496.41	4,132.85

10 Deferred tax assets/ (liabilities), net / tax expenses

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred tax relates to the following:		
Deferred tax assets		
- on financial assets measured at amortised cost	305.63	436.77
- on expected credit loss provision on loans	951.71	654.89
- on lease as per Ind AS 116	1.28	-
- on ESOP	14.04	12.17
- on investments measured at FVTPL	0.11	-
- on gratuity	80.89	65.94
- on leave encashment	44.16	36.52
Total Deferred tax assets (A)	1,397.82	1,206.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Deferred tax liabilities		
- on difference between written down value of fixed assets as per books of accounts and income tax	35.75	34.45
- on lease as per Ind AS 116	-	12.75
- on investments measured at FVTPL	-	3.30
- on financial assets measured at amortised cost	0.44	1.05
- on financial liabilities measured at amortised cost	116.81	69.62
- ECL provision claimed	158.53	117.47
Total Deferred tax liabilities (B)	311.53	238.64
Deferred tax asset / (liability), net (A-B)	1,086.29	967.65

(B) Reconciliation of deferred tax assets/ (liabilities) (net): (₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening balance as of 1st April	967.65	672.69
Deferred tax assets/(liabilities) recognized in Statement of Profit and Loss	117.20	295.34
Deferred tax assets/(liabilities) recognized in OCI	1.43	(0.38)
Closing balance as on 31st March	1,086.29	967.65

(C) Income tax expense recognised in profit and loss (₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
- Current tax	840.00	760.00
- Prior period income tax	54.43	-
- Deferred tax charge / (income)	(117.20)	(295.34)
Total	777.23	464.66

(D) Income tax expense recognised in other comprehensive income (₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Net loss/(gain) on remeasurements of defined benefit plans	1.43	(0.38)
Total	1.43	(0.38)

(E) Major Components of tax expense/(Income) : (₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Statement of Profit and Loss:		
a) Profit & Loss Section		
i) <u>Current Tax</u>		
Current Tax expense for the year	840.00	760.00
Tax expense for the earlier years	54.43	-
	894.43	760.00
ii) <u>Deferred Tax</u>		
Tax expense on origination and reversal of temporary differences	(117.20)	(295.34)
	(117.20)	(295.34)
Income tax expense reported in the statement of profit or loss[(i)+(ii)]	777.23	464.66
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):	1.43	(0.38)
	1.43	(0.38)
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]	1.43	(0.38)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(F) Reconciliation of tax charge

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Profit before tax	2995.29	2,172.78
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expenses	753.91	546.89
Tax effects of:		
- Disallowed expense	73.05	309.34
- Excess Provision Made	-	6.12
- Deductions under chapter VIA	(48.61)	(102.35)
- Adjustments related to tax of Prior Years	116.07	-
- Impact of Deferred Tax Adjustments	(117.20)	(295.34)
- Effect on Deferred Tax due to change in Tax Rates	-	-
Tax expense recognised in Statement of Profit and Loss	777.23	464.66
Effective Tax Rate	25.95%	21.39%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

11 Property, plant and equipment March 2024

(₹ in Lakhs)

Particulars	Gross block			Accumulated depreciation and impairment				Net block		
	As at 31st March 2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2024	As at 31st March 2023	Year ended	Deductions/ Adjustments	Impairment	As at 31st March 2024	As at 31st March 2023
Owned assets										
Land-Freehold	1,181.08	-	-	1,181.08	-	-	-	-	-	1,181.08
Buildings	264.35	-	-	264.35	17.83	4.51	-	-	22.34	246.52
Office Equipments	156.96	81.29	2.16	236.10	67.52	27.23	1.75	-	92.99	89.44
Computers	220.67	30.94	-	251.61	126.53	52.82	-	-	179.35	94.15
Generator	14.03	-	-	14.03	3.17	1.32	-	-	4.48	10.86
Furniture & Fixtures	176.28	5.28	-	181.57	53.15	18.71	-	-	71.86	123.14
Vehicles	43.95	-	-	43.95	12.77	5.70	-	-	18.47	31.17
Printer	18.36	2.84	-	21.19	8.19	3.36	-	-	11.55	10.17
Server	53.15	-	-	53.15	8.63	7.76	-	-	16.45	44.46
Electrical Fitting	45.37	-	-	45.37	9.75	4.51	-	-	14.26	35.63
Total	2,174.21	120.35	2.16	2,292.41	307.53	125.93	1.75	-	431.75	1,866.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**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	-	-	35.63	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

(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, 2024 and March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

12. Capital work in progress (CWIP)

CWIP ageing schedule as at 31st March 2024

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Software of fixed deposit.	5.00	-	-	-	-	5.00
Renovation of 2nd floor at Avinisha Tower, Nagpur	6.70	-	-	-	-	6.70

CWIP ageing schedule as at 31 March 2023

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	31.39	-	-	31.39

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 :-

As at 31st March 2024

(₹ in Lakhs)

Particulars	Gross block			Accumulated amortisation and impairment			Net block			
	As at 31st March 2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2024	As at 31st March 2023	For the year	Deductions/ Adjustments	Impairment	As at 31st March 2024	As at 31st March 2023
Computer Software	175.57	53.16	-	228.73	108.84	23.72	-	-	132.55	96.18
Total	175.57	53.16	-	228.73	108.84	23.72	-	-	132.55	96.18

As at 31st March 2023

(₹ in Lakhs)

Particulars	Gross block			Accumulated amortisation and impairment			Net block			
	As at 1st April 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2023	As at 1st April 2022	For the year	Deductions/ Adjustments	Impairment	As at 31st March 2023	As at 1st April 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

14 Right of use assets (₹ in Lakhs)

Particulars	Amount
Carrying amount as at 1st April 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
Addition	180.45
Adjustments/deletion	(37.83)
Depreciation for the year	(318.04)
Carrying amount as at 31st March 2024	638.28

15 Other Non Financial Assets (₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Prepaid expenses	71.10	43.53
Advances to Creditors	22.77	21.84
Recoverable from employees	33.57	-
Stamps in Hands	12.89	15.58
Total	140.33	80.95

16 Trade Payables (₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Total outstanding dues of micro enterprises and small enterprises	94.09	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	621.32	489.29
Total	715.41	489.29

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 company has outstanding dues payable to micro and small Enterprises that are reportable under the MSMED Act, 2006. The disclosures relating to Micro and Small Enterprises are as below:

Particulars	As at 31st March 2024	As at 31st March 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	94.09	-
- 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.	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	As at 31st March 2024	As at 31st March 2023
- 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	94.09	-

16.2 Trade Payables ageing
a) Trade payables ageing schedule as at 31st March 2024 (₹ 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	94.09	-	-	-	94.09
2. Others	562.48	58.84	-	-	621.32
3. Disputed dues - MSME	-	-	-	-	-
4. Disputed dues - Others	-	-	-	-	-
5. Unbilled trade payables, if any	-	-	-	-	-

b) 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

17 Debt Securities (₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
At Amortised cost :		
Secured		
Non Convertible Debentures	3919.53	11,498.84
Market linked Non convertible debentures	3570.73	3,142.26
Total	7,490.26	14,641.10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

17.1 Disclosure on Debt Securities issued on private placement basis.

Issue of secured redeemable non convertible debentures as on March 31st, 2024

(₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31st March 2024
* 14.06% Listed Non Convertible Debentures	10.00	24-Mar-21	05-Feb-25	20% of the Face Value of Debentures will be redeemed at the end of 24 months from Deemed Date of Allotment. 30% of the Face Value of Debentures will be redeemed at the end of 36 months from Deemed Date of Allotment. 50% of the Face Value of Debentures will be redeemed at the end of 46 months and 21 days from Deemed Date of Allotment	1700.27
13.63% Unlisted Market linked Non Convertible Debentures	10.00	17-Sep-21	31-Oct-24	Redeemable at par along with interest at the end of 38 Months from the date of allotment.	1855.32
11.25% Unlisted Non Convertible Debentures	0.10	05-Aug-22	07-Aug-24	Payable Half Yearly, Final Redemption at par at the end of 24 Months from the date of allotment.	1013.45
* 11.50% Listed Non Convertible Debentures	10.00	16-Sep-22	16-Mar-25	Payable monthly, Final Redemption at par at the end of 30 Months from the date of allotment.	1205.81
13.63% Unlisted Market linked Non Convertible Debentures	10.00	17-Sep-21	30-Nov-24	Redeemable at par along with interest at the end of 39 Months from the date of allotment.	1715.41
Total					7490.26

Issue of secured redeemable non convertible debentures as on March 31, 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	Payable monthly, Final Redemption 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	20% of the Face Value of Debentures will be redeemed at the end of 24 months from Deemed Date of Allotment. 30% of the Face Value of Debentures will be redeemed at the end of 36 months from Deemed Date of Allotment. 50% of the Face Value of Debentures will be redeemed at the end of 46 months and 21 days from Deemed Date of Allotment	2720.11

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

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.	1002.36
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 Market linked Non Convertible Debentures	10.00	17-Sep-21	31-Oct-24	Redeemable at par along with interest at the end of 38 Months from the date of allotment.	1633.23
11.25% Unlisted Non Convertible Debentures	0.10	05-Aug-22	07-Aug-24	Payable Half Yearly, Final Redemption at par at the end of 24 Months from the date of allotment.	3082.75
* 11.50% Listed Non Convertible Debentures	10.00	16-Sep-22	16-Mar-25	Payable monthly, Final Redemption at par at the end of 30 Months from the date of allotment.	2402.39
13.63% Unlisted Market linked Non Convertible Debentures	10.00	17-Sep-21	30-Nov-24	Redeemable at par along with interest at the end of 39 Months from the date of allotment.	1509.03
Total					14,641.10

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 Managing Director and Executive Chairman.

* The NCDs are listed on BSE Ltd.

18 Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
At Amortised cost :		
a) Term loans		
i) Secured		
Term Loan from Banks	27,459.50	22,726.85
Term Loan from Financial Institutions	35,738.38	25,388.43
Associated liabilities in respect of securitization transactions	1,425.51	299.46
b) Loans repayable on demand		
i) Secured		
Working capital demand loan and Cash credit from banks	5,408.76	1,569.02
Total	70,032.15	49,983.76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

18.1 Disclosure for Borrowings

Term loans from bank as on March 31, 2024 : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2024	As at 31st March 2023
Monthly	Upto 5 Years	9.01%-10.00%	1,458.27	2,851.18
Monthly	Upto 5 Years	10.01%-11.00%	10,421.80	7,826.55
Monthly	Upto 5 Years	11.01%-12.00%	14,767.96	6,990.33
Monthly	Upto 5 Years	12.01%-13.00%	811.47	2,611.83
Monthly	Upto 5 Years	13.01%-14.00%	-	2,073.88
Monthly	Upto 5 Years	14.01%-15.00%	-	373.08
Total			27,459.50	22,726.85

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 Managing director and Executive Chairman.

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, 2024 : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2024	As at 31st March 2023
Monthly	Upto 5 Years	10.01%-11.00%	407.80	902.63
Monthly	Upto 5 Years	11.01%-12.00%	22,154.13	13,164.69
Monthly	Upto 5 Years	12.01%-13.00%	11,822.81	5,310.93
Monthly	Upto 5 Years	13.01%-14.00%	1,215.16	3,160.47
Monthly	Upto 5 Years	14.01%-15.00%	138.48	2,679.87
Monthly	Upto 5 Years	15.01%-16.00%	-	169.84
Total			35,738.38	25,388.43

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 Managing Director and Executive Chairman.

Loan repayable on demand from bank : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2024	As at 31st March 2023
Bank overdraft/Cash Credit	Bullet	9.00%-13.00%	5,408.76	1,569.02
Total			5,408.76	1,569.02

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 Managing Director, Executive Chairman and Mrs. Jyoti Jawanjar.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

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 2024	As at 31st March 2023
At Amortised cost :		
Deposits (Unsecured)		
- Public deposits	18,369.39	16,817.80
- Inter corporate deposits	723.87	917.22
Director and director relatives	650.27	276.66
Total	19,743.53	18,011.68

19.1 Maturity profile of 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 2024		
	Upto 1 Year	1-5 Years	Total
8.50%	1,769.56	-	1,769.56
8.75%	3,106.32	389.27	3,495.59
9.00%	1,382.57	1,769.30	3,151.86
9.25%	388.23	1,332.88	1,721.11
9.50%	2,026.18	2,339.22	4,365.40
9.75%	548.24	1,181.28	1,729.51
10.00%	0.61	3,056.02	3,056.63
10.50%	1,029.10	-	1,029.10
Total	10,250.81	10,067.97	20,318.76

(₹ in Lakhs)

Rate of Interest	As at 31st March 2023		
	Upto 1 Year	1-5 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

20 Other Financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Employee benefits payable	553.81	304.07
Unclaimed Dividend	0.97	1.17
Other expenses payable	36.48	25.40
Security deposits	360.12	347.25
Unclaimed matured deposits (Refer note 19.1)	575.23	553.68
Lease liability (Refer note 20.1)	632.81	752.09
Other credit balances	295.56	135.50
Advances from dealers	773.86	424.77
Total	3,228.84	2,543.93

20.1 Movement of lease liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening Balance	752.09	285.96
Additions	174.52	803.22
Interest expenses	81.66	78.78
Payments	(333.82)	(401.21)
Deletions	(41.64)	(14.66)
Total	632.81	752.09

21 Current tax liabilities/Asset (net)

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Current income tax payable for 31 March 2024, net of advance tax of INR 900.34 lakhs and TDS receivable of INR 96.88 lakhs (31 March 2023: net of advance tax INR 700.00 lakhs and TDS receivable INR 53.93 lakhs)	(155.74)	143.04
Total	(155.74)	143.04

22 Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits		
Provision for gratuity (Refer Note 40)	321.40	262.01
Provision for compensated absences (Refer Note 40)	175.47	145.10
Total	496.87	407.11

23 Other Non Financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Statutory dues payable	257.25	364.63
Total	257.25	364.63

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
24 Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Authorized		
1,45,00,000 (31 March 2023: 1,45,00,000) Equity shares of INR 10/- each.	1,450.00	1,450.00
5,00,000 (31 March 2023: 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 2023: 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 2024		As at 31st March 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	123.37	1,233.68	123.37	1,233.68
Add: Issued during the year - Private Placement	-	-	-	-
Outstanding at the end of the year	123.37	1,233.68	123.37	1,233.68

(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 2024		As at 31st March 2023	
	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 2024		As at 31st March 2023		% 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	3,31,218	2.68%	3,29,718	2.67%	0.01%
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	0.95%	0.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

25 Other equity

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Retained earnings	1,789.31	143.89
General Reserve	8,182.65	8,182.65
Securities Premium	14,123.94	14,123.94
Employee stock options plan	133.93	126.49
Statutory Reserve	4,157.95	3,712.95
Total	28,387.78	26,289.92

(A) Retained earnings

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening balance	143.89	107.96
Add: Net profit for the year	2,218.06	1,708.12
Add/(Less): Other comprehensive income	(4.27)	1.15
Appropriations:		
Less: Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(445.00)	(450.00)
Dividend Paid including taxes on dividend	(123.37)	(123.34)
Transfer to General Reserve	-	(1,100.00)
Closing balance	1,789.31	143.89

(B) General Reserve

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening balance	8,182.65	7,082.65
Add: Transferred during the year	-	1,100.00
Closing balance	8,182.65	8,182.65

(C) Securities Premium

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening balance	14,123.94	14,123.94
Add: Premium on issue of Equity Shares	-	-
Less: Expenses related to Issue of Shares (Private Placement)	-	-
Closing balance	14,123.94	14,123.94

(D) Share option outstanding

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening balance	126.49	103.02
Add: Share based payment expense	7.44	23.47
Closing balance	133.93	126.49

(E) Statutory Reserve

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening balance	3,712.95	3,262.95
Add: Transferred during the year	445.00	450.00
Closing balance	4,157.95	3,712.95

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
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 20.06% 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 2024	Year ended 31st March 2023
Interest income on financial assets measured at amortised cost:		
- Interest on loans	22,094.11	20,318.18
- Interest on fixed deposits with banks	720.36	330.83
- Interest income from investments;	126.41	106.63
- Interest on security deposits	5.09	4.44
Total	22,945.97	20,760.08

27 Dividend Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Dividend received	0.10	0.07
Total	0.10	0.07

28 Fee & Commission Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Fee & Commission Income	2,104.47	946.10
Total	2,104.47	946.10

29 Net gain/ (loss) on fair value changes*

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments		
Net gain/ (loss) on financial instruments designated at fair value through profit or loss	12.33	10.34
Total Net gain/(loss) on fair value changes (A)	12.33	10.34
Fair Value changes:		
-Realised	8.91	0.00
-Unrealised	3.42	10.34
Total Net gain/(loss) on fair value changes (B) to tally with (A)	12.33	10.34

*Fair value changes in this schedule are other than those arising on account of interest income/expense.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

30 Other operating Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Securitisation fees	73.53	72.34
Total	73.53	72.34

31 Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Profit on sale of assets	0.50	2.86
Gain on derecognition of leased asset	0.05	0.10
Gain on termination of lease	4.89	1.84
Advertisement Income	33.00	-
Miscellaneous Income	6.19	2.43
Total	44.63	7.23

32 Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
On Financial liabilities measured at Amortised Cost		
Interest on deposits	1809.81	1,582.38
Interest on borrowings	6832.68	6,120.65
Interest on debt securities	1464.08	2,067.99
Interest on lease liabilities	81.66	78.78
Bank charges	198.03	190.77
Total	10,386.26	10,040.57

33 Impairment on financial instruments

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Financial assets measured at amortised cost		
ECL Provision	1,062.56	1,228.16
Other Provision	116.76	76.15
Write-off- loans (Net of recovery)	2,579.90	1,679.02
Write off - others	147.97	84.66
Total	3,907.19	3,067.99

34 Employee Benefits Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Salaries, wages and bonus	3937.79	2,994.75
Contribution to provident and other funds	256.78	190.36
Gratuity expenses (Refer Note 40)	88.19	60.71
Compensated absences expenses	70.13	53.83
Staff welfare expenses	80.96	81.15
Share based payment to employees	7.45	23.47
Commission to Managerial persons	109.50	78.00
Total	4,550.80	3,482.27

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
35 Depreciation and amortization expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Depreciation on property plant & equipments	125.93	110.08
Depreciation on right to use assets	318.04	258.48
Amortization of intangible assets	23.72	27.88
Total	467.69	396.44

36 Other expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Rent expenses	123.56	100.41
Rates and taxes	2.72	2.70
Goods & Service Tax	429.56	389.85
Conveyance & Travelling	271.09	247.20
Directors sitting fees	4.20	2.52
Legal and Professional charges	269.23	270.87
Advertisement Expenses	21.82	17.50
Marketing Commission	858.64	841.62
Computer and Software Charges	316.75	156.50
Electricity expenses	69.63	52.22
Office Car Expenses	0.45	1.58
Courier and Printing Charges	139.79	229.82
Telecom Charges	107.24	93.18
Office Expenses	100.47	111.95
Office Building Maintenances	9.99	6.58
Statutory Auditors remuneration (Note I)	21.87	15.00
CSR Contribution (Note II)	55.80	51.01
Repairs and Maintenance	16.37	17.75
Misc Expenses	54.62	27.85
Total	2,873.80	2,636.11

Note I – Payments to Auditors

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Statutory audit fees	12.00	9.00
Tax Audit Fees	2.00	1.00
Other Services	7.87	5.00
Total	21.87	15.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**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 2024	Year ended 31st March 2023
Amount required to be spent by the Company during the year	55.33	48.10
Amount of expenditure incurred	55.80	51.01
Shortfall at the end of the year	-	-

The breakup of expenditure incurred on Corporate Social Responsibility activities:

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
(i) Construction / acquisition of any asset		-
(ii) On purpose other than (i) above	55.80	51.01
- Paid in cash	55.80	51.01
- Yet to be paid in cash	-	-
Total	55.80	51.01

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 2024 and 31 March 2023.

37 Earnings per share

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Profit / (loss) attributable to ordinary equity holders	2,218.06	1,708.12
Less: Dividend attributable to preference shareholders (including tax thereon, if any)	-	-
Profit / (loss) attributable to ordinary equity holders	2,218.06	1,708.12
Weighted average number of equity shares for basic EPS	123.37	123.37
Weighted average number of equity shares for diluted EPS	123.79	123.86
Face Value per share		
Basic earnings/(loss) per share (INR)	17.98	13.85
Diluted earnings/(loss) per share (INR)	17.92	13.79

38 Contingent liabilities

- The Company is contesting the demand to the tune of ₹ 7.46 lakhs (31 March 2023: ₹ 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.
- The Goods and Service tax (GST) appellate authority has issued a Demand order for the payment of Rs 20.28 lakhs pertaining to the Financial year 2018-19. This amount includes ineligible ITC, interest, and penalties. In our view, this liability is incorrect according to the relevant provisions, therefore there is no need to create any provision for this liability.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
39 Capital Commitments

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
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 2024	Year ended 31st March 2023
Contribution to Provident, ESIC and labour welfare fund (Refer Note 34)	256.78	190.36
Total	256.78	190.36

(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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

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

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<u>Economic Assumptions</u>		
Discount rate (per annum)	7.21%	7.50%
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 2024	Year ended 31st March 2023
Present value of unfunded obligation as at the end of the year	321.40	262.01
Net liability recognized in Balance Sheet (Refer Note 22)	321.40	262.01
Current obligation	68.71	61.33
Non-current obligation	252.69	200.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

iii) Changes in the present value of defined benefit obligation (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Present value of obligation at the beginning of the year	262.01	232.45
Interest cost	19.65	16.50
Current service cost	68.54	44.21
Past service cost	-	-
Benefits paid	(34.50)	(29.62)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	12.27	(14.54)
Actuarial (gain)/ loss on obligations - Due to experience adjustments	(6.57)	13.01
Present value of obligation at the end of the year	321.40	262.01

iv) Expense recognized in the Statement of Profit and Loss (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Current service cost	68.54	44.21
Net Interest cost	19.65	16.50
Past service cost	-	-
Total expenses recognized in the Statement Profit and Loss (Refer Note 34)	88.19	60.71

v) Expense recognized in Other comprehensive income (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Remeasurements due to-		
- Effect of change in financial assumptions	12.27	(14.54)
- Effect of experience adjustments	(6.57)	13.01
Net actuarial (gains) / losses recognised in OCI	5.70	(1.53)

vi) A quantitative sensitivity analysis for significant assumption is shown below: (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Discount rate		
1% increase	282.05	(230.59)
1% decrease	370.00	300.82
Salary Escalation rate		
1% increase	370.11	301.03
1% decrease	281.31	(229.91)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**vii) Maturity profile of defined benefit obligation****(₹ in Lakhs)**

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Within next 12 months	68.72	61.33
Between 2 and 5 years	18.76	15.61
Between 6 and 10 years	34.19	29.41
Beyond 10 years	973.18	827.37
Total expected payments	1,094.85	933.72

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 2024 and 31 March 2023 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 :

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Less than one year	282.51	402.70
More than one year	350.30	349.39
Total	632.81	752.09

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 123.56 lakhs (31 March 2023: INR 100.41 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**Designation**

- | | |
|-------------------------|--|
| 1) M.G.Jawanjar | Executive chairman |
| 2) S.M. Jawanjal | Managing director |
| 3) D.R. Balpande | Chief compliance officer & Company Secretary |
| 4) Shantaram Mahakalkar | Director |
| 5) Vishwas Pathak | Independent Director |
| 6) Atul Sarda | Independent Director |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(b) Key Management Personnel	Designation
7) Rashmi Mitkary	Independent Director
8) Avishek Addy	Investor Nominee Director
9) Harishchandra Sukhdeve	Director
10) Siva Vadivel Alagan	Investor Nominee Director
11) Himanshu Joshi	Independent Director (From 1st June 2023)
12) Ravindra Dorle	Chief financial officer (From 12th August 2023)
13) R. Srinivasan	Chief financial officer (Till 4th August 2023)

(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) 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 2024	Year Ended 31st March 2023
I) Key Management Personnel and Directors who have significant influence		
<u>Remuneration*</u>		
<i>M.G. Jawanjar</i>	98.64	97.59
<i>S.M. Jawanjal</i>	91.20	82.33
<i>D.R. Balpande</i>	27.27	26.15
<i>Y.M. Tahalyani</i>	-	9.66
<i>R. Srinivasan</i>	11.84	-
<i>Himanshu Joshi</i>	9.45	-
<i>Ravindra Dorle</i>	27.19	-
<u>Interest on Deposit</u>		
<i>M.G. Jawanjar</i>	3.32	2.36
<i>S.M. Jawanjal**</i>	(0.07)	3.01
<i>D.R. Balpande</i>	1.82	1.84
<i>Vishwas Pathak</i>	2.16	2.09
<i>Rashmi Mitkary</i>	0.15	0.14

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
<u>Deposit Repaid</u>		
<i>M.G. Jawanjar</i>	0.33	0.24
<i>S.M. Jawanjal</i>	8.06	69.79
<i>D.R. Balpande</i>	13.84	11.90
<i>Vishwas Pathak</i>	5.95	17.50
<i>Rashmi Mitkary</i>	0.84	0.75
<u>Loans Granted</u>		
<i>S.M. Jawanjal</i>	-	2.00
<u>Equity Dividend</u>		
<i>M.G. Jawanjar</i>	10.23	10.23
<i>S.M. Jawanjal</i>	3.31	3.29
<i>D.R. Balpande</i>	0.42	0.42
<i>Shantaram Mahakalkar</i>	0.30	0.30
<i>Vishwas Pathak</i>	0.25	0.25
<u>Interest on Loans</u>		
<i>S.M. Jawanjal</i>	0.08	0.21
<u>Repayment of Loans</u>		
<i>S.M. Jawanjal</i>	2.29	3.64
<u>Deposits Accepted</u>		
<i>M.G. Jawanjar</i>	15.00	-
<i>S.M. Jawanjal</i>	5.00	-
<i>D.R. Balpande</i>	13.60	10.60
<i>Vishwas Pathak</i>	5.64	16.72
<i>Rashmi Mitkary</i>	0.82	0.73
II) Relatives of Key Management Personnel and Directors		
<u>Remuneration</u>		
<i>Jyoti Jawanjar</i>	10.05	10.47
<u>Interest on Deposit</u>		
<i>Jyoti Jawanjar</i>	2.19	2.24
<i>Ravindra Balpande</i>	0.74	0.62
<i>Vaishali Charde</i>	6.41	6.76
<i>Hemant Charde</i>	1.41	1.50
<i>Bakul Jawanjal</i>	0.88	2.27
<i>Arjun Jawanjal</i>	0.16	0.15
<i>Radhemohan Jawanjal</i>	0.34	0.32
<i>Purushottam Mahakalkar</i>	1.02	0.80
<i>Mansaram Mahakalkar</i>	0.48	0.49
<i>Arvind Mahakalkar</i>	0.32	0.62
<i>Viveknand Pathak</i>	0.02	0.02
<i>Meena Pidi</i>	0.62	1.24
<i>Mangala Mahakalkar</i>	1.99	1.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
<i>Swati Agnihotri</i>	0.25	0.30
<u>Deposit Repaid</u>		
<i>Jyoti Jawanjar</i>	14.51	0.22
<i>Ravindra Balpande</i>	1.07	1.86
<i>Vaishali Charde</i>	65.14	30.79
<i>Hemant Charde</i>	10.55	15.16
<i>Bakul Jawanjal</i>	8.34	33.49
<i>Arjun Jawanjal</i>	0.02	0.28
<i>Radhemohan Jawanjal</i>	1.06	1.73
<i>Mansaram Mahakalkar</i>	5.48	0.49
<i>Arvind Mahakalkar</i>	6.82	0.62
<i>Viveknand Pathak</i>	0.27	0.25
<i>Wasudha Pathak</i>	-	0.18
<i>Meena Pidadi</i>	15.93	6.50
<i>Mangala Mahakalkar</i>	23.59	21.81
<i>Swati Agnihotri</i>	0.17	3.28
<i>Purushottam Mahakalkar</i>	2.32	-
<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 Pidadi</i>	0.02	0.02
<i>Mangala Mahakalkar</i>	0.14	0.14
<i>Arvind Mahakalkar</i>	0.10	0.10
<u>Deposits Accepted</u>		
<i>Jyoti Jawanjar</i>	10.00	-
<i>Ravindra Balpande</i>	1.00	3.25
<i>Vaishali Charde</i>	43.18	28.29
<i>Hemant Charde</i>	8.00	13.43
<i>Bakul Jawanjal</i>	7.99	18.37
<i>Arjun Jawanjal</i>	-	0.26
<i>Radhemohan Jawanjal</i>	1.03	1.70
<i>Purushottam Mahakalkar</i>	2.32	2.50
<i>Mansaram Mahakalkar</i>	5.00	-
<i>Viveknand Pathak</i>	0.27	0.25
<i>Meena Pidadi</i>	4.87	5.93
<i>Mangala Mahakalkar</i>	23.39	21.63
<i>Swati Agnihotri</i>	0.17	2.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Interest on Deposit</u>		
<i>M.G. Jawanjar (HUF)</i>	3.31	2.31
<i>S.M. Jawanjal (HUF)**</i>	(0.09)	0.58
<i>Avino Capcons Private Ltd.</i>	1.98	0.74
<u>Deposit Repayment</u>		
<i>M.G. Jawanjar (HUF)</i>	1.40	0.56
<i>S.M. Jawanjal (HUF)</i>	5.33	2.26
<i>Avino Capcons Private Ltd.</i>	1.98	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	8.00
<i>S.M. Jawanjal (HUF)</i>	-	2.20
<i>Avino Capcons Private Ltd.</i>	10.00	15.00

(C) Amount due to/from related parties

(₹ in Lakhs)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
I) Key Management Personnel		
<u>Amount receivable for Loans Granted</u>		
<i>S.M. Jawanjal</i>	-	2.21
<u>Amount payable for Deposits Accepted</u>		
<i>M.G. Jawanjar</i>	43.20	25.21
<i>S.M. Jawanjal</i>	5.13	8.25
<i>D.R. Balpande</i>	21.07	19.49
<i>Vishwas Pathak</i>	24.76	22.91
<i>Rashmi Mitkary</i>	1.73	1.60
II) Relatives of Key Management Personnel		
<u>Amount payable for Deposits Accepted</u>		
<i>Jyoti Jawanjar</i>	22.49	24.82
<i>Ravindra Balpande</i>	7.85	7.18
<i>Vaishali Charde</i>	60.52	76.08
<i>Bakul Jawanjal</i>	13.86	13.34
<i>Arjun Jawanjal</i>	1.84	1.69
<i>Radhemohan Jawanjal</i>	3.64	3.33

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
<i>Purushottam Mahakalkar</i>	11.17	10.15
<i>Mansaram Mahakalkar</i>	5.00	5.00
<i>Viveknand Pathak</i>	0.29	0.27
<i>Meena Pidadi</i>	3.73	14.18
<i>Hemant Charde</i>	14.54	15.69
<i>Mangala Mahakalkar</i>	23.77	21.97
<i>Swati Agnihotri</i>	2.98	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>	39.02	29.11
<i>S.M. Jawanjal (HUF)</i>	0.69	6.11
<i>Avino Capcons Private Ltd.</i>	25.00	15.00

*The remuneration to key managerial personnel includes the provision made for employee benefits (defined benefit plan and other long term benefits) as determined on an actuarial basis for the Company.

**Negative interest on deposits is due to deposits pre-matured during the year.

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 2024 or 31 March 2023.

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 2024	Year ended 31st March 2023
Opening balance	1.82	2.40
Granted during the year	-	-
Exercised during the year	-	-
Forfeited / Lapsed during the year	(0.27)	(0.58)
Closing balance	1.55	1.82
Vested and exercisable	0.94	0.65

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(c) Expiry date and exercises prices of the share options outstanding (in Lakhs)

Grant date	Expiry date	Exercise price (in ₹)	Share options as at 31 March 2024	Share options as at 31 March 2023
23 Dec 19	23 Dec 24	95.00	0.90	1.04
21 Feb 22	21 Feb 26	250.00	0.65	0.78
Total			1.55	1.82
Weighted average remaining contractual life of options outstanding at the end of year			1.90	2.90

(d) The fair value of each option granted is estimated on the date of grant using the black Scholes model with the following assumptions

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

Scheme	B
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%

(e) Expense arising from share based payment transaction (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Gross expense arising from share based payments	7.44	23.47
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)	7.44	23.47

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
45 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 2024			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents	-	-	5,193.65
Bank Balances other than cash and cash equivalents	-	-	8,724.05
Loans	-	-	108,207.59
Investments	-	17.06	1,957.83
Other Financial assets	-	-	3,496.41
Financial liabilities			
Trade Payables	-	-	715.41
Debt Securities	-	-	7,490.26
Borrowings (Other than Debt Securities)	-	-	70,032.15
Deposits	-	-	19,743.53
Other financial liabilities	-	-	3,228.84

(₹ in Lakhs)			
Particulars	FVOCI	FVTPL	Amortised cost
As at 31 March 2023			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents	-	-	6,746.56
Bank Balances other than cash and cash equivalents	-	-	5,359.59
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

46 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).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

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 2024				
Financial assets				
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	17.06	-	-	17.06
Total Financial Assets	17.06	-	-	17.06
As at 31 March 2023				
Financial assets				
Financial assets measured at fair value through profit or loss				
Investment in equity instruments, and Alternative Investment Fund	130.43	-	-	130.43
Total Financial Assets	130.43	-	-	130.43

- Investment in quoted equity instruments are valued using the closing market rate on the reporting date
- 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.

47 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 riskInterest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lakhs)		
Particulars	Increase/ decrease in basis points	Effect on profit before tax
31 Mar 24		
INR	+50	(380.48)
INR	-50	380.48
31 Mar 23		
INR	+50	(321.63)
INR	-50	321.63

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(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.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

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 840.20 Lakhs 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 amount mentioned below are the contractual maturities of financial liabilities which includes contractual interest payments/receipts and are undiscounted at the reporting date.

(₹ in Lakhs)

Particulars	Within 12 Months	Beyond 12 Months	Total
31 March 2024			
Trade payables	715.41	-	715.41
Debt Securities	8,094.41	-0.00	8,094.41
Borrowings	37,395.42	34,823.39	72,218.81
Deposits (Including Unclaimed Deposits)	10,623.96	11,615.84	22,239.80
Other financial liabilities	2,293.49	360.12	2,653.61
Total	59,122.69	46,799.35	1,05,922.04

(₹ 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	54,418.64
Deposits (Including Unclaimed Deposits)	9,533.79	10,788.04	20,321.83
Other financial liabilities	1,643.00	347.25	1,990.25
Total	49,325.84	41,451.85	90,777.69

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
48 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 2024
(₹ in Lakhs)

Particulars	As at 31st March 2024		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	5,193.65	-	5,193.65
Bank Balances other than cash and cash equivalents	7,189.71	1,534.34	8,724.05
Loans	66,369.41	41,838.18	1,08,207.59
Investments	9.59	1,965.30	1,974.89
Other Financial assets	3,496.41	-	3,496.41
Tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	1,086.29	1,086.29
Investment Property	-	-	-
Property, Plant and Equipment	-	1,860.66	1,860.66
Capital Work in Progress	11.70	-	11.70
Intangible assets	-	96.18	96.18
Right to use assets	-	638.28	638.28
Non-financial assets	296.07	-	296.07
Total Assets	82,566.54	49,019.23	1,31,585.77
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	94.09	-	94.09
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	621.32	-	621.32
Debt Securities	7,473.72	16.54	7,490.26
Borrowings (Other than Debt Securities)	38,070.16	31,961.99	70,032.15
Deposits	10,250.78	9,492.75	19,743.53
Other Financial liabilities	2,235.91	992.93	3,228.84
Tax liabilities (Net)	-	-	-
Provisions	496.87	-	496.87
Non-financial liabilities	257.25	-	257.25
Total Liabilities	59,500.10	42,464.21	1,01,964.31

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

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	6,746.56	-	6,746.56
Bank Balances other than cash and cash equivalents	4,296.59	1,063.00	5,359.59
Loans	60,046.28	32,166.37	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	38,690.99	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

49 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

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 2024	As at 31st March 2023
Gross Debt	97,841.17	83,190.22
Less: Liquid Assets	(5,193.65)	(6,746.56)
Net Debt	92,647.53	76,443.66
Equity	29,621.46	27,523.60
Net Gearing Ratio	3.13	2.78

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

50 Analytical Ratios

Particulars	As at 31st March 2024	As at 31st March 2023	% Variance	Reasons for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)				The increase in Tier II capital is due to a rise in Stage 1 provisions, which has been driven by an increase in LGD (Loss Given Default).
Tier I CRAR	24.25%	25.90%	-6.37%	
Tier II CRAR	0.70%	0.43%	62.79%	
Liquidity Coverage Ratio	136.57%	164.62%	-17.04%	

51 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, 2024 and March 31, 2023.

52 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, 2024 and March 31, 2023.

53 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, 2024 and March 31, 2023.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**54 Expenditure in foreign currency (accrual basis)**

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Dividend Paid	19.80	19.80
Legal and Professional charges (MAJ)	0.00	30.03
Computer Charges	14.83	7.83

55 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 ₹ 2880.99 Lakhs (March 31, 2023: ₹ 2515.33 Lakhs) in favour of trustees representing the public deposit holders of the Company.

56 Refer note 3.1 Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

57 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, 2024 and March 31, 2023. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

58 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, 2024 and March 31, 2023.

59 Compliance with approved Scheme(s) of Arrangements

The Company has not approved any scheme of arrangements in the financial years ended March 31, 2024 and March 31, 2023.

60 Earnings In Foreign Currency

The Company does not have any Earnings in foreign Currency for the year ended March 31, 2024 and March 31, 2023.

61 Details Of Non-Performing Financial Assets Purchased/Sold

The Company has neither purchased nor sold any non performing financial asset during 2023-24 and 2022-23.

62 Advances Against Intangible Security

No finance has been made against the collateral of intangible security such as rights, licenses, authorizations, etc. in respect of projects (including infrastructure projects) during the year 2023-24 and 2022-23.

63 Details Of Financial Assets Sold To Securitization/Reconstruction Company For asset reconstruction

The Company has not sold any financial assets to Securitisation/Reconstruction Company for asset reconstruction during 2023-24 and 2022-23

64 Draw Down From Reserves

No reserves have been draw down during the financial year 2023-24 and 2022-23.

65 Overseas Assets (For Those With Joint Ventures And Subsidiaries Abroad)

The Company does not have any joint venture or subsidiary overseas.

66 Details Of Financing Of Parent Company Products

There is no parent Company to finance any product.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
67 Postponement Of Revenue Recognition

There is no significant uncertainty which requires postponement of revenue recognition.

68 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.

69 Undisclosed income

There are no transactions not recorded in the books of accounts.

70 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, 2024 and March 31, 2023.

71 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, 2024 and March 31, 2023

72 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, 2024, December 31,2023, September 30,2023 and June 30,2023.

(₹ in Crores)

Sr. No.	Particular	31-Mar-24		31-Dec-23		30-Sep-23		30-Jun-23	
		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)	28.63	24.85	29.27	25.60	28.56	24.91	30.24	26.75
Cash Outflow									
2	Deposits (for deposit taking companies)	10.91	12.55	5.05	5.80	5.53	6.36	6.63	7.62
3	Unsecured wholesale funding	0.25	0.29	0.46	0.53	0.67	0.77	0.20	0.23
4	Secured wholesale funding	43.80	50.37	38.50	44.27	36.80	42.32	37.48	43.10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Sr. No.	Particular	31-Mar-24		31-Dec-23		30-Sep-23		30-Jun-23	
		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)
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	8.32	9.57	8.68	9.98	6.93	7.97	6.53	7.51
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	63.29	72.78	52.69	60.59	49.93	57.42	50.83	58.46
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	87.71	65.79	86.31	64.73	79.67	59.76	81.06	60.80
11	Other cash inflow	1.50	1.12	0.83	0.62	0.68	0.51	0.71	0.53
12	TOTAL CASH INFLOWS	89.21	66.91	87.14	65.35	80.35	60.26	81.77	61.33
13	TOTAL HQLA		24.85		25.60		24.91		26.75
14	TOTAL NET CASH OUTFLOWS		18.19		15.15		14.36		14.61
15	LIQUIDITY COVERAGE RATIO (%)		136.57		168.97		173.51		183.03

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, 2023, September 30, 2023 and June 30, 2023 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 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 85% 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

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, 2023, September 30, 2023, and December 31, 2023 is computed as simple averages of monthly observations over the previous quarter. The average LCR for the quarter ended March 31, 2024 is computed as simple averages of daily observations over the previous quarter.

The average LCR for the quarter ended March 31, 2024 is 136.57% which is well above the RBI regulatory requirement.

73 Liquidity Risk

Public Disclosure on Liquidity Risk for the quarter ended March 31, 2024 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	21	703.47	-	68.99%
2	2	6.74	3.32%	-

(ii) Top 20 large deposits (₹ in Crores)

Particulars	As at March 31st, 2024
Total amount of Top 20 Large Deposits	26.76
% of amount of Top 20 Large Deposits to Total Deposits	13.17%

(iii) Top 10 borrowings (Note: All borrowing other than deposits) (₹ in Crores)

Particulars	As at March 31st, 2024
Total amount of Top 10 Borrowings	526.81
% of amount of Top 10 Borrowings to Total Borrowings	67.96%

(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	74.90	7.35%
2	Term loan	631.97	61.98%
3	Public Deposits	160.45	15.74%
4	Commercial paper	0.00	0.00%
5	Cash credit	54.09	5.30%
6	Other Bank Borrowings	14.26	1.40%

(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	57.03	54.72	41.22

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**(vi) Institutional setup for Liquidity Risk management**

Refer note no. 47 Risk management structure and Liquidity Risk and Funding Management for Institutional setup for Liquidity Risk Management

Board has setup the Executive level 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.

74 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	19	6
2	Number of complaints received during the year	417	417
3	Number of complaints disposed during the year	432	404
3.1	Of which, number of complaints rejected by the NBFC	7	28
4	Number of complaints pending at the end of the year	4	19
4.1	Maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	21	11
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	20	11
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisoris issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	1	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

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 31,2024					
CIBIL related complaints	5	102	-15.70%	0	-
Customer Services related complaints	2	34	-41.37%	0	-
NOC related complaints	4	143	50.52%	2	-
Penalty charges related complaints	3	74	15.62%	1	-
CIBIL and NOC related complaints	1	3	-40.00%	0	-
Others	4	61	-17.56%	1	-
Total	19	417	-	4	-
Year ended March 31,2023					
CIBIL related complaints	1	121	245.71%	5	-
Customer Services related complaints	1	58	123.07%	2	-
NOC related complaints	2	95	295.83%	4	-
Penalty charges related complaints	0	64	146.15%	3	-
CIBIL and NOC related complaints	0	5	0.00%	1	-
Others	2	74	72.09%	4	-
Total	6	417	-	19	-

There was an error in the complaints data of last financial year that has been corrected in current financial year.

75 Details of Registration with Financials Regulators

Sr.No	Regulator	Registration No.
1	Ministry of Company Affairs	U65929MH1990PLC057829
2	Reserve Bank of India	13.01109

76 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 “BBB (Stable)” for Fixed Deposit program.

Sr. No.	ISIN/Instrument Name	CARE Limited Rating	ICRA Rating	Acuite Rating
1	Fixed Deposits Programme	BBB; Stable (Triple B; Outlook: Stable)	BBB (Stable); reaffirmed and Withdrawn	-
2	Long Term Bank Facilities	BBB; Stable (Triple B; Outlook: Stable)	-	BBB+; Negative (Triple B; Outlook; Negative) Reaffirmed and Withdrawn
3	Long Term Bank Facilities – Term Loan (TL)	A- (CE); Stable, Reaffirmed	-	A (CE); Negative, Reaffirmed and Withdrawn
4	Non-Convertible Debentures	BBB; Stable (Triple B; Outlook: Stable)	BBB (Stable) reaffirmed	-
5	Market Linked Debentures	PP_MLD BBB; Stable (Triple B; Outlook: Stable)	PP-MLD[ICRA]BBB (Stable) reaffirmed	-

*The NCDs issued and allotted under the ISIN INE998Y07113, INE998Y07121 and INE998Y07139 are rated only by CARE Limited.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

77 Concentration of Deposits, Advances, Exposures and Stage III Assets

a. Concentration of Deposits (₹ in Crores)

Particulars	Amount
Total Deposits of Twenty Largest Depositors	26.76
Percentage of Deposits of Twenty largest depositors to Total Deposits	13.17%

b. Concentration of Advances (₹ in Crores)

Particulars	Amount
Total Advances of Twenty Largest borrowers	1.73
Percentage of Advances of Twenty largest borrowers to Total Advances	0.15%

c. Concentration of Exposures (₹ in Crores)

Particulars	Amount
Total Exposure of Twenty Largest borrowers	1.73
Percentage of Exposure of Twenty largest borrowers to Total Exposure	0.15%

d. Concentration of NPAs (₹ in Crores)

Particulars	Amount
Total Exposure of Top Four NPAs	0.19

78 Movements of NPAs

(₹ in Crores)

Sr. No.	Particulars	As at 31st March 2024	As at 31st March 2023
i)	Net NPAs to Net Advances (%)	2.81%	3.30%
ii)	Movements of NPAs (Gross)		
	a. Opening Balances	44.14	25.55
	b. Addition during the year	35.48	34.94
	c. Reduction during the year	28.63	16.36
	d. Closing Balance	50.99	44.14
iii)	Movements of Net NPAs		
	a. Opening Balances	28.17	18.30
	b. Addition during the year	31.30	26.23
	c. Reduction during the year	28.63	16.36
	d. Closing Balance	30.84	28.17
iv)	Movements of ECL on NPAs		
	a. Opening Balances	15.97	7.25
	b. Provision made during the year	4.19	8.72
	c. Write-off/ Write back of excess provision	-.00	-.00
	d. Closing Balance	20.16	15.97

79 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 2024	For the Year Ended 31st March 2023
Impairment Loss Allowances on Loans	10.63	12.28
Impairment Loss Allowances on Other Financial Assets	1.17	0.76
Provision for Income Tax (excluding deferred tax)	8.40	7.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
80 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, 2024

(₹ in Lakhs)

No of Cases	Nature of Fraud	Amount of Fraud	Recovery	Write off
-	Fraud committed by employees	-	-	-
-	Fraud committed by borrowers and outsiders	-	-	-

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, 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	-	5.77

81 During the year Company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.
82 Registrations obtained from Other Financial Sector Regulators

During the year the Company has not obtained any registrations from other financial regulators

83 Penalties Imposed by RBI and Other Regulators

In the financial year 2023-24, the fine of Rs. 10,54,000/- was imposed by the RBI for failure to put in place a system of periodic review of risk categorisation of Accounts and Failure to put into use robust software for effective identification and reporting of suspicious transactions. In the financial year 2022-23, the fine of Rs.3, 85, 860/- was imposed by 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.

84 Derivatives

The Company has no transactions/exposure in derivatives in the current year and previous year.

85 Investments

(₹ in Crores)

Sr. No.	Particulars	As at 31st March 2024	As at 31st March 2023
1.	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	19.75	18.29
	(b) Outside India	-	-
	(ii) Provision for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	19.75	18.29
	(b) Outside India	-	-
2.	Movement of Provision held towards depreciation on Investments		
	(i) Opening Balances	-	-
	(ii) Add: Provision made during the year	-	-
	(iii) Less: Write off/Write-back of excess provision during the year	-	-
	(iv) Closing Balances	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

86 Disclosures relating to Securitisation

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
No of SPVs sponsored by the NBFC for securitisation transactions	1.00	1.00
Total amount of securitised assets as per books of the SPVs sponsored	14.26	3.91
Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet	7.90	1.36
Off-balance sheet exposures	-	-
First loss	-	-
Others	-	-
On-balance sheet exposures	-	-
First loss (In the form of Fixed Deposit)	-	1.36
Others (MRR)	7.90	-
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	-	-
(c) Outstanding Amount	7.90	-
Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	0.33%	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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
87 Disclosure of Loan transfer through Assignment

The company has not undertaken any assignment transactions during the year ended March 31, 2024 (P.Y. Nil)

88 Disclosure of Loan transfer through Co-Lending

The company has not undertaken any Co-lending transactions during the year ended March 31, 2024 (P.Y. Nil)

**89 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 2024	As at 31st March 2023
Capital Ratio		
CRAR - Tier I Capital (%)	24.25%	25.90%
CRAR - Tier II Capital (%)	0.70%	0.43%
Total Capital (%)	24.95%	26.33%

90 The Company has Outstanding unsecured loan as on 31st March 2024 of ₹ 606.34(31st March 2023 ₹466.43) Lakhs 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.

91 Disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures“
(a) Expected credit loss - Loans:

(₹ in Lakhs)

Particulars		As at March 31, 2024			As at March 31, 2023		
		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	98,623.33	840.20	97,783.12	85,185.82	497.28	84,688.55
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	8,039.58	698.83	7,340.75	5,104.35	397.59	4,706.76
	Financial assets for which credit risk has increased significantly and credit-impaired	5,099.39	2,015.68	3,083.71	4,414.61	1,597.29	2,817.32
Total		1,11,762.30	3,554.71	1,08,207.59	94,704.78	2,492.16	92,212.64

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**(b) Reconciliation of loss allowance provision - Loans:****(₹ in Lakhs)**

Particular	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2022	358.98	179.55	725.47	1,264.00
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)	-
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	668.22	203.43	1,248.29	2,119.95
ECL as on March 31, 2023	497.28	397.59	1,597.29	2,492.16
New assets originated or purchased	580.27	380.96	319.52	1,280.75
Amount written off	(25.74)	(80.92)	(662.80)	(769.46)
Transfers to Stage 1	185.67	(94.23)	(91.44)	-
Transfers to Stage 2	(46.43)	86.34	(39.92)	-
Transfers to Stage 3	(32.81)	(103.22)	136.03	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(318.04)	112.31	756.99	551.25
ECL as on March 31, 2024	840.20	698.83	2,015.68	3,554.71

(c) Reconciliation of Gross carrying amount - Loans:**(₹ in Lakhs)**

Particulars	Stage 1	Stage 2	Stage 3	Total
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)	-
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
New assets originated or purchased	73,198.59	4,247.98	806.93	78,253.50
Amount written off	(454.27)	(124.47)	(2,001.16)	(2,579.90)
Transfers to Stage 1	1,523.03	(1,269.47)	(253.56)	-
Transfers to Stage 2	(6,315.76)	6,426.38	(110.63)	-
Transfers to Stage 3	(3,594.47)	(1,276.57)	4,871.03	-
Net Recovery	(50,919.62)	(5,068.61)	(2,627.84)	(58,616.08)
Gross carrying amount as on March 31, 2024	98,623.33	8,039.58	5,099.39	1,11,762.30

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
(d) Asset classification as per Ind AS 109:

(₹ in Lakhs)

Asset Classification as per IND AS 109	For the year ended March 31, 2024				
	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, 2024)	Difference between provisions as per IND AS 109 and IRAC Norms
Stage-1	98,623.33	840.20	97,783.13	394.49	445.70
Stage-2	8,039.58	698.83	7,340.75	32.16	666.68
Stage-3	5,099.39	2,015.68	3,083.71	980.87	1,034.81
Total	1,11,762.30	3,554.71	1,08,207.60	1,407.52	2,147.19

(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	84,688.55	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	92,212.64	1,148.05	1,344.11

92 Asset Liability Management Maturity Pattern of certain items of Assets & Liabilities
As at 31st March 2024

(₹ 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	3.06	2.79	8.84	6.94	8.24	20.31	46.59	70.13	30.55	0.00	197.44
Advances (Net of Provision)	0.16	11.64	54.05	64.88	62.15	177.21	293.59	398.56	(7.30)	27.12	1082.08
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.10	1.19	1.28	17.17	19.74
Borrowing	9.19	1.70	18.81	30.37	37.98	103.56	253.83	313.51	6.28	0.00	775.22

As at 31st March 2023

(₹ 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**93 Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification****Major regrouping of previous years are as follows:**

- a) Penalty interest of ₹1.55 Cr has been transferred from fee and commission income to interest on loans.
- b) Other than securitization income of ₹0.40 Cr has been transferred from other operating income to fee and commission income.
- c) Paytm gateway charges of ₹0.46 Cr have been transferred from miscellaneous expenses to bank charges.
- d) In note no. 5, deposits maturing within 3 months were previously considered as per residual maturity, but now they are taken as per original maturity, resulting in a difference of ₹37.79 Cr.

Summary of Material accounting policies 1 to 4**The accompanying notes are an integral part of the financials statements 5 to 93****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

Ravindra Dorle
Chief Financial Officer
Nagpur

D.R.Balpande
Company Secretary
Nagpur

Place : Mumbai
Date: 23rd May 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

1 Exposure

1.1 Exposure to real estate sector

(₹ in Lakhs)

Particulars	Current year	Previous year
Exposure to real estate sector		
i) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	1,044.41	58.77
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development & construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –	-	-
i. Residential		
ii. Commercial Real Estate		
iii. Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance	-	-
Total Exposure to real state sector	1,044.41	58.77

1.2 Exposure to capital market

(₹ in Lakhs)

Exposure to capital market	Current year	Previous year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	17.06	13.64
ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter’s contribution to the equity of new companies in anticipation of raising resources	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Exposure to capital market	Current year	Previous year
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:		
(i) Category I	-	116.79
(ii) Category II		
(iii) Category III		
Total exposure to capital market	17.06	130.43

1.3 Sectoral Exposure

Sector	Current year	Previous year
Agriculture & Allied activities	0.00%	0.00%
MSME	0.00%	0.00%
Corporate Borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured personal loans	5.18%	4.93%
Auto loans	4.61%	4.67%
Other personal loans	0.00%	0.00%

Related Party Disclosure

(₹ in Lakhs)

Nature of Transaction	Director/Key Management Personnel		Relatives of Director/Key Management Personnel		Others	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings	-	-	-	-	-	-
Deposits Repaid	29.02	100.17	163.99	120.21	-	-
Placement of Deposits	40.07	28.06	125.22	123.48	-	-
Interest Paid	7.39	9.43	22.05	22.80	-	-
Interest Received	0.08	0.21	-	-	-	-
Others	-	-	-	-	-	-
Dividend Paid	14.51	14.49	29.33	29.33	-	-
Remuneration	265.58	215.74	10.05	10.47	-	-
Loans Granted	-	2.00	-	-	-	-
Loans Repaid	2.29	3.64	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2024

(As required in terms of paragraph 13 Of Non-Banking Financial (Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions,2007)

(₹ in Lakhs)

Sr. No	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	7,490.26	-
	Unsecured (other than falling within the meaning of public deposits)	-	-
	(b) Deferred credits	-	-
	(c) Term Loans	64,623.39	-
	(d) Inter-corporate loans and borrowing	723.87	38.80
	(e) Commercial Paper	-	-
	(f) Public deposits (Including deposits from directors and their relatives)	19,594.89	536.43
	(h) Cash Credit & Working Capital Demand Loan	5,408.76	-
	Total	97,841.17	575.23
(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	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other Public Deposits	19,594.89	575.23

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in Lakhs)

No.	Particulars	Amount Outstanding	Amount overdue
	Assets :		
3	Break-up of loans and advances including bills receivables [other than those included in (4) below]		
	(a) Secured	94.65	-
	(b) Unsecured	606.34	-
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	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	1,11,061.31	-
5	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	9.59	-
	(v) Others (please specify) Investment in Alternative Instrument Fund	-	-
	2. Unquoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-
	Long Term Investments :		
	1. Quoted :		
	(i) Shares: (a) Equity	17.06	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	1,948.24	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(6) Borrower group-wise classification of assets financed as in 3,4 & 5 and above (₹ in Lakhs)

Sr. No	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
(ii)	Other than related parties	1,07,639.90	567.69	1,08,207.59
	Total	1,07,639.90	567.69	1,08,207.59

(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	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
(ii)	Other than related parties	1974.89	1974.89
	Total	1974.89	1974.89

(8) Other information (₹ in Lakhs)

Sr. No	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	50.99
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	30.84
(iii)	Assets acquired in satisfaction of debt	-

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

Ravindra Dorle
Chief Financial Officer
Nagpur

D.R.Balpande
Company Secretary
Nagpur

Place : Mumbai
Date: 23rd May 2024

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%	123.37
2022-23	1,233.68	27,523.60	1,14,108.14	2,172.78	1,708.12	10.00%	123.37
2023-24	1,233.68	29,621.46	1,31,585.77	2,995.29	2,218.06	10.00%	123.37

*2007-08 Consequent upon issue of bonus shares in the ratio of 1:1



BERAR FINANCE LIMITED

Corporate Identity Number: U65929MH1990PLC057829

Registered Office: Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur - 440 012

Tel.No.0712-6663999

Website: www.berarfinance.com **Email:** investor.relations@berarfinance.com

NOTICE OF 34th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty –Fourth (34th) Annual General Meeting ('AGM') of the Members of **Berar Finance Limited** will be held on **Friday, the 20th day of September, 2024 at 04.00 P.M. (IST), at " Arjuna Celebrations ", Pande Layout Road, Khamla, Nagpur-440025** (Route map enclosed) to transact the following business:

ORDINARY BUSINESS:

- To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT the Audited Financial Statements of the Company for the year ended March 31, 2024 and the Board's and Auditors' Reports thereon, be and are hereby approved and adopted."
- To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT the final dividend at the rate of ₹ 1 per share as recommended by the Directors be and is hereby declared for the financial year ended March 31, 2024 on the paid-up capital of ₹ 1233.68 Lakhs and that the same be paid to those Members whose names appear on the Register of Members of the Company as on September 20, 2024 and that the total dividend amount of ₹ 123.37 Lakhs representing the said total dividend of ₹ 1 per share (10 % on the face value of ₹ 10/-) be paid out of the profits for the year 2023-2024."
- To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Harishchandra Sukhdeve (DIN: 09289094), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation."

SPECIAL BUSINESS:

4. APPOINTMENT OF MR. RAJESH VASUDEVAN (DIN: 02711990) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and relevant circulars issued by the Reserve Bank of India ('RBI') from time to time (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force), Mr. Rajesh Vasudevan (DIN: 02711990) who was appointed as an Additional Director (Independent and Non-Executive) of the Company, with effect from May 23, 2024 under Section 161 of the Act and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting of the Company, and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) consecutive years commencing from May 23, 2024 to May 22, 2029 (both days inclusive).

RESOLVED FURTHER THAT Mr. Maroti Jawanjar, Executive Chairman (DIN:00379916), Mr. Sandeep Jawanjal, Managing Director (DIN: 01490054), and the Company Secretary of the Company ("Authorised Representatives") be and are hereby jointly or severally authorised by the Company to carry out all such acts and execute all such deeds, documents, agreements, forms and instruments, for and on behalf of the Company, as may be necessary or desirable to give effect to this resolution including without limitation in relation to intimating the Reserve Bank of India, BSE Limited and all other concerned authorities/ parties regarding the appointment of the Director on the Board and the consequent change in the Board and the filing of necessary forms with the Registrar of Companies."

5. APPOINTMENT OF MR. VARUN BHALLA (DIN: 09687552) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and relevant circulars issued by the Reserve Bank of India ('RBI') from time to time (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force), Mr. Varun Bhalla (DIN: 09687552), who

qualifies for being appointed as Independent Director and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company and in respect of whom the Company has received a Notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of Five (5) consecutive years commencing from September 20, 2024 to September 19, 2029 (both days inclusive).

RESOLVED FURTHER THAT Mr. Maroti Jawanjar, Executive Chairman (DIN:00379916), Mr. Sandeep Jawanjal, Managing Director (DIN: 01490054), and the Company Secretary of the Company (“Authorised Representatives”) be and are hereby jointly or severally authorised by the Company to carry out all such acts and execute all such deeds, documents, agreements, forms and instruments, for and on behalf of the Company, as may be necessary or desirable to give effect to this resolution including without limitation in relation to intimating the Reserve Bank of India, BSE Limited and all other concerned authorities/ parties regarding the appointment of the Director on the Board and the consequent change in the Board and the filing of necessary forms with the Registrar of Companies.”

Registered Office:

Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur- 440012

By order of the Board of Directors

For Berar Finance Limited

Sd/-

Deepali Balpande

Company Secretary

Membership No: ACS 21290

Place: Nagpur

Date: August 13, 2024

Notes:

PROXY RELATED INFORMATION:

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING. IN THIS NOTICE, THE TERM MEMBER(S) OR SHAREHOLDER(S) ARE USED INTERCHANGEABLY.
- ii. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days’ written notice is given to the Company.

INSTRUCTIONS FOR MEMBERS/PROXIES:

- iii. Members/proxies are requested to bring the attendance slip duly filled and signed along with the identity proof at the meeting for the purpose of identification.
- iv. Members attending in person at the AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act,2023(“the Act”)
- v. Route map for directions to the venue of the meeting is provided in this notice and is also available on the website of the Company <https://www.berarfinance.com/investors.html>.
- vi. In case of joint holders attending the meeting, only such joint holder whose name appears first in the order of names will be entitled to vote at the meeting.

IEPF RELATED INFORMATION:

- vii. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, any amount transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called ‘Investor Education and Protection Fund’ (“IEPF”) set up by the Central Government. Accordingly, the unclaimed dividend amounts in respect of Financial Years 2010 - 2011 to 2015-2016 were transferred by the Company to the said fund in Financial Years from 2018 - 2019 to 2023 - 2024 respectively. No claim lies against the Company in respect of these dividend.
- viii. The Company uploads the details of unpaid and unclaimed amounts lying with the Company on the website of the Company viz: <https://www.berarfinance.com/investors.html> as well as on the website of the Ministry of Corporate Affairs.

- ix. Due dates of transferring unclaimed and unpaid dividends declared by the Company for the Financial Year 2016-2017 and thereafter to the IEPF are as under:

Financial year ended	Date of declaration of dividend	Last date for claiming Unpaid/ unclaimed dividend	Proposed period for transfer of unclaimed dividend to IEPF
March 31, 2017	02.09.2017	01.10.2024	02.10.2024 to 31.10.2024
March 31, 2018	08.09.2018	07.10.2025	08.10.2025 to 06.11.2025
March 31, 2019	21.09.2019	20.10.2026	21.10.2026 to 19.11.2026
March 31, 2020	28.09.2020	27.10.2027	28.10.2027 to 26.11.2027
March 31, 2021	27.09.2021	26.10.2028	27.10.2028 to 25.11.2028
March 31, 2022	26.09.2022	25.10.2029	26.10.2029 to 24.11.2029
March 31, 2023	25.09.2023	24.10.2030	25.10.2030 to 23.11.2030

The Company urges all the Members to encash/ claim their respective dividend during the prescribed period. Members who have not encashed the dividend so far in respect of the aforesaid period(s), are requested to make their claim to the Company well in advance of the above due dates.

- x. Pursuant to Section 124(6) of the Companies Act, 2013, as amended and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the IEPF Rules, 2016) and any further amendment thereof, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the IEPF Authority.

In due compliance of the provisions of rule 6(3) of the IEPF Rules, 2016, the Company sends individual letters through speed post to all such Members requesting them to claim the amount of unpaid dividend before the Company proceeds with the transfer of related shares to demat account of the IEPF Authority.

As provided under the IEPF Rules, 2016, a member can claim such dividend and shares transferred to the Fund by the following procedure prescribed in the IEPF Rules, 2016 which is available on the Company's website <https://www.berarfinance.com/investors.html>

INSPECTION OF DOCUMENTS:

- xi. Documents referred in this notice and the statement annexed to this notice will be kept open for inspection by the members at the registered office of the Company from Monday to Saturday during 10:00 a.m. to 01:00 p.m., except holidays, up to the date of the AGM.

The following registers shall remain open for inspection as per the period specified above and be accessible to any member:

- Register of contracts or arrangements in which directors are interested under section 189 of the Act.
- Register of directors and key managerial personnel and their shareholding under section 170 of the Act.

The aforesaid documents and registers will be kept open for inspection at the Annual general Meeting by any person entitled to attend the meeting.

REMOTE E-VOTING/ VOTING RELATED INFORMATION

- xii. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014, the Company has provided E-voting facility to the members. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") who shall be providing facility for voting through remote e-voting. The procedures and instructions for 'remote e-voting' issued by CDSL are furnished as part of this Notice.
- xiii. It may be noted that the remote e-voting facility is optional. The remote e-voting facility will be available at the link www.evotingindia.com during the following voting period:

The remote e-voting will commence on Tuesday, September 17, 2024 at 9:00 A.M. (IST) and end on Thursday, September 19, 2024 at 5:00 P.M. (IST).

- xiv. During the above period, shareholders of the Company as on **the cut-off date of Friday, September 13, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on September 19, 2024. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.
- xv. The voting rights of Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on **Friday, September 13, 2024**. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on **the cut-off date i.e. Friday, September 13, 2024** only shall be entitled to avail the facility of remote e-voting / voting at the time of the meeting. A person who is not a member on the cut-off date should treat this Notice for information purpose only.

- xvi. The facility for voting through polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- xvii. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- xviii. Members can opt for only one mode of voting, i.e., either by remote e-voting or voting during the meeting by Polling paper. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through during the meeting shall be treated as invalid.
- xix. The Board of Directors has appointed Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837), having office at "A-Wing, 202, Kolshet Road, Dhokali Naka, Cosmos Nest, Thane (W) – 400 607" and at "Block No.98, Wing III, Rajat Sankul, Ganesh Peth, Nagpur- 440018" as the Scrutinizer for conducting Voting process (both remote e-voting as well as voting during the AGM) in a fair and transparent manner.
- xx. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unlock the votes cast at the meeting as well as the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, within prescribed timelines and provide the same to the Chairman or any person so authorised by him, who shall countersign the same and declare the result thereof.
- xxi. The results declared along with the scrutiniser's report shall be placed on the Company's website at <https://www.berarfinance.com/investors.html> and shall also be communicated to the stock exchange.

GENERAL INFORMATION:

- xxii. Institutional/Corporate shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorisation, etc., authorizing their representative to attend the AGM on its behalf and to vote. The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to cssunilzore@gmail.com with a copy marked to the Company at investor.relations@berarfinance.com.
- xxiii. The Explanatory Statement pursuant to Section 102(1) of the Act in respect of the special business above is attached herewith. As required, the brief profile of Directors seeking appointment/ re-appointment at this AGM are given in the Explanatory Statement to the Notice of the AGM.
- xxiv. The Company's Registrar and Transfer Agent for its Share Registry Work is M/s. Bigshare Services Pvt. Ltd., Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093. Ph. No. 022-62638222.
- xxv. Notice is being sent to all the shareholders whose names appear on the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as at the close of business hours on Friday, August 23, 2024.
- xxvi. Sections 101 and 136 of the Act read with the rules made thereunder and Circulars issued by the Ministry of Corporate Affairs (MCA) regarding the Green Initiative, permit the companies to send the Notice of AGM and the Annual Report, including financial statements, Board's Report, etc., by electronic mode. The Company is accordingly forwarding the soft copies of the above referred documents to all those members who have registered their e-mail IDs with their respective depository participants or with the Company.
The Annual Report, Notice of AGM, Proxy Form and Attendance Slip are also available on the Company's website <https://www.berarfinance.com/investors.html> and website of the Stock Exchange i.e. BSE Ltd. at www.bseindia.com.
- xxvii. Members who have not registered their e-mail address, physical copy of Annual Report along with AGM Notice, Proxy form and Attendance slip (inclusive remote e-voting credential) are sent at their registered address available with Company.
- xxviii. Members are requested to support the Green Initiative by registering / updating their email addresses with the Depository Participants (in case shares are held in dematerialized form) or with the Company (in case shares are held in physical form).
- xxix. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a) Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
 - b) Members holding shares in physical form may register their email address by informing the Company at its investor email id investor.relations@berarfinance.com.
 - c) The Members who are holding shares in Physical Form are requested to avail dematerialization facility. For further information, please refer to the FAQs posted by NSDL on its website www.nsdl.co.in and CDSL on its website www.cdslindia.com.

Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs/ the Company to enable servicing of notices/documents/Annual Reports and other communications electronically to their email address in future.

- xxx. Any person, who acquires shares of the Company and becomes a member after dispatch of the Notice, but holds shares as on **the cut-off date i.e. Friday, September 13, 2024** may obtain the copy of Annual Report, Notice, login ID and password by sending a request to helpdesk.evoting@cdslindia.com or to the Company at its email id investor.relations@berarfinance.com from their registered e-mail ID. In case the e-mail ID is not registered, such members are requested to register/update the same with the respective depository participants.
- xxxi. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company to record additional details of Members, including their PAN details, email address, Aadhaar Card Number etc. Members are requested to submit their details and changes therein;
- In case shares held in Demat Form, to their respective depository participant.
 - In case shares held in physical form, the member can approach the Company by writing an email to the Company at investor.relations@berarfinance.com.
- xxxii. The Ministry of Corporate affairs by virtue of notification dated September 10, 2018 has amended the Companies (Prospectus and Allotment of Securities) Rules, 2014. According to this notification;
- Every holder of securities of an unlisted public company –
- who intends to transfer such securities on or after October 02, 2018, shall get such securities dematerialised before the transfer; or
 - who subscribes to any securities of an unlisted public company (whether by way of private placement or bonus shares or rights offer) on or after October 02, 2018 shall ensure that all his existing securities are held in dematerialized form before such subscription.

To facilitate the members of the Company to demat their shareholding in the Company, the Company has made admission of its securities on both Depositories namely Central Depository Services (India) Limited (“**CDSL**”) and National Securities Depository Limited (“**NSDL**”). The Company has appointed M/s. Bigshare Services Pvt. Ltd., Mumbai as Registrar and Share Transfer Agent (RTA). The Equity ISIN of the Company is **INE998Y01017**.

DIVIDEND RELATED INFORMATION:

- xxxiii. To ensure timely credit of dividend through electronic mode, members are requested to keep their latest bank account details updated with their respective Depository Participant (‘DPs’) and the Company in case they hold shares in physical mode.
- xxxiv. Pursuant to Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from the dividend paid at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. No tax shall be deducted at source on the dividend payable to a resident individual if the total dividend to be received by the said resident individual from the Company during a financial year does not exceed ₹ 5,000; or if an eligible resident shareholder provides a valid declaration in Form 15G/Form 15H or other documents as may be applicable to different categories of shareholders.
- xxxv. A Resident individual shareholder with PAN and who is not liable to pay Income Tax can submit a yearly declaration in Form No. 15G/15H (which can be downloaded from the company’s website – www.berarfinance.com) to avail the benefit of non- deduction of tax at source by email to investor.relations@berarfinance.com by Wednesday, September 11, 2024. Shareholders are requested to note that in case their PAN is not registered or PAN submitted is invalid, tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under the Tax Treaty between India and their country of residence, subject to providing necessary documents, i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the Tax Treaty benefits, by sending an email to investor.relations@berarfinance.com. The aforesaid declarations and documents should be submitted by the members by Wednesday, September 11, 2024.

NOMINATION FACILITY:

- xxxvi. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. For the said purpose:
- Shareholders holding shares in electronic mode may approach their respective depository participants (DP) and
 - Shareholders holding shares in physical mode can approach M/s. Bigshare Services Pvt Ltd, our Registrar & Share Transfer Agent (RTA) at Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400 093 Ph. No: 022-62638222.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**ORDINARY BUSINESS****Resolution at Item No. 3:**

Though not statutorily required, the following is being provided as additional information to the Members.

In terms of SS-2 – Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, a brief profile of Mr. Harishchandra Sukhdeve (“Appointee”) is provided below:

S. No.	Nature of Information	Particulars
1.	Name of the Director	Mr. Harishchandra Sukhdeve
2.	Director Information Number (DIN)	09289094
3.	Date of Birth & Age	January 12, 1953 , 71 years
4.	Date of First Appointment on the Board	August 23, 2021
5.	Terms and Conditions of Appointment	The Appointee shall be a Non-Executive Director on the Board and be liable to retire by rotation.
6.	Details of Remuneration	The Appointee shall be entitled to all rights and privileges of other Non-Executive Directors and to the sitting fees and expenses as well as all reasonable out-of-pocket-expenses (including travel, boarding and lodging expenses) for attending any shareholders’ meeting or Board meeting of the Company or a meeting of the board of directors of subsidiaries of the Company (if any) and any other reasonable expenses incurred by him in the course of fulfilling his duties and obligations as a Director of the Company and/or a director of the subsidiaries of the Company (if appointed) in terms of the policy of the Company.
7.	Shareholding in the Company	The Appointee does not hold any shares in the Company.
8.	Relationship with other Directors, Manager and other Key Managerial Personnel (KMP) of the Company	Nil.
9.	Qualifications	The Appointee is a post-graduate in Science in Agriculture (MSc), a Certified Associate of Indian Institute of Bankers (CAIIB) and also a graduate in Law (LLB).
10.	Experience	The Appointee has over 40 years of general banking experience, out of which 3 years he worked as Chairman and CEO of the large size Regional Rural Bank, 2 years each as Head of HRM (Training) of Financial Inclusion and State Level Bankers Committee (SLBC) Department at Corporate Office and served for One year as OSD at the Planning Commission (now known as Niti Aayog).
11.	Number of meetings of the Board attended	The details of Board Meetings attended by the appointee during the financial year 2023-2024 are as under: <ol style="list-style-type: none"> 1. May 30, 2023 2. August 12, 2023 3. September 29, 2023 4. November 10, 2023 5. February 09, 2024 6. March 27, 2024
12.	Directorship held in other companies as on date	As on date, the Appointee does not hold Directorship in any other Company.
13.	Chairmanship/Membership of the committees of the Board of Directors of other companies as on date	As on date, the Appointee does not hold Chairmanship/Membership of the committees of the Board of Directors of other Companies.

Except Mr. Harishchandra Sukhdeve, none of the Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, directly or indirectly, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

SPECIAL BUSINESS:
Resolution at Item No. 4:

This is a “Matter Pertaining to Fundamental Issues” as per the Amended and Restated Shareholders’ Agreement (“SHA”) dated March 02, 2022.

The Board of Directors of the Company at its meeting held on May 23, 2024, pursuant to the recommendation of Nomination & Remuneration Committee, has approved the appointment of Mr. Rajesh Vasudevan (DIN: 02711990) as an Additional Director (Independent & Non-Executive) of the Company with effect from May 23, 2024 to hold office upto the date of ensuing Annual General meeting of the Company pursuant to section 161 of the Act and subject to the approval of the members at the said Annual General Meeting, to hold office as an Independent Director, not liable to retire by rotation, for a term of five (5) consecutive years commencing from May 23, 2024 to May 22, 2029 (both days inclusive).

Mr. Rajesh Vasudevan holds a valid DIN as per Section 154 of Companies Act, 2013 and further is not disqualified as per Section 164 of Companies Act, 2013 and satisfies the criteria of ‘fit and proper’ as prescribed by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (“Scale Based Regulation”).

The Company has received his consent to act as a Director of the Company in Form DIR-2 along with other requisite documents required for his appointment as a Director. It has also received a declaration from Mr. Rajesh Vasudevan confirming that he meets the criteria of Independence under the Companies Act, 2013. The Company has also received a self-declaration from the Appointee that he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of BSE’s Circular No. LIST/COMP/14/2018-19 dated June 20, 2018 on the subject “Enforcement of SEBI Orders regarding appointment of Directors by listed Companies”.

In the opinion of the Board, Mr. Rajesh Vasudevan is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Companies Act, 2013 for appointment as an Independent Director and he is independent of the management. The Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of five years from May 23, 2024 to May 22, 2029. Accordingly, the Board recommends this resolution for the appointment of Mr. Rajesh Vasudevan, as a Director in the category of Non-Executive, Independent for the approval by the Members of the Company. The generic copy of letter of appointment setting out the terms and conditions of his appointment is available for inspection by the members. In terms of SS-2 – Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, a brief profile of Mr. Rajesh Vasudevan (“Appointee”), except the information already provided in the explanatory statement is provided below:

S. No.	Nature of Information	Particulars
1.	Name of the Director	Mr. Rajesh Vasudevan
2.	Director Information Number (DIN)	02711990
3.	Date of Birth & Age	February 14, 1969, 55 years
4.	Date of First Appointment on the Board	May 23, 2024
5.	Terms and Conditions of Appointment	https://www.berarfinance.com/pdf/policies/july24/appointment_letter_independent_director.pdf
6.	Details of Remuneration	The Appointee shall be entitled to all rights and privileges of other Non-Executive Directors and to the sitting fees and expenses as well as all reasonable out-of-pocket expenses (including travel, boarding and lodging expenses) for attending any shareholders’ meeting or Board meeting of the Company or a meeting of the Board of Directors of subsidiaries of the Company (if any) and any other reasonable expenses incurred by him in the course of fulfilling his duties and obligations as a Director of the Company and/or a Director of the subsidiaries of the Company (if appointed) in terms of the policy of the Company.
7.	Shareholding in the Company	The Appointee does not hold any shares in the Company.
8.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
9.	Qualifications	Member of Institute of Cost Accountants of India
10.	Experience	Mr. Rajesh Vasudevan has an experience of more than 30 years in the NBFC industry in the field of Finance, Taxation, Regulatory and Secretarial functions. His last engagement was with Mahindra & Mahindra Financial Services Ltd.

11.	Number of meetings of the Board attended	Mr. Rajesh Vasudevan has been appointed as an Additional Director of the Company at the meeting of the Board dated May 23, 2024, therefore, he has not attended/been part of any meeting of the Board during the financial year 2023-2024.
12.	Directorship held in other companies as on date	As on date, Mr. Rajesh Vasudevan does not hold Directorship in any other Company.
13.	Chairmanship/Membership of the committees of the Board of Directors of other companies as on date.	As on date, Mr. Rajesh Vasudevan does not hold Chairmanship/Membership of the committees of the Board of Directors of other Companies.

Except Mr. Rajesh Vasudevan, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, directly or indirectly, financially or otherwise, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends Ordinary Resolution set out at item no. 4 of the Notice for approval of the Members.

Resolution at Item No. 5:

This is a “Matter Pertaining to Fundamental Issues” as per the Amended and Restated Shareholders’ Agreement (“SHA”) dated March 02, 2022.

With a view to broad base the Board with professionals from diverse background, the Board, at its meeting held on August 13, 2024, based on the recommendation of the Nomination and Remuneration Committee (‘NRC’) has proposed to the members of the Company, the appointment of Mr. Varun Bhalla (DIN: 09687552) as an Independent Director, not liable to retire by rotation, who shall hold office for a term of Five (5) consecutive years commencing from September 20, 2024 to September 19, 2029 (both days inclusive).

Mr. Varun Bhalla holds a valid DIN as per Section 154 of Companies Act, 2013 and further is not disqualified as per Section 164 of Companies Act, 2013 and satisfies the criteria of ‘fit and proper’ as prescribed by the Reserve Bank of India- Scale Based Regulation.

The Company has received his consent to act as a Director of the Company in Form DIR-2 along with other requisite documents required for his appointment as a Director. It has also received a declaration from Mr. Varun Bhalla confirming that he meets the criteria of Independence under the Companies Act, 2013.

The Company has also received a self-declaration from the Appointee that he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of BSE’s Circular No. LIST/COMP/14/2018-19 dated June 20, 2018 on the subject “Enforcement of SEBI Orders regarding appointment of Directors by listed Companies”.

In the opinion of the Board, Mr. Varun Bhalla is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Companies Act, 2013 for appointment as an Independent Director and he is independent of the management. The Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of Five (5) years from September 20, 2024 to September 19, 2029. Accordingly, the Board recommends this resolution for the appointment of Mr. Varun Bhalla, as a Director in the category of Non-Executive, Independent for the approval by the Members of the Company. The generic copy of letter of appointment setting out the terms and conditions of his appointment is available for inspection by the members. In terms of SS-2 – Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, a brief profile of Mr. Varun Bhalla (“Appointee”), except the information already provided in the explanatory statement is provided below:

S. No.	Nature of Information	Particulars
1.	Name of the Director	Mr. Varun Bhalla
2.	Director Information Number (DIN)	09687552
3.	Date of Birth & Age	July 17, 1983, 41 Years
4.	Date of First Appointment on the Board	If approved by members, his appointment will commence from September 20, 2024.
5.	Terms and Conditions of Appointment	https://www.berarfinance.com/pdf/policies/july24/appointment_letter_independent_director.pdf

6.	Details of Remuneration	The Appointee shall be entitled to all rights and privileges of other Non-Executive Directors and to the sitting fees and expenses as well as all reasonable out-of-pocket expenses (including travel, boarding and lodging expenses) for attending any shareholders' meeting or Board meeting of the Company or a meeting of the Board of Directors of subsidiaries of the Company (if any) and any other reasonable expenses incurred by him in the course of fulfilling his duties and obligations as a Director of the Company and/or a Director of the subsidiaries of the Company (if appointed) in terms of the policy of the Company.
7.	Shareholding in the Company	Nil
8.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
9.	Qualifications	i. MBA, Manchester Business School, University of Manchester ii. B.Tech, Electrical and Electronics, Vellore Institute of Technology
10.	Experience	Mr. Varun Bhalla has an experience of over 18 years of experience in IT strategy, digital transformation, and business development across fintech, banking, and telecom sectors. He has proven track record in implementing cutting-edge technologies, driving innovation, and aligning IT initiatives with business objectives. He is a founding partner at Varisio Solutions LLP.
11.	Number of meetings of the Board attended	Not applicable.
12.	Directorship held in other companies as on date	Digital Outcomes Technologies Private Limited
13.	Chairmanship/Membership of the committees of the Board of Directors of other companies as on date.	Nil

Except Mr. Varun Bhalla, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, directly or indirectly, financially or otherwise, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends Ordinary Resolution set out at item no. 5 of the Notice for approval of the Members.

PROCEDURES / INSTRUCTIONS

CDSL e-Voting System – For Remote e-voting

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

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

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

- (i) The voting period begins on **Tuesday, September 17, 2024 at 9:00 A.M. (IST) and ends on Thursday, September 19, 2024 at 5:00 P.M. (IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, September 13, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

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

- (v) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Berar Finance Limited which is 240816015 on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

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

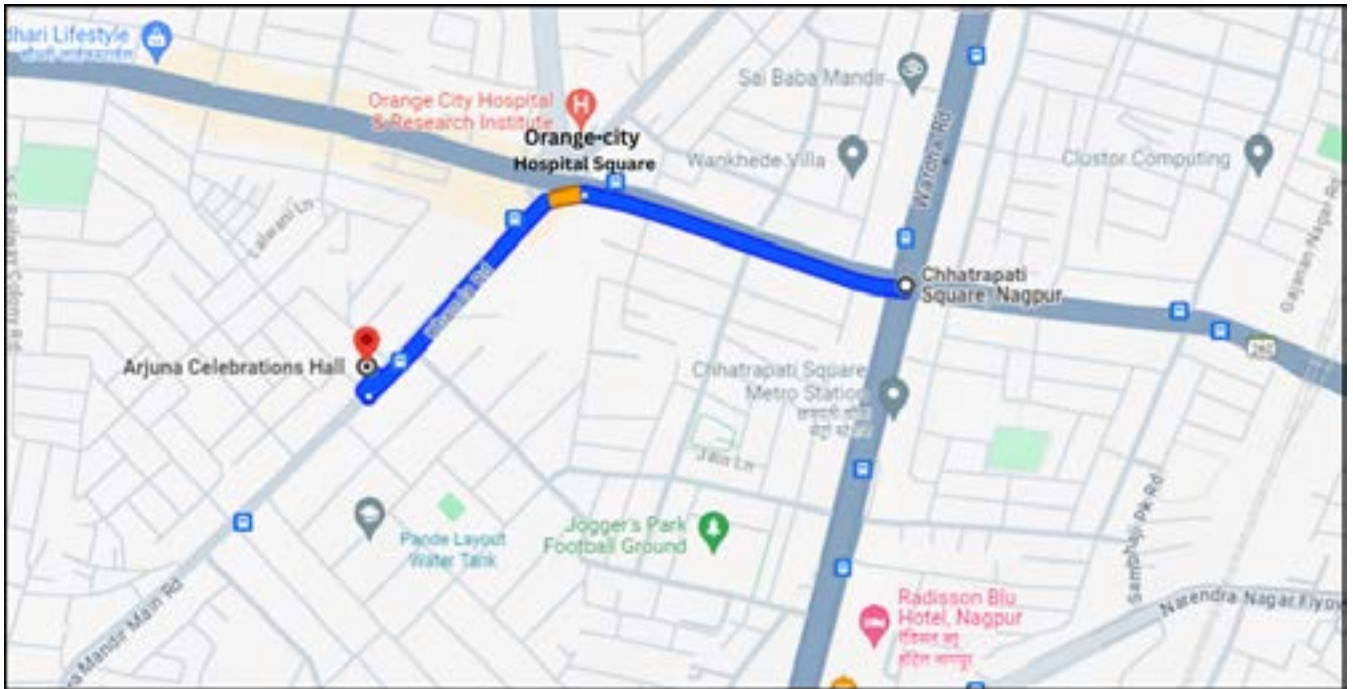
PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 21 09911

34TH ANNUAL GENERAL MEETING ROUTE MAP



Scan using the camera app for iOS devices and google lens for android devices for the AGM venue



BERAR FINANCE LIMITED

Corporate Identity Number: U65929MH1990PLC057829

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

Tel.No.0712-6663999

Website: www.berarfinance.com **Email:** investor.relations@berarfinance.com

ATTENDANCE SLIP

34TH Annual General Meeting

Date & Time: **Friday, September 20, 2024 at 4.00 P.M.**

Venue: **"ARJUNA CELEBRATIONS", Pande Layout Road, Khamla, Nagpur- 440 025**

Folio No /Client ID/ DP Id : _____

Name and address : _____

Name(s) of Joint holder(s), if any : _____

No. of shares held : _____

Full name of Proxy (in case of Proxy): _____

I/we hereby certify that I/we am/are member(s)/ proxy for the member(s) of the Company.

I/we hereby record my/our presence at the 34th Annual General Meeting of the Company.

Signature of member(s)/ Proxy/ Authorised Representative

Signature of Joint holder(s)

Notes:

1. Please fill and sign this attendance slip and hand it over at the venue of the meeting.
2. Only members of the Company or their proxy will be allowed to attend the meeting.





BERAR FINANCE LIMITED

Corporate Identity Number: U65929MH1990PLC057829

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

Tel.No.0712-6663999

Website: www.berarfinance.com **Email:** investor.relations@berarfinance.com

PROXY FORM

Form No.MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U65929MH1990PLC057829
Name of the Company : Berar Finance Limited
Registered Office : Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur-440 012.
Name of the Member(s) : _____
Registered Address of the Member: _____
E-mail id : _____
Folio No /Client ID : _____
DP ID : _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

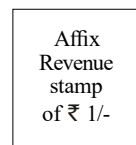
1. Name: _____ E-mail id : _____
Address: _____ Signature : _____, Or failing him
2. Name: _____ E-mail id : _____
Address: _____ Signature : _____, Or failing him
3. Name: _____ E-mail id : _____
Address: _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty- Fourth Annual General Meeting of the Company, to be held on **Friday, the 20th day of September, 2024 at 4.00 P.M. at ARJUNA CELEBRATIONS, Pande Layout Road, Khamla, Nagpur-440 025** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Business to be transacted
ORDINARY BUSINESS	
1	Adoption of audited financial statements for the year ended March 31, 2024 and the Board's and Auditors' Reports thereon
2	Declaration of Final Dividend for the Financial year 2023-2024
3	Re-appointment of Mr. Harishchandra Sukhdeve (DIN: 09289094), as a Director, who retires by rotation and being eligible, offers himself for re-appointment
SPECIAL BUSINESS	
4	Appointment of Mr. Rajesh Vasudevan (DIN: 02711990) as an Independent Director of the Company
5	Appointment of Mr. Varun Bhalla (DIN: 09687552) as an Independent Director of the Company

Signed this _____ day of _____ 2024.

Signature of member(s) Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed, signed, stamped and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

MISSION

Partnering To Prosper

COMMITMENT

Close To The People

VISION

Miles To Go

BRANCHES

MAHARASHTRA -

Ahmadnagar, 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, Sangali, Satara, Solapur, Udgir, Wani, Wardha, Washim & Yavatmal

MADHYA PRADESH -

Betul, Bhopal, Burhanpur, Chhatarpur, Chhindwara, Damoh, Dewas, Dhar, Harda, Hoshangabad, Indore, Katni, Khandwa, Mandla, Narsinghpur, Raisen, Rewa, Sagar, Satna, Sehore, Seoni, Shahdol, Sidhi & Vidisha

CHHATTISGARH -

Ambikapur, Balodabazar, Bemetara, Bilaspur, Dallirajhara, Dhamtari, Dongargarh, Durg, Gariyaband, Jagdalpur, JanjgirChampa, Kanker, Kawardha, Kondagaon, Korba, Mahasamund, Mungeli, Raigarh, Raipur, Rajim, Rajnandgaon, Saraipali & Surajpur

GUJARAT -

Amreli, Bardoli, Botad, Junagadh, Navsari, Rajpipla, Surat & Vyara

KARNATAKA -

Bagalkot, Belagavi, Bidar, Gulbarga, Raichur, Vijayapur & Yadgiri

TELANGANA -

Adilabad, Jagtial, Jangaon, Kamareddy, Karimnagar, Khammam, Kothagudem, Mahabubnagar, Mancherial, Miryalaguda, Nalgonda, Nirmal, Nizamabad, Sangareddy, Siddipet, Suryapet, Wanaparthy & Warangal

ODISHA-

Bargarh, Sonepur, Jeypore & Balangir

BY REGD. POST / BY COURIER

If not delivered please return to :-



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