



31st Annual Report 2020-2021



CORPORATE INFORMATION

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

DIRECTORS' REPORT

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

FINANCIAL RESULTS

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

(₹ in lakhs)

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

APPROPRIATION OF PROFITS

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

Your Directors propose to appropriate the same as under:

(₹ in lakhs)

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

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

DIVIDEND

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

FUNDING RESOURCES

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

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

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

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

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

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

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

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

TRANCHE II

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

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

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

(*CCPS means Cumulative Compulsorily Convertible Participating Preference Shares)

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

REVIEW OF OPERATIONS

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

BRANCH NETWORK

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

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

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

RESERVE BANK OF INDIA GUIDELINES

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

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

RELATED PARTY TRANSACTIONS

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

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

CREDIT RATING

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

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

LISTING ON STOCK EXCHANGES:

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

STATUTORY AUDITORS & AUDITORS' REPORT

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

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

REPORTING OF FRAUD BY THE AUDITORS

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

INTERNAL AUDITORS

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

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

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

SECRETARIAL AUDITORS

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

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

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

DIRECTORS

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

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

(A) Appointment of Non – Executive Directors:

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

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

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

(B) Appointment of Executive Directors:

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

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

(C) Resignation of Directors:

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

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

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

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

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

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

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

KEY MANAGERIAL PERSONNEL

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

PERFORMANCE EVALUATION

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

REPORT ON CORPORATE GOVERNANCE

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

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

DIRECTORS’ RESPONSIBILITY STATEMENT

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

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- 2) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- 3) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) They have prepared the annual accounts on a going concern basis;
- 5) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- 6) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

RISK MANAGEMENT

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

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

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

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

INTERNAL FINANCIAL CONTROLS

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

HUMAN RESOURCES AND EMPLOYEES STOCK OPTIONS PLAN:

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

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

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

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

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

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

(a) Conservation of Energy

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

(b) Technology Upgradation:

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

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

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

(c) Foreign Exchange Earning & Outgo:

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

CORPORATE SOCIAL RESPONSIBILITY:

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

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

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

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

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

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

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

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

SECRETARIAL STANDARDS OF INSTITUTE OF COMPANIES SECRETARIES OF INDIA

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

MAINTENANCE OF COST RECORDS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

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

ANNUAL RETURN

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

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

OTHER PARTICULARS

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

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

Annexures forming part of this Report:

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

ACKNOWLEDGEMENT

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

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

For and on behalf of Board of Directors

Date: August 23, 2021

Place: Nagpur

M.G Jawanjar
Chairman

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

RBI Policy Measures

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

Market Scenario

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

COVID-19 & Response

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

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

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

Out look

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

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

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

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

Performance during the Financial Year 2020-2021

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

(₹ in Lakhs)

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

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

Risks and Concerns

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

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

Customer Service

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

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

Annexure II
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

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

To,

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

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

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable)**
- (v) The Regulations and Guidelines prescribed under the Securities and Exchanges Board of India Act, 1992 ("SEBI Act") i.e.
 - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable)**
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable)**
 - The Securities and Exchange Board of India (Delisting of Equity Shares) - Regulations, 2021; and **(Not Applicable)**
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable)**
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable)**
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable)**
- (vi) Applicable Secretarial Standards issued by The Institute of Company Secretaries of India;

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

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

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

We further report that:

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

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

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

We further report that during the audit period

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

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

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

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

For SPZ & Associates.
Company Secretaries

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

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

Annexure A to the Secretarial Audit Report

To,

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

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

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

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

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

Annexure III

REPORT ON CORPORATE GOVERNANCE

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

1) Board of Directors:

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

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

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

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

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

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

Board Meeting

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

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

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

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

Mr. Avishek Addy holds directorship in the following companies:

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

Remuneration of Directors

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

Details of sitting fees paid are as under:

(Amt.in ₹)

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

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

2) Audit Committee:

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

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

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

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

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

The Company Secretary acts as Secretary to the Audit Committee.

3) Risk Management Committee:

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

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

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

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

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

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

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

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

The Company Secretary acts as Secretary to the Committee.

4) Asset-Liability Management (ALM) Committee:

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

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

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

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

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

The Company Secretary acts as Secretary to the Committee.

5) Nomination and Remuneration Committee:

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

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

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

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

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

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

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

6) Information Technology (IT) Strategy Committee:

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

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

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

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

7) Stakeholders Relationship Committee:

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

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

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

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

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

The Company Secretary acts as Secretary to the Committee.

8) Corporate Social Responsibility (CSR) Committee:

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

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

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

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

The Company Secretary acts as Secretary to the Committee.

9) Fund Management Committee:

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

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

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

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

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

The Company Secretary acts as Secretary to the Committee.

10) Independent Directors Meeting

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

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

All the Independent Directors were present at the meeting.

11) General Body Meetings

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13) Vigil Mechanism/Whistle Blower Policy

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

Annexure IV

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

1. Brief outline on CSR Policy of the Company:

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

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

2. Composition of CSR Committee:

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

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

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

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

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

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

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

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

7. CSRExpenditure:

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

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

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

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

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

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

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

(d) Amount spent in Administrative Overheads: Nil

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

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

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

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

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

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

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

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

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

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

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

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

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

Place: Nagpur

Sandeep Jawanjal

Maroti Jawanjar

Date: August 23, 2021

DIN:01490054

DIN:00379916

Managing Director cum
Chief Financial Officer

Executive Chairman
cum Chairman of CSR Committee

Annexure V (i)

Form AOC-2

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

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

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

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

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

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

For and on behalf of Board of Directors

Date: August 23, 2021

Place: Nagpur

**M.G Jawanjar
Chairman**

Annexure V (ii)

Policy on Related Party Transactions

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

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

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

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

Annexure VI

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

Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under –

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

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

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

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

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

The Assumptions used in the model are as follows:

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

Assumptions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRAVIN DHIRAN & CO.

CHARTERED ACCOUNTANTS

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

INDEPENDENT AUDITOR’S REPORT

To the Members,
BERAR FINANCE LIMITED

Report on Audit of the Financial Statements

Opinion

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

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

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

We draw attention to Note 51 to the financial statements, which describes the uncertainty caused by Novel Corona virus (COVID-19) pandemic with respect to the Company’s estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>(a) Transition to Ind AS accounting framework (as described in note 5 of the Ind AS financial statements)</p>	
<p>The company has adopted Ind AS from 01 Apr 2020 with an effective date of 01 Apr 2019 for such transition. For periods up to and including the year ended 31 March 2020, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2021, together with the comparative financial information for the previous year ended 31 March 2020 and the transition date Balance Sheet as on 01 April 2019 have been prepared under Ind AS.</p> <p>The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</p>	<ul style="list-style-type: none"> ● Read the Ind AS impact assessment performed by the management and the resultant changes made to the accounting policies considering the requirements of the new framework. ● Evaluated the exemptions and exceptions allowed by Ind AS and applied by the management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date. ● Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. ● Tested the disclosures prescribed under Ind AS.
<p>(b) Impairment of financial assets (expected credit losses) (as described in Note 3.6 of the Ind AS financial statements)</p>	
<p>Impairment loss allowance of loans and advances ("expected credit loss") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID-19 pandemic on asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection</p>	<p>Audit Procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> ● Understanding of the internal control environment related to Impairment loss allowance recognition and measurement and testing operating effectiveness of key controls. Assessing the approach of the Company regarding definition of Default, Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and incorporation of forward-looking information for the calculation of ECL. ● Checking the reliability of key data inputs and related management controls.

and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

- Checking the stage classification as at the balance sheet date as per definition of Default of the Company.
- Validation of ECL Model and its calculation.
- Checking on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the ~~Board approved~~* policy for ECL provisioning and stage classification with respect to such accounts; (* **Board has not approved policy in this regard till date of our audit. Refer Other Matter in this Report**).
- Assessing the assumptions made by the Company in making accelerated provision considering forward looking information.
- Reviewing the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the RBI. Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package.
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company.
Checking the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020.
- For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.

Information Other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director Report, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report but does not include the Financial Statements and our Auditor's Report thereon. These reports are expected to be made available to us after the date of this Auditor's Report.
- Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Other Matter:

- i. As per RBI Circular RBI/2019-20/170DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13-Mar-2020 regarding implementation of Ind-AS by NBFCs, Governance Framework is required to be made in the form of policies approved by Audit Committee or the Board. The Board of the company has not approved policies clearly articulating Business Model and Portfolios, policy for sales out of amortised cost business model portfolios and sound methodologies for computation of Expected Credit Loss (ECL). The Company has provided us model for calculation of ECL which has been assessed by us based on parameters specified by the management. However, the methodologies have not been approved by the Board as required by aforesaid RBI circular.
- ii. Our Opinion is not modified in respect of these matters.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
 - (g) In our opinion, the managerial remuneration for the year ended 31 March 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For PRAVIN DHIRAN & CO.
Chartered Accountants
FRN: 133656W

PRAVIN DHIRAN
Partner
M.No. 115580
UDIN - 21115580AAAAGF5527

Nagpur
Dated: June 29th, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report to the members of Berar Finance Limited of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold other than self-constructed assets included in Property, Plant and Equipment, are held in the name of the Company as at the balance sheet date.
- (ii) The Company is in the business of providing finance services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules framed there under with regard to deposits accepted from the public. No order has been passed on the Company by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- (vi) Central Government has not specified for maintenance of cost records under section 148(1) of the Companies Act, 2013.
- (vii) (a) According to the records of the company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Goods and Service Tax (GST) and other material statutory dues, as applicable to it with the appropriate authorities. There were no arrears of undisputed statutory dues at the end of the financial year which were outstanding for more than six months from the date they become payable.
- (b) According to the information furnished and explanations given, there are no dues in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute except the following:-

Name of the Statute	Nature of Disputed Dues	Amount under Dispute	Amount paid*	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	7,45,844	1,49,170	FY 2016-17 or AY 2017-18	Commissioner of Income-tax (Appeals)

* paid under protest

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- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of any dues to banks or financial institution or debenture holders.
- (ix) According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer or further public offer. Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.
- (x) Based on the audit procedures performed and representations obtained from the management, we report that no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The company is not a Nidhi company as prescribed under section 406 of the Act. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the Management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has complied with provisions of section 42 of the Act in respect of the private placement of equity shares and preference shares during the year. During the year, the company has made private placement through issue of 5,71,428 number of equity shares and 3,80,953 number of Cumulative Compulsorily Convertible Participating Preference Shares. According to the information and explanations given by the Management, we report that the amount raised have been used for the purposes for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are applicable to the Company and the company has registration under section 45-IA of the Reserve Bank of India Act, 1934.

For PRAVIN DHIRAN & CO.

Chartered Accountants

FRN: 133656W

PRAVIN DHIRAN

Partner

M.No. 115580

UDIN -21115580AAAAGF5527

Nagpur

Dated: June 29th, 2021

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of **Berar Finance Limited** of even date)

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **BERAR FINANCE LIMITED** as at March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for Internal Financial Controls

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

Auditors’ responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For PRAVIN DHIRAN & CO.

Chartered Accountants

FRN: 133656W

PRAVINDHIRAN

Partner

M.No. 115580

UDIN -21115580AAAAGF5527

Nagpur

Dated: June 29th, 2021

Financial Statements

Balance Sheet as at 31 March 2021
(Amount in INR, unless otherwise stated)

	Note No.	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
ASSETS				
Financial Assets				
(a) Cash and cash equivalents	6	94,79,24,962	37,62,56,449	16,96,37,866
(b) Bank Balances other than cash and cash equivalents	7	74,74,86,073	7,15,66,570	6,01,25,799
(c) Loans	8	6,59,48,35,449	4,60,12,03,584	3,52,66,48,184
(d) Investments	9	11,77,08,901	9,48,52,500	8,71,89,413
(e) Other Financial assets	10	25,50,32,090	18,42,60,779	14,88,85,935
Non-financial Assets				
(a) Current Tax assets (Net)	11	-	37,30,514	-
(b) Deferred tax assets (Net)	12	4,71,64,970	3,64,98,384	3,05,46,999
(c) Property, Plant and Equipment	13	17,22,16,357	16,79,76,959	15,91,04,116
(d) Capital Work in Progress		8,99,901	-	2,60,000
(e) Other Intangible assets	14	81,31,598	1,08,62,426	74,37,019
(f) Right of use assets	15	2,15,29,172	1,10,07,956	1,27,76,087
(g) Other non-financial assets	16	14,45,965	8,43,400	13,82,210
Total Assets		8,91,43,75,438	5,55,90,59,521	4,20,39,93,628
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	17	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17	4,25,33,850	2,40,59,086	1,80,98,447
Debt Securities	18	1,20,66,01,743	-	-
Borrowings (Other than Debt Securities)	19	4,88,03,48,966	3,39,06,79,561	2,62,84,96,873
Deposits	20	1,13,18,38,678	86,87,66,747	74,16,57,590
Other financial liabilities	21	14,20,79,610	11,65,50,345	7,95,34,940
Non-Financial Liabilities				
Current Tax liabilities (Net)	22	74,08,629	-	8,61,29,58
Provisions	23	2,09,00,924	1,77,56,101	1,33,51,407
Other non-financial liabilities	24	1,84,23,320	3,10,53,212	2,91,51,715
EQUITY				
Equity Share capital	25	10,00,77,980	9,66,66,670	8,00,00,000
Other Equity	26	1,36,41,61,738	1,01,35,27,799	60,50,89,698
Total Liabilities and Equity		8,91,43,75,438	5,55,90,59,521	4,20,39,93,628

The accompanying notes are an integral part of the financials statements

As per our report of even date
For Pravin Dhiran & Co.
Chartered Accountants
FRN : 133656W

For and on behalf of the Board of Directors of
BERAR FINANCE LIMITED

M. G. Jawanjar
(Executive Chairman)

Pravin Dhiran
Partner
M. No. 115580

S. M. Jawanjal
(Managing Director & CFO)

Place: Nagpur
Date: 29/06/2021

D. R. Balpande
(Company Secretary)

Statement of Profit and Loss for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations			
Interest Income	27	1,22,12,11,627	92,07,92,556
Dividend Income	28	46,925	1,14,661
Net gain on fair value changes	29	88,12,637	-
Other operating Income	30	11,84,61,293	12,73,98,381
Total Revenue from operations		1,34,85,32,482	1,04,83,05,598
Other Income	31	85,730	2,37,085
Total Income		1,34,86,18,212	1,04,85,42,683
Expenses			
Finance Costs	32	67,52,88,060	47,51,49,254
Net (Gain)/loss on fair value changes	29	-	42,59,930
Impairment on financial instruments	33	12,03,27,590	6,77,54,973
Employee Benefits Expenses	34	17,19,39,680	14,84,26,832
Depreciation, amortization and impairment	35	1,90,54,774	1,33,69,557
Other expenses	36	15,64,41,810	13,72,49,097
Total Expenses		1,14,30,51,914	84,62,09,643
Profit before tax		20,55,66,298	20,23,33,040
Tax Expense:			
- Current Tax	12	6,25,00,000	6,00,00,000
- Prior period income tax	12	-	15,37,042
- Deferred Tax	12	(1,07,00,671)	(56,51,836)
Profit for the year		15,37,66,969	14,64,47,834
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains / (losses) on defined benefit plans		1,33,009	(10,28,698)
(ii) Income tax impact		(34,084)	2,99,557
Other Comprehensive Income for the year		98,925	(7,29,141)
Total Comprehensive Income for the year (Comprising Profit and other comprehensive income for the year)		15,38,65,894	14,57,18,693
Earnings per equity share			
Basic (INR)		16.01	17.97
Diluted (INR)		15.91	17.85

The accompanying notes are an integral part of the financials statements

As per our report of even date
For Pravin Dhiran & Co.
 Chartered Accountants
 FRN : 133656W

Pravin Dhiran
 Partner
 M. No. 115580

Place: Nagpur
 Date: 29/06/2021

For and on behalf of the Board of Directors of
BERAR FINANCE LIMITED

M. G. Jawanjar
 (Executive Chairman)

S. M. Jawanjal
 (Managing Director & CFO)

D. R. Balpande
 (Company Secretary)

Statement of Cash Flows for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities			
Profit before tax		20,55,66,298	20,23,33,040
Adjustments for:			
Depreciation and amortisation expense		1,90,54,774	1,33,69,557
ESOP expense		48,29,878	14,08,687
Provision for Defined Benefit Obligation		25,57,988	22,16,245
Finance cost		1,24,57,041	1,30,56,950
Interest Income on Security Deposit		3,64,801	2,63,667
Amortization impact of Processing fees and commissin on Loans		(6,34,07,505)	(6,21,09,215)
Interest income on investment		(73,99,256)	(58,14,274)
Net gain on fair value changes in Investment		37,30,364	32,19,183
Profit on sale of investment		(75,84,714)	(2,90,000)
Gain on termination of lease		(595)	(2,363)
Impairment on financial instruments		12,03,27,590	6,77,54,973
Profit on sale of property, plant and equipment (Net)		(13,986)	(1,24,978)
Operating profit before working capital changes		29,04,82,678	23,52,81,472
Changes in working capital			
Increase/ (decrease) in trade payables		1,84,74,764	59,60,639
Increase/ (decrease) in other financial liabilities		1,45,37,387	3,79,06,932
Increase/ (decrease) in provisions and other liabilities		(1,19,10,048)	30,61,248
(Increase)/decrease in other financial assets		(7,16,26,398)	(3,57,95,537)
(Increase)/decrease in Loans		(2,05,05,51,950)	(1,08,02,01,158)
(Increase)/decrease in other assets		(6,02,565)	5,38,810
Cash generated from/(used In) operations		(1,81,11,96,132)	(83,32,47,594)
Income tax paid		(5,13,60,855)	(7,38,80,508)
Net cash generated from operating activities (A)		(1,86,25,56,987)	(90,71,28,102)
B. Cash flow from Investing activities			
Payment for property, plant and equipment, intangible assets and Capital Work-in-Progress		(1,31,83,878)	(1,86,64,640)
Change in Other Bank balances not available for immediate use		(67,59,19,503)	(1,14,40,771)
Proceeds from sale of property plant and equipment		19,600	2,00,000
Purchase of investment		(3,31,79,996)	(1,25,12,190)
Proceeds from sale of Investments		1,46,10,519	24,27,979
Interest received		69,66,681	53,06,216
Net cash used in investing activities (B)		(70,06,86,577)	(3,46,83,406)
C. Cash flow from Financing activities			
Proceeds from Bank & Financial Institution		1,53,52,60,526	65,32,07,623
Borrowing (Net of Repayments)		1,21,65,84,892	-
Debt Securities issued		26,30,71,931	12,71,09,157
Deposits taken (Net of Repayments)		34,11,310	1,66,66,670
Capital raised		19,65,88,700	28,33,33,390
Premium received on issue of shares		-	(1,23,78,242)
Expenses related to Issue of Shares		(46,50,532)	(96,44,427)
Dividend Paid		(93,87,875)	(73,18,911)
Repayment of lease liabilities		-	-
Net cash used in financing activities (C)		3,20,08,78,952	1,05,09,75,260
Net increase in cash and cash equivalents (A+B+C)		63,76,35,388	10,91,63,752
Cash and cash equivalents at the beginning of the year		(20,95,81,833)	(31,87,45,585)
Cash and cash equivalents at the end of the year		42,80,53,555	(20,95,81,833)

Notes:

- Statement of Cash flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash flows" as specified in the Companies (Indian Accounting Standard Rules), 2015
- Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
- Cash & Cash Equivalents included in the Statement of Cash Flow includes the following**

	Year ended 31 March 2021	Year ended 31 March 2020
Balances with banks		
In current accounts	76,10,80,399	16,91,99,129
In fixed deposits (with original maturity less than 3 months)	17,54,59,840	20,06,62,023
Cash Credit from Banks	(51,98,71,407)	(58,58,38,282)
Cash in Hand	1,13,84,723	63,95,297
	42,80,53,555	(20,95,81,833)

The accompanying notes are an integral part of the financials statements

As per our report of even date

For Pravin Dhiran & Co.

Chartered Accountants

FRN : 133656W

Pravin Dhiran

Partner

M. No. 115580

Place: Nagpur

Date: 29/06/2021

For and on behalf of the Board of Directors of

BERAR FINANCE LIMITED

M. G. Jawanjar

(Executive Chairman)

S. M. Jawanjal

(Managing Director & CFO)

D. R. Balpande

(Company Secretary)

Statement of Changes in Equity for the year ended 31 March 2021

Share Capital

Particulars	Equity share capital		Preference share capital	
	No. of shares	Amount	No. of shares	Amount
As at 1st April 2019	80,00,000	8,00,00,000	-	-
Issued during the year 2019-20	11,11,111	1,11,11,110	5,55,556	55,55,560
As at 31st March 2020	91,11,111	9,11,11,110	5,55,556	55,55,560
Issued during the year 2020-21	5,71,428	57,14,280	3,80,953	38,09,530
On Account of Conversion during the year 2020-21	3,25,259	32,52,590	(9,36,509)	(93,65,090)
As at 31st March 2021	1,00,07,798	10,00,77,980	-	-

Other Equity

	Reserve & Surplus					Total
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	
Balance as at 1 April 2019	19,89,95,000	-	43,82,65,000	-	(3,21,70,302)	60,50,89,698
Profit for the year 2019-20	-	-	-	-	14,64,47,834	14,64,47,834
Other comprehensive income for the year 2019-20	-	-	-	-	(7,29,141)	(7,29,141)
Dividend Paid including taxes on dividend	-	-	-	-	(96,44,427)	(96,44,427)
Premium on issue of Shares	-	28,33,33,390	-	-	-	28,33,33,390
Expenses related to issue of shares (Private Placement)	-	(1,23,78,242)	-	-	-	(1,23,78,242)
Share based payment expense	-	-	-	14,08,687	-	14,08,687
Transfers to Statutory reserves	4,23,00,000	-	-	-	(4,23,00,000)	-
Transfers to General reserves	-	-	11,00,00,000	-	(11,00,00,000)	-
Balance as at 31 March 2020	24,12,95,000	27,09,55,148	54,82,65,000	14,08,687	(4,83,96,036)	1,01,35,27,800
Profit for the year	-	-	-	-	15,37,66,969	15,37,66,969
Other comprehensive income for the year	-	-	-	-	98,925	98,925
Dividend Paid including taxes on dividend	-	-	-	-	(46,50,532)	(46,50,532)
Premium on issue of Shares	-	19,65,88,700	-	-	-	19,65,88,700
Share based payment expense	-	-	-	48,29,877	-	48,29,877
Transfers to Statutory reserves	4,00,00,000	-	-	-	(4,00,00,000)	-
Transfers to General reserves	-	-	5,00,00,000	-	(5,00,00,000)	-
Balance as at 31 March 2021	28,12,95,000	46,75,43,848	59,82,65,000	62,38,564	1,08,19,326	1,36,41,61,739

The accompanying notes are an integral part of the financials statements

As per our report of even date

For Pravin Dhiran & Co.

Chartered Accountants

FRN : 133656W

Pravin Dhiran

Partner

M. No. 115580

Place: Nagpur

Date: 29/06/2021

For and on behalf of the Board of Directors of
BERAR FINANCE LIMITED

M. G. Jawanjar
(Executive Chairman)

S. M. Jawanjal
(Managing Director & CFO)

D. R. Balpande
(Company Secretary)

Notes forming part of the Financial Statements for the year ended 31st March 2021

(Amount in INR, unless otherwise stated)

1 Corporate Information

The Company is a registered non-banking finance company engaged in the business of providing finance. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) with effect from 24th November 1998, with Registration No. 13.01109. The Company primarily deals in the financing of two-wheelers, used car finance, commercial vehicle finance and personal loan etc. The Company is a systemically important NBFC as per Reserve Bank of India. The company was re-classified from Asset Finance Company to Investment & Credit Company (NBFC-ICC) as per RBI notification no. 097/03.10.001/2018-19 dated 22-Feb-2019. The Company is having its head office at Nagpur and currently having 91 branches as on 31st March 2021. The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on June 29, 2021.

2 Basis of Preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The financial statements for the year ended March 31, 2021 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2019. The financial statements upto the year ended March 31, 2020, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2020 have now been restated under Ind AS to provide comparability.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the 'functional currency').

2.4 Use of estimates, judgements and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

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

valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

ii) Effective interest rate ('EIR') method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default (PD), exposure at default ("EAD) and loss given default ('LGD').
- d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 38.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

2.5 Presentation of the financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees.

3.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

A Interest and dividend income

Interest income for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) are recognised in 'Interest income' in the profit or loss account using the effective interest method (EIR).

Effective Interest Rate (EIR) wherever applicable in case of a financial asset is computed as the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. It is computed by considering all contractual terms of the financial instrument in estimating the cash flows. The cash flows are estimated including all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL. Interest Income on credit impaired assets are treated to accrue only upon realisation, due to uncertainty involved in its realisation and are accounted accordingly.

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

B Fee and commission income

Fee and commission income and expense include fees other than those that are an integral part of EIR. Processing fees not considered in EIR, service income, bounce charges, penal charges and foreclosure charges etc. are recognised on point in time basis.

C Net gain or fair value change

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

D Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.2 Financial instrument - initial recognition

A Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3 Financial assets and liabilities

A Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking worst case' or stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic tending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

- i) Financial assets carried at amortised cost ('AC')
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii) Financial assets measured at FVOCI
A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iii) Financial assets measured at FVTPL
A financial asset which is not classified in any of the above categories are measured at FVTPL.

B Financial liabilities

- i) Initial recognition and measurement Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition.
- ii) Borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. The EIR amortization is included as finance costs in the statement of profit and loss.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2021 and 31 March 2020.

3.5 Derecognition of financial assets and liabilities

i) Financial assets

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

B. Derecognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

- i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial Instrument that are possible within 12 months after the reporting date); or
- ii) Full lifetime expected credit losses ('LTECL') (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD: Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. For investments and balances with banks, the Company uses external ratings for determining the PD of respective instruments.

EAD: Exposure at Default ('EAD') is an estimate of the amount outstanding when the borrower defaults. It is the total amount of an asset the entity is exposed to at the time of default. It is defined based on characteristics of the asset.

LGD: Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the tender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed. The mechanics of the ECL method are summarised below:

- Stage 1:** The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a EAD and multiplied by the expected LGD.
- Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.
- Stage 3:** For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

- i) Gross fixed investment (% of GDP)

3.7 Write-offs

Financial assets are written off when there are no prospects of recovery which are subject to management decision. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under Bad debts and write offs forming part of Impairment on financial instruments in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- **Level 2** financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and market-corroborated inputs.
- **Level 3** financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 I) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ('PPE') are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

- i) Building - 60 years
- ii) Office equipment - 5 years
- iii) Computers - 3 years
- iv) Furniture and electrical fittings - 10 years
- v) Vehicles - 8 years
- vi) Printers - 5 years
- vii) Server - 6 years
- viii) Generator-10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

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

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and

loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, (ess any lease incentives received).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses.

The right-of-use assets are depreciated from the date of commencement of the lease on a straightline basis over the shorter of the lease term and the useful life of the underlying asset. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- Low value leases; and
- Leases which are short-term.

3.15 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at

a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed in the financial statements.

3.17 Taxes

A. Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

A deferred tax asset is recognised for the carry forward of unused tax losses and accumulated depreciation to the extent that it is probable that future taxable profit will be available against which the unused tax losses and accumulated depreciation can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3.18 Earnings per share

Basic earnings per share (EPS) is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares

are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.20 Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified any new or amendments in existing Ind AS which would be applicable with effect from April 1, 2020.

5 First time adoption of Ind AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2020, together with the comparative year data as at and for the year ended 31 March 2019, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2019, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2019 and the financial statements as at and for the year ended 31 March 2020. The exemptions availed by the Company are as follows:

- (i) The Company has adopted the carrying value determined in accordance with Previous GAAP for all of its property plant and equipment and intangible assets as deemed cost of such assets at the transition date.
- (ii) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2019.
- (iii) The estimates as at April 1, 2019 and at March 31, 2020 are consistent with those made for the same dates in accordance with the Previous GAAP.
- (iv) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition.

(v) Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

(a) Reconciliation of Equity as at 1 April 2019 and as at 31 March 2020

(b) Reconciliation of Total Comprehensive Income for the year ended 31 March 2020

The presentation requirements under previous GAAP differs from Ind AS, and hence, previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP/ Indian GAAP information is derived from the Financial Statements of the Company prepared in accordance with previous GAAP.

(a) Reconciliation of total equity as at 31 March 2020 and 1 April 2019

	Notes	As at 31 March 2020	As at 1 April 2019
Equity Share Capital		9,66,66,670	8,00,00,000
Surplus in statement of profit and loss account		1,08,41,98,601	65,26,43,114
Shareholder's equity as per Indian GAAP audited financial statements		1,18,08,65,271	73,26,43,114
Ind AS adjustments			
- Impact on recognition of loans at amortised cost	c (i)	(3,86,57,142)	(7,51,58,322)
- Impact on recognition of borrowings at amortised cost using EIR	c (i)	1,45,34,708	89,32,796
- Investments measured at FVTPL	c (ii)	50,65,917	82,85,100
- EIR Impact of investments in government securities measured at amortised cost	c (ii)	6,45,576	1,37,518
- EIR Impact of security deposit	c (iii)	(58,061)	(46,479)
- Lease accounting impact	c (iv)	(7,58,383)	
- Expected credit loss on loans	c (v)	(7,47,55,637)	(1,13,64,351)
- Impact on recognition of securitised loan portfolio (De-recognised in previous GAAP)	c (vii)	5,21,049	-
- Deferred tax impact on above	c (ix)	2,41,69,642	2,07,63,114
- Others		(13,78,473)	8,97,208
Total Ind AS adjustments		(7,06,70,802)	(4,75,53,416)
Shareholder's equity as per Ind AS		1,11,01,94,469	68,50,89,698

(b) Reconciliation of total comprehensive income for the year ended 31 March 2020

	Notes	Year ended 31 March 2020
Profit as per Indian GAAP		16,91,27,374
Adjustment		
- Impact on recognition of loans at amortised cost by application of EIR	c (i)	(63,06,176)
- EIR Impact of borrowings measured at amortised cost	c (i)	56,01,912
- Investments measured at FVTPL	c (ii)	(32,19,183)
- EIR Impact of investments in government securities measured at amortised cost	c (ii)	5,08,058
- EIR Impact of security deposit	c (iii)	(11,582)
- Lease accounting impact	c (iv)	(7,58,383)
- Expected credit loss on loans	c (v)	(2,05,83,930)
- Impact of Employee stock option plan	c (vi)	(2,91,296)
- Impact on recognition of securitised loan portfolio (De-recognised in previous GAAP)	c (vii)	5,21,049
- Re-measurement losses on defined benefit plans reclassified to OCI	c (viii)	10,28,698
- Deferred Tax Impact on Ind AS adjustments	c (ix)	31,06,972
- Others		(22,75,681)
Net profit as per Ind AS		14,64,47,834
Other comprehensive income:		
Re-measurement gains / (losses) on defined benefit plans , net off tax	c (viii)	(7,29,141)
Total comprehensive income as per Ind AS		14,57,18,693

(c) Notes to first-time adoption**(i) Interest income and expense measured using effective interest method**

Under Previous GAAP, origination fees and transaction costs charged to customers was recognised upfront. Under Ind AS, such fees and costs are amortised over the expected life of the loan assets and recognised as interest income.

Under Previous GAAP, the transaction costs related to borrowings were recognised upfront in the Statement of Profit and Loss. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest method in the Statement of profit and loss.

(ii) Fair Valuation of Investments

Under Indian GAAP, investments that are acquired with the intention of holding them for not more than one year from the date on which such investments are made, are considered as current investment. Investments acquired with the intention of holding for more than one year from the date on which such investments are made are classified as long-term investments. The securities held as securities for trade is carried at cost. Long term investments are carried at acquisition cost after providing for diminution in value, if such diminution is other than of a temporary nature. As per Ind AS, all financial assets have to be classified at 'amortised cost', 'fair value through other comprehensive income' or 'fair value through profit and loss'. These classifications are based on the business model test and the contractual cash flow test. Under Indian GAAP, unrealized gains were not accounted in the books. Under Ind AS, unrealized gains have been accounted in the statement of profit and loss.

This has resulted in an increase in retained earnings in 1 April 2019 and 31 March 2020 of INR 8285100 and INR 5065917 respectively and a decrease in the net profit for the year ended March 2020 of INR -3219183 on account of fair valuation of investments measured at fair value through profit & loss.

This has resulted in an decrease in retained earnings as on 1 April 2019 and 31 March 2020 of INR -137518 and INR -645576 respectively and an decrease in the net profit for the year ended March 2020 of INR -508058 on account of investments in government securities measured at amortised cost using effective interest rate.

(iii) Security deposit

Under Indian GAAP, the security deposits given were accounted on the transaction price. Ind AS requires such assets to be recognized at present value. This has led to a decrease in the value of the security deposits on the date of transition and subsequently it is measured at amortised cost. The excess of the principal amount of the deposit over its fair value is recognised as right of use assets and subsequently shall be recognized as depreciation expense on a straight-line basis over the lease term, partially set off by the notional interest income recognised on such deposit. The increase in interest income is known as unwinding of interest accounted under other income.

The above transition has resulted a decrease in retained earnings in 1 April 2019 and 31 March 2020 of INR 46479 and INR 58061 respectively and decrease in the net profit for the year ended March 2020 of INR 11582 .

(iv) Operating Lease capitalised as per Ind AS 116 Initial recognition and measurement:

Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The right-to use asset is initially measured at cost. The cost shall comprise of the amount of the lease liability and adjusted for lease prepayments, lease incentives received, the lessee's initial direct costs and an estimate of the restoration, removal and dismantling costs.

Subsequent measurement:

A lessee measure the right of use asset applying a cost model. A lessee shall measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments; and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Accordingly company has recognised right to use assets and lease liability using modified retrospective approach.

The above transition has impacted a decrease in retained earnings/net profit in 31 March 2020 of INR 758383 .

(v) Expected credit loss on loans

Under Indian GAAP, the Company recognized impairment on loans based on the incurred basis. Under Ind AS, the Company recognizes lifetime expected credit loss for loans.

The above transition has impacted a decrease in retained earnings in 1 April 2019 and 31 March 2020 of INR 11364350.79 and INR 74755636.79 respectively and an increase in the net profit for the year ended March 2020 of INR -20583929.8

(vi) Employee Stock Option Plan

The company has granted equity settled options in 2019-20 to the employees of the Company. Under Previous GAAP, the cost of Employee Stock Options was recognised at intrinsic value. Under Ind AS, the same is recognised on the basis of fair value. This has resulted in decrease of profit by INR 291296 for the year ended 31 March 2020.

(vii) Impact on derecognition of loans

Under Previous GAAP, financial assets were derecognized if the control criteria is met in accordance with relevant RBI guidelines. Under Ind AS, financial assets are derecognised only when the Company transfers substantially all the risks and rewards related to the cash flows.

(viii) Re-measurement impact on defined benefit plans

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, actuarial gains and losses, are recognised in other comprehensive income.

Thus, employee benefits expense is reduced by INR 1028698 and is recognised in other comprehensive income during the year ended 31 March 2020.

(ix) Deferred Tax

The transitional Ind AS adjustments has led to temporary differences in the tax and accordingly deferred tax impact on these adjustments has been accounted.

6 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash on hand	1,13,84,723	63,95,297	89,07,303
Balances with banks			
In current accounts	76,10,80,399	16,91,99,129	16,07,30,563
In fixed deposits (with original maturity less than 3 months)	17,54,59,840	20,06,62,023	-
Total	94,79,24,962	37,62,56,449	16,96,37,866

7 Bank Balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Fixed Deposit (Including accrued Interest)	73,30,27,978	5,74,17,435	5,59,57,799
Balances with banks to the extent held as margin money or security against the borrowings	1,43,04,182	1,38,45,048	38,78,499
Earmarked balances with banks (Unpaid dividend)	1,53,913	3,04,087	2,89,501
Total	74,74,86,073	7,15,66,570	6,01,25,799

8 Loans

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(A) Loan measures of Amortised Cost			
i) Terms loans			
Loans (Refer Note 48)	6,71,80,56,652	4,66,78,19,694	3,56,49,17,238
Total (A) Gross	6,71,80,56,652	4,66,78,19,694	3,56,49,17,238
Less : Impairment loss allowance (Refer Note 48)	(12,32,21,203)	(6,66,16,110)	(3,82,69,054)
Total (A) Net	6,59,48,35,449	4,60,12,03,584	3,52,66,48,184

Disclosure pursuant to Ind AS 107 "Financial Instruments : Disclosures"

(a) Expected Credit Loss- Loans :

Particulars	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment Provision	Gross Carrying Amount	Expected Credit Loss	Carrying amount net of impairment Provision	Gross Carrying Amount	Expected Credit Loss	Carrying amount net of impairment Provision
Loss allowance measured at 12 month expected credit losses	6,09,65,98,000	3,61,51,431	6,06,24,46,569	4,18,85,01,021	96,97,586	4,17,88,03,435	3,27,32,99,883	52,83,269	3,26,80,16,614
Loss allowance measured at life-time expected credit losses	45,10,55,694	3,36,00,798	41,74,54,896	35,82,21,653	1,81,79,927	34,00,41,726	21,77,63,819	97,97,586	20,79,66,233
	16,84,02,958	5,34,68,974	11,49,33,984	12,10,97,020	3,87,38,597	8,23,58,423	7,38,53,536	2,31,88,199	5,06,65,337
Total	6,71,80,56,652	12,32,21,203	6,59,48,35,449	4,66,78,19,694	6,66,16,110	4,60,12,03,584	3,56,49,17,238	3,82,69,054	3,52,66,48,184

(b) Reconciliation of loss allowance provision - Loans:

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2019	52,83,269	97,97,586	2,31,88,199	3,82,69,054
New assets originated or purchased	72,44,034	1,11,60,791	1,16,14,634	3,00,19,459
Amount written off	(57,358)	(3,35,190)	(78,88,216)	(82,80,764)
Transfers to Stage 1	(2,17,57,505)	63,49,926	1,54,07,579	-
Transfers to Stage 2	93,137	(54,12,653)	5,319,516	-
Transfers to Stage 3	3,489	23,037	(26,526)	-
Increase/ (Decrease) provision on existing financial assets including recovery	1,88,88,526	(34,03,578)	(88,76,587)	66,08,362
ECL as on March 31, 2020	96,97,593	1,81,79,919	3,87,38,598	6,66,16,110
New assets originated or purchased	1,76,60,327	1,61,59,205	1,07,61,917	4,45,81,449
Amount written off	(51,345)	(1,73,441)	(53,28,975)	(55,53,762)
Transfers to Stage 1	(4,00,93,696)	1,49,39,405	2,51,54,291	-
Transfers to Stage 2	17,11,646	(1,29,34,886)	1,12,23,240	-
Transfers to Stage 3	68,789	1,18,163	(1,86,952)	-
Impact on year end ECL of Exposure transferred between stages	-	-	-	-
Increase/ (Decrease) provision on existing financial assets including recovery	4,71,58,117	(26,87,567)	(2,68,93,145)	1,75,77,405
ECL as on March 31, 2021	3,61,51,431	3,36,00,798	5,34,68,974	12,32,21,203

(c) Reconciliation of Gross carrying amount - Loans:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2019	3,27,32,99,883	21,77,63,819	7,38,53,536	3,56,49,17,238
New assets originated or purchased	3,22,37,21,683	22,16,99,796	3,63,26,112	3,48,17,47,592
Amount written off	(1,18,33,226)	(55,28,271)	(2,54,45,859)	(4,28,07,356)
Transfers to Stage 1	(17,20,35,046)	12,38,18,685	4,82,16,361	-
Transfers to Stage 2	3,18,95,275	(48,215,194)	1,63,19,919	-
Transfers to Stage 3	1,264,212	4,07,132	(1,671,344)	-
Net Recovery	(2,15,78,11,760)	(15,17,24,314)	(2,65,01,706)	(2,33,60,37,780)
Gross carrying amount as on March 31, 2020	4,18,85,01,022	35,82,21,653	12,10,97,019	4,66,78,19,694
New assets originated or purchased	4,53,88,17,721	27,84,39,355	3,46,91,970	4,85,19,49,047
Amount written off	(4,69,07,672)	(95,05,570)	(1,71,90,243)	(6,76,03,485)
Transfers to Stage 1	(22,88,01,628)	15,01,19,762	7,86,81,866	-
Transfers to Stage 2	8,20,48,694	(11,72,09,138)	3,51,60,444	-
Transfers to Stage 3	35,18,832	12,21,529	(47,40,361)	-
Net Recovery	(2,43,85,78,970)	(21,62,31,897)	(7,92,97,737)	(2,73,41,08,604)
Gross carrying amount as on March 31, 2021	6,09,85,98,000	45,10,55,694	16,84,02,958	6,71,80,56,652

Asset Classification as per RBI Norms

Disclosure pursuant to Reserve Bank of India notification DOR (NBFC) CC.PD.No.109/22.10.106/2019-20 dated March 13,2020 pertaining to Asset classification as per RBI norms (Amt in Rs.)

Asset Classification as per RBI Norms	Asset Classification as per INDAS 109	For the year ended March 31, 2021					For the year ended March 31, 2020					
		Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	
Performing assets												
Standard	Stage-1	6,09,85,98,000	3,61,51,431	60,624,46,569	76,40,388	2,85,11,043	4,18,85,01,022	96,97,593	4,17,88,03,429	36,60,805	60,36,788	
	Stage-2	45,10,55,694	3,36,00,798	41,74,54,896	3,71,336	3,32,29,462	35,82,21,653	1,81,79,919	34,00,41,734	5,61,831	17,61,8,088	
Subtotal		6,54,96,53,694	6,97,52,229	6,47,99,01,465	80,11,724	6,17,40,505	4,54,67,22,675	2,78,77,512	4,51,88,45,163	42,22,636	2,36,54,876	
Non-Performing Assets (NPA)												
Substandard	Stage-3	15,84,52,557	5,03,09,662	10,81,42,895	1,62,43,047	3,40,66,615	10,34,65,877	33,098,449	7,03,67,428	1,07,15,616	2,23,82,833	
Doubtful -1	Stage-3	87,53,496	27,79,288	59,74,208	23,42,551	4,36,737	1,05,05,178	33,60,575	71,44,603	26,44,645	7,15,930	
Doubtful -2	Stage-3	3,23,144	1,02,600	2,20,544	1,14,880	-12,280	65,39,121	20,91,845	44,47,276	29,78,895	-8,87,050	
Doubtful-3	Stage-3	8,73,761	2,77,424	5,96,337	5,05,031	-2,27,607	5,86,843	1,87,729	3,99,114	3,39,327	-1,51,598	
Subtotal		16,84,02,958	5,34,68,974	11,49,33,984	1,92,05,509	3,42,63,465	12,10,97,019	3,87,38,598	8,23,58,421	1,66,78,483	2,20,60,115	
Loss Asset	Stage-3	0	0	0	0	0	0	0	0	0	0	
Total		6,71,80,56,652	12,32,21,203	6,59,48,35,449	2,72,17,233	9,60,03,970	4,66,78,19,694	6,66,16,110	4,60,12,03,584	2,09,01,119	4,57,14,991	

9. Investments

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
i) Investments measured at amortised cost (Refer Note 1)			
Investments in Government Securities (Quoted)	10,54,51,544	8,23,38,976	6,98,35,959
ii) Investments measured at fair value through Profit or Loss (Refer Note II)			
Investments in Equity Instruments (Quoted)	13,44,630	1,20,25,338	1,64,49,853
Investments in Mutual funds (Quoted)	5,14,949	2,70,236	4,48,351
Other Investment			
Investment in alternative investment fund units	1,03,97,778		
Investment in Gold		2,17,950	1,65,250
iii) Investments measured at Cost (Refer Note III)			
Investments in Equity Instruments (Unquoted)			2,90,000
Total - Gross (A)	11,77,08,901	9,48,52,500	8,71,89,413
(i) Investments outside India			
(ii) Investments in India	11,77,08,901	9,48,52,500	8,71,89,413
Total (B)	11,77,08,901	9,48,52,500	8,71,89,413
Total (A) to tally with (B)	-	-	-
Less: Allowance for Impairment loss (C)			
Total - Net = (B)-(C)	11,77,08,901	9,48,52,500	8,71,89,413

Details of investments -

Note 1 - Investments in government securities measured at amortised cost

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Investments measured at amortised cost (Quoted)			
7.80% GOI BONDS 2021	5,18,139	5,13,022	5,08,219
8.28% GOI BONDS 2027	4,82,403	4,80,393	4,78,442
8.03% GOI BONDS 2024	9,97,894	9,92,427	9,87,197
8.23% GOI BONDS 2027	6,06,529	6,06,585	6,06,512
8.30% GOI BONDS 2023	11,08,910	11,02,802	10,96,966
7.94% GOI BONDS 2021	10,25,577	10,11,554	9,98,535
8.26% GOI BONDS 2027	1,002,520	1,001,342	10,00,049
8.26% GOI BONDS 2027	5,08,180	5,08,388	5,08,478
8.83% GOI BONDS 2041	5,75,623	5,75,018	5,74,332
8.24% GOI BONDS 2027	5,02,532	5,02,251	5,01,887
8.83% GOI BONDS 2023	20,98,373	21,10,676	21,21,627
8.24% GOI BONDS 2027	9,95,454	9,93,682	9,91,843
8.35% GOI BONDS 2022	92,86,622	92,88,957	92,89,199
8.15% GOI BONDS 2026	92,61,868	92,63,302	92,62,760
8.26% GOI BONDS 2027	35,74,720	35,78,221	35,80,738
7.88% GOI BONDS 2030	19,99,195	19,98,848	19,98,118
7.16% GOI BONDS 2023	85,50,583	84,80,866	84,14,807
7.88% GOI BONDS 2030	36,67,652	36,80,054	36,90,923
7.88% GOI BONDS 2030	24,65,957	24,63,106	24,59,957
7.59% GOI BONDS 2029	45,49,333	45,68,578	45,85,687
7.88% GOI BONDS 2030	58,12,043	57,97,633	57,83,110
7.40% GOI BONDS 2035	9,30,117	9,27,575	9,25,033
7.88% GOI BONDS 2030	15,22,282	15,23,041	15,23,439
7.40% GOI BONDS 2035	76,81,664	76,87,786	-
7.73% GOI BONDS 2034	16,30,545	16,34,781	-
7.50% GOI BONDS 2034	12,53,317	12,55,162	-
7.40% GOI BONDS 2035	74,56,876	74,49,726	74,41,610
7.50% GOI BONDS 2034	18,28,316	18,33,374	-
8.12% GOI BONDS 2020	-	5,09,828	5,06,493
7.40% GOI BONDS 2035	32,41,777	-	-
7.50% GOI BONDS 2034	25,09,807	-	-
6.22% GOI BONDS 2035	24,62,498	-	-
6.22% GOI BONDS 2035	1,53,44,237	-	-
Total	10,54,51,544	8,23,38,976	6,98,35,960

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

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Investments measured at Fair Value through Profit or Loss			
i) Investments in Equity Instruments (Quoted)			
Sundaram Finance Ltd 100 (31 March 2020: 1000 ; 1 April 2019: 1000)	2,58,420	12,03,250	15,58,700
Bank Of Maharashtra NIL (31 March 2020: 1000 ; 1 April 2019: 1000)	-	8,910	13,750
Bajaj Finance Ltd. 100 (31 March 2020 : 2000 ; 1 April 2019: 2000)	5,14,890	44,31,600	60,50,000
ITC Ltd NIL (31 March 2020: 1500 ; 1 April 2019: 1500)	-	2,57,550	4,45,875
HDFC BANK LTD NIL (31 March 2020: 1000 ; 1 April 2019: 1000)	-	17,23,800	23,16,500
IDFC FIRST LTD NIL (31 March 2020: 1000 ; 1 April 2019: 1000)	-	2,93,290	7,67,278
PUNJAB NATIONAL BANK NIL (31 March 2020: 1000 ; 1 April 2019: 1000)	-	32,250	95,300
HDFC LTD 100 (31 March 2020: 1000 ; 1 April 2019: 1000)	2,49,895	16,30,450	19,67,300
KOTAK MAHINDRA BANK LTD 100 (31 March 2020: 1000 ; 1 April 2019: 1000)	1,75,400	12,96,050	13,34,500
YES BANK LTD 1500 (31 March 2020: 2000 ; 1 April 2019: 2000)	23,400	44,900	5,50,200
RELIANCE INDUSTRIES LTD NIL (31 March 2020: 1000 ; 1 April 2019: 1000)	-	11,03,290	13,50,450
AU SMALL FINANCE BANK LTD. 100 (31 March 2020: NIL ; 1 April 2019: NIL)	1,22,625	-	-
	13,44,630	1,20,25,340	1,64,49,853
ii) Investments In Mutual funds (Quoted)			
Sundaram Long Term Tax Advantage Fund Series III - Regular Idcw 50,700 Units (31 March 2020: 50,700; 1 April 2019: 50,700)	5,14,737	2,70,038	4,48,142
Sundaram Short Term Debt Fund - Regular Growth 6.559 Units (31 March 2020: 6.559; 1 April 2019: 6.559)	212	198	209
	5,14,949	2,70,236	4,48,351
iii) Other investments			
Investment in Alternative Investment fund Northern Arc Money Market Alpha Fund : 103977.78 Units (31 March 2020: NIL; 1 April 2019: NIL)	1,03,97,778	-	-
Investment in Gold	-	2,17,950	1,65,250
	1,03,97,778	2,17,950	1,65,250
Total (i+ii+iii)	1,22,57,357	1,25,13,526	1,70,63,456

Note III - Investment in equity instruments measured at cost :

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Investments in Equity Instruments (Unquoted)			
Avino Capcons Pvt Ltd. NIL (31 March 2020: NIL.; 1 April 2019: 29000)	-	-	2,90,000
Total	-	-	2,90,000

10 Other Financial assets

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Security deposits			
Premises	44,23,754	30,56,689	22,15,974
Others	55,82,753	52,84,973	6,91,639
Advances to dealers	18,03,78,193	16,67,83,821	13,06,42,677
Advances to employees	2,39,199	2,04,908	2,27,038
Receivable from recovery agent	5,95,46,528	80,19,851	1,39,35,437
Others	48,61,663	9,10,537	11,73,170
Total	25,50,32,090	18,42,60,779	14,88,85,935

11 Current tax assets (Net)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income tax (Net of provision for tax)	-	37,30,514	-
Total	-	37,30,514	-

12 Deferred tax liabilities (Net)/tax expenses

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(A) Deferred tax relates to the following:			
Deferred tax assets			
- on financial assets measured at amortised cost	3,02,49,181	2,05,09,186	2,21,98,331
- on expected credit loss provision on loans	2,57,96,382	1,47,86,184	1,11,43,948
- on lease as per Ind AS 116	3,49,431	1,90,870	-
- on ESOP	3,34,379	73,313	-
- on gratuity	33,15,966	27,99,664	24,19,748
- on leave encashment	19,44,379	16,69,192	14,68,182
- on disallowances under section 43B of the Income Tax Act, 1961		36,06,024	
Total Deferred tax assets (A)	6,19,89,718	4,36,34,439	3,72,30,209
Deferred tax liabilities			
- On difference between written down value of fixed assets as per books of accounts and income tax	26,22,455	28,00,652	22,77,433
- On investments measured at FVTPL	1,232	5,46,164	18,04,548
- On financial liabilities measured at amortised cost	1,22,01,061	37,89,233	26,01,230
Total Deferred tax liabilities (B)	1,48,24,748	71,36,049	66,83,211
Deferred tax asset / (liability), net (A-B)	4,71,64,970	3,64,98,384	3,05,46,999

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

	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance as of 1 April	36,498,384	3,05,46,999
Deferred tax assets/(liabilities) recognized in Statement of Profit and Loss	10,700,670	56,51,828
Deferred tax assets/(liabilities) recognized in OCI	(34,084)	2,99,557
Closing balance	47,164,970	3,64,98,384

(C) Income tax expense recognised in profit and loss

	Year ended 31 March 2021	Year ended 31 March 2020
- Current tax	6,25,00,000	6,00,00,000
- Prior period income tax	-	15,37,042
- Deferred tax charge / (income)	(1,07,00,671)	(56,51,836)
Total	5,17,99,329	5,58,85,206

(D) Income tax expense recognised in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
Net loss/(gain) on remeasurements of defined benefit plans	(34,084)	2,99,557
Total	(34,084)	2,99,557

(E) Major Components of tax expense/(Income) :

	Year ended 31 March 2021	Year ended 31 March 2020
Statement of Profit and Loss:		
a) Profit & Loss Section		
i) Current Tax		
Current Tax expense for the year	6,25,00,000	6,00,00,000
Tax expense for the earlier years	-	15,37,042
	6,25,00,000	61,537,042
ii) Deferred Tax		
Tax expense on origination and reversal of temporary differences	(1,07,00,671)	(56,51,836)
	(1,07,00,671)	(56,51,836)
Income tax expense reported in the statement of profit or loss[(i)+(ii)]	5,17,99,329	5,58,85,206
Other Comprehensive Income (OCI) Section:		
i) Items that will not be reclassified to profit or loss in subsequent years:		
Current tax expense/(income):		
Deferred tax expense/(income)	(34,084)	2,99,557
	(34,084)	2,99,557
ii) Items that will be reclassified to profit or loss in subsequent years:		
Income tax expenses reported in the other comprehensive income [i + ii]	(34,084)	2,99,557

(F) Reconciliation of tax charge

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	20,55,66,298	20,23,33,040
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expenses	5,17,36,926	5,09,23,180
Tax effects of:		
- Disallowed expense	1,48,21,505	79,74,419
- Excess Provision Made	11,76,880	40,53,568
- Other	(99,489)	(51,069)
Tax at different rate	(17,64,696)	(4,038)
Deductions under chapter VIA	(33,71,127)	(28,96,059)
-Adjustments related to tax of Prior Years	-	15,37,042
- Impact of Deferred Tax Adjustments	(1,05,33,654)	(68,59,053)
- Effect on Deferred Tax due to change in Tax Rates*	(1,67,017)	12,07,217
Tax expense recognised in Statement of Profit and Loss	5,17,99,329	5,58,85,206

(G) Computing Corporate Tax Rate Applicable to the Company

	Year ended 31 March 2021	Year ended 31 March 2020
Basic Tax Rate *	22%	22%
Add: Surcharge	10%	10%
Add: Cess	4%	4%
Corporate Tax Rate Applicable	25.17%	25.17%

* The recently promulgated Taxation Laws (Amendment) Ordinance 2019, has inserted section 115BAA in the Income Tax Act, 1961, providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions/ incentives. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the Income Tax Act, 1961, for assessment year (AY) 2020-21 or subsequent AYs. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs.

The Company has elected to apply the concessional tax rate. Accordingly, the Company has recognized the provision for income tax and re-measured the net deferred tax assets at concessional rate for the year ended 31 March 2020. Further, the opening net deferred tax asset has been re-measured at lower rate with a one-time impact of Rs. 12,07,217 recognized as transition adjustment in the Statement of profit and loss for the year ended 31 March 2020.

13 Property, plant and equipment

	Gross block			Accumulated depreciation and impairment			Net block		
	As at 31 March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2020	For the year	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2020
Owned assets									
Land-Free hold	11,81,07,451	-	-	11,81,07,451	-	-	-	11,81,07,451	11,81,07,451
Buildings	2,64,35,139	-	-	2,64,35,139	4,29,858	4,50,853	-	8,80,711	2,60,05,281
Office Equipments	70,21,230	22,88,340	1,12,288	91,97,282	16,24,911	16,90,960	1,06,674	32,09,197	53,96,319
Computers	58,11,559	44,86,057	-	1,02,97,616	17,02,083	21,20,311	-	38,22,394	41,09,476
Generator	17,658	13,85,414	-	14,03,072	-	53,361	-	53,361	17,658
Furniture & Fixtures	91,54,250	21,78,320	-	1,13,32,570	9,56,336	11,35,290	-	20,91,626	81,97,914
Vehicles	39,11,186	-	-	39,11,186	4,15,761	5,13,002	-	9,28,763	34,95,425
Printer	6,14,459	3,75,170	-	9,89,629	1,13,293	1,51,023	-	2,64,316	5,01,166
Server	3,73,625	-	-	3,73,625	1,37,156	1,37,156	-	2,74,312	2,36,469
Electrical Fitting	20,67,523	-	-	20,67,523	1,57,723	2,16,333	-	3,74,056	16,93,467
Total	17,35,14,080	1,07,13,301	1,12,288	18,41,15,093	55,37,121	64,68,289	1,06,674	1,18,98,736	16,79,76,959

	Gross block			Accumulated depreciation and impairment			Net block		
	As at 31 March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2020	For the year	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2020
Owned assets									
Land-Freehold	11,81,07,451	-	-	11,81,07,451	-	-	-	11,81,07,451	11,81,07,451
Buildings	2,46,42,138	17,93,001	-	2,64,35,139	-	4,29,858	-	4,29,858	2,46,42,138
Office Equipments	46,73,548	23,47,682	-	70,21,230	16,24,911	16,24,911	-	16,24,911	46,73,548
Computers	31,45,948	26,65,611	-	58,11,559	-	17,02,083	-	17,02,083	31,45,948
Generator	17,658	-	-	17,658	-	-	-	-	17,658
Furniture & Fixtures	62,49,220	29,05,030	-	91,54,250	9,56,336	9,56,336	-	9,56,336	62,49,220
Vehicles	4,22,738	35,63,470	75,022	39,11,186	4,15,761	4,15,761	-	4,15,761	4,22,738
Printer	3,27,126	2,87,333	-	6,14,459	-	1,13,293	-	1,13,293	3,27,126
Server	3,73,625	-	-	3,73,625	-	1,37,156	-	1,37,156	2,36,469
Electrical Fitting	11,44,664	9,22,859	-	20,67,523	-	1,57,723	-	1,57,723	11,44,664
Total	15,91,04,116	1,44,84,986	75,022	17,35,14,080	55,37,121	64,68,289	1,06,674	167,976,959	15,91,04,116

The Company has availed the deemed cost exemption as per INDAS 101 in relation to property, plant and equipment as on the date of transition i.e. 1 April 2019 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

14 Intangible assets

	As at 31 March 2020		Gross block		Accumulated depreciation and impairment			Net block		
	As at 31 March 2020	As at 31 March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2021	As at 31 March 2020
Computer Software	1,18,76,673	1,34,47,349	15,70,676	-	10,14,247	43,01,504	-	-	81,31,598	1,08,62,426
Total	1,18,76,673	13,447,349	15,70,676	-	10,14,247	43,01,504	-	-	81,31,598	1,08,62,426

	As at 1 April 2019 (Deemed Cost)		Gross block		Accumulated depreciation and impairment			Net block		
	As at 1 April 2019 (Deemed Cost)	As at 31 March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 1 April 2019 (Deemed Cost)	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2020	As at 1 April 2019 (Deemed Cost)
Computer Software	74,37,019	1,18,76,673	44,39,654	-	-	10,14,247	-	-	10,14,247	74,37,019
Total	74,37,019	1,18,76,673	44,39,654	-	-	10,14,247	-	-	10,14,247	74,37,019

The Company has elected to continue with carrying value for all of its intangible assets as recognized in its Indian GAAP financial statements, as its deemed cost as at the date of transition under Ind AS 101 "First-time adoption of Indian Accounting Standards", i.e., 1 April 2019.

15 Right of use assets

	Amount
Carrying amount as at 1 April 2019	1,27,76,087
Addition	50,73,347
Adjustments/deletion	(23,289)
Depreciation for the year	(68,18,189)
Carrying amount as at 31 March 2020	1,10,07,956
Addition	1,88,09,051
Adjustments/deletion	(2,854)
Depreciation for the year	(82,84,981)
Carrying amount as at 31 March 2021	2,15,29,172

16 Other Non Financial Assets

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balance with Government authorities	-	-	4,87,010
Advances to creditors for capital goods	65,715	-	
Stamps in Hands	13,80,250	8,43,400	8,95,200
Total	14,45,965	8,43,400	13,82,210

17 Trade Payable

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,25,33,850	2,40,59,086	1,80,98,447
Total	4,25,33,850	2,40,59,086	1,80,98,447

DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to Micro and Small Enterprises that are reportable under the MSMED Act, 2006. The disclosures relating to Micro and Small Enterprises are as below:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year:			
- Principal	-	-	-
- Interest	-	-	-
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
- The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-	-
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	-	-	-
Total	-	-	-

18 Debt Securities

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
At Amortised cost :			
Secured			
Non Convertible Debenture	1,20,66,01,743	-	-
	1,20,66,01,743	-	-

18A Disclosure on Debt Securities

Issue of secured redeemable non convertible debentures as on March 31,2021

Particulars	Face Value per Debenture	Date of Allotment	Interest Rate % p.a.	Date of Redemption	Redeemable Term	As at 31 March 2021
DCB Bank Limited	10,00,00,000	10-Jun-20	12.50	22-Jun-23	Redeemable at par at the end of 1038 days from the date of allotment.	9,94,50,156
Bank of Maharashtra	10,00,00,000	29-Jul-20	12.75	28-Jul-21	Redeemable at par at the end of 364 days from the date of allotment.	9,97,11,294
Northern ARC Money Market	10,00,00,000	30-Jul-20	13.00	02-Aug-21	Redeemable at par at the end of 368 days from the date of allotment.	9,99,11,922
IFMR Finance for Freedom Fund-III	10,00,00,000	11-Sep-20	14.00	11-Sep-23	Redeemable at par at the end of 1095 days from the date of allotment.	9,84,87,291
IFMR Fimpack Long Term Fund	15,00,00,000	18-Nov-20	13.75	30-Mar-23	Redeemable at par at the end of 862 days from the date of allotment.	14,80,20,666
VIVRITI Samarth Bond Fund	15,00,00,000	23-Dec-20	13.75	23-Dec-23	Redeemable at par at the end of 1095 days from the date of allotment.	14,76,38,666
UNIFI AIF	18,00,00,000	24-Feb-21	13.18	24-Feb-24	Redeemable at par at the end of 1067 days from the date of allotment.	17,38,40,469
Creation Investment FPI LLC	34,00,00,000	24-Mar-21	13.90	02-May-25	Redeemable at par at the end of 1393 days from the date of allotment.	33,95,41,279
Total						1,20,66,01,743

Nature of Security:

The Debentures are secured by way of first/second charges, having pari passu right, as the case may be, on term loan receivables.

Secured redeemable non convertible debentures public issue :

During the year, The Company has raised Rs.122.00 crore issue of NCD's. The Company has utilised Rs.70.00 crore for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. Total unutilised balance amount of Rs.52.00 crore is in form of Fixed Deposits with Banks . The Security cover creation date is not due as on balance sheet date, thus the security creation is pending for the unutilised balance.

19 Borrowings (Other than Debt Securities)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
At Amortised cost :			
a) Term loans			
i) Secured			
Term Loan from Banks	1,82,37,40,128	90,71,55,664	1,02,64,36,036
Term Loan from Financial Institutions	2,52,11,30,578	1,76,11,77,528	1,01,80,67,296
Associated liabilities in respect of securitization transactions	1,56,06,853	13,65,08,087	9,56,10,090
b) Loans repayable on demand			
i) Secured			
Cash Credit from Banks	51,98,71,407	58,58,38,282	48,83,83,451
Total	4,88,03,48,966	3,39,06,79,561	2,62,84,96,873

19A Disclosure for Borrowings

Term loans from bank as on March 31, 2021: Secured

Repayment Term	Tenure	Interest Range	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Monthly	Upto 5 Years	10.01%-11.00%	9,75,46,500	3,43,79,994	9,92,57,954
Monthly	Upto 5 Years	11.01 %-12.00%	45,70,75,513	11,01,60,901	14,18,68,971
Monthly	Upto 5 Years	12.01%-13.00%	12,11,29,372	10,05,55,295	21,34,56,160
Monthly	Upto 5 Years	13.01%-14.00%	94,48,87,942	41,01,58,913	32,03,58,733
Monthly	Above 5 Years	12.01%-13.00%	20,31,00,802	25,19,00,562	25,14,94,218
Total			1,82,37,40,128	90,71,55,664	1,02,64,36,036

Details of Securities Given

Term loan from banks are secured by first charge on specific receivables under Hypothecation Agreements. It is further secured by personal guarantees of Mr. M.G. Jawanjar and Mr. S.M. Jawanjal.

Term Loan taken from SBI is secured by equitable mortgage of Office premises situated at 1st & 2nd Floor at Avinisha Tower, Dhantoli, Nagpur.

Term loans from Financial Institutions as on March 31, 2021: Secured

Repayment Term	Tenure	Interest Range	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Monthly	Upto 5 Years	11.01%-12.00%	3,946,25,384	24,54,50,822	-
Monthly	Upto 5 Years	12.01%-13.00%	25,33,48,351	48,75,26,529	46,34,77,747
Monthly	Upto 5 Years	13.01%-14.00%	1,83,24,67,975	95,50,84,964	40,77,88,084
Monthly	Upto 5 Years	14.01%-15.00%	-	20,99,665	3,55,32,187
Quarterly	Upto 5 Years	12.01%-13.00%	4,06,88,868	7,10,15,547	11,12,69,278
Total			2,52,11,30,578	1,76,11,77,528	1,01,80,67,296

Details of Securities Given

Term loan from financial institutions is secured by first charge on specific receivables under Hypothecation Agreements other than those hypothecated to banks. It is further secured by personal guarantees of Mr. M.G. Jawanjar and Mr. S.M. Jawanjal.

Loan repayable on demand from bank : **Secured**

Repayment Term	Tenure	Interest Range	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Bank overdraft/Cash Credit	Bullet	11.01%-12.00%	51,98,71,407	58,58,38,282	48,83,83,451
Total			51,98,71,407	58,58,38,282	48,83,83,451

Details of Securities Given

Loan repayable on demand from bank is secured by:

- First charge on Hypothecation loan receivables present and future, ranking pari passu, excluding assets which are specifically charged to others lenders.
- Equitable mortgage of Office premises situated at Amravti, Akola, Chandrapur, Chhindwara, Raipur and Nagpur office 3rd Floor.
- Hypothecation of furniture/Fixture/Computers/Equipments in the above office premises.
- Personal guarantees of Mr. M.G. Jawanjar, Mrs Jyoti Jawanjar and Mr. S.M. Jawanjal.

20 Deposits

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
At Amortised cost :			
Deposits (Unsecured)			
- Public deposits	1,12,49,22,076	86,87,66,747	74,16,57,590
- Inter corporate deposits	69,16,602	-	-
Total	1,13,18,38,678	86,87,66,747	74,16,57,590

20.1 Maturity profile of public deposit (Including unclaimed deposit) and Rate of interest of Deposit (Fixed Deposits) are as set out below:

Rate of Interest	As at 31 March 2021		
	Upto 1 Year	1-3 Years	Total
9.00%	15,66,61,658	-	15,66,61,658
9.25%	21,38,06,323	2,18,45,336	23,56,51,659
9.50%	7,19,59,103	19,29,42,510	26,49,01,613
9.75%	5,94,60,402	21,40,81,977	27,35,42,379
10.00%	4,32,25,893	13,08,13,100	17,40,38,993
10.50%	-	8,60,81,079	8,60,81,079
Total	54,51,13,379	64,57,64,002	1,19,08,77,381

Rate of Interest	As at 31 March 2020		
	Upto 1 Year	1-3 Years	Total
9.00%	8,69,29,907	-	8,69,29,907
9.25%	12,74,35,425	1,94,26,222	14,68,61,647
9.50%	9,00,10,855	11,99,09,428	20,99,20,283
9.75%	10,59,95,851	11,76,77,011	22,36,72,862
10.00%	13,41,60,520	1,30,07,157	14,71,67,677
10.50%	11,02,78,768	-	11,02,78,768
11.00%	3,16,155	-	3,16,155
11.50%	70,279	-	70,279
Total	65,51,97,760	27,00,19,818	92,52,17,578

Rate of Interest	As at 1 April 2019		
	Upto 1 Year	1-3 Years	Total
9.00%	6,10,77,338	-	6,10,77,338
9.25%	10,61,49,163	1,15,90,393	11,77,39,556
9.50%	4,73,01,351	10,03,11,063	14,76,12,414
9.75%	2,01,85,739	14,44,36,877	16,46,22,616
10.00%	7,02,65,938	3,33,014	7,05,98,952
10.50%	2,51,17,474	7,89,97,413	10,41,14,887
11.00%	4,46,88,081	-	4,46,88,081
11.50%	5,90,45,963	-	5,90,45,963
Total	43,38,31,047	33,56,68,760	76,94,99,807

21 Other Financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Employee benefits payable	2,07,53,120	1,87,18,692	1,54,88,770
Unclaimed Dividend	1,53,912	3,14,765	2,89,505
Other expenses payable	43,51,590	66,08,785	49,01,822
Security deposits	2,56,07,483	2,01,68,526	1,51,61,125
Unclaimed matured deposits (Refer note 20.1)	6,59,55,305	5,64,50,831	2,78,42,217
Lease liability (Refer note 21.1 & 41)	2,21,88,891	1,11,97,013	1,20,88,540
Other credit balances	30,69,309	30,91,733	3,762,961
Total	14,20,79,610	11,65,50,345	7,95,34,940

21.1 Movement of lease liabilities

	As at 31 March 2021	As at 31 March 2020
Opening Balance	1,11,97,013	1,20,88,540
Additions	1,83,15,316	48,90,668
Interest expenses	20,64,437	15,36,716
Payments	(93,87,875)	(73,18,911)
Total	2,21,88,892	1,11,97,013

22 Current tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current income tax payable for 31st March 2021, net of advance tax of INR.5,00,00,000 and TDS receivable of INR.50,91,371 (31 March 2020: INR Nil, 1 April 2019: net of advance tax INR 5,25,00,000 and TDS receivable INR 37,30,514)	74,08,629	-	86,12,958
Total	74,08,629	-	86,12,958

23 Provisions

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for employee benefits			
Provision for gratuity (Refer Note 40)	1,31,75,325	1,11,23,902	83,09,574
Provision for compensated absences (Refer Note 40)	77,25,599	66,32,199	50,41,833
Total	2,09,00,924	1,77,56,101	1,33,51,407

24 Other Non Financial liabilities

	As at 31 March 2021	As at March 2020	As at 1 April 2019
Statutory dues payable	1,84,23,320	3,10,53,212	2,91,51,715
Total	1,84,23,320	3,10,53,212	2,91,51,715

25 Equity share capital

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Authorized 125,00,000 (31 March 2020 : 125,00,000 and 1 April 2019 : 150,00,000) Equity shares of INR 10/- each.	12,50,00,000	12,50,00,000	15,00,00,000
25,00,000 (31 March 2020 : 25,00,000 and 1 April 2019 : NIL) Cumulative Compulsorily Convertible Participating Preference shares of INR 10/- each.	2,50,00,000	2,50,00,000	-
	12,50,00,000	12,50,00,000	15,00,00,000
Issued, Subscribed and Paid up 1,00,07,798 (31 March 2020 : 91,11,111 and 1 April 2019 : 80,00,000) Equity shares of INR 10/- each.	10,00,77,980	9,11,11,110	8,00,00,000
NIL (31 March 2020 : 5,55,556 and 1 April 2019 : NIL) 0.1% Cumulative Compulsorily Convertible- Participating Preference shares, INR 10/- each	-	55,55,560	-
Total	10,00,77,980	9,66,66,670	8,00,00,000

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	91,11,111	9,11,11,110	80,00,000	8,00,00,000
Add: Issued during the year - Private Placement #	5,71,428	57,14,280	11,11,111	1,11,11,110
Add: On account of conversion of 0.1% Cumulative Compulsorily Convertible Preference shares	3,25,259	32,52,590		
Outstanding at the end of the year	1,00,07,798	10,00,77,980	91,11,111	9,11,11,110

(b) Reconciliation of 0.1% Cumulative Compulsorily Convertible Participating Preference shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	5,55,556	55,55,560	-	-
Add: Issued during the year - Private Placement	-	-	5,55,556	55,55,560
Add: Preference shares issued during the year through Private Placement #	3,80,953	38,09,530	-	-
Less: Preference shares converted into equity shares during the year ##	(9,36,509)	(93,65,090)	-	-
Outstanding at the end of the year	-	-	5,55,556	55,55,560

Note:

On October 27,2020 , the Company allotted fully paid up 5,71,428 Equity Shares and 3,80,953 Cumulative Compulsorily Convertible Participating Preference Shares ("CCPS") of face value of Rs.10/- each to the eligible equity shareholders at an issue price of Rs.210/- per shares (including premium of Rs.200/- per equity shares and CCPS) in the preference issue.

In accordance with the Investor Agreement, on March 30,2021, 555556 Tranche 1 Series A CCPS of INR 10/- each were converted into 189942 equity shares of INR 10/- each at a premium of INR 516.47 per share and 380953 Tranche 2 Series A CCPS of INR 10/- each were converted into 135317 equity shares of INR 10/- each at a premium of INR 581.20 per share.

b) Rights, preferences and restrictions attached to shares

The Company has only one class of shares referred to as equity shares having a face value of 10/-. (In the previous year the Company has two classes of shares. 91,11,111 equity shares of ₹10 each per share and 5,55,556 Cumulative Compulsorily Convertible Participating Preference shares of ₹10/- each per share.)

Each holder of equity shares is entitled to one vote per share. Voting rights of Preference shares is according to Sec 47 of the Companies Act,2013. 31,00,000 Equity shares out of issued, subscribed and fully paid up share capital were allotted as Bonus Shares by capitalisation of Share Premium and General Reserve.

(c) i) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
i) M/s Avino Capcons Pvt Ltd	14,88,484	14.87%	14,88,484	16.34%	14,88,484	18.61%
ii) Mr.Maroti Jawanjar	10,21,194	10.20%	10,21,194	11.21%	10,21,194	12.76%
iii) Mr.Maroti Jawanjar (HUF)	8,68,954	8.68%	8,68,954	9.54%	8,66,954	10.84%
iv) Amicus Capital Private Equity I LLP	20,07,798	20.06%	9,97,778	10.95%	-	-
Total	53,86,430	53.82%	43,76,410	48.03%	33,76,632	42.21%

ii) i) Details of 0.1% Cumulative Compulsorily Convertible Participating Preference shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
i) Amicus Capital - Private Equity I LLP	-	-	4,98,889	89.80%	-	-
ii) Amicus Capital Partners India Fund I	-	-	56,667	10.20%	-	-
Total	-	-	5,55,556	100.00%	-	-

26 Other equity

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Retained earnings	1,08,19,326	(4,83,96,036)	(3,21,70,302)
General Reserve	59,82,65,000	54,82,65,000	43,82,65,000
Securities Premium	46,75,43,848	27,09,55,148	-
Employee stock options plan	62,38,564	14,08,687	-
Statutory Reserve	28,12,95,000	24,12,95,000	19,89,95,000
Total	1,36,41,61,738	1,01,35,27,799	60,50,89,698

(A) Retained earnings

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	(4,83,96,037)	(3,21,70,302)	(3,26,41,003)
Add : Net profit for the year	15,37,66,970	14,64,47,834	14,71,95,128
Add/(Less): Other comprehensive income	98,925	(7,29,141)	-
Appropriations:			
Less: Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(4,00,00,000)	(4,23,00,000)	3,70,80,000
Less: Dividend Paid including taxes on dividend			
Dividend Paid during the year	(44,29,897)	(80,00,000)	(80,00,000)
Dividend Distribution Tax	(2,20,635)	(16,44,427)	(16,44,427)
Less: Transfer to General Reserve	(5,00,00,000)	(11,00,00,000)	(10,00,00,000)
Closing balance	1,08,19,326	(4,83,96,036)	(3,21,70,302)

(B) General Reserve

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	54,82,65,000	43,82,65,000	33,82,65,000
Add: Transfers from retained earnings	5,00,00,000	11,00,00,000	10,00,00,000
Closing balance	59,82,65,000	54,82,65,000	43,82,65,000

(C) Securities Premium

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	27,09,55,148	-	-
Add: Premium on issue of Equity Shares (On account of conversion)	19,65,88,700	28,33,33,390	-
Less: Expenses related to Issue of Shares (Private Placement)	-	(1,23,78,242)	-
Closing balance	46,75,43,848	270,955,148	-

(D) Share option outstanding (Refer Note 44)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	14,08,687	-	-
Add: Share based payment expense	48,29,877	14,08,687	-
Closing balance	62,38,564	14,08,687	-

(E) Statutory Reserve

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	24,12,95,000	19,89,95,000	16,19,15,000
Add: Transferred during the year	4,00,00,000	4,23,00,000	3,70,80,000
Closing balance	28,12,95,000	24,12,95,000	19,89,95,000

Description of the nature and purpose of Other Equity :

- (A) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).
- (B) **General Reserve:** General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956.
- (C) **Securities premium:** Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.
- (D) **Employee stock options plan:** Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the Group.
- (E) **Statutory Reserve:** Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

The Company has transferred 25% of the profit after tax (as against 20%) required to the statutory reserves in accordance to the provision of Section 45-IC Reserve Bank of India Act, 1934.

27 Interest Income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on financial assets measured at amortised cost:		
- Interest on loans	11,94,72,090	90,96,31,464
- Interest on fixed deposits with banks	1,69,75,480	50,83,151
- Interest income from investments;	73,99,256	58,14,274
- Interest on security deposits	3,64,801	2,63,667
Total	1,22,12,11,627	92,07,92,556

28 Dividend Income

	Year ended 31 March 2021	Year ended 31 March 2020
Dividend received	46,925	1,14,661
Total	46,925	1,14,661

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

	Year ended 31 March 2021	Year ended 31 March 2020
Net gain/ (loss) on financial instruments designated at fair value through profit or loss	88,12,637	(4,,2,59,930)
Total Net gain/(loss) on fair value changes (A)	88,12,637	(42,59,930)
Fair Value changes:		
-Realised	75,84,714	2,90,000
-Unrealised	12,27,923	(45,49,930)
Total Net gain/(loss) on fair value changes (B) to tally with (A)	88,12,637	(42,59,930)

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

30 Other operating Income

	Year ended 31 March 2021	Year ended 31 March 2020
Other Financial Charges	11,84,61,293	12,73,98,381
Total	11,84,61,293	12,73,98,381

31 Other Income

	Year ended 31 March 2021	Year ended 31 March 2020
Profit on sale of assets	13,986	1,24,978
Miscellaneous income	71,744	1,12,107
Total	85,730	2,37,085

32 Finance Costs

	Year ended 31 March 2021	Year ended 31 March 2020
On Financial liabilities measured at Amortised Cost		
Interest on deposits	9,65,69,002	8,06,31,992
Interest on borrowings	50,72,05,423	38,51,40,437
Interest on debt securities	5,89,47,696	-
Interest on lease liabilities	20,64,437	15,36,716
Bank charges	1,05,01,502	78,40,109
Total	67,52,88,060	47,51,49,254

33 Impairment on financial instruments

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Financial assets measured at amortised cost	-	-
Loans	12,03,27,590	6,77,54,973
Total	12,03,27,590	6,77,54,973

34 Employee Benefits Expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	14,25,31,216	12,63,22,630
Contribution to provident and other funds (Refer Note 40)	78,96,892	72,38,802
Gratuity expenses (Refer Note 40)	25,57,988	22,16,245
Compensated absences expenses	20,27,483	18,02,800
Staff welfare expenses	29,96,223	3,37,668
Share based payment to employees	48,29,878	14,08,687
Commission to Managerial persons	91,00,000	91,00,000
Total	17,19,39,680	14,84,26,832

35 Depreciation and amortization expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property plant & equipments	64,68,289	55,37,121
Depreciation on right to use assets	82,84,981	68,18,189
Amortization of intangible assets	43,01,504	10,14,247
Total	1,90,54,774	1,33,69,557

36 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Rent expenses	51,06,384	40,70,893
Rates and taxes	5,90,559	1,18,42,784
Goods & Service Tax	2,11,88,630	3,00,71,363
Conveyance & Travelling	85,79,378	69,44,265
Directors sitting fees	2,24,000	1,18,000
Legal and Professional charges	1,58,91,813	64,68,195
Advertisement Expenses	19,76,797	19,26,287
Marketing Commission	5,99,91,547	4,02,51,244
Courier & Postage Charges	47,43,785	39,06,999
Computer Charges	4,857,618	8,60,818
Electricity expenses	30,67,987	30,31,524
Office Car Expenses	66,693	1,39,803
Printing & Stationery	78,32,773	71,50,122
Telecom Charges	55,85,228	45,91,255
Office Expenses	6,066,791	36,74,640
Office Building Maintenances	4,78,875	4,53,381
CSR Contribution (Note II)	41,10,819	35,87,760
Misc Expenses	57,92,133	78,69,764
Statutory Auditors remuneration (Note I)	2,90,000	2,90,000
Total	15,64,41,810	13,72,49,097

Note I - Payments to Auditors

	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit fees	2,00,000	1,35,000
Taxation matters	75,000	45,000
Other Attest Services	15,000	1,10,000
Total	2,90,000	2,90,000

Note II - Corporate Social Responsibility (CSR):

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company has made CSR expenditure for activities specified in Schedule VII of the Companies Act, 2013. As per section 135 (5) of the Companies Act, 2013, the Company was required to spend, in every financial year, at least two per cent of the average net profit of the company made during three immediately preceding financial years in pursuance of its Corporate Social Responsibility. Average net profit for 3 years works out to ₹ 2097.82 lakhs (2019-20 : ₹ 1,792.90 lakhs) and hence 2% required expenditure is ₹ 41.96 lakhs(2019-20 ₹ 35.87 lakhs).

The Company made CSR expenditure for the financial year 2020-21 of ₹ 41,10,819/-. However in the computation of eligible profit of CSR calculation for financial year 2020-21, certain allowances were not noticed and hence not included in the initial calculation of eligible profit for CSR calculation. The Company has done subsequently recalculation of eligible profits and unspent CSR contribution for financial year 2020-21 worked out as ₹ 84,823/-. Accordingly, the Company transferred ₹ 1,00,000 on 21.06.2021 to the Prime Minister's National Relief Fund as specified in Schedule VII of Companies Act, 2013 to comply with provisions of second proviso to Sec 135 (5) of the Companies Act, 2013.

- i) Gross amount required to be spent by the Company during the year is ₹ 41.96 lakhs (31 March 2020: INR 35.87 lakhs).
ii) The breakup of expenditure incurred on Corporate Social Responsibility activities:

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	41,10,819	35,87,760
Total	41,10,819	35,87,760

37 Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
Profit/(loss) attributable to ordinary equity holders	15,37,66,969	14,64,47,834
Less: Dividend attributable to preference shareholders (including tax thereon, if any)	-	94,971
Profit/(loss) attributable to ordinary equity holders	15,37,66,969	14,63,52,863
Weighted average number of equity shares for basic EPS	96,03,114	81,42,582
Weighted average number of equity shares for diluted EPS	96,65,447	82,04,915
Face Value per share		
Basic earnings/loss) per share (INR)	16.01	17.97
Diluted earnings/loss) per share (INR)	15.91	17.85

38 Contingent liabilities

The Company is contesting the demand to the tune of INR 7.45 lakhs in respect of income tax matter relating to Assessment Year 2017-18 before the Commissioner of Income Tax (Appeals). Based on interpretation of the relevant provisions of the Income Tax Act, the company has been legally advised that the impugned demand is likely to be deleted and accordingly no provision is considered necessary.

39 Capital Commitments

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil	nil

40 Employee benefits

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

	Year ended 31 March 2021	Year ended 31 March 2020
Contribution to Provident, ESIC and labour welfare fund (Refer Note 34)	78,96,892	72,38,802
Total	78,96,892	72,38,802

(B) Defined benefit plans

a) Gratuity payable to employees

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each reporting period using the projected unit credit method.

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Basis of Assumptions

Calculating Defined benefit obligation, by using Projected Unit Credit Method, requires an actuary to make a lot of assumptions, based on current market scenarios. The basis of different assumptions used while calculating the defined benefit obligation is as follows :-

Discount rate

Discount rate has been determined by reference to market yields on Government bonds of term consistent with estimated term of obligations.

Mortality/ disability

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

Employee turnover/withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

Salary escalation rate

More or less than expected increase in the future salary levels may result in increase / decrease in the liability.

i) Principal assumptions used for the purposes of the actuarial valuations

	Year ended 31 March 2021	Year ended 31 March 2020
Economic Assumptions		
Discount rate (per annum)	6.75%	6.75%
Salary Escalation rate	6.00%	6.00%
Demographic Assumptions		
Mortality	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)
Employee turnover/Withdrawal rate	1% at all ages	1% at all ages
Retirement age	58 Years	58 Years

ii) Amount recognized in the Balance Sheet:

	Year ended 31 March 2021	Year ended 31 March 2020
Present value of unfunded obligation as at the end of the year	1,31,75,325	1,11,23,902
Net liability recognized In Balance Sheet (Refer Note 23)	1,31,75,325	1,11,23,902
Current obligation	42,09,527	41,43,200
Non-current obligation	89,65,798	69,80,702

iii) Changes in the present value of defined benefit obligation

	Year ended 31 March 2021	Year ended 31 March 2020
Present value of obligation at the beginning of the year	1,11,23,902	83,09,574
Interest cost	7,50,863	6,43,992
Current service cost	18,07,125	15,72,253
Past service cost	-	-
Benefits paid	(3,73,556)	(430,615)
Actuarial (gain)/ loss on obligations - Due to change in financial assumptions	-	9,00,785
Actuarial (gain)/ loss on obligations - Due to experience adjustments	(1,33,009)	1,27,913
Present value of obligation at the end of the year	1,31,75,325	1,11,23,902

iv) Expense recognized in the Statement of Profit and Loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	18,07,125	15,72,253
Net Interest cost	7,50,863	6,43,992
Past service cost	-	-
Total expenses recognized In the Statement Profit and Loss (Refer Note 34)	25,57,988	22,16,245

v) Expense recognized in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
Remeasurements due to		
- Effect of change in financial assumptions		9,00,785
- Effect of experience adjustments	(1,33,009)	1,27,913
Net actuarial (gains) / losses recognised in OCI	(1,33,009)	10,28,698.00

vi) A quantitative sensitivity analysis for significant assumption is shown below:

	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate		
1% increase	(14,66,063)	(11,47,975)
1% decrease	18,18,968	14,26,404
Salary Escalation rate		
1% increase	18,14,182	14,30,140
1% decrease	(14,87,962)	(11,70,094)

vii) Maturity profile of defined benefit obligation

	Year ended 31 March 2021	Year ended 31 March 2020
Within next 12 months	40,91,538	40,42,846
Between 2 and 5 years		
Between 6 and 10 years	3,09,000	2,80,476
Beyond to years	12,93,14,384	12,11,03,914
Total expected payments	13,37,14,922	12,54,27,236

41 Leases

The Company has taken office premises at certain locations on lease. The agreements are executed for a period ranging from 10 months to 60 months.

The changes in the carrying value of right of use assets for the years ended 31 March 2021, 31 March 2020 and 1 April 2019 has been disclosed In Note 15.

The aggregate depreciation expense on right of use assets is included under depreciation and amortisation expense in the statement of Profit and Loss (Refer Note 35).The movement in lease liabilities has been disclosed in Note 21.1

The below table provides the details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2021	At at 31 March 2020	As at 1 April 2019
Less than one year	62,67,360	69,13,866	64,72,758
More than one year	65,11,083	70,37,083	78,21,063
Total	1,27,78,443	1,39,50,949	1,42,93,821

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Short term leases

Rental expense incurred and paid for short term leases during the year was INR 51,06,384 (31 March 2020: INR 40,70,893).

The weighted average incremental borrowing rate applied to lease liabilities as at 01 April 2019 is 13.54%. p.a.

42 Related Party Disclosures:**(A) Names of related parties and description of relationship as identified and certified by the Company:****(a) Enterprises over which Key Management Personnel are able to exercise significant influence**

- 1) Avino Capcons Pvt. Ltd.
- 2) M.G.Jawanjar (HUF)
- 3) S.M.Jawanjal (HUF)

(b) Key Management Personnel

- | | |
|-------------------------|---------------------|
| 1) M.G.Jawanjar | 5) Dattatraya Dalal |
| 2) S.M. Jawanjal | 6) Ashok Kachore |
| 3) D.R. Balpande | 7) Vishwas Pathak |
| 4) Shantaram Mahakalkar | 8) Rashmi Mitkary |

(c) Relative of Key Management Personnel

- | | | |
|---------------------------|-------------------------|----------------------|
| 1) Mrs.Jyoti Jawanjar | 10) Girish Dalal | 19) Rekha Kachore |
| 2) Mr.Ravindra Balpande | 11) Sayali Pimple Dalal | 20) Meena Tiple |
| 3) Vaishali Charde | 12) Prathamesh Dalal | 21) Priti Padole |
| 4) Mrs.Bakul Jawanjal | 13) Suhasini Dalal | 22) Anuradha Pathak |
| 5) Mr.Arjun Jawanjal | 14) Roshani Tupkari | 23) Viveknand Pathak |
| 6) Mr.Radhemohan Jawanjal | 15) Meenakshi Kachore | 24) Wasudha Pathak |
| 7) Purushottam Mahakalkar | 16) Narendra Kachore | 25) Meena Pidadi |
| 8) Mansaram Mahakalkar | 17) Pritam Kachore | |
| 9) Aadya Dalal | 18) Ravindra Kachore | |

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	Relationship with the Entity	Nature of Transaction	Year ended 31 March 2021	Year ended 31 March 2020
M.G. Jawanjar	Key Management Personnel	Remuneration	86,65,000	91,58,513
S.M. Jawanjal	Key Management Personnel	Remuneration	72,81,016	72,82,006
D.R. Balpande	Key Management Personnel	Remuneration	15,87,333	15,99,639
Mrs. Jyoti Jawanjar	Relative of Key Managerial Personnel	Remuneration	10,69,897	10,99,820
M.G. Jawanjar	Key Management Personnel	Interest on Deposit	2,19,253	50,989
S.M. Jawanjal	Key Management Personnel	Interest on Deposit	5,61,268	4,16,762
D.R. Balpande	Key Management Personnel	Interest on Deposit	1,11,731	75,246
Mrs. Jyoti Jawanjar	Relative of Key Managerial Personnel	Interest on Deposit	62,988	0
Mr. Ravindra Balpande	Relative of Key Managerial Personnel	Interest on Deposit	15,056	2,919

Mrs. Vaishali Charde	Relative of Key Managerial Personnel	Interest on Deposit	2,51,026	1,87,943
Mrs. Bakul Jawanjal	Relative of Key Managerial Personnel	Interest on Deposit	1,61,123	1,23,300
Arjun Jawanjal	Relative of Key Managerial Personnel	Interest on Deposit	13,125	10,418
Radhemohan Jawanjal	Relative of Key Managerial Personnel	Interest on Deposit	23,624	19,620
M.G. Jawanjar (HUF)	Enterprise on which KMP can exercise Significant Influence	Interest on Deposit	40,743	0
S.M. Jawanjal (HUF)	Enterprise on which KMP can exercise Significant Influence	Interest on Deposit	35,666	32,674
Purushottam Mahakalkar	Relative of Key Managerial Personnel	Interest on Deposit	41,682	48,239
Mansaram Mahakalkar	Relative of Key Managerial Personnel	Interest on Deposit	48,748	48,881
Dattatraya Dalal	Key Management Personnel	Interest on Deposit	3,59,032	2,97,152
Aadya Dalal	Relative of Key Managerial Personnel	Interest on Deposit	18,858	10,766
Girish Dalal	Relative of Key Managerial Personnel	Interest on Deposit	1,19,979	1,08,478
Sayali Pimple Dalal	Relative of Key Managerial Personnel	Interest on Deposit	42,987	38,200
Prathamesh Dalal	Relative of Key Managerial Personnel	Interest on Deposit	1,89,121	1,59,396
Suhasini Dalal	Relative of Key Managerial Personnel	Interest on Deposit	49,430	91,586
Roshani Tupkari	Relative of Key Managerial Personnel	Interest on Deposit	65,977	59,191
Ashok Kachore	Key Management Personnel	Interest on Deposit	7,23,206	6,21,895
Meenakshi Kachore	Relative of Key Managerial Personnel	Interest on Deposit	81,366	1,10,758
Narendra Kachore	Relative of Key Managerial Personnel	Interest on Deposit	2,10,325	1,94,608
Pritam Kachore	Relative of Key Managerial Personnel	Interest on Deposit	84,988	81,959
Ravindra Kachore	Relative of Key Managerial Personnel	Interest on Deposit	1,22,239	86,113
Rekha Kachore	Relative of Key Managerial Personnel	Interest on Deposit	5,53,352	5,16,398
Meena Tiple	Relative of Key Managerial Personnel	Interest on Deposit	5,839	15,906
Priti Padole	Relative of Key Managerial Personnel	Interest on Deposit	4,327	3,192
Vishwas Pathak	Key Management Personnel	Interest on Deposit	1,72,562	1,64,313
Anuradha Pathak	Relative of Key Managerial Personnel	Interest on Deposit	24,279	22,416
Viveknand Pathak	Relative of Key Managerial Personnel	Interest on Deposit	2,016	1,827
Wasudha Pathak	Relative of Key Managerial Personnel	Interest on Deposit	1,471	1,344
Meena Pidadi	Relative of Key Managerial Personnel	Interest on Deposit	1,09,091	95,922
Rashmi Mitkary	Key Management Personnel	Interest on Deposit	12,026	11,078

M.G. Jawanjar	Key Management Personnel	Deposit Repaid	11,62,887	5,100
S.M. Jawanjal	Key Management Personnel	Deposit Repaid	7,95,262	41,681
D.R. Balpande	Key Management Personnel	Deposit Repaid	11,30,644	4,41,994
Mrs. Jyoti Jawanjar	Relative of Key Managerial Personnel	Deposit Repaid	4,726	0
Mr. Ravindra Balpande	Relative of Key Managerial Personnel	Deposit Repaid	99,030	293
Vaishali Charde	Relative of Key Managerial Personnel	Deposit Repaid	17,19,037	21,19,181
Mrs. Bakul Jawanjal	Relative of Key Managerial Personnel	Deposit Repaid	10,50,069	3,60,234
Arjun Jawanjal	Relative of Key Managerial Personnel	Deposit Repaid	1,068	1,138
Radhemohan Jawanjal	Relative of Key Managerial Personnel	Deposit Repaid	80,650	1,33,872
M.G. Jawanjar (HUF)	Enterprise on which KMP can exercise Significant Influence	Deposit Repayment	3,057	0
S.M. Jawanjal (HUF)	Enterprise on which KMP can exercise Significant Influence	Deposit Repayment	1,64,566	2,20,414
Purushottam Mahakalkar	Relative of Key Managerial Personnel	Deposit Repayment	5,83,208	0
Dattatraya Dalal	Key Management Personnel	Deposit Repayment	23,00,000	5,00,000
Aadya Dalal	Relative of Key Managerial Personnel	Deposit Repayment	1,16,076	1,181
Girish Dalal	Relative of Key Managerial Personnel	Deposit Repayment	12,66,915	10,06,922
Sayali Pimple Dalal	Relative of Key Managerial Personnel	Deposit Repayment	1,30,291	54,796
Prathamesh Dalal	Relative of Key Managerial Personnel	Deposit Repayment	15,71,461	13,73,583
Suhasini Dalal	Relative of Key Managerial Personnel	Deposit Repayment	42,18,550	9,60,105
Roshani Tupkari	Relative of Key Managerial Personnel	Deposit Repayment	6,64,316	0
Ashok Kachore	Key Management Personnel	Deposit Repayment	39,18,791	37,83,451
Meenakshi Kachore	Relative of Key Managerial Personnel	Deposit Repayment	4,93,876	18,66,805
Narendra Kachore	Relative of Key Managerial Personnel	Deposit Repayment	20,41,114	18,46,917
Pritam Kachore	Relative of Key Managerial Personnel	Deposit Repayment	5,61,805	8,29,776
Ravindra Kachore	Relative of Key Managerial Personnel	Deposit Repayment	9,844	5,87,610
Rekha Kachore	Relative of Key Managerial Personnel	Deposit Repayment	21,53,716	44,66,761
Meena Tiple	Relative of Key Managerial Personnel	Deposit Repayment	1,38,352	50,000
Priti Padole	Relative of Key Managerial Personnel	Deposit Repayment	325	343,434
Vishwas Pathak	Key Management Personnel	Deposit Repayment	18,14,299	6,58,974
Anuradha Pathak	Relative of Key Managerial Personnel	Deposit Repayment	2,71,162	2,04,053

Viveknand Pathak	Relative of Key Managerial Personnel	Deposit Repayment	0	19,140
Wasudha Pathak	Relative of Key Managerial Personnel	Deposit Repayment	16,512	15,069
Meena Pidadi	Relative of Key Managerial Personnel	Deposit Repayment	3,25,772	7,60,594
Rashmi Mitkary	Key Management Personnel	Deposit Repayment	62,950	57,238
S.M. Jawanjal	Key Management Personnel	Loan Granted	16,10,000	29,60,000
D.R. Balpande	Key Management Personnel	Loan Granted	2,79,000	0
Ravindra Kachore	Relative of Key Managerial Personnel	Loan Granted	7,00,000	0
Meena Tiple	Relative of Key Managerial Personnel	Loan Granted	20,000	0
M.G. Jawanjar	Key Management Personnel	Equity Dividend	5,10,597	10,21,194
S.M. Jawanjal	Key Management Personnel	Equity Dividend	1,61,259	3,22,518
D.R. Balpande	Key Management Personnel	Equity Dividend	20,950	41,900
Mrs. Jyoti Jawanjar	Relative of Key Managerial Personnel	Equity Dividend	1,37,275	2,74,550
Mr. Ravindra Balpande	Relative of Key Managerial Personnel	Equity Dividend	1,500	3,000
Vaishali Charde	Relative of Key Managerial Personnel	Equity Dividend	13,300	26,600
Mrs. Bakul Jawanjal	Relative of Key Managerial Personnel	Equity Dividend	50,500	1,01,000
Radhemohan Jawanjal	Relative of Key Managerial Personnel	Equity Dividend	700	1,400
Avino Capcons Pvt Ltd.	Enterprise on which Relative of KMP can exercise Significant Influence	Equity Dividend	7,44,242	14,88,484
M.G. Jawanjar (HUF)	Enterprise on which KMP can exercise Significant Influence	Equity Dividend	4,34,477	8,68,954
S.M. Jawanjal (HUF)	Enterprise on which KMP can exercise Significant Influence	Equity Dividend	58,850	1,15,700
Shantaram Mahakalkar	Key Management Personnel	Equity Dividend	14,950	29,900
Purushottam Mahakalkar	Relative of Key Managerial Personnel	Equity Dividend	1,650	2,800
Mansaram Mahakalkar	Relative of Key Managerial Personnel	Equity Dividend	7,000	14,000
Dattatraya Dalal	Key Management Personnel	Equity Dividend	56,908	1,13,816
Roshani Tupkari	Relative of Key Managerial Personnel	Equity Dividend	3,575	7,150
Ashok Kachore	Key Management Personnel	Equity Dividend	12,017	24,034
Narendra Kachore	Relative of Key Managerial Personnel	Equity Dividend	99,241	1,98,482
Ravindra Kachore	Relative of Key Managerial Personnel	Equity Dividend	1,16,742	2,33,484
Vishwas Pathak	Key Management Personnel	Equity Dividend	14,300	28,600
Meena Pidadi	Relative of Key Managerial Personnel	Equity Dividend	900	1,800

S.M. Jawanjal	Key Management Personnel	Interest on Loans	58,697	1,59,945
D.R. Balpande	Key Management Personnel	Interest on Loans	1,534	0
Avino Capcons Pvt Ltd.	Enterprise on which Relative of KMP can exercise Significant Influence	Interest on Loan	52,935	2,10,970
Ravindra Kachore	Relative of Key Managerial Personnel	Interest on Loan	4,411	0
Meena Tiple	Relative of Key Managerial Personnel	Interest on Loan	124	0
S.M. Jawanjal	Key Management Personnel	Repayment of Loans	30,38,996	30,60,173
D.R. Balpande	Key Management Personnel	Repayment of Loans	2,80,534	0
Avino Capcons Pvt Ltd.	Enterprise on which Relative of KMP can exercise Significant Influence	Repayment of Loans Granted	23,94,911	0
Meena Tiple	Relative of Key Managerial Personnel	Repayment of Loans Granted	20,124	0
M.G. Jawanjar	Key Management Personnel	Deposits Accepted	20,00,000	10,00,000
S.M. Jawanjal	Key Management Personnel	Deposits Accepted	25,50,000	27,00,000
D.R. Balpande	Key Management Personnel	Deposits Accepted	9,59,212	7,45,000
Mrs. Jyoti Jawanjar	Relative of Key Managerial Personnel	Deposits Accepted	11,00,000	0
Mr. Ravindra Balpande	Relative of Key Managerial Personnel	Deposits Accepted	2,50,000	90,000
Vaishali Charde	Relative of Key Managerial Personnel	Deposits Accepted	37,97,958	7,50,000
Mrs. Bakul Jawanjal	Relative of Key Managerial Personnel	Deposits Accepted	13,99,963	4,60,209
Arjun Jawanjar	Relative of Key Managerial Personnel	Deposits Accepted	0	20,000
Radhemohan Jawanjal	Relative of Key Managerial Personnel	Deposits Accepted	1,28,746	1,30,152
M.G. Jawanjar (HUF)	Enterprise on which KMP can exercise Significant Influence	Deposit Accepted	8,00,000	0
S.M. Jawanjal (HUF)	Enterprise on which KMP can exercise Significant Influence	Deposit Accepted	2,11,686	1,70,000
Purushottam Mahakalkar	Relative of Key Managerial Personnel	Deposit Accepted	5,82,826	1,50,000
Dattatraya Dalal	Key Management Personnel	Deposit Accepted	53,50,000	16,00,000
Aadya Dalal	Relative of Key Managerial Personnel	Deposit Accepted	1,64,558	1,00,000
Girish Dalal	Relative of Key Managerial Personnel	Deposit Accepted	12,66,892	10,06,922
Sayali Pimple Dalal	Relative of Key Managerial Personnel	Deposit Accepted	1,30,291	1,04,788
Prathamesh Dalal	Relative of Key Managerial Personnel	Deposit Accepted	16,06,154	11,81,500
Suhasini Dalal	Relative of Key Managerial Personnel	Deposit Accepted	47,18,589	15,50,000

Roshani Tupkari	Relative of Key Managerial Personnel	Deposit Accepted	8,03,732	0
Ashok Kachore	Key Management Personnel	Deposit Accepted	49,92,522	31,43,699
Meenakshi Kachore	Relative of Key Managerial Personnel	Deposit Accepted	15,92,276	1,24,198
Narendra Kachore	Relative of Key Managerial Personnel	Deposit Accepted	20,24,063	18,38,306
Pritam Kachore	Relative of Key Managerial Personnel	Deposit Accepted	0	8,27,492
Ravindra Kachore	Relative of Key Managerial Personnel	Deposit Accepted	3,00,000	10,82,872
Rekha Kachore	Relative of Key Managerial Personnel	Deposit Accepted	21,08,852	44,46,705
Meena Tiple	Relative of Key Managerial Personnel	Deposit Accepted	13,88,352	35,000
Priti Padole	Relative of Key Managerial Personnel	Deposit Accepted	6,00,000	0
Vishwas Pathak	Key Management Personnel	Deposit Accepted	18,00,423	9,26,720
Anuradha Pathak	Relative of Key Managerial Personnel	Deposit Accepted	2,70,983	2,23,827
Viveknand Pathak	Relative of Key Managerial Personnel	Deposit Accepted	0	19,140
Wasudha Pathak	Relative of Key Managerial Personnel	Deposit Accepted	16,512	15,069
Meena Pidadi	Relative of Key Managerial Personnel	Deposit Accepted	3,87,230	7,56,537
Rashmi Mitkary	Key Management Personnel	Deposit Accepted	61,971	57,183

(C) Amount due to/from related parties

Relationship with	Nature of the Entity	As at Transaction	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
S.M. Jawanjal	Key Managerial Personnel	Amount receivable for Loans Granted	-	1,370,299	1,310,527
Avino Capcons Pvt Ltd	Enterprise on which KMP can exercise Significant Influence	Amount receivable for Loans Granted	0	2,341,976	2,131,006
Ravindra Kachore	Relative of Key Management Personnel	Amount receivable for Loans Granted	7,04,411	0	0
M.G. Jawanjar	Key Managerial Personnel	Amounts Payable for Deposits Accepted	21,02,255	10,45,889	0
S.M. Jawanjal	Key Managerial Personnel	Amounts Payable for Deposits Accepted	75,16,707	52,00,701	21,25,620
D.R. Balpande	Key Managerial Personnel	Amounts Payable for Deposits Accepted	9,13,847	9,73,548	5,95,296
Mrs. Jyoti Jawanjar	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	11,58,262	0	0
Mr. Ravindra Balpande	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	2,58,652	92,626	0
Vaishali Charde	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	39,54,803	16,24,856	28,06,094
Mrs. Bakul Jawanjal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	19,33,945	14,22,928	11,99,653

Arjun Jawanjal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	1,42,272	1,30,215	1,00,935
Radhemohan Jawanjal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	2,78,855	2,07,135	1,91,235
M.G. Jawanjar (HUF)	Enterprise on which KMP can exercise Significant Influence	Amounts Payable for Deposits Accepted	8,37,686	0	0
S.M. Jawanjal (HUF)	Enterprise on which KMP can exercise Significant Influence	Amounts Payable for Deposits Accepted	4,16,256	3,33,470	3,51,210
Purushottam Mahakalkar	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	6,08,103	5,66,803	3,68,564
Mansaram Mahakalkar	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	5,00,000	5,00,000	5,00,000
Dattatraya Dalal	Key Management Personnel	Amounts Payable for Deposits Accepted	61,00,000	30,50,000	19,50,000
Aadya Dalal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	2,27,927	1,60,587	51,002
Girish Dalal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	13,37,336	12,17,380	11,08,902
Sayali Pimple Dalal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	4,66,792	4,23,805	3,35,613
Prathamesh Dalal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	20,17,358	17,93,544	18,26,231
Suhasini Dalal	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	69,85,836	64,36,367	57,54,886
Roshani Tupkari	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	8,48,274	6,42,881	5,83,690
Ashok Kachore	Key Management Personnel	Amounts Payable for Deposits Accepted	84,42,271	66,46,334	66,64,191
Meenakshi Kachore	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	16,56,004	4,76,238	21,08,087
Narendra Kachore	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	23,41,660	21,48,386	19,62,389
Pritam Kachore	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	4,03,898	8,80,715	8,01,040
Ravindra Kachore	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	15,25,294	11,12,899	5,31,524
Rekha Kachore	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	60,22,323	55,13,835	5,017,493
Meena Tiple	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	13,93,440	1,37,601	1,36,695
Priti Padole	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	6,04,002	0	3,40,242
Vishwas Pathak	Key Management Personnel	Amounts Payable for Deposits Accepted	19,82,292	18,23,606	13,91,547

Anuradha Pathak	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	2,75,181	2,51,081	2,08,891.00
Viveknand Pathak	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	22,482	20,466	18,639
Wasudha Pathak	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	16,804	15,333	13,989
Meena Pidadi	Relative of Key Management Personnel	Amounts Payable for Deposits Accepted	12,49,729	10,79,180	9,87,315
Rashmi Mitkary	Key Management Personnel	Amounts Payable for Deposits Accepted	1,35,387	1,24,340	1,13,317

*The remuneration to key managerial personnel does not include the provision made for employee benefits (defined benefit plan and other long term benefits) as they are determined on an actuarial basis for the Company as a whole.

43 Operating Segment

There is no separate reportable segment as per Ind AS 108 on Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2021 or 31 March 2020.

44 Employee stock option scheme

- (a) On December 7, 2019 the members of company approved the Berar Stock Option Scheme 2019 (Scheme 2019) for issue of stock options to the key employees of the Company. According to the Scheme 2019, the employee selected will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 60 months.

(b) Summary of option granted under the scheme

	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	1,32,000	-
Granted during the period -	-	1,32,000
Exercised during the period	-	-
Forfeited/Lapsed during the period	-	-
Closing balance	1,32,000	1,32,000
Vested and exercisable	13,200	-

(c) Expiry date and exercise price of the share options outstanding

Grant date	Expiry date	Exercise price	Share options as at 31 March 2021	Share options as at 31 March 2020
23 Dec 19	22 Dec 24	95.00	1,32,000	1,32,000
TOTAL			1,32,000	1,32,000
Weighted average remaining contractual life of options outstanding at the end of period			3.73	4.73

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

Scheme	A
Grant date	23 Dec 19
Weighted average fair value of options granted	110.41
Exercise price	95.00
Share price at the grant date	180.83
Expected volatility	30.50%
Risk free interest rate	6.29%
Expected dividend yield	Nil

(e) Expense arising from share based payment transaction

	Year ended 31 March 2021	Year ended 31 March 2020
Gross expense arising from share based payments	48,29,877	14,08,687
Less: Options granted to employees of subsidiaries recognised as deemed investment in subsidiaries	-	-
Less: Options granted to employees of subsidiaries on reimbursement basis over the vesting period	-	-
Employee share based payment expense recognised in statement of profit and loss (Refer Note 34)	48,29,877	14,08,687

45 Changes in liability arising from financing activities

Particulars	01st April 2020	Cash Flows	Exchange Differences	Others	31st March 2021
Borrowings	2,80,48,41,279	1,53,52,60,526	-	2,03,75,753	4,36,04,77,558
Debt Securities	-	1,21,65,34,892	-	(99,83,149)	1,20,66,01,743
Deposits Taken	86,87,66,747	26,30,71,931	-	-	1,13,18,38,678

Particulars	01st April 2019	Cash Flows	Exchange Differences	Others	31st March 2020
Borrowings	2,14,01,13,422	65,32,07,623	-	1,15,20,234	2,80,48,41,279
Debt Securities	0	-	-	-	-
Deposits Taken	74,16,57,590	12,71,09,157	-	-	86,87,66,747

46 Fair values of financial assets and financial liabilities

Classification of financial assets and financial liabilities

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as fair value through profit and loss (FVTPL) and amortised cost. Amount in ₹

	FVOCI	FVTPL	Amortised cost
As at 31 March 2021			
Financial Assets (other than investment In subsidiaries)			
Cash and cash equivalents	-	-	94,79,24,962
Bank Balances other than cash and cash equivalents	-	-	74,74,86,073
Loans	-	-	6,59,48,35,449
Investments	-	1,22,57,357	10,54,51,544
Other Financial assets	-	-	25,50,32,090
Financial liabilities			
Trade Payables	-	-	4,25,33,850
Debt Securities	-	-	1,20,66,01,743
Borrowings (Other than Debt Securities)	-	-	4,88,03,48,966
Deposits	-	-	1,13,18,38,678
Other financial liabilities	-	-	14,20,79,610
As at 31 March 2020			
Financial Assets (other than investment In subsidiaries)			
Cash and cash equivalents	-	-	37,62,56,449
Trade Receivables	-	-	7,15,66,570
Loans	-	-	4,60,12,03,584
Investments	-	1,25,13,524	8,23,38,976
Other Financial assets	-	-	18,42,60,779
Financial liabilities			
Trade Payables	-	-	24,059,086
Debt Securities	-	-	-
Borrowings (Other than Debt Securities)	-	-	33,90,679,561
Deposits	-	-	8,68,766,747
Other financial liabilities	-	-	1,16,550,345
As at 1 April 2019			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents	-	-	16,96,37,866
Trade Receivables	-	-	6,01,25,799
Loans	-	-	3,52,66,48,184
Investments	-	1,70,63,454	7,01,25,959
Other Financial assets	-	-	14,88,85,935
Financial liabilities			
Trade Payables	-	-	1,80,98,447
Debt Securities	-	-	-
Borrowings (Other than Debt Securities)	-	-	2,62,84,96,873
Deposits	-	-	74,16,57,590
Other financial liabilities	-	-	7,95,34,940

47 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial instruments measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
As at 31 March 2021				
Financial assets	-	-	-	-
Financial assets measured at fair value through profit or loss	-	-	-	-
Investment in equity instruments, mutual funds and Alternative Investment Fund	1,22,57,357	-	-	1,22,57,357
Total Financial Assets	1,22,57,357	-	-	1,22,57,357
As at 31 March 2020				
Financial assets	-	-	-	-
Financial assets measured at fair value through profit or loss	-	-	-	-
Investment in equity instruments, mutual funds and Alternative Investment Fund	1,22,95,574	-	-	1,22,95,574
Investment in Gold	2,17,950	-	-	2,17,950
Total Financial Assets	1,25,13,524	-	-	1,25,13,524
As at 1 April 2019				
Financial assets	-	-	-	-
Financial assets measured at fair value through profit or loss	-	-	-	-
Investment in equity instruments, mutual funds and Alternative Investment Fund	1,68,98,204	-	-	1,68,98,204
Investment in Gold	1,65,250	-	-	1,65,250
Total Financial Assets	1,70,63,454	-	-	1,70,63,454

- 1) Investment in quoted equity instruments are valued using the closing market rate on the reporting date
- 2) Investment in Mutual funds and Alternative Investment Funds are valued using the closing NAV on the reporting date
- 3) Investment in gold is valued using the rate of gold as on the reporting date.

The carrying amount of cash and cash equivalents, trade receivables, bank balances other than cash and cash equivalents, trade payables, and other receivables & payables are considered to be the same as their fair values.

48 Financial risk management objectives

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance. Management has not formed formal risk management policies, however, the risks are monitored by management by analyzing exposures by degree and magnitude of risk on a continued basis. This note explains the sources of

risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to floating interest rate borrowings, hence it is not exposed to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's mainly transacting in INR and hence the company is not exposed to any foreign currency risk.

(B) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk by following adequate internal controls according to the materiality of the risk involved. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements.

Credit risk arises mainly from retail loans and advances and loan commitments arising from such lending activities. Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time.

Cash and cash equivalents are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial Institutions as approved by the Board of Directors.

(i) Loans and advances (including loan commitments and guarantees).

The estimation of credit exposure for risk management purposes is complex, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as Probability of Default ("PD") and Loss Given Default ("LGD").

Computation of allowance for impairment losses:

The Company prepares its financial statements in accordance with the IND AS framework.

As per the RBI notification on acceptance of IND AS for regulatory reporting, the Company computes provision as per IND AS 109 as well as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where impairment allowance in aggregate for the Company under Ind AS 109 is lower than the provisioning required under IRACP (Including standard asset provisioning) for the Company, the difference is appropriated from net profit or loss after tax to a separate 'Impairment Reserve'. Any withdrawals from this reserve shall be done only with prior permission from the RBI.

ECL allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgement and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the "Base case" (the "Central" scenario) and two "Worst case" scenarios (the "Downside" scenario) and three "Best case" (the "Upside" scenario). Probability weights are assigned to each scenario. The Central scenario is based on the Company outlook of GDP growth, inflation, unemployment and interest rates for India and most relevant for the Company's loan portfolio. The Upside and Downside scenarios

generated at the reporting dates are designed to cover cyclical changes and are updated during the year only if the economic conditions change significantly.

In case where the estimate based on ECL model does not appropriately capture the stress in the portfolio given the lag effect between the actual stress and its impact on ECL computation, the management estimates an additional provision over and above the estimate based on the model and computation methodology stated above. This additional provision is referred to as management overlay.

In accordance with the Board approved moratorium policy read with the RBI guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 related to "Covid-19 Regulatory Package", the Company has granted moratorium up to five months for payment of installment falling due between April 1, 2020 and August 31, 2020 to selected borrowers in accordance with the Company's policy approved by the Board. As per assessment of the Company, extension of such moratorium benefit to the borrowers as per the Covid-19 regulatory package of the RBI, is not considered to result in significant increase in credit risk as defined in Ind AS 109. The Company continued to recognize interest income during the moratorium period and in absence of other credit indicators, granting of moratorium period does not result in accounts becoming past due thereby automatically triggering stage 2 or stage 3 classification criteria as per IND AS 109. For all such accounts where moratorium is granted pursuant to the above RBI guidelines, the asset classification shall remain stand still during the moratorium period (i.e. number of days past-due shall exclude the moratorium period for the purpose of asset classification under Income Recognition, Asset Classification and provisioning norms).

Based on information available currently, the management has made additional provision for impairment of financial assets on account of the increase in credit risk due to the pandemic. Given the macro-economic uncertainties caused by the current "second wave" of COVID pandemic in India, the management will continue to assess the impact of the same on the financial performance of the Company. The management has considered internal and external information and economic forecasts upto the date of approval of the financial results and accordingly made additional prudential provision of Rs.193.99 Lakhs over and above the provision required as per ECL framework, towards potential impact on account of Covid-19 pandemic.

(ii) Other remaining financial assets ('Other financial assets and loans)

Other financial assets mainly includes deposit and advances given, and receivables from recovery agents. Loans, being a primary part of our operations, represent vehicle loans given to various parties for purchasing motor vehicles. Based on assessment carried by the Company, entire receivable under this category is classified as "Stage 1". There is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Company's financial liabilities:

Amount in ₹

	Within 12 Months	Beyond 12 Months	Total
31 March 2021			
Trade payables	4,25,33,850	-	4,25,33,850
Debt Securities	40,34,91,756	1,15,83,66,437	1,56,18,58,193
Borrowings	3,19,07,15,324	2,35,13,44,154	5,54,20,59,478
Deposits (Including Unclaimed Deposits)	54,51,13,379	64,57,64,002	1,19,08,77,381
Other financial liabilities	7,61,24,305	2,56,07,483	10,17,31,788
	4,257,978,614	4,18,10,82,076	8,43,90,60,690
	Within 12 Months	Beyond 12 Months	Total
31 March 2020			
Trade payables	2,40,59,086	-	2,40,59,086
Debt Securities	-	-	-
Borrowings	1,79,71,45,393	1,27,14,00,302	3,06,85,45,695
Deposits (Including Unclaimed Deposits)	65,51,97,760	27,00,19,818	92,52,17,578
Other financial liabilities	6,00,99,514	2,01,68,526	8,02,68,040
	2,53,65,01,753	1,56,15,88,646	4,09,80,90,399
	Within 12 Months	Beyond 12 Months	Total
1 April 2019			
Trade payables	18,098,447	-	1,80,98,447
Debt Securities	-	-	-
Borrowings	2,11,73,12,133	1,59,79,42,612	3,71,52,54,745
Deposits (Including Unclaimed Deposits)	43,38,31,047	33,56,68,760	76,94,99,807
Other financial liabilities	5,16,92,723	1,51,61,125	6,68,53,848
	2,62,09,34,350	1,94,87,72,497	4,56,97,06,847

49 Maturity analysis of assets and liabilities

The below table shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Maturity analysis of assets and liabilities as at 31st March 2021 Amount in ₹

	As at 31 March 2021		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	94,79,24,962	-	94,79,24,962
Bank Balances other than cash and cash equivalents	74,74,86,073	-	74,74,86,073
Loans	4,84,87,56,346	1,74,60,79,103	6,59,48,35,449
Investments	15,43,716	11,61,65,185	11,77,08,901
Other Financial assets	24,65,99,617	84,32,473	25,50,32,090
Tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	4,71,64,970	4,71,64,970
Investment Property	-	-	-
Property, Plant and Equipment	-	17,22,16,357	17,22,16,357
Capital Work in Progress	8,99,901	-	8,99,901
Intangible assets	-	81,31,598	81,31,598
Right to use assets	-	2,15,29,172	2,15,29,172
Non financial assets	14,45,965	-	14,45,965
Total Assets	6,79,46,56,580	2,11,97,18,858	8,91,43,75,438
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	4,25,33,850	-	4,25,33,850
Debt Securities	25,58,29,053	95,07,72,690	1,20,66,01,743
Borrowings (Other than Debt Securities)	2,73,49,09,932	2,14,54,39,034	4,88,03,48,966
Deposits	69,16,602	1,19,08,77,381	1,19,77,93,983
Other Financial liabilities	6,18,78,826	1,42,45,479	7,61,24,305
Tax liabilities (Net)	74,08,629	-	74,08,629
Provisions	40,91,538	1,68,09,386	2,09,00,924
Non-financial liabilities	1,84,23,320	-	1,84,23,320
Total Liabilities	3,13,19,91,750	4,31,81,43,970	7,45,01,35,720

Maturity analysis of assets and liabilities as at 31st March 2020

Amount in ₹

	As at 31 March 2020		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	37,62,56,449	-	37,62,56,449
Bank Balances other than cash and cash equivalents	7,15,66,570	-	7,15,66,570
Loans	2,97,30,80,470	1,62,81,23,114	4,60,12,03,584
Investments	1,18,66,938	8,29,85,562	9,48,52,500
Other Financial assets	17,63,27,758	79,33,021	18,42,60,779
Tax assets (Net)	-	37,30,514	37,30,514
Deferred tax assets (Net)	-	3,64,98,384	3,64,98,384
Property, Plant and Equipment	-	16,79,76,959	16,79,76,959
Capital Work in Progress	-	-	-
Intangible assets	-	1,08,62,426	1,08,62,426
flight to use assets	-	1,10,07,956	1,10,07,956
Non-financial assets	8,43,400	-	8,43,400
Total Assets	3,60,99,41,585	1,94,91,17,936	5,55,90,59,521
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,40,59,086	-	2,40,59,086
Debt Securities	-	-	-
Borrowings (Other than Debt Securities)	1,82,21,51,194	1,56,85,28,367	3,39,06,79,561
Deposits	-	92,52,17,578	92,52,17,578
Other Financial liabilities	5,41,23,677	59,75,837	6,00,99,514
Tax liabilities (Net)	-	-	-
Provisions	40,42,846	1,37,13,255	1,77,56,101
Non-financial liabilities	3,10,53,212	-	3,10,53,212
Total Liabilities	1,93,54,30,015	2,51,34,35,037	4,44,88,65,052

Maturity analysis of assets and liabilities as at 1st April 2019

Amount in ₹

	As at 1 April 2019		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	16,96,37,866	-	16,96,37,866
Bank Balances other than cash and cash equivalents	6,01,25,799	-	6,01,25,799
Loans	2,29,14,57,590	1,23,51,90,594	3,52,66,48,184
Investments	-	8,71,89,413	8,71,89,413
Other Financial assets	14,59,78,322	29,07,613	14,88,85,935
Tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	3,05,46,999	3,05,46,999
Investment Property	-	-	-
Property, Plant and Equipment	-	15,91,04,116	15,91,04,116
Capital Work in Progress	2,60,000	-	2,60,000
Intangible assets	-	74,37,019	74,37,019
Right to use assets	-	1,27,76,087	1,27,76,087
Non-financial assets	8,95,200	4,87,010	13,82,210
Total Assets	2,66,83,54,777	1,53,56,38,851	4,20,39,93,628
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,80,98,447	-	1,80,98,447
Debt Securities	-	-	-
Borrowings (Other than Debt Securities)	1,49,71,06,363	1,13,13,90,510	2,62,84,96,873
Deposits	-	76,94,99,807	76,94,99,807
Other Financial liabilities	4,45,11,042	71,81,681	5,16,92,723
Tax liabilities (Net)	86,12,958	-	86,12,958
Provisions	-	1,33,51,407	1,33,51,407
Non-financial liabilities	2,91,51,715	-	2,91,51,715
Total Liabilities	1,59,74,80,525	1,92,14,23,405	3,51,89,03,930

50 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, Cumulative compulsorily convertible participating preference shares and all other equity reserves attributable to the equity holders.

The Company's objective while managing the capital are to :-

- 1) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders;
- 2) Maintain an optimal Capital Structure to reduce the cost of capital
- 3) Maximize shareholder value

The company strategically manages its funds by :-

- 1) Maintaining diversity of sources of funding and spreading the maturity across periods in order to minimize the liquidity risk
- 2) Minimizing or wherever possible, eliminating exposure to market rate risks like foreign exchange risk, interest rate risk and commodity price risk, thereby minimizing the impact of market volatility on earnings.

- 3) Analyzing the changes in macro economic factors affecting business environment and re-organizing its capital structure accordingly to adapt to the ever changing dynamics of business environment
- 4) By continuously monitoring and adjusting overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives

The company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net gearing ratio : Net Debt (total borrowings net of cash and cash equivalents) divided by Total Equity (as shown in the balance sheet)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Gross Debt	7,21,87,89,387	4,25,94,46,308	3,37,01,54,463
Less : Liquid Assets	(94,79,24,962)	(37,62,56,449)	(16,96,37,866)
Net	6,27,08,64,425	3,88,31,89,859	3,20,05,16,597
Equity	1,46,42,39,718	1,11,01,94,469	68,50,89,698
Net	4.28	3.50	4.67

The Company has not distributed dividend to its shareholders.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021, 31 March 2020 and 1 April 2019.

51 NOTE ON COVID

The Company had granted moratorium upto five months on the payment of installments falling due between April 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to COVID-19 'Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. The Company has considered an additional Expected Credit Loss (ECL) provision on Loans of Rs. 38.08 crores on account of COVID –19 during the year ended March 31, 2021. As at March 31, 2021, additional ECL provision on Loan Assets as management overlay on account of COVID - 19 stood at Rs. 1.93 crores. The additional ECL provision on account of COVID – 19 is based on the Company's historical experience, collection efficiencies post completion of Moratorium period, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company

52 Liquidity Coverage Ratio Disclosure

Disclosure as per circular no.RBI/2019-20/88 DOR.NBFC(PD)CC. No.102/03.10.001/2019-20 dated November 04,2019 issued by Reserve Bank of India on “Liquidity Coverage Ratio(LCR)”

Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2021 and December 31,2020

(Rs.in Crores)

Sr. no.	Particular	March 31,2021		December 31,2020	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets				
1	Total High Quality Liquid Assets (HQLA)	49.01	47.10	43.17	41.37
	Cash Outflow				
2	Deposits (for deposit taking companies)	9.85	11.33	3.27	3.77
3	Unsecured wholesale funding	0.43	0.49	0.31	0.36
4	Secured wholesale funding	23.19	26.66	20.26	23.29
5	Additional requirements, of which	0.00	0.00	0.00	0.00
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00
(ii)	Outflow related to loss of funding on debt product	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	0.00	0.00	0.00	0.00
6	Other contractual funding obligations	2.90	3.33	3.84	4.42
7	Other contingent funding obligations	0.07	0.08	0.07	0.08
8	TOTAL CASH OUTFLOW	36.43	41.90	27.75	31.92
	Cash Inflows				
9	Secured lending	0.00	0.00		
10	Inflow from fully performing exposures	54.93	41.19	48.77	36.58
11	Other cash inflow	0.21	0.15	0.14	0.11
12	TOTAL CASH INFLOWS	55.13	41.35	48.91	36.69
13	TOTAL HQLA		47.10	43.17	41.37
14	TOTAL NET CASH OUTFLOWS		10.47		7.98
15	LIQUIDITY COVERAGE RATIO (%)		449.87		518.42

Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and Outflow.

The figures pertaining to December 31, 2020 are unaudited and are as represented by the management, which have been relied upon by the auditors.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company, which has been relied upon by the auditors. The figures as at January 31, 2021 and February 28, 2021 used in the computation of Total High Quality Liquid Assets. (HQLA) are as represented by the management, which have been relied upon by the auditors

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of Rs.10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLA s to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

Liquidity Coverage Ratio (LCR) ratio comprises of high quality liquid assets (HQLA s) as numerator and net cash outflows in 30 days as denominator.

The average LCR is computed at as simple averages of monthly observations over the previous quarter (ie. average of three months ie. January 2021, February 2021 and March 2021 for the quarter ended March 31, 2021 and average of three months ie. October 2020, November 2020 and December 2020 for the quarter ended December 31, 2020)

The Company, during the quarter ended March 31, 2021, had maintained average HQLA (after haircut) of Rs. 47.10 crores against Rs. 41.37 crores for the quarter ended December 31, 2020. HQLA primarily includes cash on hand, bank balances in current account and Government securities (such unencumbered approved securities held as per the provisions of section 45 IB of RBI Act, is reckoned as HQLA only to the extent of 80% of the required holding).

The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2021 was 449.87% which is above the regulatory requirement of 50%. For the quarter ended December 31, 2020 average LCR was stood at 518.42% .

53 Liquidity Risk

Public Disclosure on Liquidity Risk for the quarter ended Mar. 2021 pursuant to RBI circular dated 4th November 2019 on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Sr. no.	Number of Significant counter parties	Amount (Rs. In Cr.)	%of total Deposits *	% of Total Liabilities
1	25	559.85	-	75.15%

* None of the Depositors hold more than 1% of the Total deposits

(ii) Top 20 large deposits

Particulars	As at March 31,2021
Total amount of Top 20 Large Deposits	Rs. 17.19 Cr.
% of amount of Top 20 Large Deposits to Total Deposits	14.35%

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

Particulars	As at March 31,2021
Total amount of Top 10 Borrowings	Rs. 363.73 Cr.
% of amount of Top 10 Borrowings to Total Borrowings	59.75%

(iv) Funding Concentration based on significant instrument / product

Sr. no.	Name of the Instrument/product	Amount (Rs. In Cr.)	% of Total Liabilities
1	Non-Convertible Debentures	120.66	16.20%
2	Term loan	466.85	62.66%
3	Public Deposits	88.97	11.94%
4	Commercial paper	0.00	0.00%
5	Other Bank Borrowings	51.99	6.98%

(v) Stock Ratios:

Sr. no.	Name of the Instrument/product	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	0.00	0.00	0.00
2	Non-Convertible Debentures (original maturity < 1 year)	1.37	1.34	1.12
3	Other Short- term Liabilities	45.31	44.31	37.03

(vi) Institutional setup for Liquidity Risk management

Refer note no. 48 Risk management structure and Liquidity Risk and Funding Management for Institutional setup for Liquidity Risk Management

Notes:

- 1 Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DO R.NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- 2 Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DO R.NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- 3 Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
- 4 Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
- 5 The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2021.

54 Customers Complaints

a.	No of Complaints pending at the beginning of the year	NIL
b.	No. of Complaints received during the year	22
c.	No. of Complaints redressed during the year	22
d.	No. of Complaints pending at the end of the year	0

55 Details of Registration with Financials Regulators

Sr.No	Regulator	Registration No.
a.	Ministry of Company Affairs	U65929MH1190PLC057829
b.	Reserve Bank of India	13.01109

56 Rating assigned by Credit Rating Agencies

The Company has been assigned rating of "ICRA BBB /(Stable)" for Bank Facilities. The Company has also been assigned "ICRA MA- (Stable)" for Fixed Deposit programmer.

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

a. Concentration of Deposits

Particulars	Amount in Cr
Total Deposits of Twenty Largest Depositors	17.19
Percentage of Deposits of Twenty largest depositors to Total Deposits	14.43%

b. Concentration of Advances

Particulars	Amount in Cr
Total Advances of Twenty Largest borrowers	1.92
Percentage of Advances of Twenty largest borrowers to Total Advances	0.29%

c. Concentration of Exposures

Particulars	Amount in Cr.
Total Exposure of Twenty Largest borrowers	1.92
Percentage of Exposure of Twenty largest borrowers to Total Exposure	0.29%

d. Concentration of Stage III Assets

Particulars	Amount in Cr
Total Exposure of Top Four Stage III Assets	0.22

58 Movements of Stage III Assets

Particulars	31.03.2021	31.03.2020
i. Net Stage III Assets to Net Advances (%)	1.74%	1.79%
ii. Movements of Stage III Assets (Gross)		
a. Opening Balances	12,10,97,020	7,38,53,535
b. Addition during the year	14,85,34,280	10,08,62,392
c. Reduction during the year	10,12,28,342	5,36,18,907
d. Closing Balance	16,84,02,958	12,10,97,020
iii. Movements of Net Stage III Assets		
a. Opening Balances	8,23,58,423	5,06,65,337
b. Addition during the year	10,13,94,832	6,85,20,663
c. Reduction during the year	6,88,19,272	3,68,27,577
d. Closing Balance	11,49,33,983	8,23,58,423
iv. Movements of ECL on Stage III Assets		
a. Opening Balances	3,87,38,597	2,31,88,198
b. Provision made during the year	1,47,30,378	1,55,50,399
c. Write-off/ Write back of excess provision	0	0
d. Closing Balance	5,34,68,975	3,87,38,597

59 Stage III assets as a percentage to Advances in the respective segments

Sr.no	Sector	As at 31.03.2021	As at 31.03.2020
a.	Agriculture & Allied activities	2.54%	2.90%
b.	MSME	0.00%	0.00%
c.	Corporate Borrowers	0.00%	0.00%
d.	Services	0.00%	0.00%
e.	Unsecured personal loans	4.48%	0.41%
f.	Auto loans	2.48%	2.59%
g.	Other personal loans	0.00%	0.00%

60 Provisions and Contingencies

(Amt in Lakhs)

Break up of Provisions and Contingencies shows under the head Expenditure in Profit and Loss Accounts	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Impairment Loss Allowances	12,03,27,590	6,77,54,973
Provision for Income Tax (excluding deferred tax)	6,25,00,000	6,00,00,000

61 Disclosure of Frauds reported during the year vide DNBS.PD.CC.NO. 256/03.10.042/2011-12 Dated March 02,2012:

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company was noticed or reported during the course of our audit

62 During the year Company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

63 Registrations obtained from Other Financial Sector Regulators

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

64 Penalties Imposed by RBI and Other Regulators

During the year no Penalties imposed by RBI or Other Regulators

65 Derivatives

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

66 Investments

Amount in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,177.09	948.53
(b) Outside India	0	0
(ii) Provision for Depreciation		
(a) In India	0	0
(b) Outside India	0	0
(iii) Net Value of Investments		
(a) In India	1,177.09	948.53
(b) Outside India	0	0
2 Movement of Provision held towards depreciation on Investments		
(i) Opening Balances	0	0
(ii) Add: Provision made during the year	0	0
(iii) Less: Write off/Write-back of excess provision during the year	0	0
(iv) Closing Balances	0	0

67 Disclosures relating to Securitisation

Rs in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
No of SPVs sponsored by the NBFC for securitisation transactions	1	2
Total amount of securitised assets as per books of the SPVs sponsored	148.85	1856.47
Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet		
Off-balance sheet exposures		
First loss	0	0
Others	0	0
On-balance sheet exposures		
First loss (In the form of Fixed Deposit)	99.67	138.45
Others	0	0
Amount of exposures to securitisation transactions other than MRR		
Off-balance sheet exposures		
Exposure to Own Securitisations		
First loss	0	0
Others	0	0
Exposure to third party Securitisations		
First loss	0	0
Others	0	0
On-balance sheet exposures		
Exposure to Own Securitisations		
First loss	0	0
Others	0	0
Exposure to third party Securitisations		
First loss	0	0
Others	0	0

68 The Company has not sold any Financial Assets to Securitisation/ Reconstruction Company during the current year.

69 Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM(PK)-2008 dated 1 August 2008**Capital Adequacy Ratio**

Amount in Lakhs

Particulars	31.03.2021	31.03.2020 (Refer Note Below)
Capital Ratio		
CRAR - Tier 1 Capital (%)	19.56%	21.18%
CRAR - Tier II Capital (%)	0.90%	0.42%
Total Capital (%)	20.46%	21.60%

Note: The Capital Adequacy Ratio as at 31.03.2020 is recomputed based on restated financial statement.

70 The Company has no Exposure to Real Estate Sector in the current year and previous year.

71 Exposure to Capital Market

Amt in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Direct Investment in equity shares, convertible bonds, convertible debentures and unit of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	122.57	122.96

72 The Company has given unsecured loan of ₹ 7,41,84,189 as a personal loans to the borrowers Personal loans are partly secured by assignment/pledge of life insurances polices, shares and other securities or are unsecured.

73 Asset Liability Management Maturity Pattern of certain items of Assets & Liabilities

Particulars	Upto 30/31 days	Over 1 month Upto 2 month	over 2 month Upto 3 month	Over 3 month & Upto 6 month	Over 6 month & upto 1 year	Over 1 Year & upto 3 years	Over 3 Year & upto 5 years	Over 5 years	Total
Deposits	2,007.73	490.89	444.96	1,073.96	1,502.76	5,596.83	860.81	0.00	11,977.94
Advances (Net of Provision)	3,215.01	3,467.79	2,922.69	7,497.01	17,202.73	29,457.02	2,186.11	0.00	65,948.36
Investments	4.67	9.17	0.00	0.00	0.00	329.21	9.59	824.45	1,177.09
Borrowing	2,285.39	2,230.93	2,935.75	7,453.21	16,527.34	27,724.58	1,712.30	0.00	60,869.50

74 The previous year figures have been reclassified & regrouped to confirm to Ind AS presentation requirements of Schedule III of Companies Act, 2013 for the purpose of these financial statements

As per our report of even date
For Pravin Dhiran & Co.
Chartered Accountants
FRN : 133656W

For and on behalf of the Board of Directors of
BERAR FINANCE LIMITED

M. G. Jawanjar
(Executive Chairman)

Pravin Dhiran
Partner
M. No. 115580

S. M. Jawanjal
(Managing Director & CFO)

Place: Nagpur
Date: 29/06/2021

D. R. Balpande
(Company Secretary)

SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2021

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

(Rs.in lakhs)

Particulars	Amount outstanding	Amount overdue
Liabilities:		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	12,066.02	0.00
Unsecured (other than falling within the meaning of public deposits)	0.00	0.00
(b) Deferred credits	0.00	0.00
(c) Term Loans	43,604.78	-
(d) Inter-corporate loans and borrowing	0.00	0.00
(e) Commercial Paper	0.00	0.00
(f) Public deposits (Including deposits from directors and their relatives	11,977.94	659.55
(h) Cash Credit & Working Capital Demand Loan	5,198.71	0.00
Total	72,847.45	659.55
(2) Break-up of (1)(f) above outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a) In the form of unsecured debentures	0.00	0.00
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	0.00	0.00
(c) Other Public Deposits	11,977.94	659.55

(Rs.in lakh)

No.	Particulars	Amount Outstanding
	Assets:	
3	Break-up of loans and advances including bills receivables [other than those included in (4) below]	
	(a) Secured	28.79
	(b) Unsecured	0.00
4	Break-up of leased assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	0.00
	(b) Operating lease	0.00
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	0.00
	(b) Repossessed assets	0.00
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	0.00
	(b) Loans other than (a) above	67,151.78
5	Break-up of Investments :	
	Current Investments:	
	1. Quoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	13.84
	(v) Others (please specify)	
	Investment in Alternative Investment Fund	103.98
	2. Unquoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	0.00
	(v) Others (please specify)	0.00
	Long Term Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	13.45
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	5.15
	(iv) Government securities	1,040.68
	(v) Others (please specify)	0
	2. Unquoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	0.00
	(v) Others (please specify)	0.00

(6) Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in lakh)

	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	(a) Subsidiaries	0	0	0
	(b) Companies in the same group	0	0	0
	(c) Other related parties	0	0.00	0.00
(ii)	Other than related parties	67,180.57	741.84	67,922.41
	Total	67,180.57	741.84	67,922.41

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in lakh)

	Category	Market Value/Breakup or fair value of NAV	Book Value (Net of Provisions)
(i)	Related parties		
	(a) Subsidiaries	0	0
	(b) Companies in the same group	0	0
	(c) Other related parties	0	0
(ii)	Other than related parties	1,177.09	1,177.09
	Total	1,177.09	1,177.09

(8) Other information

	Particulars	Amt ₹ in lakh
(i)	Gross Non-Performing Assets	
	(a) Related parties	0
	(b) Other than related parties	1,684.03
(ii)	Net Non-Performing Assets	
	(a) Related parties	0
	(b) Other than related parties	1,149.34
(iii)	Assets acquired in satisfaction of debt	0

As per our report of even date

For Pravin Dhiran & Co.

Chartered Accountants

FRN : 133656W

Pravin Dhiran

Partner

M. No. 115580

Place: Nagpur

Date: 29/06/2021

For and on behalf of the Board of Directors of

BERAR FINANCE LIMITED

M. G. Jawanjar

(Executive Chairman)

S. M. Jawanjal

(Managing Director & CFO)

D. R. Balpande

(Company Secretary)

FINANCIAL HIGHLIGHTS

(₹ in lacs)

YEAR	PAID-UP CAPITAL	NET WORTH	TOTAL ASSETS	PROFIT BEFORE TAX	PROFIT AFTER TAX	DIVIDEND	
						Rate%	AMOUNT
1990-91	1.44	1.50	3.03	0.06	0.06	--	--
1994-95	20.75	38.14	74.88	6.45	5.80	26.00%	4.07
1995-96	26.00	44.40	124.95	8.07	6.09	20.00%	5.04
1996-97	30.00	48.94	174.86	11.16	5.15	14.00%	3.72
1997-98	30.00	52.72	224.24	19.15	10.00	16.00%	4.80
1998-99	30.00	59.80	223.71	20.22	12.97	16.00%	4.80
1999-00	30.00	61.41	247.47	16.47	8.55	16.00%	4.80
2000-01	36.00	70.22	280.79	17.78	9.15	16.00%	4.92
2001-02	50.00	109.28	374.83	31.84	22.74	17.00%	7.70
2002-03	80.00	187.27	748.88	55.55	34.57	18.00%	14.40
2003-04	102.55	256.21	865.80	81.84	52.70	18.00%	15.55
2004-05	102.55	307.02	1,155.50	112.80	75.73	20.00%	20.51
2005-06	163.50	452.20	1,392.69	126.43	83.88	22.00%	26.04
2006-07	310.00	715.98	1,956.10	153.81	101.36	22.50%	44.64
2007-08	* 620.00	780.25	2,619.22	228.63	153.54	* 12.50%	90.67
2008-09	700.00	978.58	3,486.60	336.82	218.98	13.00%	100.66
2009-10	700.00	1,119.71	4,100.69	379.84	247.60	13.00%	106.47
2010-11	700.00	1,361.79	5,206.99	545.56	355.98	14.00%	113.90
2011-12	750.00	1,695.14	6,377.90	601.90	399.37	14.00%	116.01
2012-13	800.00	2,099.90	9,076.85	732.20	492.46	15.00%	137.70
2013-14	800.00	2,534.23	11,125.49	863.19	574.74	15.00%	140.39
2014-15	800.00	3,091.63	14,788.92	1,053.41	677.75	12.50%	120.35
2015-16	800.00	3,818.09	19,770.39	1,246.93	822.74	10.00%	96.29
2016-17	800.00	4,713.26	26,660.71	1,532.62	991.47	10.00%	96.29
2017-18	800.00	5,950.92	32,937.95	1,768.79	1,237.65	10.00%	96.44
2018-19	800.00	7,326.43	41,796.85	2,077.27	1,471.95	10.00%	96.44
2019-20	966.67	11,808.65	55,274.97	2,258.44	1,691.27	5.00%	46.50
2020-21	1,000.78	14,642.40	89,143.75	2,055.66	1,537.66	10.00%	100.07

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

MISSION**Partnering To Prosper****COMMITMENT****Close To The People****VISION****Miles To Go****BRANCHES**

<u>MAHARASHTRA -</u>	Akola, Amravati, Aurangabad, Ahemadnagar, Bhandara, Buldhana, Bhusawal, Brahmapuri, Baramati, Chandrapur, Chalisgaon, Dhule, Gondia, Gadchiroli, Hingoli, Jalgaon, Khamgaon, Katol, Kolhapur, Karad, Kudal, Latur, Manmad, Nandurbar, Nashik, Nanded, Parbhani, Paratwada, Pune, Pusad, Pandharpur, Ratnagiri, Sangli, Satara, Solapur, Wardha, Washim, Wani & Yavatmal,
<u>MADHYA PRADESH -</u>	Bhopal, Betul, Burhanpur, Chhindwara, Dewas, Damoh, Hoshangabad, Harda, Indore, Katni, Mandla, Narsingpur, Seoni, Sehore, Sagar, & Vidisha
<u>CHHATTISGARH -</u>	Bilaspur, Balodabazar, Durg, Dallirajra, Dhamtari, Gariyaband, Janjgir, Jagdalpur, Kawardha, Korba, Kanker, Mahasamund, Raipur, Rajnandgaon & Saraipali,
<u>GUJRAT -</u>	Amreli, Bardoli, Navsari, Surat, & Vayara
<u>KARNATAKA -</u>	Belgavi, Bidar, Kalburgi, Raichur & Vijayapur
<u>TELANGANA -</u>	Adilabad, Jagtial, Jangaon, Karimnagar, Kamareddy, Khammam, Kothagudem, Mancherial, Miriyalaguda, Nirmal, Nizamabad, Nalgonda, Sangareddy, Siddipeth & Warangal.