



BERAR FINANCE LIMITED

TRANSCRIPTION OF THE 33RD ANNUAL GENERAL MEETING OF BERAR FINANCE LIMITED HELD ON MONDAY, 25TH SEPTEMBER, 2023 AT 03.30 P.M. THROUGH VIDEO CONFERENCING ("VC") OR OTHER AUDIO-VISUAL MEANS ("OAVM").

Deepali Balpande: Good Afternoon, Dear Members, Directors and Invitees. I, Deepali Balpande, Company Secretary of Berar Finance Limited, welcome you all to this 33rd Annual General Meeting of the Company. As of now, our quorum is present and joined through VC. Now, I request Mr. Maroti Jawanjar, Chairman of the Company to start proceedings of the meeting. Thank you.

Maroti Jawanjar: Good Afternoon Members, Directors and Invitees. I welcome you all to this 33rd Annual General Meeting of the Company. I hope all of you are safe and in good health. This meeting is being held through video conferencing in accordance with the circulars issued by the Ministry of Corporate Affairs. Where requisite present... quorum present through video conferencing to conduct the proceedings of the meeting. Participation of members through video conferencing is being recorded for the purpose of the quorum, as per circular issued by Ministry of Corporate Affairs and Section 103 of the Companies Act, 2013. The quorum being present, I call meeting to order. We have with us Mr. Sandeep Jawanjal, Managing Director, Mr. Vishwas Pathak, Independent Director who is Chairman of Nomination & Remuneration Committee, Mr. Shantaram Mahakalkar, Non-Executive Director who is Chairman of Stakeholders Relationship Committee, who have joined us from the registered office of the Company, the deemed venue of the AGM. Some of our Directors are attending this meeting remotely through video conferencing. I request them to introduce themselves to the members and invitees. Atul Sarda...

Atul Sarda: Hello, I am Atul Sarda, Independent Director of Berar Finance Limited. I am attending the AGM from my office at Nagpur.

Maroti Jawanjar: Ok. Thank you. Rashmi Mitkary...

Rashmi Mitkary: Hello everyone, I am Rashmi Mitkary, Company Secretary by profession and Independent Director of Berar Finance Limited. I am attending this 33rd AGM of a.. Berar Finance from my office...Nagpur.

Maroti Jawanjar: Thank you. Mr. Avishek Addy.

Avishek Addy: Hi, This is Avishek Addy, Director on the Board of Berar Finance, attending the AGM from my office in Bangalore. Thank you.

Maroti Jawanjar: Thank you. Thank you. Mr. Harishchandra Sukhdeve...

Harishchandra Sukhdeve: Hello, Good Afternoon everybody, I am Harishchandra Sukhdeve, Non-executive Director of Berar Finance Limited. I am attending this AGM from my residence on VC. Thank you very much.

Maroti Jawanjar: Mr. Himanshu Joshi...

Himanshu Joshi: Hello everybody, Good Evening, I am Himanshu Joshi, Independent Director on the Board of Berar Finance Limited. I am attending this meeting from New York and no one has access to this proceedings.

Maroti Jawanjar: Thank you. I confirm that the Chairpersons of the Audit Committee, Nomination and



Remuneration Committee, Stakeholders Relationship Committee are attending this meeting.

(Sound unclear)intimated...Mr. Siva Vadivel Alagan, Non –executive Director of the Company has intimated the Company that due to unavoidable reasons, he will not be...it not be possible for him.. for him to attend the AGM.

We have with us Mr. a... Ravindra Dorle, Chief Financial Officer of the Company.

Mr. Ashish Shah, Partner, Manubhai & Shah LLP, Statutory Auditors of the Company and Sunil Zore, Proprietor, M/s. SPZ & Associates Company... Secretarial Auditors of the Company are also attending the meeting through Video Conferencing.

We have with us authorised representatives of Private Equity Investors... Adhiraj Si... Singh from Amicus and a... Anvi Somaiya from MAJ Invest.

I now request Deepali Balpande, Company Secretary, to provide general instructions to the members regarding participation in this meeting.

Deepali Balpande: Thank you Sir. Before we start with the proceedings of the meeting, I would like to highlight certain points here. The Ministry of Corporate Affairs ("MCA") vide its various circulars issued from time to time allowed the Companies to conduct the Annual General Meeting (AGM) through video conferencing or other audio visual means without the physical presence of Members at common venue. Accordingly, the Company has enabled the members to participate at this AGM through VC facility provided by CDSL. The facility for joining this meeting through VC or other audio-visual means is made available for the members on a first-come-first-serve basis. The proceedings of this meeting are being recorded for compliance purpose. In accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the members have been provided with the facility to exercise their right to vote by electronic means both through remote e-voting facility as well as e-voting at this AGM. The voting rights of the Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on cut-off date i.e., Monday, September 18, 2023. Remote e-voting facility was made available to all the Members holding shares as on cut-off date i.e., September 18, 2023, during the period commencing from 9 AM on Tu... Thursday, September 21, 2023, till 5 PM on Sunday, September 24, 2023. Remote e-voting has been blocked on Sunday, September 24, 2023 at 5 PM. Members joining this meeting through VC facility who have not cast their vote by means of remote e-voting, may cast their vote online... through online e-voting facility provided at this AGM. The voting is open and shall remain open till 30 minutes after the conclusion of this AGM. The members who have cast their vote by remote e-voting prior to this meeting shall not be entitled to cast their vote again.

The Board of Directors has appointed Mr. Sunil Purushottam Zore, Practicing Company Secretary as a Scrutinizer to scrutinize the vote cast through remote e-voting as well as e- voting at this AGM. Since the meeting is conducted through VC and resolutions stated in the notice are already put to vote through remote e-voting, there shall be no proposing andseconding of the resolutions. The Scrutinizer shall immediately after the conclusion of this meeting, unblock the votes cast through remote e-voting as well as e-voting during the AGM and make a consolidated Scrutinizer's report and of the total vote cast in favour and against, if any and the results of the e-voting shall be declared within 48 hours of the conclusion of this AGM and will be displayed on the website of the Company, on the website of CDSL and will also be submitted to the BSE Limited as per.. as per the requirement of SEBI Listing Regulations applicable to the Company. The registered office of the Company situated at Nagpur shall be deemed venue for this AGM and proceedings of the AGM shall be deemed to be made at Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur which is registered office of the Company.



We have received request from five shareholders for registration as a speaker shareholder in the today's AGM. The member have been provided login to this meeting and we shall be allowing them to speak once the Chairman directs the same. The Chairman would be responding to their queries, if any at the end of the meeting. Now I request Chairman of the meeting to continue with the proceedings of the meeting. Thank you.

Maroti Jawanjar:

Dear Members and Invitees,

I hope the audited accounts of the Company for financial year 22-23 are in your hands. I invite your kind attention to the performance of the Company for the year.

Post COVID-19 pandemic, FY 23 was full... first full year of operations without any interruptions in terms of lockdown or... and health challenges. However, the year witnessed major global headwinds, owing to several factors that included rising inflationary conditions among others. Amidst all these, our Company displayed resilience while maintaining our steadfast focus on delivering robust and sustainable growth and continued to support our diverse customers' evolving needs.

Your Company added 14 branches during 22-23, thereby increasing its network to 115 branches and Head Office at Nagpur. With the increase in branch network and sound branch infrastructure, the Company is ready to take advantage of the improved business sentiments. Your Company expects to improve its performance in 23-24 and sustain its growth trajectory. The approach would be to continue with the growth momentum while balancing risks. With a view to meet its growth plans of the Company aa... the Company will continue to tap diverse source of funds including equity, debt and public deposits to maintain an optimal capital structure.

Now I invite Managing Director Sandeep Jawanjal to elaborate the members of the Company's performance and future prospects of the Company. Sandeep...

Mr. Sandeep Jawanjal: Yaa... Good Afternoon everyone. This is Sandeep Jawanjal, Managing Director of the Company. About performance of the Company during the last financial year FY 23, quantum of loan which was disbursed during the last financial year was 842 crores against 742 crores as of earlier financial year which was FY 22. The gross Assets Under the Management stood at 947 crores as on March 2023. However, year before which was March 2023 the same numbers was 8.... 832 crores. The gross income of the Company is for the year March 2023... for financial year March, 2023 is 217 crores. The profit of the Company for the entire financial year before tax is 21.72 crores which has declined slightly by around 40 lakhs. However, there are some specific reasons why the profits has remained constant during FY 23. There are several changes in terms of system implementation, the Company has executed during the same financial year which results into the impact of around 19 crores on the profitability of the Company for FY 23.

The first item which impacted the profit by 11 crores is change in accounting policy with respect to penalty realization. In FY 23 the Company has changed its policy with respect to realization of penalty income from accrual basis to cash basis. The impact is around 11 crores, which has been certified impact. If the company could have continued with the old policy of booking the penalty income on accrual basis the profit before tax would have been higher by 11 crores. The second item is implementation of IRAC norms. RBI has made it mandatory from 1st October, 2022 i.e., for the financial year FY 23 to implement IRAC norms. The impact of implementation of IRAC norms on profitability of the Company is 4 crores and the last one which impacted the profitability is strengthening the ECL policy of the Company. On the suggestion of our statutory Auditors, the Company has strengthened the ECL policy of the Company resulting into higher provision which is always good as a prudent basis. The impact of that change in ECL policy is another 4 crores.

So the combined impact of all this three items, the first one is change in accounting policy with respect to realization of penalty income, the second one is implementation of IRAC norms and the final one is change in ECL policy. The combined impact of all this three items is around 19 crores on the profit of the company. The profit after tax stood at 17 crores, this is the performance of the Company in last financial year and current financial year which is FY 24 on the basis of quarter financials ending June, 2023 the limited review profitability of the company after tax is around 5 crores and this 5 crores profit after tax for Q1 FY 24 is higher than last corresponding quarter by 35% and if... and we are very much confident that same level of profitability we would maintain in next three quarters so as a management we are hopeful that the current financial year we would end with a good profitability numbers and the impact of around 19 crores which we took in last financial year which is FY 23, the benefit of that impact will start getting into the profits of the Company during the current financial year which is FY 24.

In the current financial year on tech side the Company has made significant improvement with respect to customer onboarding because in two-wheeler financing customer onboarding is a significant factor which ensures good collection, which ensures low delinquency and high profits for the Company. The Company has implemented new customers' onboarding solution, the name of solution is Autonom8. Post implementation of that solution, the quality of customer onboarding, validation of various data sources, various logics which we can use to build machine learning and AI would put in place resulting into better quality onboarding. So having said that the Management of the Company is very much hopeful that we will end FY 24 with good numbers both on topline and bottom line as well. Thank you. Thank you so much.

Maroti Jawanjar: Now Deepali, kindly brief outline of business to be transacted at the meeting as per the Notice.

Deepali Balpande: Thank you Sir. Notice of the AGM along with the Annual Report for the Financial Year 2022-23 were sent only through electronic mode to those Members whose email addresses are registered with the Company. M/s. Bigshare Services Private Limited, RTA of the Company and Depository Participants. A copy of the Notice of this AGM along with the Annual Report are also available on the website of the Company i.e., www.berarfinance.com, website of the Stock Exchange where NCDs of the Company are listed, i.e. BSE Limited at www.bseindia.com and website of the CDSL www.evotingindia.com. Considering the above, the notice has been taken as read. The Register of Director's Shareholding, Register of Contracts are also available for inspection to the members through electronic mode. The members seeking to inspect the documents can send an email to investor.relations@berarfinance.com.

The Statutory Auditors M/s. Manubhai & Shah LLP and Secretarial Auditors M/s. SPZ & Associates, have expressed unqualified opinion in their respective audit reports for the financial year 2022-23. There were no qualifications, observations or other adverse comments on the financial statements and on the matters which have any material impact on the functioning of the Company and accordingly the said reports are not being read out.

The Statutory Auditor's report on Standalone Financial Statements is available on page number 37 of the Annual Report and the Secretarial Auditor's report is enclosed as Annexure 2 to the Board report on page number 13 of the Annual Report.

Now, with the permission of the Chairman Sir, we shall take up proceedings as per the notice of the Meeting. Now, I will read out the item one by one and Chairman Sir will explain the same. The item No. 1 of the Notice which is Ordinary Resolution relates to adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2023 together with the report of the Board of



Directors and Auditor's report thereon. Over to Chairman.

Maroti Jawanjar: Your Company has a strong network and presence in rural and semi-urban India which has demonstrated strong growth potential and resilience despite multiple macro-economic challenges during the year. Your Company has recorded satisfactory growth in business with 13.61% increase in disbursement and 24.12% increase in gross income during the year... during FY 22-23 compared to FY 21-22. The decline in profit for the current year is due to increase in cost of new branches and change in accounting of certain incomes from accrual basis to cash basis. Your Company's has liquidity... Company liquidity position is quite comfortable, and the Company is ready to encash the opportunities.

The resolution related to item no... no. 1 of the Notice is placed for your consideration. Deepali.

Deepali Balpande: Thank you sir. Item No. 2 is Ordinary Resolution relates to declaration of final dividend at the rate of ₹ 1.00 per share for the financial year 2022-23. Chairman Sir...

Maroti Jawanjar: The Company is continuing its tradition of rewarding the shareholders and therefore the Board has recommended a dividend of 10% for the financial year 22-23 which is placed for your consideration. The Dividend now be declared will be distributed from...

Deepali Balpande: After 5 days...

Maroti Jawanjar: After 5 days... after 5 days... ok... Deepali...

Deepali Balpande: Item No. 3rd is Ordinary Resolution relates to re-appointment of Mr. Avishek Addy as a Director of the Company liable for retirement by rotation. Over to Chairman Sir.

Maroti Jawanjar: Mr. Avishek Addy is associated with the Company for the last 3 years. He is Nominee Director of private equity investor Amicus Capital Partners. His performance has been good throughout his tenure and his advice is very valuable for the growth of the Company.

Therefore, the resolution related to item no. 3 of the Notice is placed for your consideration. Deepali...

Deepali Balpande: Item No. 4 is a Special Resolution related to alteration of Articles of Association of the Company by addition of Article 71A after the existing Article 71 in Part A of the Articles of Association. Over to Chairman.

Maroti Jawanjar: Securities and Exchange... Exchange Board of India (SEBI) vide its notification dated February 2, 2023 amended SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 which mandates an issuer to ensure that its Articles of Association require its Board of Directors to appoint a person nominated by the Debenture Trustee upon occurrence of any of the event specified in regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993 as a Director on the Board of Directors of the Company. In order to comply with above requirements, it is proposed to amend the Articles of Association of the Company to enable...to enable DT to appoint Debenture Trustee to appoint their Nominee on the Board upon occurrence of any of the event specified in regulation 15(1)(e) of the DT Regulations.

Therefore, the resolution related to item no. 4 of the Notice is placed for your consideration.

This resolution enable the Company...to enable to debenture trustee to nominate any person of their choice on the Board of the Company. There were disputes between the companies and debenture trustees in the past and companies resisted in accepting the nominees recommended by debenture



trustees. There was a dispute therefore the SEBI has made it compulsory that if there is any default in servicing the debentures then the debenture trustee will have right to appoint nominee and company will not say no because it is recorded now in Article of Association.

Therefore, the resolution related to item no. 4 of the Notice is placed for your consideration. Deepali...

Deepali Balpande: Thank you sir. Item No. 5 of notice is a Special Resolution related to commission payable to the Non-executive Directors of the Company. Chairman Sir.

Maroti Jawanjar: The Non-Executive Directors are spending considerable time and efforts in discharging their responsibilities and also contributing to the overall performance and progress made by the Company. In recognition of their contribution, it is now proposed to pay such commission to the Non-executive Directors or some or... some or any of them in such amounts, as may be decided by the Board of Directors of the Company and such payments shall be made in respect of the profits of the Company for each year for a period of five years commencing from 1st April, 2023.

Therefore, the resolution related to item no. 5 of the Notice is placed for your consideration.

Deepali Balpande: Thank you sir. Item No. 6 of the Notice is an Ordinary Resolution related to the appointment of Mr. Himanshu Joshi as an Independent Director of the Company not liable to retire by rotation for a period of one year with the effect from June 01, 2023 to May 31, 2024. Over to Chairman Sir.

Maroti Jawanjar: The Board of Directors of the Company in the meeting held on May 30, 2023 appointed Mr. Himanshu Joshi as an Additional Director. Himanshu Joshi has over four decades of hands-on banking experience across India and retired in 2018 as the Executive Director of Oriental Bank... Bank of Commerce now Punjab National Bank. He has relevant knowledge and experience in respect of one or more matters namely Economics, Banking, Finance, Risk and Regulatory supervision, Analytics, etc. Considering Mr. Himanshu Joshi's experience and expertise, the proposal to appoint him as Independent Director for a period of one year is placed for your consideration. Deepali...

Deepali Balpande: Thank you sir. Item No. 7 of the notice is an Ordinary Resolution related to the remuneration scale of Mrs. Deepali Balpande, Company Secretary and Chief Compliance officer who holds the office or place of profit in the Company.

Maroti Jawanjar: Myself being interested in the said resolution, I now vacate the Chair and request Atul Sarda .

Deepali Balpande: Ha.... Atul Sarda.

Maroti Jawanjar: I request Mr. Atul Sarda, Independent Director... Director and Chairman of the Audit Committee, to take Chair and proceed with this agenda. Mr. Atul, over to you.

Atul Sarda: Thank you Sir. On the recommendation and approval of the Nomination and Remuneration Committee, Audit Committee and Board of Directors at their meetings held at... held on August 11, 2023, August 12, 2023 and August 12, 2023 respectively, it is proposed to fix the remuneration scale payable to Mrs. Deepali Balpande, Company Secretary and Chief Compliance Officer of the Company who is holding an office or place of profit in the Company, as computed under applicable provisions of Companies Act, 2013 and its allied rules in the range of Rs. 2,20,000/- per month to Rs. 5,00,000/- per month and such other perquisites in accordance with the Company rules. At present, she is availing a fixed remuneration of Rs. 2,20,000/- per month and is also entitled to performance linked variable pay as may be decided by Nomination and Remuneration Committee and Board of Directors of the



Company which may result in her monthly remuneration exceeding Rs. 250/-... sorry... Rs. 2,50,000/- per month and as she is a related party and holds office or place of profit in the Company it requires the prior approval of the Members if the monthly remuneration exceeds two and a half lakh... half lakh rupees per month. So as abundance of caution, this resolution is placed for your consideration. I now vacate the Chair and request the Chairman Mr. M.G.Jawanjar to re-occupy the chair and proceed with the AGM.

Maroti Jawanjar: Thanks Mr. Atul. Deepali...

Deepali Balpande: The text of the resolutions, along with the explanatory statements, are provided in the notice circulated to the members. If the member who has registered himself to speak at the meeting desires to ask any question a... pertaining to the Notice, he may do so. You are requested to keep the questions brief and specific. Kindly turn on your video when your name is announced, unmute yourself, mention your name, folio number, location from where you are calling and proceed to ask the question. Over to Chairman Sir.

Maroti Jawanjar: I now call upon name of speaker shareholders one by one. Mr. Prakash Agrawal... are you there, Mr. Prakash Agrawal?

Moderator: Not available Sir.

Maroti Jawanjar: Ok. Doesn't matter. Mr. K.S. Ramsubramaniam

Moderator: Not available Sir.

Maroti Jawanjar: Ok next.O.P. Varma.... Varmaji. Varma.

Omprakash Varma: Hello.

Maroti Jawanjar: H.... Yes Sir boliye... Please go ahead.

Omprakash Varma: Are you getting... are you getting O.P. Varma... are you getting it?

Maroti Jawanjar: Ok. Ok. We are getting. Yes ...yes go ahead.

Omprakash Varma: Hello.

Maroti Jawanjar: Yes.

Omprakash Varma: Are you getting me?

Maroti Jawanjar: Yes. We are getting.

Omprakash Varma: Are you... can you hear my voice?

Deepali Balpande: Yes Sir. We can hear.

Omprakash Varma: So first of all welcome you for this AGM meeting calling me on this video call... video conference... I congratulate the Berar Finance for holding the meeting regularly but unfortunately it's your 4th year of the virtual meeting which was not expected at all, this perhaps gives the indication that you are not interested to interact directly with the office bearers of the Berar Finance or Directors of the Berar Finance which is very unhealthy sign. When we do not have an actual direct interaction,



we feel you are distancing with the Berar Finance. When I am the one of the a... with the promoters... from the very first shareholder I expected that meeting should be held even without AGM other meeting shall also be held quarterly or half yearly on some issues but nothing has happening so far. You're going... I think you're going to public have ... have a public issue which I am indirectly thinking of... so what is the status of that? It also give the impression that you are trying to having so much of branches... what is the status of the business at this moment. Earlier, we use to get the report much earlier in our hand and find out what subject we were talk about, what point of the report to the in the AGM meeting. Those things also missing it. I am... because I am banker, I very clearly observed those points. Do not today, though I am talking to you but I am... myself is absent what to talk... where there is no information to me in hand. Do you expect to me to should I go to the website and get the all the information and then I come to you, that is not practical. I... every human being is busy in his own affairs. So the documents in hand are there then find out from the documents, what to be talked about. So... What is the profit this year? What is the percentage of profit? What is the NPA? What is the business growth? What is the deposit growth? What is the advance growth? All that I am unaware of that. I think you are going more towards the corporate side rather forget the individuals of about the shareholders. Shareholder I think sidetrack this days. Because you are giving less dividend also now. I think I was told that 10% is the maximum ceiling now... that is a maximum and you are had the FDI of the most of the companies that you have to return back also in five years six years. In 2019, when we first met at the Pratap Nagar area side, Khamla Road, their after there is no communication at all with the shareholders. Do you expect the shareholders to have indirect talk in virtual meeting? I can understand when 2020, 2021 you did not have it. You should have the physical meeting in 20..... 2022 also and in 23 you also (sound unclear) to have it. If the personal touch is not reflected in AGM meeting then we don't want shareholder active... remain active. So my request to is have some meeting conducted may not be AGM otherwise also...call the shareholders... explain your position as on date... what is your situation today? Otherwise we are suspicious. Shareholders..... you are diverting... you are moving towards corporate altogether... forgetting being NBFC... what is the growth? What is the government laws coming these days? What are the changes? What are the amendments coming? Are they favorable? I know as a person individual, I know the NBFC Berar Finance has very good reputation. It's got the RBI sanction also in all sector and in all fields. But still from the side if you talk shareholder I am not have the approach this type absolutely. I am senior shareholder from the very first day being the banker that time the account was opened with UCO Bank only... I belong to UCO bank category, so my approach... humble approach is kindly have the direct..... Shareholders. Give the latest position....latest information. Not by going to website... reading it. The AGM meeting... this way the meeting you called... I have accepted the call because there was personal telephone to me by Shri Jawanjarji and her staff also... I think Secretary... because I am so close to that family so I said ok... I will participate. Even though very busy schedule and had to attend one funeral... I attended the funeral... came rushing over here because to attend this virtual meeting. So my request to you on behalf of shareholders be clear... be more clear because the time is very...middle class people are facing very hard time. Interest rates are also low. You have not change it appropriately this time... for one year you used to give 9.50 to senior citizen. Now you made it for two years beyond that you have made it for four years... so for senior citizen it is not... interest rate is not anyway effective, not favorable to us. Banks are giving advancing giving more interest nowadays started giving it. Not to the extent as what NBFC are giving but still we are feeling more secured with banks now. NBFC will not be loose their contracts, if they do not appropriately give interest in time also. I know the functioning of the Berar Finance was extra ordinary, personal touch was there, documents used to be delivered also, those things are gone... absolutely gone. So my request to is again I will not take much of the time because so much have to speak over there. I appealed to the Directors of the Berar Finance to keep personal touch with shareholders, give them the latest position all the time whether may be Whatsapp message, it may be mail message but the updates should always give because laws are changing it... government approach is changing it. Thank you very very much. O.P. Varma (sound unclear). Thank you very much.

Maroti Jawanjar: Thank you Varmaji.

Omprakash Varma: Did you hear me?

Maroti Jawanjar: Yes yes yes.

Omprakash Varma: Ok. Thank you very much.

Maroti Jawanjar: I can assure you that this is the last AGM held through video conferencing. From next year in any case it will be a physical meeting and will have quite a interaction, discussion, disclosures, exchange of views, everything will happen. It is unfortunate that were done this from last two years because to Corona we have done and this year the government have given option rather to do this or that. Anyway we did this... this year. From next year onwards all meetings will be under physical meeting. Disclosures to be made by the Company and we have circulated our regular Annual Report to all shareholders on.....

Deepali Balpande: 1st September....

Maroti Jawanjar: 1st September and Annual Report contains lot of information about almost all aspects of the company. So I would request you to go through that and in case you have any difficulty kindly come to office, have cup of tea and let us discuss at thread bare. Ok thank you Varmaji.

Sandeep Jawanjal: Varmaji, Sandeep from this side. You said that suspicion is there. I would like to assure that governance of the Company, the way we are operating the Company is fully transparent. You need not assume that there is some suspicion going on. Whatever is there is clearly very well mentioned and articulate in the Annual Report. Whatever is there is mentioned in the report. There is nothing which we can hide or there is nothing we are hiding. Everything is clear and transparent. About the rate of interest... about the rate of interest which you mentioned that we are offering 9.5% for two years and 10.00% for four years. Even that our... the Company's deposit base in increasing this indicates that public at large is still having faith on the Company and Management of the Company. Even if I compare this rate with PSU Banks or Private sector banks, they are giving 8% or 8.5% still our rate of interest on deposit are higher by 100 basis points or 150 basis points. Finally I would like to say that in last three years, Company has on boarded two private equity investors, the first one is Amicus Capital and the second one Maj Invest. Apart from that the Company has on boarded a..... very senior person and experienced one Mr. Himanshu Varma and also a..... Mr. Sukhdev who....

Maroti Jawanjar: Himanshu Joshi...

Sandeep Jawanjal: Sorry Himanshu Joshi and Mr. Sukhdev, who have well experienced of running the banks and running the Financial Institutions. So rest assured Varmaji a... all your point taken and would like to end my two words on this specific points. Thank you.

Maroti Jawanjar: Yes. Next Mr. Ramanuj Asawaji. Ramanuj...

Ramanuj Asawa: Namaskar. I am Ramanuj Asawa, Company Secretary, a member of Berar Finance for more than two decades and at the outset I pray that Jawanjarji's health would be well for in the interest of all of us and the Company as a whole. Abhi bich mai kuch tabiyat thik nahi hai ka mujhe kuch malum pada tha to isliye ye concern tha aur Company is doing well. I have seen the report and many things have been explained but my question is on Schedule 33 - Impairment of Financial Assets. Can Sandeep throw some light on that?

Sandeep Jawanjal: Yes.



Ramanuj Asawa: and I second the opinion of the Varmaji on holding physical meeting and Sir... Jawanjar Sir has already assured from next year there will be physical meeting. Thank you.

Sandeep Jawanjar: Asawa Sir... on Schedule no. 33 which is Impairment of Financial Instruments this consist of two items. The first one is provision being made on the NPA of the Company and second one is Bad debts written off. Out of 30 crores of provision, the Company has made two changes in the last financial year, the first one is intro.... Introduction of write off policy. For the first time in the history of the Company, the Company has incorporated the policy of writing off every account which is above 720 DPD. Till FY 22 that is financial year a..... ended 31st March, 2022, the Company was not having any such policy. This was the the.... 30 crores of amount which is mentioned under the Impairment of Financial Instruments above 720 DPD all the accounts have been written off. This is introduced for the first time. The impact of this is covered under 30 crores numbers. The second item is introduction of IRAC norms, as I mentioned earlier on 01st October, 2022, the RBI has made it mandatory to NBFCs to implement IRAC norms because of which there are 12 crores of accounts which are falling under 90 DPD but because of IRAC implementation those accounts has to be classified as NPA. Now everyone can understand the accounts which are under 90 DPD that means accounts which are having 2 installments bounce or at the max 3 installments bounce... those accounts are not risky accounts but as per the provision of the RBI if those accounts have moved to above 90 DPD level, those accounts will be classified as standard only once those accounts have been classified as zero DPD, but RBI says that till that account which has moved to 90 DPD doesn't come to zero DPD, you have to classify it as NPA, so 12 crores of such accounts and on that amount, we have to made a provision of 36% which is coming to 4 crores. So the second line item of these 30 crores which is 4 crores is because of change in RBI provision about implementation of IRAC norms. The final one is change in receipt allocation towards various loan accounts. Till FY 22, the Company was doing the receipt allocation on IF basis i.e., all receipts which have been collected in loan account where use to allocate towards installment only. In FY 23, the Company has changed the LMS which is Loan Management System and changed the logic of allocation of receipts towards varies dues from installment only. The Company has changed the logic to installment plus charges which by some part has increased the DPD of the Company thereby NPA. Now this 3 items has resulted into the increase in Impairment of Financial Instrument. Asawa Sir. Going ahead see FY 23 we can't compare with FY 22 for the reasons which I have mentioned because there were lot many changes but obviously FY 24 figures will be comparable with FY 23. Asawa Sir.

Deepali Balpande: Sir... you are on mute Sir.

Ramanuj Asawa: Thank you. Thank you. You have explained it very well.

Maroti Jawanjar: Mr. Piyush Paunikar. Mr. Piyush...

Piyush Paunikar: Hi Sir. A..... really happy with the progress of the Company and thank you for inviting me. Thank you. Continue proceedings. Thank you.

Maroti Jawanjar: Any director ko bat krna hai... Any director wants to speak?

Vishwas Pathak: No.

Maroti Jawanjar: No... I want to thank all members for their participation at this AGM. The business item as per the notice of the Annual General Meeting has been taken up. As mentioned earlier, e-voting facility will continue to be available for 30 minutes after the meeting for those shareholders, who have not cast their vote through remote e-voting. Results will be declared latest by 27 September, 2023 and will be displayed on the Company's website and website of CDSL and BSE Limited. On behalf of Board of Directors and Management of Berar Finance Limited, I convey my sincere thanks to all the



Directors, Members, and Invitees who have joined the meeting through video conferencing for their co-operation in smooth conduct of the AGM. With your consent, we now conclude this meeting. Please stay healthy, stay safe, take care of yourself. Thank you everyone, have a good day. Thank you all.

Deepali Balpande: Dear Members, as a... you can vote till 30 minutes from now, if you have not voted earlier. Thank you. We now conclude the meeting. Thank you all the Directors, Invitees and Members for joining the meeting. Thank you.

Piyush Paunikar: Thank you.

Harishchandra Sukhdev: Thank you very much.

Maroti Jawanjar: We will shortly be paying dividend. If you don't want to deduct TDS. Kindly submit the form 15G or 15H so no TDS will be made. In the absence of the 15G or 15H, the Company will deduct the TDS and will be paid to government on their behalf. Thank you. Therefore, I declare this meeting concluded. Thank you.

Moderator: Shall we close this meeting?

Deepali Balpande: Yes yes yes.

Sandeep Jawanjal: Yes, close the meeting.

Maroti Jawanjar: Yes, close the meeting. Meeting is over. Ok.
