

CORPORATE INFORMATION

BOARD OF DIRECTORS:

CS Maroti Jawanjar Executive Chairman
Mr. Shantaram Mahakalkar
Mr. Vishwas Pathak
CA Atul Sarada
CS Rashmi Mitkary
CA Avishek Addy
Mr. Harishchandra Sukhdeve
Mr. Siva Vadivel Alagan
Mr. Himanshu Joshi
Mr. Sandeep Jawanjal Managing Director

COMPANY SECRETARY:

CS Deepali Balpande

CHIEF FINANCIAL OFFICER:

CA Ravindra Dorle

AUDITORS:

M/s Manubhai & Shah LLP, Chartered Accountants

SECRETARIAL AUDITORS:

M/s SPZ & Associates, Company Secretaries

BANKERS:

Bank of Maharashtra
IDBI Bank Ltd.
Punjab National Bank
AU Small Finance Bank Ltd.
IDFC First Bank Ltd.

REGISTERED OFFICE:

Avinisha Tower, Mehadia Chowk,
Dhantoli, NAGPUR - 440 012
Ph.: 0712 - 6663999
CIN: U65929MH1990PLC057829
Website: www.berarfinance.com
Email: investor.relations@berarfinance.com

REGISTRAR & SHARE TRANSFER AGENT:

Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East) Mumbai - 400 093
Tel: 022-6263 8222
Website: www.bigshareonline.com
Email: investor@bigshareonline.com

DEBENTURE TRUSTEE:

IDBI Trusteeship Services Limited
Ground Floor, Universal Insurance Building,
Sir Phirozshah Mehta Rd, Fort,
Mumbai - 400 001
Tel.: 022 - 4080 7000
Website: www.idbitrustee.com
Email: itsl@idbitrustee.com

DEBENTURE TRUSTEE/ PUBLIC DEPOSIT TRUSTEE:

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No.85,
Bhusari Colony (Right), Kothrud,
Pune - 411038
Tel No.: 020 - 6680 7200
Website: www.catalysttrustee.com
Email: dt@ctltrustee.com

DIRECTORS' REPORT

Your Directors are glad to present the 33rd Annual Report and the audited accounts of your Company for the financial year ended March 31, 2023 ("FY 2022-2023").

FINANCIAL RESULTS

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

Particulars	FY 2022-2023	FY 2021-2022
Loans Disbursed during the year	84,252.07	74,155.93
Gross Assets under Management (AUM)	94,704.78	83,197.84
Assets sold under Securitisation	299.46	1,235.73
Gross Income	21,796.16	17,559.90
Profit (before extra-ordinary items)	2,172.78	2,237.41
Net Profit (after Tax)	1,708.12	1,741.97

(₹ in lakhs)

APPROPRIATION OF PROFITS

The operations of the Company have generated a Net Profit (after tax) of ₹ 1,708.12 lakhs (P.Y.: ₹ 1,741.98 lakhs) for the financial year ended March 31, 2023.

Your Directors propose to appropriate the same as under:

Particulars	FY 2022-2023	FY 2021-2022
Net Profit (after Tax)	1,708.12	1,741.97
Add: Balance Brought Forward	107.96	108.19
Add/(Less): Other Comprehensive Income	1.15	(92.14)
Disposable Profit	1817.23	1,758.02
Appropriations:		
- Dividend paid during the year	123.34	100.06
- Transfer to Statutory Reserve (As per Section 45-IC of RBI Act, 1934)	450.00	450.00
- Transfer to General Reserve	1,100.00	1,100.00
Balance Carried Forward	143.89	107.96

(₹ in lakhs)

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis forming part of this Report and attached to this Report as "Annexure I".

TRANSFER TO RESERVE FUND

Under section 45-IC (1) of Reserve Bank of India ("RBI") Act, 1934, non-banking financial companies ("NBFCs") are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of ₹ 450 lakhs to its reserve fund.

The Company, being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed debentures. However, the Company maintains sufficient liquidity buffer and asset cover at all times to fulfil its obligations under debenture documents.

SHARE CAPITAL

During FY 2022-2023, no new equity shares were issued by the Company.

As on March 31, 2023, the paid-up share capital of the Company stood at ₹ 1233.68 lakhs consisting of 1,23,36,846 equity shares of face value of ₹ 10 fully paid-up.

DIVIDEND

RBI vide its circular dated June 24, 2021 has laid down framework for declaration of dividend by NBFCs.

Accordingly, your Directors recommend for consideration of the members at the ensuing Annual General Meeting ("AGM"), payment of dividend of ₹ 1.00 per Equity Share for FY 2022-2023. The total dividend payable for FY 2022-2023 is ₹ 1,23,36,846.

The dividend recommended is in accordance with the principles and criteria set out in the Company's dividend distribution policy. Total dividend proposed for the year does not exceed the ceilings specified in said circular/RBI Master Directions.

The dividend, if declared, at the ensuing AGM will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer Notice of AGM.

FUNDING RESOURCES

i. Bank Facilities -

As on date, a consortium of bankers comprising of Bank of Maharashtra, IDBI Bank, Punjab National Bank, AU Small Finance Bank Limited and IDFC First Bank Limited are providing CC facilities of ₹ 6,500.00 lakhs. In addition, outside consortium, the Company has CC limits from Federal Bank, Kotak Mahindra Bank and HDFC bank of ₹ 700 Lakhs. The overall outstanding balance of the consortium and non-consortium CC Limit as on March 31, 2023 is ₹ 1,569.02 lakhs.

ii. Fixed Deposits -

As on March 31, 2023, total fixed deposits amounted to ₹ 18,565.36 lakhs, of which public deposits amounted to ₹ 17,367.78 lakhs. The following table provides the details of the flow of public deposits during FY 2022-2023:

Particulars	₹ in lakhs
Public Deposits at the beginning of the year	14,577.91
Less: Public deposits repaid/renewed during the year	6,623.62
Add: Public Deposits accepted / renewed during the year	9,413.49
Public Deposits at the end of the year	17,367.78

₹ 553.68 lakhs of deposits (from 224 deposit accounts) matured and were unclaimed as on March 31, 2023. All these were claimed/renewed subsequently except 6 deposit accounts belonging to same person amounting to ₹ 4.63 lakhs. Periodic reminders are being sent to the depositors for repayment/renewal of deposits.

iii. Term Loans -

Your Company has availed term loans for working capital from various lenders at favourable terms and at a reasonable rate of interest. The outstanding balance of such loans as on March 31, 2023 is ₹ 48,115.28 lakhs. The term loans offer ready availability, their repayments match maturity of receivables offered as security.

iv. Assets Securitised -

During the year your Company has not raised resources through securitization of receivables. The closing balance of assets securitized during earlier years as on March 31, 2023 is ₹ 299.46 lakhs.

v. Non-Convertible Debentures -

During the year, your Company has issued unlisted Non-Convertible Debentures ("NCDs") on private placement basis amounting to ₹ 4,000 lakhs and listed Non-Convertible Debentures ("NCDs") basis amounting to ₹ 3,000 lakhs.

The Company has been regular in the payment of principal / interest towards all the outstanding Non-Convertible Debentures. As on March 31, 2023 the total outstanding Secured NCDs stood at ₹ 14,641.10 lakhs.

REVIEW OF OPERATIONS

Financing of two-wheelers continues to be the mainstay product of your Company. Additionally, your Company offers other loan products like personal loans, used car loans and two-wheeler re-financing loans. During the period under review, your Company has started a new product Loan against Property on a pilot basis in select branches.

Your Company has a strong network and presence in rural and semi-urban India which has demonstrated strong growth potential and resilience in spite of multiple macro-economic challenges during the year. Your Company has recorded satisfactory growth in business with a 13.61% increase in disbursement and 24.12% increase in gross income during FY 2022-2023 compared to FY 2021-2022.

BRANCH NETWORK

During FY 2022-2023, your Company had opened 14 new branches - 1 in Maharashtra, 6 in Madhya Pradesh, 2 in Telangana, 3 in Chhattisgarh and 2 in Gujarat. As on March 31, 2023, besides the registered office situated at Nagpur, the Company had 115 branches comprising 42 in Maharashtra, 22 in Madhya Pradesh, 21 in Chhattisgarh, 17 in Telangana, 8 in Gujarat and 5 in Karnataka.

Your Company plans to add more branches during the financial year 2023-2024 as it seeks to increase its geographical coverage and expand its customer reach across strategic locations in Central, Western and Southern India.

RESERVE BANK OF INDIA GUIDELINES

Your Company has been following guidelines issued by the Reserve Bank of India (“RBI”) including those related to prudential norms for income recognition, asset classification, provisioning of bad and doubtful debts, capital adequacy and concentration of credit and investments. Your Company has a comfortable capital adequacy ratio of 26.33% (as against 15% prescribed by RBI) as on March 31, 2023. Under the regulatory framework of RBI, your Company is classified as **Systemically Important Asset Finance Company-Deposit Taking**.

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

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

The Liquidity Coverage Ratio (“LCR”) requirement was applicable from December 1, 2020 with the minimum High Quality Liquid Assets (“HQLA”) to be held being 50% of the LCR, progressively reaching a level up to 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively. The LCR of the Company was 164.62% against the LCR requirement of 70% as on March 31, 2023.

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm’s length basis. The Company did not enter into any material transaction with related parties under Section 188 of the Companies Act, 2013 (“Act”), during FY 2022-2023. Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as part of this Report vide **Annexure V (i)**. Further, the Company’s Policy on Related Party Transactions is attached as part of this report, vide “**Annexure V (ii)**”.

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

CREDIT RATING

The details of Credit Ratings assigned to various programmes of the Company by various agencies are as follows:

Sr. No.	Instrument	Rating by CARE Ratings Ltd.	Rating by ICRA Limited	Rating by Acuité Ratings & Research Limited
1.	Fixed Deposits Programme	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable); reaffirmed, put on notice for withdrawal for 6 months.	-
2.	Long Term Bank Facilities	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable); reaffirmed, withdrawn and removed from issuer non-cooperation category.	BBB+ Positive

3.	Long Term Bank Facilities – Term Loan (TL)	A- (CE); Stable	A- (CE) (Stable); Reaffirmed, withdrawn and removed from issuer non-cooperation category.	A (CE) Positive
4.	Non-Convertible Debentures	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable) reaffirmed and removed from issuer non-cooperation category*	-
5.	Market Linked Debentures	BBB+; Stable (Triple B Plus; Outlook: Stable)	PP - MLD [ICRA] BBB (Stable) Reaffirmed and removed from issuer non-cooperation category	-

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

LISTING ON STOCK EXCHANGES

The Company has issued Non-Convertible Debentures (NCDs) on private placement basis some of which are listed on the Wholesale Debt Market Segment of BSE Limited.

STATUTORY AUDITORS & AUDITORS' REPORT

In compliance with the RBI Guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company (“NBFC”) vide Circular RBI/2021-22/25 Ref. No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (“RBI Guidelines”), the Members of the Company appointed M/s. Manubhai & Shah LLP (Firm Registration No.: 106041W/W100136), Chartered Accountants, Ahmedabad as Statutory Auditors of the Company at the 32nd Annual General Meeting held on September 26, 2022 to hold office from conclusion of 32nd Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors. The Auditors Report on the financial statements of the Company for the year ended March 31, 2023 is self-explanatory and unmodified, i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

In terms of the RBI Master Direction – Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016, the Statutory Auditors have also submitted an additional report dated June 26, 2023 for FY 2022-2023. There were no comments or adverse remarks in the said report as well.

INTERNAL AUDITORS

The internal audit function provides an independent view to the Board of Directors, the Audit Committee and the senior management on the quality and efficacy of the internal controls, governance systems and processes. In line with the RBI’s guidelines on Risk Based Internal Audit, the Company has adopted a Risk Based Internal Audit Policy.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee. Pursuant to Risk Based Internal Audit Framework, internal audit is aligned in such a manner that assurance is provided to the Audit Committee and Board of Directors on quality and effectiveness of the internal controls, and governance related systems and processes.

The Audit Committee regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls. Significant audit observations, corrective and preventive actions thereon are presented to the Audit Committee on a quarterly basis.

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

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s. SPZ & Associates, Company Secretaries, Nagpur (Firm Unique Identification Number S2015MH305600) (“**Secretarial Auditor**”) to conduct Secretarial Audit for FY 2022-2023.

The Secretarial Audit Report for the financial year ended March 31, 2023 in Form MR-3 is attached to this report as “**Annexure II**” and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (“KMP”)

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

(A) Changes in Directors and KMP during the financial year:

(i) Appointments and Resignation of Directors:

Sr. No	Name of Director	Designation	Date of Approval of the Members	Remarks
1.	Mr. Siva Chidambaram Vadivel Alagan (DIN: 08242283)	Non-Executive Non - Independent Director liable to retire by rotation.	Extra-ordinary General Meeting held on April 18, 2022	Representative Director of private equity investor namely Maj Invest Financial Inclusion Fund III K/S.
2.	Ms. Rashmi Mitkary (DIN: 08960192)	Non-Executive Independent Director	Annual General Meeting held on September 26, 2022	Appointed for a second and final term of 2 (two) years effective from November 13, 2022 till November 12, 2024.
3.	Mr. Shantaram Mahakalkar (DIN No. 00379988)	Non-Executive Non-Independent Director, liable to retire by rotation.	Annual General Meeting held on September 26, 2022	Re-appointed on retiring by rotation.

During the financial year, no Director resigned from the Board of Directors of the Company.

(ii) Appointments and Resignation of KMP:

During the financial year, Mr. Yogesh Tahalyani resigned as the Chief Financial Officer (“**CFO**”) of the Company w.e.f. closure of business hours of October 22, 2022. Subsequently, the Board through resolution passed at its meeting held on March 30, 2023 designated Mr. Rangarajan Srinivasan, Vice-President (“**Treasury**”) as the Chief Financial Officer (“**CFO**”) of the Company with effect from April 01, 2023.

(B) Appointment of Non – Executive Director:

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors approved the appointment of Mr. Himanshu Joshi (DIN: 07214254) as Non-Executive Independent Director for a term of 1 (One) year w.e.f. June 1, 2023 subject to approval of members at the ensuing Annual General Meeting of the Company. He holds a valid registration certificate with the database of Independent Directors and has cleared the proficiency test for Independent Directors conducted by the Indian Institute of Corporate Affairs.

The Board is of the opinion that Mr. Himanshu Joshi is a person of integrity, expertise, and competent experience and proficiency to serve the Company as an Independent Director that can strengthen the overall composition of the Board.

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

Mr. Avishek Addy (DIN No. 07973542), Non-Executive Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for reappointment.

Pursuant to provisions of section 149(7), all Independent Directors have submitted the declaration of independence, confirming that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Further, the Independent Directors have complied with the Code applicable for Independent Directors as stipulated under Schedule IV of the Companies Act, 2013 and have registered their name in the data bank of Independent Directors and have also passed the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs (IICA).

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

(D) Changes in Key Managerial Personnel:

Mr. Rangarajan Srinivasan resigned as the CFO of the Company w.e.f. closure of business hours of August 04, 2023. He continues to be associated with the Company in the capacity of Vice-President (“Treasury”). Further, the Board at its meeting held on August 12, 2023 appointed Mr. Ravindra Dorle, Vice President (Accounts) as the CFO of the Company with immediate effect.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors has carried out an annual performance evaluation of the Board, Chairman of the Board, its Committees, Managing Director and individual Directors based on the questionnaires duly filled in by the members of the Board. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition, administration, effectiveness of control systems, and flow of information etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Board Members on the basis of the criteria such as the composition of committees, amount of responsibility delegated to the Committees, independence of Committees etc. The performance of the Chairman of the Board and Managing Director was evaluated by the Board members after seeking inputs on the basis of the criteria such as attendance, leadership qualities, and compliance with policies etc. The Board of Directors reviewed the performance of the other individual Directors on the basis of the criteria such as the attendance and participation in the meetings, raising of valid concerns to the Board, relations with other Directors and Management and Understanding of the Company and the external environment in which it operates and contribution to strategic direction etc.

The Nomination and Remuneration Committee evaluated the performance of all the Directors of the Company, the Board and its Committees based on the questionnaires received from all the Directors and expressed its satisfaction on their overall performance.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole, and performance of the Chairperson were evaluated taking into account the views of Executive and Non-Executive Directors. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

REPORT ON CORPORATE GOVERNANCE

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

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

STATUS OF COMPOUNDING APPLICATION FILED WITH NATIONAL COMPANY LAW TRIBUNAL (“NCLT”), MUMBAI

As informed in the previous Boards’ report dated August 12, 2022, the Board had *suo-moto* floated an Exit Offer Scheme where an invitation to Offer was given to the identified shareholders by Mr. Maroti Jawanjar and Mr. Sandeep Jawanjal to sell their shares at a pre-determined price, as a remediation measure against the arguable non-compliance of the regulatory requirements during the Allotments made by the Company between 1990 and 2005.

After, the successful completion of exit offer, the Company has approached the Hon’ble National Company Law Tribunal, Mumbai Bench for compounding of the aforesaid offence voluntarily and there is no further update in the said matter since the last Board’s report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) and Section 134(5) of the Act, your Directors confirm that:

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

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

Your Company has adopted the Policy on Remuneration of Directors and the Remuneration Policy for Key Managerial Personnel and Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Act. The Nomination & Remuneration Policy mainly covers the criteria for determining qualifications, positive attributes and independence of a Director and the Remuneration policies for Directors, Key Managerial Personnel and other senior managerial employees, functionality of Nomination & Remuneration committee and to administer and supervise the Employee Stock Option Plans of the Company. The said Policy is available on the Company's website <https://www.berarfinance.com/investors.html>

Further, RBI has vide its circular dated 29 April 2022 issued Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs pursuant to revised regulatory framework for NBFC (SBR). Accordingly, the Board of Directors at their meeting held on May 30, 2023 based on the recommendation of Nomination and Remuneration Committee, adopted a policy exclusively governing compensation payable to Key Managerial Personnel and Senior Management. This Policy lays down detailed framework, inter alia, encompassing the following:

- Principles for determination of compensation;
- Compensation components;
- Principles of variable pay;
- Deferral of variable pay;
- Compensation for control and assurance function personnel; and
- Provisions for malus and clawback and circumstances under which application of malus and clawback is to be considered.

RISK MANAGEMENT

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

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

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

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

INTERNAL FINANCIAL CONTROLS

Internal Financial Controls laid down by the Company is a systematic set of controls and procedures to ensure orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Internal financial controls not only require the system to be designed effectively but also to be tested for operating effectiveness periodically. The internal financial control with reference to the financial statements were tested and reported adequate and operating effectively. The internal financial controls are commensurate with the size, scale and complexity of operations.

HUMAN RESOURCES AND EMPLOYEES STOCK OPTIONS PLAN:

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

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

In order to reward performance and elicit long term commitment of the employees towards the growth of the Company the "Berar Employee Stock Option Plan, 2019" ("**ESOP 2019**"/"Plan") was introduced with the approval of Board & Shareholders in FY 2019-2020.

During the period under review, 28,800 options were vested with the employees to whom stock options were granted under the Plan.

The summary of status of ESOP 2019 as required under the Indian Accounting Standard (Ind AS) 102 - Share-based Payment is annexed as "**Annexure VI**" and forms part of this report.

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

(a) Conservation of Energy

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

(b) Technology Upgradation:

The Company has considerably focused on introducing advanced technologies like Cloud Computing, Artificial Intelligence (AI) and Mobile applications etc. to change the operational model from manual processing to smart & automated processing providing new revenue and value-producing opportunities moving towards digitalization and automation. To upgrade the Network security the Company has transitioned its network (Head Office, Official Website & Payment Gateway) from IPV4 to IPV6 in dual stack environment.

The Company has appointed 'Autonom8 Inc.' as Technology Partner to implement a new "Cloud Based Loan Origination System" to assist Business users accelerate the lending process. To outsource the software services the Company has also appointed Cleartouch Solutions (TCN) for Call Centre Solutions, Technovation IT Consultants & Services to implement advanced Cyber Security Solutions & IT Infra Upgradation, Arotalk Global Pvt. Ltd. for "Service portals", "Genuine Windows, MS365 Licenses", "Helpdesk System with Mini CRM implementation", Envee Solutions for "Oracle NetSuite Accounting Software" implementation and Sensei for "Fixed Deposit Solution" implementation.

The Company is majorly concentrating on operational cost optimization by reducing the unrequired expenses and to improve their operational efficiencies across different touch points to save time, cost, and resources. The Company is also focusing to upskill its employees to understand the dynamic business conducting relevant trainings on technologies, information security and best practices to be followed to achieve self-reliance and avail secured work environment.

(c) Foreign Exchange Earning & Outgo:

During FY 2022-2023, the Company did not have any foreign exchange earnings but the foreign exchange outgo in terms of actual outflow amounted to ₹ 57.66 lakhs.

CORPORATE SOCIAL RESPONSIBILITY:

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

The CSR Policy is uploaded on the Company's website at the web link:

https://www.berarfinance.com/investors.html/pdf/policies/csr/corporate_social_responsibility_policy.pdf

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

Further, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY 2022-2023.

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

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

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

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

SECRETARIAL STANDARDS OF INSTITUTE OF COMPANIES SECRETARIES OF INDIA

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

MAINTENANCE OF COST RECORDS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

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

ANNUAL RETURN

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at https://www.berarfinance.com/pdf/agm/agm-23/mgt_7_annual_return_2022_2023.pdf

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of your Company during the FY 2022-2023.

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

During the period under review, there were no significant or material orders passed by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

OTHER STATUTORY DISCLOSURES

- Information pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under Rule 5(3) of the said Rules, forms part of this report and is annexed to this report as “**Annexure VII**”.
- The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.
- The auditors, i.e., statutory auditors and secretarial auditors have not reported any matter under section 143(12) of the Act, and therefore, no details are required to be disclosed under section 134(3)(ca) of the Act.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principle of any of its debt securities.
- As on March 31, 2023, there is no amount remaining unclaimed in respect of non-convertible debentures.
- Your Company, being an NBFC registered with the RBI, the provisions of Section 185 of the Act are not applicable to the Company.
- No application was made under the Insolvency and Bankruptcy Code, 2016 during the year, therefore there is no requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year.
- Disclosures pursuant to RBI Master Directions, unless provided in the Directors’ Report, form part of the notes to the standalone financial statements.

Annexures forming part of this Report:

1. Management Discussion and Analysis: **Annexure I**
2. Secretarial Audit Report: **Annexure II**
3. Report on Corporate Governance: **Annexure III**
4. Annual Report on CSR Activities: **Annexure IV**
5. Form AOC-2: **Annexure V(i)**
6. Related Party Transaction (“RPT”) Policy: **Annexure V(ii)**
7. Disclosure under the Indian Accounting Standard (Ind AS) 102 - Share-based Payment: **Annexure VI**
8. Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: **Annexure VII**

ACKNOWLEDGEMENT

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

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

For and on behalf of Board of Directors

Date: August 12, 2023
Place: Nagpur

M.G. Jawanjar
Chairman
DIN: 00379916

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

On the global front, economic activity remained largely resilient during FY 2023, amidst geo-political tension and hostilities, persistence of inflation at elevated level, tight financial conditions and turmoil in the banking system in some advanced economies. The year started with the impact of Russia-Ukraine war that resulted in a sharp commodity price surge leading to inflationary pressures.

In the second half of 2022-2023, global growth was stronger than anticipated, reflecting pent-up demand, accumulated household savings, labour market gains, easing supply bottlenecks and short correction in energy prices. With this, the global economy turned for better outlook amid resurgent hopes.

Indian Economy

Indian economic growth in FY 2023 was robust. The growth estimate for India is higher than almost all major economies and even slightly above the average growth of the Indian economy in the leading up to the pandemic. But the level of inflation was a cause of concern; rising from 5.5% in FY 2022 to 6.7% during FY 2023, largely due to rising commodity prices as well as local weather conditions which kept the food prices at higher level.

Market Scenario

Your Company's primary business is financing two - wheelers with focus on semi-urban and rural areas. The domestic two-wheeler industry posted a year on year double digit growth in FY 2022-2023 after 3 consecutive years of decline. Furthermore, electric two-wheelers are experiencing steady demand. Two-wheelers are accepted as mode of transport for individuals as also for agri-produce.

Outlook

As the market and customer expectations mature, differentiated customer acquisition and deeper customer engagement throughout the lifecycle will assume importance with technology being a key enabler towards achieving this. Your Company with a diversified product suite with products such as 2 wheelers loans, car finance, personal loan and loan against property is well positioned to chart a growth path for fiscal 2024 and expects a sustained growth in business and profitability.

Your Company added 14 branches during FY 2022-2023, thereby increasing its network to 115 branches. With the increase in branch network and sound branch infrastructure, the Company is ready to take advantage of the improved business sentiments.

Your Company expects to improve its performance in FY 2023-2024 and sustain its growth trajectory. The approach would be to continue with the growth momentum while balancing risks. With a view to meet its growth plans the Company will continue to tap diverse source of funds including equity, debt and public deposits to maintain an optimal capital structure.

Performance during the Financial Year 2022 - 2023

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

			(₹ in Lakhs)
Particulars	FY 2021-2022	FY 2022-2023	% Change
Total Income	17,559.90	21,796.16	+24.12
Total Cost	15,322.49	19,623.38	+28.07
Profit Before Tax	2,237.41	2,172.78	-2.89
Profit after Tax	1,741.97	1,708.12	-1.94
Earnings per Share (Fig. in ₹)			
Basic	17.28	13.85	-
Diluted	17.18	13.79	-

The decline in profit for current year is due to increase in cost of new branches and change of accounting of certain incomes from accrued basis to cash basis.

Risk Management

The Company promotes a strong risk culture that is embedded across the organisation. At the highest level, the Board of Directors has established a Risk Management Committee (RMC), which assists the Board in maintaining oversight and review of the risk management principles and policies, strategies, risk appetite, processes, and controls.

The Company prioritises risk management to protect the interest of customers, colleagues, shareholders, and the Company while ensuring sustainable growth. Our risk management framework aligns with industry standards, and a strong control framework forms the foundation for effective risk management. The Risk Management Committee identifies major risk classes, including Credit, Market, legal and regulatory, operational, liquidity, interest rate, cyber security, information technology, strategic, and economic risks. We address increasingly complex risks through our risk management system, which conducts risk analysis and implements preventive measures. Our risk-focused culture is supported by standards, guidelines, processes, procedures, and controls. Policies are reviewed and approved by the Board and its Committees encompassing independent identification, assessment, and management of risk across business verticals. Our philosophy is to ensure a sustainable and ethical business environment, reflected in our risk management practices.

Your Company is exposed to various risks that are an inherent part of any financial service business. The Company has a policy to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with business. The Company's risk management framework is well dimensioned and managed based on a clear understanding of various risks, disciplined risk assessment, measurement procedures and continuous monitoring.

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

Customer Service

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

Customer enquiries and complaints are attended instantly. The Company is known for its customer friendly and transparent finance schemes. There are committed employees at Head Office level as well as branch level to attend to customer enquiries, to offer prompt services and address customer's complaints promptly.

The Company has a dedicated team for customer relationship that deals with the concerns or complaints raise by the customers. It has implemented the grievance redressal mechanism, the RBI Integrated Ombudsman scheme and Internal Ombudsman ("IO") scheme within the organisation to deal with the unresolved concerns and complaints. More recently, the RBI introduced the Internal Ombudsman scheme extended to NBFCs on a selective basis in which the IO at the apex of the NBFC's shall independently review the resolution provided by the NBFC in the case of wholly or partially rejected complaints. The Company has appointed an IO who independently reviews the resolution provided by the Company in the case of wholly or partially rejected complaints.

Annexure II
Form No. MR- 3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
 For the Financial year ended 31st March, 2023

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2023 duly complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for financial year ended 31st March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchanges Board of India Act, 1992 ("SEBI Act") to the extent applicable i.e.
 - The Listing Agreement entered into by the Company with BSE Limited with respect to Non-Convertible Debentures issued by the Company read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***(Not Applicable to the Company during the audit period)***
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; ***(Not Applicable to the Company during the audit period)***
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; ***(Not Applicable to the Company during the audit period)***
 - The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; ***(Not Applicable to the Company during the audit period)***
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***(Not Applicable to the Company during the audit period)***

- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; ***(Not Applicable to the Company during the audit period)***

- (vi) Applicable Secretarial Standards issued by the Institute of Company Secretaries of India;
- (vii) Rules, regulations and guidelines issued by the Reserve Bank of India from time to time as are applicable to Deposit taking Non-Banking Financial Companies (Hereinafter called as “Applicable Act, Rules, Regulations, Guidelines, Standards, and Directions”)

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

We further report that -

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

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

We further report that there ***are adequate systems and processes*** in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the Applicable Act, Rules, Regulations, Guidelines, Standards, and Directions.

We further report that during the audit period;

- 1) In the Extra-Ordinary General Meeting (“EGM”) held on 18th April, 2022, following resolutions were passed:
 - The amendment, re-statement and entrenchment of the Articles of Association of the Company.
 - Appointment of Mr. Siva Chidambaram Vadivel Alagan (DIN: 08242283) as a Director liable to retire by rotation.
- 2) In the Board Meeting held on 30th May, 2022, the Board has approved Annual Financial Statement of the Company for the financial year ended 31st March, 2022.
- 3) In the Board Meeting held on 30th May, 2022, the Board has appointed M/s SPZ & Associates, Company Secretaries (Firm Unique Identification Number - S2015MH305600) as Secretarial Auditors of the Company for FY 2022-2023.
- 4) In the Board Meeting held on 29th July 2022, the Board has accorded for issue and allotment of 40,000 (Forty Thousand) rated, secured, senior, unlisted, transferable, taxable, redeemable, non-convertible debentures denominated in Indian Rupees (“INR”) having a face value of INR 10,000 (Indian Rupees Ten Thousand) each and an aggregate face of INR 40,00,00,000 (Indian Rupees Forty Crore) on private placement basis to SK Finance Limited and MAS Financial Services Limited.
- 5) The Board of Directors of the Company vide Circular Resolution No. 2/2022-2023 dated 05th August 2022 approved the allotment of 40,000 (Forty Thousand) rated, secured, senior, unlisted, transferable, taxable, redeemable, non-convertible debentures denominated in Indian Rupees (“INR”) having a face value of INR 10,000 (Indian Rupees Ten Thousand) each and an aggregate face of INR 40,00,00,000 (Indian Rupees Forty Crore) on private placement basis to SK Finance Limited and MAS Financial Services Limited.
- 6) In the Board Meeting held on 12th August 2022, the Board has adopted the Director’s Report for the Financial Year ended on 31st March, 2022.
- 7) In the Board Meeting held on 05th September 2022, the Board has accorded for issue and allotment of 300 (Three Hundred) rated, senior, secured, listed, transferable, redeemable, non-convertible debentures denominated in Indian Rupees (“INR”) having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of INR 30,00,00,000 (Indian Rupees Thirty Crore) on private placement basis to Unifi AIF.
- 8) In the Board Meeting held on 5th September, 2022, the Board has noted the resignation of Mr. Yogesh Tahalyani as Chief Financial Officer (CFO) of the Company with effect from closure of business hours on 22nd October, 2022.

- 9) The Board of Directors of the Company vide Circular Resolution No.3/2022-2023 dated 16th September 2022 approved the allotment of 300 (Three Hundred) rated, senior, secured, listed, transferable, redeemable, non-convertible debentures denominated in Indian Rupees (“INR”), having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of INR 30,00,00,000 (Indian Rupees Thirty Crore) on a private placement basis to Unifi AIF.
- 10) In the Thirty-Second Annual General Meeting held on 26th September 2022, following resolutions were passed:
- Re-appointment of Mr. Shantaram Krishnarao Mahakalkar (DIN: 00379988), as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
 - Appointment of M/s Manubhai & Shah LLP (Firm Registration No. 106041W/W100136), Chartered Accountants, Ahmedabad as Statutory Auditors of the Company.
 - Re-appointment of Ms. Rashmi Mitkary (DIN: 08960192) as Independent Director of the Company.
- 11) In the Board Meeting held on 30th March, 2023, the Board has approved the appointment of Mr. Rangarajan Srinivasan, Vice-President (“Treasury”) as Chief Financial Officer (“CFO”) of the Company with effect from 1st April, 2023.

This Secretarial Audit Report is being issued on 13th July, 2023.

For SPZ & Associates
Company Secretaries

CS Sunil Zore
Certificate of Practice. No. 11837
Membership Number: 22144
Firm Unique Identification Number: S2015MH305600
Peer Review Certificate Number: 965/2020
ICSI UDIN: A022144E000601074

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

Annexure A to the Secretarial Audit Report

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

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

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

This letter is being issued on 13th July, 2023.

For SPZ & Associates
Company Secretaries

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

Annexure III

REPORT ON CORPORATE GOVERNANCE

Corporate Governance creates and enhances long term sustainable value for the stakeholders through ethically driven business process. It promotes fairness, transparency, accountability, commitment to values, ethical business conduct and prioritizing all stakeholders' interest while conducting business.

This report outlines compliance with requirements of the Companies Act, 2013 as amended (the 'Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI Listing Regulations') and the Regulations of the Reserve Bank of India ('RBI') for Non-Banking Financial Companies (the 'RBI Regulations'), as applicable to the Company.

Company's Philosophy on Corporate Governance:

Corporate governance aims at facilitating effective monitoring and efficient control of business. A strong and effective corporate governance helps to develop your Company's culture of integrity, leading to positive performance and a sustainable business overall.

Key elements of Company's Corporate Governance:

- Compliance with applicable laws.
- Number of Board and Committee meetings are more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans and risks.
- Board comprises of Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- Separate meeting of independent directors without presence of non-independent directors or Executive Management.
- Independent discussions by the Audit Committee members with Chief Internal Auditor without presence of Managing Director and Senior Management on a quarterly basis.
- Confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board as a whole.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.

1) Board of Directors:

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

i. The Composition of the Board as on March 31, 2023 is as follows:

Sl. No.	Name of Director	Director since	Capacity	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in the Company
					Held	Attended		Salary and other compensation (Rs. in Lakh)	Sitting Fee (Rs. in Lakh)	Commission (Rs. in Lakh)	
i.	Mr. Maroti Jawanjar	22/08/1990	Promoter and Executive Chairman	00379916	8	8	0	45.2	-	40.56	10,22,894
ii.	Mr. Shantaram Mahakalkar	25/09/2002	Non-Executive Director	00379988	8	7	0	-	0.28	-	29,900
iii.	Mr. Vishwas Pathak	01/09/1990	Independent Director	00452917	8	7	0	-	0.38	-	24,600
iv.	Mr. Atul Sarda	05/04/2008	Independent Director	02161209	8	8	0	-	0.60	-	13,200

v.	Ms. Rashmi Mitkary	13/11/2020	Independent Director	08960192	8	8	0	-	0.34	-	-
vi.	Mr. Avishek Addy	19/01/2021	Non- Executive Director	07973542	8	8	3	-	-	-	-
vii.	Mr. Harishchandra Sukhdeve	23/08/2021	Non- Executive Director	09289094	8	6	0	-	0.22	-	-
viii.	Mr. Siva Vadivel Alagan	21/03/2022	Non- Executive Director	08242283	8	6	3	-	-	-	-
ix.	Mr. Sandeep Jawanjal	01/04/2007	Promoter and Managing Director	01490054	8	8	0	40.49	-	37.44	3,29,718

Details of Directorship in other entities of director(s) as on March 31, 2023 (except Berar Finance Limited):

Mr. Avishek Addy holds directorship in the following companies:

1. Opendoors Fintech Private Limited;
2. D2C Insurance Broking Private Limited; and
3. Altum Credo Home Finance Private Limited.

Mr. Siva Vadivel Alagan holds directorship in the following companies:

1. SAVE Solutions Private Limited;
2. SAVE Microfinance Private Limited; and
3. SAVE Financial Services Private Limited.

Notes:

- i. As on March 31, 2023, there are no convertible instruments issued by the Company and as a result none of the Directors hold any convertible instrument.
- ii. All independent Directors confirmed that they meet the criteria of independence and all the directors provided the fit and proper declaration as per RBI regulation.
- iii. Except Mr. Maroti Jawanjar who is the father of Mr. Sandeep Jawanjal, no other directors are related to each other.
- iv. Except Mr. Harishchandra Sukhdeve, all the Directors attended the AGM held on September 26, 2022.

Details of change in composition of the Board during the year under review and previous year i.e., from April 01, 2021 to March 31, 2023 is given below:

Sl. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Mr. Ashok Ghanshyam Kachore (DIN: 00380102)	Non-Executive- Director	Resignation	July 08, 2021
2.	Mr. Harishchandra Sukhdeve (DIN: 09289094)	Non-Executive- Director	Appointment	August 23, 2021
3.	Mr. Dattatraya Dalal (DIN: 00380199)	Non-Executive- Director	Resignation	March 09, 2022
4.	Mr. Siva Vadivel Alagan (DIN: 08242283)	Non-Executive- Director	Appointment	March 21, 2022

After the closure of the Financial Year 2022-2023 till the date of this report, the below mentioned change took place in the composition of the Board of Directors:

Sl. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Mr. Himanshu Joshi (DIN: 07214254)*	Independent Director	Appointment	June 01, 2023

*Appointed as Additional Director in the category of Independent Director.

ii. **The brief description consisting of skills and domain expertise of the Board of Directors of the Company are as under:**

The brief profile of Board members of the Company is hosted on website of the Company and can be accessed at <https://www.berarfinance.com/investors.html/management.html>.

The table summarizes the key skills and attributes to identify, select and nominate the candidate to serve on the Board of the Company.

Sl. No.	Particulars	Description
1.	Business	Experience and understanding of the industry, business environment, economic conditions, strategic thinking, etc.
2.	Corporate Governance	Maintaining Board and management accountability, environmental awareness, ethical behaviour, policies adoption for governance, etc.
3.	Financial	Knowledge and understanding of finance management, ability to read and understand financial statements, etc.
4.	Leadership	Leadership ability in regular and complex business environment, management, decision making, strategy formulation abilities, etc.
5.	Risk Management	Experience and understanding of industry & business, market scenario, ability to quantify risks and choose mitigation strategy, etc.

iii. **Remuneration of Directors:**

The Nomination and Remuneration Committee (“NRC”) reviews and assesses Board composition and recommends the appointment of new Directors. Based on recommendations of the NRC, the Board evaluates the candidate(s) and decide on the selection of the appropriate member.

The NRC while determining the remuneration of the Directors ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully. The criteria of making payments to Director has been stipulated in NRC Policy of the Company. The said Policy is available on the Company’s website <https://www.berarfinance.com/investors.html/investors.html>

The Non-executive Directors are entitled to receive sitting fees for attending Board Meetings and Committees Meeting and profit related commission, if any, approve by the shareholders of the Company and as determined by the Board of Directors, from time to time. The remuneration to the Managing Director and Whole-Time Director(s) is paid as determined by the NRC/Board of Directors and also approved by the shareholders at the General Meeting.

iv. **Board Meeting**

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

8 (Eight) Board Meetings were held during the financial year ended March 31, 2023. The dates of the Board meetings held are as under:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	April 28, 2022	5.	September 5, 2022
2.	May 30, 2022	6.	December 23, 2022
3.	July 29, 2022	7.	February 14, 2023
4.	August 12, 2022	8.	March 30, 2023

2) **Committees of the Board and their composition**

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as the case may be. The Board has established the following statutory and non-statutory Committees in line with the Companies Act, 2013 and Rules made thereunder and Master Directions of Reserve Bank of India:

i. Audit Committee:

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

During the year under review, the Committee met Six (6) times on May 30, 2022, July 28, 2022, August 12, 2022, December 23, 2022, February 14, 2023 and March 30, 2023.

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

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Atul Sarda	May 27, 2014	Independent Director as Chairman of the Committee	6	6	13,200
2.	Mr. Vishwas Pathak	May 27, 2014	Independent Director as Member	6	6	24,600
3.	Ms. Rashmi Mitkary	January 19, 2021	Independent Director as Member	6	6	-
4.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	6	6	-
5.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	6	3	-

The Company Secretary acts as Secretary to the Audit Committee.

The Board has accepted all the mandated recommendations made by the Audit Committee during the year. Besides the members of the Committee, meetings of the Audit Committee are attended by the Invitees, the representatives of the Statutory Auditors, the Head-Internal Audit and Chief Financial Officer of the Company etc.

ii. Risk Management Committee :

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

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

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

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

During the year under review, the Committee met Four (4) times on May 30, 2022, August 12, 2022, December 23, 2022 and March 30, 2023.

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

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Maroti Jawanjar	May 27, 2014	Executive Chairman as Chairman of the Committee	4	4	10,22,894
2.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	4	3	3,29,718
3.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	4	4	-
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	4	2	-

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

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

iii. Asset-Liability Management (ALM) Committee:

The Board has set up Asset-Liability Management (ALM) Committee pursuant to the requirement of the Reserve Bank of India which regularly reviews the Company's assets and liabilities. The classification of assets and liabilities by the Company into various maturity buckets reflects adjustments for prepayments and renewals in accordance with the guidelines issued by Reserve Bank of India.

During the year under review, the Committee met Four (4) times on May 30, 2022, August 12, 2022, December 23, 2022 and March 30, 2023.

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

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Maroti Jawanjar	May 27, 2014	Executive Chairman as Chairman of the Committee	4	4	10,22,894
2.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	4	4	3,29,718
3.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	4	4	-
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	4	2	-

The Company Secretary acts as Secretary to the ALM Committee.

iv. Nomination and Remuneration Committee:

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

The broad terms of reference of this Committee include recommending a Policy relating to remuneration and employment terms of Managing Directors, Executive Directors, senior management personnel, adherence to the remuneration and employment policy, preparing the criteria, identifying persons who may be appointed as Directors or senior management of the Company, administering Employee Stock Option Plan and evaluation of performance of Directors of the Company, Committees of the Board and Board as a whole.

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

During the year under review, the Committee met Three (3) times on April 28, 2022, August 10, 2022 and March 30, 2023.

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

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Vishwas Pathak	May 27, 2014	Independent Director as Chairman of the Committee	3	2	24,600
2.	Mr. Atul Sarda	May 27, 2014	Independent Director as Member	3	2	13,200
3.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	3	2	-
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	3	2	-

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

v. Information Technology (IT) Strategy Committee:

The Company has constituted IT Strategy Committee pursuant to the RBI Master Direction RBI/DNBS/2016-17/53 DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017 pertaining to “Information Technology Framework for the NBFC Sector”.

During the year under review, the Committee met two (2) times on September 26, 2022 and February 23, 2023.

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

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Atul Sarda	March 22, 2021	Independent Director as Chairman of the Committee	2	2	13,200
2.	Mr. Sandeep Jawanjal	March 22, 2021	Managing Director as Member	2	2	3,29,718
3.	Mr. Amar Helonde	March 22, 2021	IT Manager as Chief Technology Officer(CTO) and Chief Information Officer(CIO)	2	2	-

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

During the year under review, the Committee was apprised, inter alia, on IT Infrastructure upgradation, Security Overview, IT strategy review, implementation status of Cloud Solutions and accounting software, new software requirements, digital solutions, data migration activity, new policy creation activity, and digitalisation of IT processes.

vi. Stakeholders Relationship Committee:

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

During the year under review, the Committee met Five (5) times on April 2, 2022, June 14, 2022, July 18, 2022, October 14, 2022 and January 17, 2023.

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

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Shantaram Mahakalkar	May 27, 2014	Non-Executive Director as Chairman of the Committee	5	5	29,900
2.	Mr. Harishchandra Sukhdeve	August 23, 2021	Non-Executive Director as Member	5	5	-
3.	Mr. Maroti Jawanjar	March 21, 2022	Executive Chairman as Member	5	5	10,22,894

The Company Secretary acts as Secretary to the Stakeholders Relationship Committee.

The status and details of the investor complaints received during the Financial Year 2022-23 are as follows:

PARTICULARS OF INVESTOR COMPLAINTS	NUMBER OF COMPLAINTS
No. of Complaints received during the year	0
No. of Complaints disposed off during the year	0
No. of Complaints not resolved to the satisfaction of investors	0
No. of Pending Complaints	0

vii. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee has formulated a Corporate Social Responsibility Policy indicating the CSR activities to be undertaken by the Company in accordance with the Annual Action Plan for each financial year approved by the Board. The terms of reference of the CSR Committee include recommending to the Board the amount of expenditure to be incurred on the CSR activities and monitoring the implementation of the CSR Policy from time to time. The CSR Policy of the Company, incorporating the recent changes, as approved and adopted by the Board, has been posted on the website https://www.berarfinance.com/investors.html/pdf/policies/csr/corporate_social_responsibility_policy.pdf

During the year under review, the Committee met Four (4) times on April 28, 2022, August 10, 2022, December 07, 2022 and March 11, 2023.

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

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Maroti Jawanjar	May 27, 2014	Executive Chairman as Chairman of the Committee	4	4	10,22,894
2.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	4	4	3,29,718
3.	Mr. Vishwas Pathak	May 27, 2014	Independent Director as member	4	3	24,600
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as member	4	4	-

The Company Secretary acts as Secretary to the CSR Committee.

viii. Fund Management Committee:

The Board of Directors of the Company has constituted Fund Management Committee (“Committee”) and delegated the following powers to the Committee:

- To avail an aggregate borrowing facility (fund based and non –fund based) which includes various credit facilities by way of overdrafts, cash credits, term loans, letter of credits, guarantees including deferred payment guarantees and indemnities, negotiation and discounting of demand and/or usance bills and cheques (inland as well as foreign) and such other facilities as may be agreed upon from time to time between the lenders and the Company.
- To authorize sell, transfer and assign the standard loan receivables originated by the Company through securitization or direct assignment route.

During the year under review, the Committee met 10 (Ten) times on May 04, 2022, June 13, 2022, July 28, 2022, August 16, 2022, September 15, 2022, October 17, 2022, October 28, 2022, November 23, 2022, January 19, 2023 and February 17, 2023.

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

Sl. No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of Equity shares held in the Company
				Held	Attended	
1.	Mr. Maroti Jawanjar	November 23, 2019	Executive Chairman as Chairman of the Committee	10	10	10,22,894
2.	Mr. Sandeep Jawanjal	November 23, 2019	Managing Director as Member	10	9	3,29,718
3.	Mr. Atul Sarda	April 28, 2022	Independent Director as member	10	9	13,200

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

3) Independent Directors Meeting

During the year under review the Independent Directors met on March 29, 2023, *inter alia* to discuss:

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

All the Independent Directors were present at the meeting. The meeting was conducted without the presence of Non-Independent Directors and members of senior management.

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

Financial Year	Day	Date	Time (IST)	Venue
2021-2022	Monday	September 26, 2022	04.00 P.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
2020-2021	Monday	September 27, 2021	04.00 P.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
2019-2020	Monday	September 28, 2020	11.00 A.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

Details of the Special Resolutions passed at the AGM held during the last three years:

Sr. No.	Detail of resolutions	Date of passing	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1	To approve the amendment, re-statement and entrenchment of the Articles of Association of the Company.	28.09.2020	56,94,211	0	100 %	0%
2	To authorize the issuance of Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Shares.	28.09.2020	56,94,211	0	100 %	0%
3	To approve issuance of Tranche 2 Series A Equity Shares and Tranche 2 Series A CCPS through Private Placement.	28.09.2020	56,94,211	0	100 %	0%
4	Appointment of Mr. Maroti Gendaru Jawanjar (DIN: 00379916) as Executive Chairman of the Company	27.09.2021	66,62,048	0	100%	0%
5	Reappointment of Ms. Rashmi Mitkary (DIN: 08960192) as Independent Director of the Company	26.09.2022	68,12,071	0	100%	0%

The Special Resolutions were passed through E-voting and remote E-voting at AGM as per the procedure prescribed under Section 108 of the Act read with Companies (Management and Administration) Rules, 2014 under the overall supervision of the Scrutinizer, Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837), Nagpur.

All the resolutions were passed by the shareholders with requisite majority.

II. Extraordinary General Meeting (EGM):

During the Financial year ended March 31, 2023 the EGM of the shareholders of the Company was held on Monday, April 18, 2023 at 12.30 P.M.(IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') and the following Special Resolution was passed:

Sr. No.	Detail of resolution	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1.	Approving the amendment, re-statement and entrenchment of the Articles of Association of the Company	53,78,487	0	100%	0%

Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837) Nagpur was appointed as the Scrutinizer for the purpose of scrutinizing the remote e-voting process along with e-voting during the EGM, in a fair and transparent manner.

The resolution was passed by the shareholders with requisite majority.

III. Annual General Meeting Information:

AGM Date, Time and Venue	September 25, 2023 at 3.30 P.M. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') (Deemed Venue: Registered office)
Financial Year	April 01, 2022 to March 31, 2023
Dividend Payment Date	Within 30 days from declaration of dividend

Registrar and Share Transfer Agent	Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093
Debenture Trustees	IDBI Trusteeship Services Limited Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Rd, Fort, Mumbai, Maharashtra - 400 001 Catalyst Trusteeship Limited "GDA HOUSE", first floor, Plot no.85, S. No. 94 & 95, Bhusari Colony (right), Kothrud, Pune-411 038
Address for Correspondences	The Company Secretary & Compliance Officer, Berar Finance Limited, Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur - 440012, Maharashtra
Name and Address of the Stock Exchange(s)	Privately Placed Debentures are Listed on BSE Limited P J Towers, Dalal Street, Fort, Mumbai – 400 001 Annual Listing Fees to the stock exchange have been paid for the financial year ended March 31, 2023
Scrip Code / ISIN [listed during FY 2022-23]	Scrip Code: 973024 ISIN: INE998Y07071 Scrip Code: 973106 ISIN: INE998Y07089 Scrip Code: 974200 ISIN: INE998Y07139
Share Transfer System	Transfers of securities is done through the depositories with no involvement of the Company.
Credit Rating	The details of Credit Ratings are part of the Board's report.

5) Means of Communication:

The Company has provided adequate and timely information to its stakeholders or public at large, interalia, through the following means:

- i. **Publication of quarterly /annual financial results:** The quarterly and annual financial results of the Company are published in the English national daily newspaper circulating in the whole or substantially the whole of India viz. Financial Express and Indian express and in the vernacular language where the registered office of the Company is situated viz. Loksatta.
- ii. **Update on official website:** The Company hosts financial results, Annual Reports, intimations made to stock exchange, press releases, CSR activities, policies, codes and procedures and other disclosures on its website under investor section and CSR section for the Company's investors and other stakeholders.
- iii. **Management's Discussion and Analysis Report:** is annexed with this Board Report.
- iv. **BSE Listing Centre (Listing Centre):** All periodical and other event-based compliance filings of the Company are filed electronically on web-based application.
- v. **SEBI Complaints Redress System (SCORES):** Your Company is registered on SEBI SCORES (SEBI Complaints Redress System) an online platform designed to help investors to lodge their complaints, pertaining to securities market, online with SEBI against listed companies. Further, it is informed that your Company has not received any investor complaint in FY 2022-2023.

6) Shareholding as on March 31, 2023:

(Below details are on paid up capital basis and does not include ESOP to be allotted)

Category	No. of Shares	Percentage of holding (%)
Promoter & their Group	4204700	34.08
Corporates	12150	0.10
Institutional Investors	4336846	35.15
Investors Education and Protection Fund	4550	0.04
Public	3778600	30.63
Total	12336846	100

7) Details of Shares transferred to Investor Education and Protection Fund (IEPF) during FY 2022-2023 and unclaimed dividend due dates:

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

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Berar Finance Limited IEPF Account
Opening Balance as on April 01, 2022	8	4,550
Less: Requests received for transfer / delivery during F.Y. 2022-2023 and Shares transferred / delivered during F.Y. 2022-2023	0	0
Add: Transfer of shares to Investor Education and Protection Fund Authority of Ministry of Corporate Affairs during F.Y. 2022-2023	0	0
Balance as on March 31, 2023	8	4,550

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

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

Nature of Dividend	Transferable to IEPF on
Final Dividend 2015-16	September 26, 2023
Final Dividend 2016-17	October 2, 2024
Final Dividend 2017-18	October 8, 2025
Final Dividend 2018-19	October 21, 2026
Final Dividend 2019-20	October 28, 2027
Final Dividend 2020-21	October 27, 2028
Final Dividend 2021-22	October 26, 2029

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

8) Other disclosures:

a) Related Party Transactions:

In line with the requirements of the Companies Act, 2013, your Company has adopted Related Party Transaction (RPT) Policy:

- i. All the related party transactions entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. Further, there were no material related party transaction entered by the Company. Disclosures on transactions with related parties are provided in the notes to the Financial Statements.
- ii. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. The Related Party Transaction (RPT) Policy is hosted on the website of the Company at <https://www.berarfinance.com/investors.html>

b) Code of Conduct for Prohibition of Insider Trading:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted a Code for the Prohibition of Insider Trading to regulate, monitor and report trading by Designated Person(s) in listed securities of the Company. The Code is hosted on the website of the Company at <https://www.berarfinance.com/investors.html>

The Audit Committee at its meetings held on March 30, 2023, respectively, had reviewed the compliance in terms of regulation 9A (4) of the SEBI (Prohibition of Insider Trading Regulation) 2015 and confirmed that the systems for internal control with respect to the SEBI (Prohibition of Insider Trading Regulation) 2015 are adequate and are operating effectively.

c) Vigil Mechanism/Whistle Blower Policy:

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner with highest standard of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil Mechanism and Whistle Blower Policy. The mechanism of reporting under this Policy is in place and a copy of the Policy is posted on website of the Company i.e. <https://www.berarfinance.com/investors.html>

No personnel have been denied access to the Chairman or members of the Audit Committee.

d) Recommendations of the Committees:

No instances have been observed where the Board has not accepted recommendations of any of the Board Committee(s).

e) Penalties and strictures:

No penalties or strictures have been imposed on the Company by the RBI/ Stock Exchange(s)/SEBI or any other statutory authorities except the fine of Rs.3, 85, 860/- imposed by the BSE Limited (where the Non-Convertible Debentures are listed) regarding delay in submission of un-audited financial results for the quarter and half ended September 30, 2022.

f) Details of non-compliance with requirements of Companies Act, 2013:

There has been no instance of non-compliance of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

g) Breach of covenant:

There is breach of covenant with respect to Net Non-Performing Assets (NNPA) and PAR 90 + Write off by AUM with some lenders from which the Company has availed term loan facilities.

However the Company is in process of obtaining waiver from such lenders.

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

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board Report.

i) Accounting Treatment:

Your Company has adopted accounting policies which are in line with the Accounting Standards and the Financials statements are prepared in adherence to the accounting policies, Accounting Standards and applicable provisions of Companies Act, 2013 and Master Directions of Reserve Bank of India.

j) Utilization of Funds:

The debt fund raised during the year, through private placement has been utilised to meet the capital & business requirements while supporting the growth plans and for other general corporate purposes as mentioned in the offer documents.

k) Status of compliance of discretionary requirements:

Being the debt listed entity, as Privately Placed Debentures are listed on BSE Limited the Company has complied with the requirements prescribed under Regulations 49 to 62 of the SEBI Listing Regulations, during the year under review.

- i. **A half-yearly/quarterly (wherever applicable) declaration of financial performance including summary of the significant events in the last six months/quarter may be sent to each household of security holders:**

Half-yearly/Quarterly (wherever applicable) financial results published in the newspapers, displayed on the website of the Company as well as disseminated to the Stock Exchange after Board approval for information of Shareholders and other Stakeholders.

- ii. **The Company may appoint separate persons to the post of Chairperson and Managing Director (MD) :**

The Company is having separate positions for Chairman and MD.

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

The Internal Auditor reports to the Managing Director of the Company and the Internal Audit Report are place before Audit Committee on quarterly basis.

- iv. **Modified opinion(s) in audit report:**

During the year under review, there is no audit qualification on the Company's financial statements.

Annexure IV

Annual Report on Corporate Social Responsibility (“CSR”) Activities

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

1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy ('Policy') was approved at the Board Meeting held on March 07, 2015 and last modification being made on December 23, 2022. The Policy is available on the Company's website at the following link: https://https://www.berarfinance.com/investors.html/pdf/policies/csr/corporate_social_responsibility_policy.pdf

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Maroti Jawanjar	Executive Chairman	4	4
2.	Mr. Vishwas Pathak	Independent Director	4	3
3.	Mr. Sandeep Jawanjal	Managing Director	4	4
4.	Mr. Siva Vadivel Alagan	Non-Executive Director	4	4

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

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

4. Details of executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

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

5. (a) Average net profit of the company as per sub-section (5) of section 135.

Average net profit: ₹ 24,04,85,457/- (Indian Rupees Twenty Four Crore Four Lakh Eighty Five Thousand Four Hundred Fifty Seven).

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 48,09,709/- (Indian Rupees Fourty Eight Lakh Nine Thousand Seven Hundred Nine only)

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. NIL

(d) Amount required to be set-off for the financial year, if any. NIL

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 48,09,709/- (Indian Rupees Fourty Eight Lakh Nine Thousand Seven Hundred Nine only)

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 51,00,753 (Indian Rupees Fifty One Lakh Seven Hundred Fifty Three Only)

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 51,00,753 (Indian Rupees Fifty One Lakh Seven Hundred Fifty Three Only)

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
51,00,753/-	Nil	NA	NA	Nil	NA

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

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	48,09,709/-
(ii)	Total amount spent for the Financial Year	51,00,753/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	2,91,044/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	2,91,044/-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl No.	Preceding Financial Year(s).	Amount transferred to Unspent CSR Account Under sub-section (6) of section 135 (in ₹).	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹).	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹).	Deficiency, if any
				Amount (in ₹).	Date of transfer			
1	-	Nil	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Nil							

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.: Not Applicable**

Sandeep Jawanjal
Managing Director
DIN: 01490054

Maroti Jawanjar
Executive Chairman cum Chairman of CSR Committee
DIN: 00379916

Annexure V (i) Form AOC-2

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

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

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

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

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

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

For and on behalf of Board of Directors

Date: August 12,2023
Place: Nagpur

M.G Jawanjar
Chairman

Annexure V (ii) Related Party Transaction ("RPT") Policy

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

The Company shall enter into transactions with related parties only on arm's length basis and in the ordinary course of business, supported by agreement or formal letter. If the transaction is not in the ordinary course of business and not on arm's length basis, then, necessary compliances under the Companies Act, 2013 and Rules framed there under will be adhered to.

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

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

Annexure VI

Requirements under the Indian Accounting Standard (Ind AS) 102 - Share -based Payment

Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

Sr. No.	Particulars	ESOP 2019
I. Details of the ESOP		
1	Date of Shareholder's Approval	07.12.2019
2	Total Number of Options approved	240,000
3	Vesting Requirements	Time based vesting
4	Exercise Price or Pricing formula (Rs.)	Exercise price for the first grant dated December 23,2019 - ₹ 95 Exercise price for the second grant dated February 21,2022 - ₹ 250
5	Maximum term of Options granted (years)	Maximum terms of the options granted dated December 23, 2019 - 5 years Maximum terms for the options granted dated February 21, 2022 - 4 years
6	Source of shares	Primary issuance
7	Variation in terms of ESOP	Nil

II. Option Movement during the year

1	No. of Options Outstanding at the beginning of the year	240,000
2	Options Granted during the year	0
3	Options Forfeited / lapsed during the year	58,250
4	Options Vested during the year	28,800
5	Options Exercised during the year	0
6	Total number of shares arising as a result of exercise of options	0
7	Money realised by exercise of options (Rs.)	0
8	Number of options Outstanding at the end of the year	181,750
9	Number of Options exercisable at the end of the year	64,800

* Unvested option of employee left during year shown under option forfeited and that option transfer to option pool.

III. Weighted average exercise price of Options granted during the year whose

(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	NIL
(c)	Exercise price is less than market price	NIL
Weighted average fair value of options granted during the year whose		
(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	NIL
(c)	Exercise price is less than market price	NIL

The weighted average market price of options exercised during the year	No options Exercised during the year
Remaining Contractual life of options outstanding (Years)	2.90

IV Employee-wise details of options granted during the financial year 2022-2023 to:**(i) Senior managerial personnel :**

Name	No. of options granted
Nil	

(ii) Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year

Name	No. of options granted
Nil	

(iii) Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Name	No. of options granted
Nil	

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

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

The Assumptions used in the model are as follows:

Date of grant	Particulars
1. Risk Free Interest Rate	0.00%
2. Expected Life	0.00%
3. Expected Volatility	0.00%
4. Dividend Yield	0.00%
5. Price of the underlying share in market at the time of the option grant (Rs.)	0.00%

Assumptions:

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

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

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

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

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

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

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	₹ 13.79
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Annexure VII

Statement of Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, and forming part of the Directors’ Report for the year ended March 31, 2023:

Sr. No	Name of the Employee	Designation/ Nature of Employment	Age/ Qualification	Experience (in years)	Remuneration (₹) F.Y. 2022-2023	Last Employment	Date of Appointment	Equity holding %
1	Mr. Maroti Jawanjar	Executive Chairman, Permanent	71, Company Secretary	33	85,76,000	--	01/10/1997	8.29
2	Mr. Sandeep Jawanjal	Managing Director, Permanent	39, B.Com.	17	77,93,400	--	01/08/2006	2.67
3	Mrs. Deepali Balpande	Company Secretary, Permanent	43, Company Secretary	20	24,51,150	--	09/06/2003	0.34
4	Mr. Satish Kumar Gupta	Head- Internal Audit, Permanent	41, C.A, MBA, M.Com, DISA, CIA (IIA-USA)	17	21,64,500	Cholamandalam Investment and Finance Company Limited	14/06/2021	--
5	Mr. Sewak Bhisikar	Head Business Development, Permanent	38, MBA (HR & Finance)	13	14,75,007	Sanvijay Rolling & Engineering Limited	05/08/2013	--
6	Mr. Someshwar Dhonge	Head- Collection, Permanent	36, M.Com., PGDBM	14	14,67,732	V.K Surana & Co.	01/10/2010	--
7	Mr. Faisal Farooqui	Senior Manager (IT), Permanent	49, BCA, PGADM, MBA	18	12,21,300	Rattan India Finance Pvt. Ltd.	11/10/2021	--
8	Mr. Amar Helonde	Senior Manager (IT), Permanent	42, Diploma in Industrial Electronics	21	10,59,100	Tata Consultancy Services	01/10/2020	--
9	Mr. Rajesh Hinge	State Head- CG, Permanent	40, M.A.	17	10,37,800	--	01/06/2006	--
10	Mrs. Jyoti Jawanjar	Manager (P.R.), Permanent	65, B.A.	32	10,22,550	--	01/04/1991	2.23

Notes:

- i. Remuneration includes Salary and allowances.
- ii. None of the above employees are related to any Director or Manager except Mr. Sandeep Jawanjal, Mrs. Jyoti Jawanjar and Mrs. Deepali Balpande who are relatives of Mr. Maroti Jawanjar (Executive Chairman).
- iii. Mr. Faisal Farooqui, Mr. Someshwar Dhonge and Mr. Sewak Bhisikar left the Company on December 31,2022, January 02,2023 and January 04,2023 respectively.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To

The Members of Berar Finance Limited

Report on the financial statements

Opinion

We have audited the accompanying financial statements of **Berar Finance Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred to as "SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the financial statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matters	How was the matter addressed in our audit
1.	<p><u>Impairment of Loans as at Balance Sheet Date (Expected Credit Losses): (Refer Note 3.6 to the financial statements)</u></p> <p>Ind AS 109 requires the Company to provide for impairment of its loans designated at amortised cost using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on loans receivable over their life, considering reasonable and supportable information about past events, current conditions and forecast of future economic conditions which could impact the credit quality of the Company's loan receivables. In the process, significant degree of judgment has been applied by the management for;</p> <p>(a) Staging of the loan receivable (i.e., classification in significant increase in credit risk ("SICR") and default categories)</p>	<p>We have performed following audit procedures:</p> <p>(a) Assessed Company's accounting policies for impairment of loans and their compliance with Ind AS.</p> <p>(b) Evaluated reasonableness of management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</p> <p>(c) Assessed the criteria for staging of financial assets based on their past- due status to check compliance with the requirement of Ind AS 109. Tested a sample of stage 1 assets to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 and stage 3.</p>

<ul style="list-style-type: none"> (b) Grouping of borrowers based on category of loans. (c) Estimation of life of loans under various stages for each category, recoverable amounts in case of defaults etc. (d) Determining macro-economic factors impacting the credit quality of loans (e) Estimation of losses for loans receivable with no / minimal historical defaults. (f) Determination of whether restructuring of principal / interest to a borrower under regulatory directions resulting in restructuring conclusion under Ind AS is subject to interpretation / judgment. (g) Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and (h) Assessment of qualitative factors having an impact on the credit risk. <p>Since the loan receivable form major portion of Company’s assets and due to the significance of judgments used in classifying loans into various stages as stipulated in Ind AS 109 and determining related impairment provision requirements this is considered to be area of key focus of overall Company audit and thus a key audit matter.</p>	<ul style="list-style-type: none"> (d) Tested the ECL model, including assumptions and underlying computation. Assessed the floor / minimum rates of provisioning applied by the Company for loans receivable with inadequate historical defaults. (e) Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of factors caused by Covid-19. Tested a sample of exposures, the appropriateness of determining exposure at default (“EAD”), calculation of probability of default (“PD”) and Loss given default (“LGD”) in calculation.
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Information Other than the financial statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the financial statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financials Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 01st April 2022, taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in "**Annexure B**";
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note 38 to the financial statement.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
- (v) During the current year, the final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

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

Mumbai, 30th May, 2023

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 23103750BGGVQY2632

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
2. The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a program of verification to cover all items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In our opinion, and according to the information and explanations given to us, no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31stMarch 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As stated in note no. 18A, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, by banks or financial institutions on the basis of security of loans (assets) during the year. We have observed differences/reconciliation items in the quarterly returns or statements filed by the Company with such banks or financial institutions as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The differences are primarily due to furnishing of quarterly returns to the banks by the company before giving effect to adjustments as per Ind-AS as stated in note no. 18A of the financials statements of the Company.
- (iii) (a) The Company is primarily engaged in lending activities and hence reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) In our opinion, having regard to the nature of the Company’s business, the investments made, security given and the terms and conditions of the grant of all loans and advances provided are not prejudicial to the Company’s interest.
- (c) In respect of loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being NBFC, there are some cases during the year and as at March 31, 2023 wherein the amounts were overdue vis-a- vis stipulated terms.
- (d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount of active account for more than ninety days as at March 31, 2023 except for the following cases:

Rs. in Lakhs

Number of Cases	Principal Amount Overdue	Interest Amount Overdue	Total Amount Due
9494	Rs 1,618.72	Rs 346.78	Rs 1,965.50

According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery of the principal and interest.

- (e) The Company is primarily engaged in lending activities and hence reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

- (f) Based on the information and explanations provided to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- (g) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.
- (h) In our opinion and according to the information and explanations given to us, the Company being NBFC registered with RBI, provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (i) We are informed that maintenance of cost records prescribed by the Central Government of India under section 148(1) of the Act, is not applicable in respect of Company's business.
- (j) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Service Tax, Sales Tax, Excise Duty, Custom Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues as at 31st March 2023 which have not been deposited on accounts of any disputes except as stated below:

Nature of Statute	Nature of Dues	Forum Where Dispute is Pending	Period to which the Amount Relates	Amount under Dispute*	Amount Paid
The Income Tax Act, 1961	Income Tax	CIT(A)	AY 2020-21	7,45,844	1,49,170

*Paid under Protest

- (k) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (l) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans and interest on loans from financial institution, bank, and dues to debenture holders.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans from bank during the year for the purposes for which they were obtained, other than temporary parking in Cash credit account or in the form of a term deposit for a few days, pending utilization towards purpose for which the same are obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis do not seem to have used during the year for long term purposes.

- (e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting requirements of clause 3 (ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting requirements of clause 3 (ix)(f) of the Order is not applicable to the Company.
- (m) (a) In our opinion, and according to the information and explanations given to us, the Debt raised by the Company during the year were utilised for the purpose for which they were raised.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (n) (a) To the best of our knowledge Based on the audit procedures performed and representations obtained from the management and as disclosed in note-77 to the financial statements, we report that five instances of fraud on the company were noticed and reported by the management to Reserve Bank of India in terms of applicable regulatory provisions. Of this, four instances involving amount of Rs.30.61 lakhs were in respect of fraud committed by employees and one instance involving amount of Rs.5.77 lakhs were in respect of fraud committed by outsider (recovery agent). All the cases were reported during the year 2022-23. The nature of fraud in all five cases was short or non-deposit of cash collected and/ or seized vehicle from customers (borrowers) of company. The company has made provision against expected loss due to such frauds. The Company has taken necessary legal actions for the recovery of the amount from the concerned parties. Besides, there are instances reported in Risk Statutory Reports Financial Statements Based Internal Audit Report of the company wherein cash collected from customers was deposited after prodding by internal audit team. The company has treated such instances as late deposit of cash and not classified the same as fraud citing that no loss has occurred to the company.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year.
- (o) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per clause 3 (xii) of the Order is not required.
- (p) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (q) (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 “Using the work of Internal Auditors”.
- (r) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting as per clause 3 (xv) of the Order is not required.
- (iv) (a) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, and it has obtained the registration.
- (b) The Company has conducted the non-banking financial activities with a valid Certificate of Registration (‘CoR’) from the RBI as per the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.

- (d) The Group (as defined under Master Direction DNBR.PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) to which the company belongs does not have any CICAs part of the group.
- (v) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (vi) There has been resignation of the statutory auditors of the Company during the year due to capping of audit period as per RBI guideline dated 27-04-2021. There were no issues, objections or concerns raised by the outgoing auditors.
- (vii) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (viii) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act
- (b) According to the information and explanation given to us, no amount is remaining unspent towards Corporate Social Responsibility (CSR) ongoing project, which was required to be transferred to special account in compliance with provision of sub-section (6) of Section 135 of the said Act.

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

Mumbai, 30th May, 2023

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 23103750BGGVQY2632

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date,

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

We have audited the internal financial controls over financial reporting of Berar Finance Limited (“the Company”) as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mumbai, 30th May, 2023

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 23103750BGGVQY2632

Financial Statements

Balance Sheet as at 31st March 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	5	10,525.19	9,507.52
(b) Bank Balances other than cash and cash equivalents	6	1,580.96	4,371.89
(c) Loans	7	92,212.64	81,933.84
(d) Investments	8	1,829.45	1,562.29
(e) Other Financial assets	9	4,132.85	4,063.88
Non-financial Assets			
(a) Deferred tax assets (Net)	10	967.65	672.69
(b) Property, Plant and Equipment	11	1,866.62	1,794.81
(c) Capital Work in Progress	12	31.39	21.99
(d) Intangible assets	13	66.74	71.85
(e) Right of use assets	14	813.70	271.61
(f) Other non-financial assets	15	80.95	93.69
Total Assets		1,14,108.14	1,04,366.06
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	16	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	489.29	462.55
Debt Securities	17	14,641.10	12,224.08
Borrowings (Other than Debt Securities)	18	49,983.76	48,064.97
Deposits	19	18,011.68	15,064.14
Other financial liabilities	20	2,543.93	1,924.93
Non-Financial Liabilities			
Current Tax liabilities (Net)	21	143.04	140.66
Provisions	22	407.11	360.26
Other non-financial liabilities	23	364.63	210.28
EQUITY			
Equity Share capital	24	1,233.68	1,233.68
Other Equity	25	26,289.92	24,680.51
Total Liabilities and Equity		1,14,108.14	1,04,366.06

Summary of significant accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 88

As per our Report of even date attached

For and On Behalf of Board of Directors

For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjar
Managing Director
DIN: 01490054

CA Ashish Shah
M.No :103750

R.Srinivasan
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2023

Statement of Profit and Loss for the year ended 31st March 2023

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
I) Revenue from operations			
i) Interest Income	26	20,605.04	15,888.76
ii) Dividend Income	27	0.07	0.05
iii) Fee & Commission Income	28	1,060.70	1,630.48
iv) Net gain on fair value changes	29	10.34	8.73
v) Other operating Income	30	112.78	22.29
I) Total Revenue from operations		21,788.93	17,550.31
II) Other Income	31	7.23	9.59
III) Total Income (I+II)		21,796.16	17,559.90
IV) Expenses			
i) Finance Costs	32	9,994.54	9,021.06
ii) Impairment on financial instruments	33	3,067.99	964.44
iii) Employee Benefits Expenses	34	3,482.28	2,638.91
iv) Depreciation, amortization and impairment	35	396.44	237.04
v) Other expenses	36	2,682.13	2,461.04
IV) Total Expenses		19,623.38	15,322.49
V) Profit before tax (IV-III)		2,172.78	2,237.41
VI) Tax Expense:			
i) - Current Tax	10	760.00	715.00
ii) - Deferred Tax	10	(295.34)	(219.56)
VII) Profit for the year (V-VI)		1,708.12	1,741.97
VIII) Other Comprehensive Income			
A) Items that will not be reclassified to profit or loss			
i) Re-measurement gains / (losses) on defined benefit plans		1.53	(73.61)
ii) Income tax impact		(0.38)	(18.53)
B) Items that will be reclassified to profit or loss		-	-
VIII) Other Comprehensive Income for the year		1.15	(92.14)
IX) Total Comprehensive Income for the year (Comprising Profit and other comprehensive income for the year (VII+VIII))		1,709.27	1,649.83
X) Earnings per equity share			
i) Basic (INR)		13.85	17.28
ii) Diluted (INR)		13.79	17.18

Summary of significant accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 88

As per our Report of even date attached

For and On Behalf of Board of Directors

For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

CA Ashish Shah
M.No :103750

R.Srinivasan
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2023

Statement of Cash Flows for the year ended 31st March 2023

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A. Cash flow from operating activities		
Profit before tax	2,172.78	2,237.41
Adjustments for:		
Depreciation and amortisation expense	396.44	237.04
ESOP expense	23.47	40.62
Provision for Defined Benefit Obligation	60.71	33.65
Finance cost	526.23	377.45
Interest Income on Security Deposit	(4.44)	(4.99)
Interest income on investment	(106.63)	(86.20)
Net gain on fair value changes in Investment	(13.69)	(2.02)
Profit on sale of investment	0.00	(6.71)
Gain on termination of lease	(0.10)	(4.33)
Income on Mutual Funds	-0.00	0.24
Impairment on financial instruments	3,067.99	964.44
Profit on sale of property, plant and equipment (Net)	(2.86)	(0.19)
Operating profit before working capital changes	6,119.90	3,786.41
Changes in working capital		
Increase/ (decrease) in trade payables	26.74	37.21
Increase/ (decrease) in other financial liabilities	(466.13)	(83.31)
Increase/ (decrease) in provisions and other liabilities	142.02	70.04
(Increase)/ decrease in other financial assets	(74.59)	(1,070.46)
(Increase)/ decrease in Loans	(13,346.79)	(16,949.93)
(Increase)/ decrease in other assets	12.74	0.06
Cash generated from/(used in) operations	(7,586.13)	(14,209.98)
Income tax paid	(757.42)	(648.42)
Net cash used in operating activities (A)	(8,343.54)	(14,858.40)
B. Cash flow from Investing activities		
Payment for property, plant and equipment, intangible assets and Capital Work-in-progress	(213.86)	(191.83)
Change in Other Bank balances not available for Immediate use	2,790.93	3,102.97
Proceeds from sale of property plant and equipment	3.36	0.34
Purchase of investment	(346.30)	(400.42)
Proceeds from sale of Investments	90.00	20.55
Interest received	106.75	90.00
Net cash used in investing activities (B)	2,430.89	2,621.61
C. Cash flow from Financing activities		
Proceeds from Bank & Financial Institution Borrowing (Net of Repayments)	4,913.49	(740.79)
Debt Securities issued	2,298.53	123.80
Deposits taken (Net of Repayments)	2,947.54	3,745.75
Capital raised	-0.00	232.90
Premium received on issue of shares	-0.00	9,767.10

Expenses related to Issue of Shares	-.00	(318.59)
Dividend Paid	(123.37)	(100.06)
Repayment of lease liabilities	(401.22)	(139.01)
Net cash used generated from financing activities (C)	9,634.98	12,571.10
Net increase in cash and cash equivalents (A+B+C)	3,722.33	334.31
Cash and cash equivalents at the beginning of the year	4,614.84	4,280.54
Cash and cash equivalents at the end of the year	8,337.17	4,614.84

Notes:

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

2A) Changes in liabilities arising from financing activity

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Opening Balances (Borrowing and debt/subordinated -debt securities) as at 1st April 2022	55,396.37	55,670.79
Proceeds from borrowings	36,195.00	22,945.00
Proceeds from issue of Non-convertible debantures	7,000.00	2,500.00
Repayment of borrowings	(30,405.53)	(23,119.43)
Repayment of Non-convertible debantures	(5,130.00)	(2,600.00)
Closing Balances (Borrowing and debt/subordinated -debt securities)	63,055.84	55,396.37

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Balances with banks		
In current accounts	818.06	3,968.60
In fixed deposits (with original maturity less than 3 months)	9,680.41	5,495.88
Cash Credit from Banks	(1,569.02)	(4,892.68)
Cash in Hand	26.72	43.04
	8,956.17	4,614.84

Summary of significant accounting policies

1 to 4

**The accompanying notes are an integral part of the
financials statements**

5 to 88

As per our Report of even date attached
For and On Behalf of Board of Directors
**For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136**
**M.G.Jawanjar
Executive Chairman
DIN: 00379916**
**S.M.Jawanjal
Managing Director
DIN: 01490054**
**CA Ashish Shah
M.No :103750**
**R.Srinivasan
Chief Financial Officer**
**D.R.Balpande
Company Secretary**
**Place : Nagpur
Date: 30/05/2023**

Statement of Changes in Equity for the year ended 31st March 2023

A. Equity Share Capital

(1) Current reporting period

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,233.68	-	1,233.68	0.00	1,233.68

(2) Previous reporting period

(₹ in Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
1,000.78	-	1,000.78	232.90	1,233.68

B. Other Equity

(1) Current reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	Total
Balance at the beginning of the current reporting period	3,262.95	14,123.94	7,082.65	103.02	107.96	24,680.53
Changes in accounting policy/ prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	3,262.95	14,123.94	7,082.65	103.02	107.96	24,680.53
Profit for the year	-	-	-	-	1,708.12	1,708.12
Other comprehensive income for the year	-	-	-	-	1.15	1.15
Total comprehensive income for the year	3,262.95	14,123.94	7,082.65	103.02	1,817.23	26,389.79
Dividend Paid including taxes on dividend	-	-	-	-	(123.34)	(123.34)
Transfers to Statutory reserves	450.00	-	-	-	(450.00)	-
Transfers to General reserves	-	-	1,100.00	-	(1,100.00)	-
Any other change:	-	-	-	-	-	-
Premium on issue of Shares	-	-	-	-	-	-
Expenses related to issue of shares (Private Placement)	-	-	-	-	-	-
Share based payment expense	-	-	-	23.47	-	23.47
Balance at the end of the current reporting period	3,712.95	14,123.94	8,182.65	126.49	143.89	26,289.92

(2) Previous reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	Total
Balance at the beginning of the previous reporting period	2,812.95	4,675.44	5,982.65	62.38	108.20	13,641.61
Changes in accounting policy/ prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	2,812.95	4,675.44	5,982.65	62.38	108.20	13,641.61
Profit for the year	-	-	-	-	1,741.97	1,741.97
Other comprehensive income for the year	-	-	-	-	(92.14)	(92.14)
Total comprehensive income for the year	2,812.95	4,675.44	5,982.65	62.38	1,758.02	15,291.44
Dividend Paid including taxes on dividend	-	-	-	-	(100.06)	(100.06)
Transfers to Statutory reserves	450.00				(450.00)	-
Transfers to General reserves			1,100.00		(1,100.00)	-
Any other change:						-
Premium on issue of Shares	-	9,767.09	-	-	-	9,767.09
Share based payment expense		(318.60)				(318.60)
Balance at the end of the previous reporting period	-		-	40.64	-	40.64
	3,262.95	14,123.93	7,082.65	103.02	107.96	24,680.51

Summary of significant accounting policies

1 to 4

The accompanying notes are an integral part of the financials statements

5 to 88

As per our Report of even date attached

For and On Behalf of Board of Directors

For Manubhai & Shah LLP
 Chartered Accountants
 FRN : 106041W / W100136

M.G.Jawanjar
 Executive Chairman
 DIN: 00379916

S.M.Jawanjal
 Managing Director
 DIN: 01490054

CA Ashish Shah
 M.No :103750

R.Srinivasan
 Chief Financial Officer

D.R.Balpande
 Company Secretary

Place : Nagpur
 Date: 30/05/2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1 Corporate Information

The Company is a registered non-banking finance company engaged in the business of providing finance. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) with effect from 24 November 1998, with Registration No. 13.01109. The Company primarily deals in the financing of two-wheelers, used car finance, and personal loan etc. The Company is a systemically important NBFC as per Reserve Bank of India. The company was re-classified from Asset Finance Company to Investment & Credit Company (NBFC-ICC) as per RBI notification no. 097/03.10.001/2018-19 dated 22-Feb-2019. The Company is having its head office at Nagpur and currently having 116 branches as on 31 March 2023. The financial statements of the Company for the year ended March 31, 2023 were approved in accordance with the resolution of the Board of Directors on May 30, 2023.

2 Basis of Preparation

2.1 Statement of compliance

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

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

2.2 Basis of preparation

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

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹) in lakhs (INR in lakhs or ₹ In lakhs) which is the currency of the primary economic environment in which the Company operates (the 'functional currency'). Due to rounding off, numbers presented in the tables given may not add up precisely to the totals provided.

2.4 Use of estimates, judgements and assumptions

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

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

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

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

ii) Effective interest rate ('EIR') method

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

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

iii) Impairment of financial asset

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

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

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

iv) Provisions and other contingent liabilities

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

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

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

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

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

2.5 Presentation of the financial statements

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

Amounts in the financial statements are presented in Indian Rupees in lakhs.

3 Significant Accounting Policies

3.1 Revenue recognition

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

A Interest and dividend income

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

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

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

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

B Other Financial Charges

Other Financial Charges includes fees other than those that are an integral part of EIR. Service income, bounce charges, penal charges and foreclosure charges etc. are recognised upfront in the statement of profit & loss account .

C Net gain or fair value change

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

D Other operational revenue

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

3.2 Financial instrument - Initial recognition

A Date of recognition

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

B Initial measurement of financial instruments

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

3.3 Financial assets and liabilities

A Financial assets

Business model assessment

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

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

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

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

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

Accordingly, financial assets are measured as follows:

- i) Financial assets carried at amortised cost ('AC')

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms

of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets measured at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

B Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition.

ii) Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. The EIR amortization is included as finance costs in the statement of profit and loss.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2023 and 31 March 2022.

3.5 Derecognition of financial assets and liabilities

i) Financial assets

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

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

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

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

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

ii) Financial liabilities

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

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

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

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

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

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

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

B. Calculation of ECLs

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

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

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

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

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

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Forward looking information

The Company use multiple economic factors and test their correlations with past loss trends witnessed. These were GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, unemployment rate, crude oil prices and policy interest rates. Based on past correlation trends, GDP growth rate was considered to be the factor with acceptable correlation with past loss trends which was in line with Management views on the drivers of portfolio trends.

3.7 Write-offs

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

3.8 Determination of fair value

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

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

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

3.9 I) Recognition of other expense

A. Borrowing costs

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

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

3.10 Cash and cash equivalents

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

3.11 Property, plant and equipment

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

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

The estimated useful lives are, as follows:

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

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

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

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

3.12 Intangible assets

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

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

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

The estimated useful life is, as follows:

- i) Computer Software - 5 years

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

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

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

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

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

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

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

3.15 Retirement and other employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

Short-term employee benefits

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

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

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

C. Contingent asset

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

3.17 Taxes

A. Current Tax

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

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

B. Deferred Tax

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

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

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

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

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

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

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

3.18 Earnings per share

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

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

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

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

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

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

3.20 Cash flow statement

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

4 Standards (including amendments) issued but not yet effective

MCA notifies new standard or amendments to the existing standards. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which is effective from April 01, 2022. On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013 effective from April 01, 2021. Amendments relating to Division III which relate to NBFCs whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, have been complied with.

5 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Cash on hand	26.72	43.04
<u>Balances with banks</u>		
In current accounts	818.06	3,968.60
In fixed deposits (with original maturity less than 3 months)	9,680.41	5,495.88
Total	10,525.19	9,507.52

6 Bank Balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Fixed Deposits (Including accrued Interest)	916.43	4,120.01
Balances with banks to the extent held as margin money or security against the borrowings	663.65	251.18
Earmarked balances with banks (Unpaid dividend)	0.88	0.70
Total	1,580.96	4,371.89

7 Loans

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Loans measured at Amortised Cost- (Refer Note 48)		
i) Terms loans-Secured		
Hypothecation Loans	94,093.46	82,621.13
Loans Against Deposits	86.13	56.70
ii) Term Loans- Unsecured		
Personal Loans	525.19	520.01
Total (A) Gross	94,704.78	83,197.84
Less: Impairment loss allowance (Refer Note 48)	(2,492.16)	(1,264.00)
Total (A) Net	92,212.64	81,933.84

Details of loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties.

(₹ in Lakhs)

Type of borrower	As at 31st March 2023	As at 31st March 2022
Promoter	2.21	3.64

8 Investments

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
i) Investments measured at amortised cost (Refer Note I)		
Investments in Government Securities (Quoted)	1,699.02	1,442.84
ii) Investments measured at fair value through Profit or Loss (Refer Note II)		
Investments in Equity Instruments (Quoted)	13.64	14.78
<u>Other Investment</u>		
Investment in alternative investment fund units	116.79	104.67
Total - Gross (A)	1,829.45	1,562.29
(i) Investments in India	1,829.45	1,562.29
Total (B)	1,829.45	1,562.29
Total (A) to tally with (B)		
Less: Allowance for Impairment loss (C)	0.00	0.00
Total - Net D= (A)-(C)	1,829.45	1,562.29

Details of investments -

Note I - Investments in government securities measured at amortised cost

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Investments measured at amortised cost (Quoted)		
8.28% GOI BONDS 2027	4.87	4.85
8.03% GOI BONDS 2024	10.10	10.04
8.23% GOI BONDS 2027	6.06	6.06
8.30% GOI BONDS 2023	11.23	11.16
8.26% GOI BONDS 2027	10.05	10.04
8.26% GOI BONDS 2027	5.08	5.08
8.83% GOI BONDS 2041	5.77	5.76
8.24% GOI BONDS 2027	5.03	5.03
8.83% GOI BONDS 2023	20.71	20.85
8.24% GOI BONDS 2027	9.99	9.97
8.35% GOI BONDS 2022	-	92.84
8.15% GOI BONDS 2026	92.59	92.60
8.26% GOI BONDS 2027	35.67	35.71
7.88% GOI BONDS 2030	20.00	20.00
7.16% GOI BONDS 2023	87.08	86.26
7.88% GOI BONDS 2030	36.40	36.54
7.88% GOI BONDS 2030	24.72	24.69
7.59% GOI BONDS 2029	45.07	45.29
7.88% GOI BONDS 2030	58.45	58.28
7.40% GOI BONDS 2035	9.36	9.33
7.88% GOI BONDS 2030	15.21	15.21
7.40% GOI BONDS 2035	76.68	76.75
7.73% GOI BONDS 2034	16.21	16.26
7.50% GOI BONDS 2034	12.49	12.51
7.40% GOI BONDS 2035	74.73	74.65
7.50% GOI BONDS 2034	18.17	18.23
7.40% GOI BONDS 2035	32.21	32.32
7.50% GOI BONDS 2034	24.88	24.99
6.22% GOI BONDS 2035	24.66	24.64
6.22% GOI BONDS 2035	154.09	153.44
6.22% GOI BONDS 2035	24.33	24.33
6.64% GOI BONDS 2035	49.95	49.96
6.22% GOI BONDS 2035	48.26	48.12
6.64% GOI BONDS 2035	141.31	141.15
6.83% GOI BONDS 2039	140.08	139.90
6.67% GOI BONDS 2035	94.29	-
6.67% GOI BONDS 2035	18.98	-
7.10% GOI BONDS 2029	39.80	-
7.10% GOI BONDS 2029	9.96	-
7.10% GOI BONDS 2036	20.29	-
7.41% GOI BONDS 2036	102.52	-
6.67% GOI BONDS 2035	61.69	-
TOTAL	1,699.02	1,442.84

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

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Investments measured at Fair Value through Profit or Loss		
i) Investments in Equity Instruments (Quoted)		
Sundaram Finance Ltd 100 (31 March 2022: 100)	2.28	1.94
Bajaj Finance Ltd. 100 (31 March 2022: 100)	5.62	7.26
HDFC LTD 100 (31 March 2022: 100)	2.63	2.39
KOTAK MAHINDRA BANK LTD 100 (31 March 2022: 100)	1.73	1.75
YES BANK LTD 1,500 (31 March 2022: 1,500)	0.23	0.19
AU SMALL FINANCE BANK LTD. 200 (31 March 2022: 100)	1.15	1.25
	13.64	14.78
ii) Other investments		
Investment in Alternative Investment fund Northern Arc Money Market Alpha Fund: 1,16,792.82 units (31 March 2022: 1,10,099.27 units)	116.79	104.67
	116.79	104.67
Total (i+ii)	130.43	119.45

9 Other Financial assets

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Security deposits		
Premises	53.60	50.71
Others	8.24	19.19
Advances to employees	4.93	2.23
	66.77	72.13
Advances to dealers	2,926.72	2,815.13
Receivable from recovery agent	919.54	1,174.88
Others	329.76	69.64
Less: Impairment loss allowance	(109.94)	(67.90)
	4,066.08	3,991.75
Total	4,132.85	4,063.88

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

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(A) Deferred tax relates to the following:		
Deferred tax assets		
- on financial assets measured at amortised cost	436.77	418.98
- on expected credit loss provision on loans	654.89	335.21
- on lease as per Ind AS 116	-	5.41
- on ESOP	12.17	6.28
- on gratuity	65.94	58.50
- on leave encashment	36.52	32.17
Total Deferred tax assets (A)	1,206.29	856.55

Deferred tax liabilities		
- On difference between written down value of fixed assets as per books of accounts and income tax	34.45	28.96
- on lease as per Ind AS 116	12.75	-
- On investments measured at FVTPL	3.30	0.49
- On financial assets measured at amortised cost	1.05	1.76
- On financial liabilities measured at amortised cost	69.62	96.19
- ECL provision claimed	117.47	56.46
Total Deferred tax liabilities (B)	238.64	183.86
Deferred tax asset / (liability), net (A-B)	967.65	672.69

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

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance as of 1st April 2022	672.69	471.65
Deferred tax assets/(liabilities) recognized in Statement of Profit and Loss	295.34	219.57
Deferred tax assets/(liabilities) recognized in OCI	(0.38)	(18.53)
Closing balance	967.65	672.69

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
- Current tax	760.00	715.00
- Deferred tax charge / (income)	(295.34)	(219.56)
Total	464.66	495.44

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Net loss/(gain) on remeasurements of defined benefit plans	(0.38)	(18.53)
Total	(0.38)	(18.53)

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Statement of Profit and Loss:		
a) Profit & Loss Section		
i) <u>Current Tax</u>		
Current Tax expense for the year	760.00	715.00
Tax expense for the earlier years		-
	760.00	715.00
ii) <u>Deferred Tax</u>		
Tax expense on origination and reversal of temporary differences	(295.34)	(219.56)
	(295.34)	(219.56)
Income tax expense reported in the statement of profit or loss[(i)+(ii)]	464.66	495.44
Other Comprehensive Income (OCI) Section:		
i) Items that will not be reclassified to profit or loss in subsequent years:		
Current tax expense/(income):		
Deferred tax expense/(income):	(0.38)	(18.53)
	(0.38)	(18.53)
Income tax expenses reported in the other comprehensive income [i+ii]	(0.38)	(18.53)

(F) Reconciliation of tax charge

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit before tax	2,172.78	2,237.41
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expenses	546.89	563.11
Tax effects of:		
- Disallowed expense	309.34	164.66
- Excess Provision Made	6.12	59.50
- Tax at different rate	-	(0.14)
- Deductions under chapter VIA	(102.35)	(72.13)
- Impact of Deferred Tax Adjustments	(295.34)	(219.56)
Tax expense recognised in Statement of Profit and Loss	464.66	495.44

(G) Computing Corporate Tax Rate Applicable to the Company

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Basic Tax Rate *	22%	22%
Add: Surcharge	10%	10%
Add: Cess	4%	4%
Corporate Tax Rate Applicable	25.17%	25.17%

11 Property, plant and equipment March 2023

(₹ in Lakhs)

Particulars	Gross block			Accumulated depreciation and impairment					Net block	
	As at 31st March 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2023	As at 31st March 2022	For the year	Deductions/ Adjustments	Impairment	As at 31st March 2023	As at 31st March 2022
Owned assets										
Land-Freehold	1,181.08	-	-	1,181.08	-	-0.00	-	-	1,181.08	1,181.08
Buildings	264.35	-	-	264.35	13.32	4.51	-	-	246.52	251.03
Office Equipments	119.63	38.31	0.98	156.96	49.40	18.98	0.86	-	89.44	70.23
Computers	177.56	43.12	-	220.67	75.67	50.86	-	-	94.15	101.89
Generator	14.03	-	-	14.03	1.85	1.32	-	-	10.86	12.18
Furniture & Fixtures	149.06	27.22	-	176.28	35.43	17.72	-	-	123.14	113.63
Vehicles	39.11	12.40	7.57	43.95	14.42	5.54	7.19	-	31.17	24.69
Printer	14.65	3.78	0.07	18.36	5.08	3.18	0.07	-	10.17	9.57
Server	10.45	42.70	-	53.15	4.19	4.43	-	-	44.46	6.26
Electrical Fitting	30.46	14.92	-	45.37	6.21	3.55	-	-	35.62	24.25
Total	2,000.38	182.45	8.62	2,174.21	205.57	110.09	8.12	-	1,866.62	1,794.81

11 Property, plant and equipment March 2022

Particulars	Gross block						Accumulated depreciation and impairment				Net block	
	As at 31st March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2022	As at 31st March 2021	For the year	Deductions/ Adjustments	Impairment	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021	
Owned assets												
Land-Freehold	1,181.08	-	-	1,181.08	-	-	-	-	-	-	1,181.08	1,181.08
Buildings	264.35	-	-	264.35	8.81	4.51	-	-	13.32	-	251.03	255.54
Office Equipments	91.97	28.76	1.10	119.63	32.09	18.27	0.96	-	49.40	-	70.23	59.88
Computers	102.98	74.78	0.20	177.56	38.23	37.64	0.20	-	75.67	-	101.89	64.75
Generator	14.03	-	-	14.03	0.53	1.32	-	-	1.85	-	12.18	13.50
Furniture & Fixtures	113.33	35.73	-	149.06	20.92	14.51	-	-	35.43	-	113.63	92.41
Vehicles	39.11	-	-	39.11	9.29	5.13	-	-	14.42	-	24.69	29.82
Printer	9.90	4.75	-	14.65	2.65	2.43	-	-	5.08	-	9.57	7.25
Server	3.74	6.71	-	10.45	2.75	1.44	-	-	4.19	-	6.26	0.99
Electrical Fitting	20.68	9.78	-	30.46	3.75	2.46	-	-	6.21	-	24.25	16.93
Total	1,841.17	160.51	1.30	2,000.38	119.01	87.71	1.16	-	205.57	-	1,794.81	1,722.16

(a) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Company.

(b) The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

12. Capital work in progress (CWIP)
CWIP ageing schedule as at 31st March 2023

(₹ in Lakhs)

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

CWIP ageing schedule as at 31 March 2022

(₹ in Lakhs)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.99	-	-	-	21.99
Projects temporarily suspended	-	-	-	-	-

There are no projects as on each reporting date where activity had been suspended. Also there are no projects as on the reporting date which has exceeded cost as compared to its original plan or where completion is overdue.

13. Other Intangible assets as on 31st March 2023

(₹ in Lakhs)

Particulars	Gross block			Accumulated amortisation and impairment			Net block			
	As at 31st March 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2023	As at 31st March 2022	For the year	Deductions/ Adjustments	Impairment	As at 31st March 2023	As at 31st March 2022
Computer Software	152.81	22.76	-	175.57	80.96	27.88	-	-	108.84	71.85
Total	152.81	22.76	-	175.57	80.96	27.88	-	-	108.84	71.85

(₹ in Lakhs)

Particulars	Gross block			Accumulated amortisation and impairment			Net block			
	As at 31st March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2022	As at 31st March 2021	For the year	Deductions/ Adjustments	Impairment	As at 31st March 2022	As at 31st March 2021
Computer Software	134.48	18.33	-	152.81	53.16	27.80	-	-	80.96	81.32
Total	134.48	18.33	-	152.81	53.16	27.80	-	-	80.96	81.32

14 Right of use assets (₹ in Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2021	215.29
Addition	203.53
Adjustments/deletion	(25.68)
Depreciation for the year	(121.53)
Carrying amount as at 31st March 2022	271.61
Addition	812.63
Adjustments/deletion	(12.06)
Depreciation for the year	(258.48)
Carrying amount as at 31st March 2023	813.70

15 Other Non Financial Assets (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Prepaid expenses	43.53	79.29
Advances to Creditors	21.84	-
Stamps in Hands	15.58	14.40
Total	80.95	93.69

16 Trade Payables (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	489.29	462.55
Total	489.29	462.55

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

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

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	-	-
- Interest	-	-
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
- The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	-	-
Total	-	-

16.2 Trade Payables ageing

a) Trade payables ageing schedule as at 31st March 2023 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1. MSME		-	-	-	-
2. Others	458.87	-	-	-	458.87
3. Disputed dues - MSME	-	-	-	-	-
4. Disputed dues - Others	-	-	-	-	-
5. Unbilled trade payables, if any	30.42	-	-	-	30.42

b) Trade payables ageing schedule as at 31st March 2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1. MSME		-	-	-	-
2. Others	278.67	-	-	-	278.67
3. Disputed dues - MSME	-	-	-	-	-
4. Disputed dues - Others	-	-	-	-	-
5. Unbilled trade payables, if any	183.88	-	-	-	183.88

17 Debt Securities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At Amortised cost :		
Secured		
Non Convertible Debentures	14,641.10	12,224.08
Total	14,641.10	12,224.08

17.1 Disclosure on Debt Securities issued on private placement basis.

Issue of secured redeemable non convertible debentures as on March 31st, 2023 (₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31st March 2023
13.18% Listed Non Convertible Debentures*	1.00	24-Feb-21	24-Feb-24	Redeemable at par at the end of 36 Months from the date of allotment.	548.44
13.91% Listed Non Convertible Debentures*	10.00	24-Mar-21	05-Feb-25	Redeemable at par at the end of 46 Months 12 days from the date of allotment.	2,720.11
12.50% Unlisted Non Convertible Debentures	10.00	22-Jun-20	22-Jun-23	Redeemable at par at the end of 36 Months from the date of allotment.	1,002.36
14.00% Unlisted Non Convertible Debentures	10.00	11-Sep-20	11-Sep-23	Redeemable at par at the end of 36 Months from the date of allotment.	997.16
13.75% Unlisted Non Convertible Debentures	1.00	23-Dec-20	23-Dec-23	Redeemable at par at the end of 36 Months from the date of allotment.	745.63

13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	31-Oct-24	Redeemable at par at the end of 38 Months from the date of allotment.	1,633.23
11.25% Unlisted Non Convertible Debentures	0.10	05-Aug-22	07-Aug-24	Redeemable at par at the end of 24 Months from the date of allotment.	3,082.75
11.50% Listed Non Convertible Debentures*	10.00	16-Sep-22	16-Mar-25	Redeemable at par at the end of 30 Months from the date of allotment.	2,402.39
13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	30-Nov-24	Redeemable at par at the end of 39 Months from the date of allotment.	1,509.03
Total					14,641.10

Issue of secured redeemable non convertible debentures as on March 31st, 2022 (₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31st March 2022
13.18% Listed Non Convertible Debentures*	1.00	24-Feb-21	24-Feb-24	Redeemable at par at the end of 36 Months from the date of allotment.	1145.63
13.91% Listed Non Convertible Debentures*	10.00	24-Mar-21	05-Feb-25	Redeemable at par at the end of 46 Months 12 days from the date of allotment.	3399.01
12.50% Unlisted Non Convertible Debentures	10.00	22-Jun-20	22-Jun-23	Redeemable at par at the end of 36 Months from the date of allotment.	998.05
14.00% Unlisted Non Convertible Debentures	10.00	11-Sep-20	11-Sep-23	Redeemable at par at the end of 36 Months from the date of allotment.	990.56
13.75% Unlisted Non Convertible Debentures	10.00	18-Nov-20	30-Mar-23	Redeemable at par at the end of 29 Months from the date of allotment.	1489.12
13.75% Unlisted Non Convertible Debentures	1.00	23-Dec-20	23-Dec-23	Redeemable at par at the end of 36 Months from the date of allotment.	1486.25
13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	31-Oct-24	Redeemable at par at the end of 38 Months from the date of allotment.	1411.93
13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	30-Nov-24	Redeemable at par at the end of 39 Months from the date of allotment.	1303.53
Total					12,224.08

Nature of Security:

The Secured Non - Convertible Debentures are secured by Hypothecation of specific Loan receivables with a cover as per the terms of issue. It is further secured by personal guarantees of Mr. M.G.Jawanjar and Mr. S.M.Jawanjal.

* The NCDs are listed on BSE Ltd.

Secured redeemable non convertible debentures:

During the year, the Company has raised ₹ 7,000 lakhs through issue of NCD's (31 March 2022: ₹ 2,500 lakhs). The Company has utilised ₹ 7,000 lakhs (31 March 2022: ₹ 2,500 lakhs) for the purpose of onward lending,

financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. Total unutilised balance amount is ₹ Nil (31 March 2022: ₹ NIL lakhs).

18 Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At Amortised cost :		
a) Term loans		
i) Secured		
Term Loan from Banks	22,726.85	18,522.89
Term Loan from Financial Institutions	25,388.43	23,413.67
Associated liabilities in respect of securitization transactions	299.46	1,235.73
b) Loans repayable on demand		
i) Secured		
Cash Credit from Banks	1,569.02	4,892.68
Total	49,983.76	48,064.97

18A Disclosure for Borrowings

Term loans from bank as on March 31st, 2023 : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2023	As at 31st March 2022
Monthly	Upto 5 Years	9.01%-10.00%	2,851.18	-
Monthly	Upto 5 Years	10.01%-11.00%	7,826.55	652.02
Monthly	Upto 5 Years	11.01%-12.00%	6,990.33	7,300.35
Monthly	Upto 5 Years	12.01%-13.00%	2,611.83	4,998.22
Monthly	Upto 5 Years	13.01%-14.00%	2,073.88	4,380.45
Monthly	Upto 5 Years	14.01%-15.00%	373.08	1,191.85
Total			22,726.85	18,522.89

Details of Securities Given

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

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

Term loans from Financial Institutions as on March 31st, 2022 : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2023	As at 31st March 2022
Monthly	Upto 5 Years	10.01%-11.00%	902.63	1,348.00
Monthly	Upto 5 Years	11.01%-12.00%	13,164.69	2,806.14
Monthly	Upto 5 Years	12.01%-13.00%	5,310.93	5,127.56
Monthly	Upto 5 Years	13.01%-14.00%	3,160.47	14,131.97
Monthly	Upto 5 Years	14.01%-15.00%	2,679.87	-
Monthly	Upto 5 Years	15.01%-16.00%	169.84	-
Total			25,388.43	23,413.67

Details of Securities Given

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

Loan repayable on demand from bank : Secured
(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2023	As at 31st March 2022
Bank overdraft/Cash Credit	Bullet	9.00%-13.00%	1,569.02	4,892.68
Total			1,569.02	4,892.68

Details of Securities Given

Loan repayable on demand from bank is secured by:

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

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed. The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. Quarterly Returns or Statements of current assets filed by the Company with Banks or Financial Institutions are prima facie in agreement with the Books of Accounts prepared before giving the effect for adjustments made pursuant to Ind-AS.

19 Deposits
(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
At Amortised cost :		
Deposits (Unsecured)		
- Public deposits	16,817.80	14,169.11
- Inter corporate deposits	917.22	555.19
Director and director relatives	276.66	339.84
Total	18,011.68	15,064.14

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

Rate of Interest	As at 31st March 2023		
	Upto 1 Year	1-3 Years	Total
8.50%	1,685.78	-	1,685.78
8.75%	2,684.76	446.29	3,131.05
9.00%	393.73	1,743.08	2,136.81
9.25%	236.83	931.71	1,168.54
9.50%	2,512.53	2,303.58	4,816.11
9.75%	1,687.07	925.65	2,612.72
10.00%	0.61	2,049.32	2,049.93
10.50%	-	964.42	964.42
Total	9,201.31	9,364.05	18,565.36

(₹ in Lakhs)

Rate of Interest	As at 31st March 2022		
	Upto 1 Year	1-3 Years	Total
8.50%	753.84	-	753.84
8.75%	1,015.56	168.09	1,183.65
9.00%	842.93	675.31	1,518.24
9.25%	1,586.39	519.67	2,106.06
9.50%	1,298.42	2,590.70	3,889.12
9.75%	796.57	2,012.79	2,809.36
10.00%	1,388.69	916.16	2,304.85
10.50%	-	914.58	914.58
Total	7,682.40	7,797.30	15,479.70

20 Other Financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Employee benefits payable	304.07	299.82
Unclaimed Dividend	1.17	1.19
Other expenses payable	48.77	41.26
Security deposits	347.25	330.49
Unclaimed matured deposits (Refer note 19.1)	553.68	415.56
Lease liability (Refer note 20.1)	752.09	285.96
Other credit balances	112.13	27.28
Advances from dealers	424.77	523.37
Total	2,543.93	1,924.93

20.1 Movement of lease liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Balance	285.96	221.89
Additions	803.22	199.28
Interest expenses	78.78	34.90
Payments	(401.21)	(139.01)
Deletions	(14.66)	(31.10)
Total	752.09	285.96

21 Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Current income tax payable for 31 March 2023, net of advance tax of INR 700.00 lakhs and TDS receivable of INR 53.93 lakhs (31 March 2022: net of advance tax INR 503.29 lakhs and TDS receivable INR 31.18 lakhs)	143.04	140.66
Total	143.04	140.66

22 Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits	-	-
Provision for gratuity (Refer Note 40)	262.01	232.45
Provision for compensated absences (Refer Note 40)	145.10	127.81
Total	407.11	360.26

23 Other Non Financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues payable	364.63	210.28
Total	364.63	210.28

24 Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Authorized		
1,45,00,000 (31 March 2022: 1,45,00,000) Equity shares of INR 10/- each.	1,450.00	1,450.00
5,00,000 (31 March 2022: 5,00,000) 0.1% Cumulative Compulsorily Convertible Participating Preference shares of INR 10/- each.	50.00	50.00
	1,500.00	1,500.00
Issued, Subscribed and Paid up		
1,23,36,846 (31 March 2022: 1,23,36,846) Equity shares of INR 10/- each.	1,233.68	1,233.68
Total	1,233.68	1,233.68

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	123.37	1,233.68	100.08	1,000.78
Add: Issued during the year - Private Placement	-	-	23.29	232.90
Outstanding at the end of the year	123.37	1,233.68	123.37	1,233.68

On March 21, 2022, the Company allotted fully paid up 23,29,048 equity shares of face value of ₹10/- each in the preferential issue through private placement basis at an issue price of ₹429.36/- per shares (including premium of ₹419.36/- per equity shares).

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of paid up share capital i.e equity share having a face value of INR 10 each. Each holder of equity shares is entitled to one vote per share.

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

Name of shareholders	As at 31st March 2023		As at 31st March 2022	
	Number of shares	% Holding	Number of shares	% Holding
i) M/s Avino Capcons Pvt Ltd	14,88,484	12.06%	14,88,484	12.06%
ii) Mr.Maroti Jawanjar	10,22,894	8.29%	10,22,894	8.29%
iii) Mr.Maroti Jawanjar (HUF)	8,68,954	7.04%	8,68,954	7.04%
iv) Amicus Capital Private Equity I LLP	21,28,263	17.25%	21,28,263	17.25%
v) Maj Invest Financial Inclusion Fund III K/S	19,79,691	16.05%	19,79,691	16.05%
Total	74,88,286	60.69%	74,88,286	60.69%

(d) Shareholding of Promoters

Name of the Promoter	As at 31st March 2023		As at 31st March 2022		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Maroti Jawanjar	10,22,894	8.29%	10,22,894	8.29%	0.00%
Sandeep Jawanjal	3,29,718	2.67%	3,26,318	2.64%	0.03%
Maroti Jawanjar (HUF)	8,68,954	7.04%	8,68,954	7.04%	0.00%
Jyoti Jawanjar	2,74,550	2.22%	2,74,550	2.22%	0.00%
Avino Capcons Pvt Ltd	14,88,484	12.07%	14,88,484	12.07%	0.00%
Bakul Jawanjal	1,01,000	0.82%	1,01,000	0.82%	0.00%
Radhemohan Jawanjal	1,400	0.01%	1,400	0.01%	0.00%
Sandeep Jawanjal(HUF)	1,17,700	0.95%	1,17,700	0.96%	0.00%

25 Other equity

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Retained earnings	143.89	107.96
General Reserve	8,182.65	7,082.65
Securities Premium	14,123.94	14,123.93
Employee stock options plan	126.49	103.02
Statutory Reserve	3,712.95	3,262.95
Total	26,289.92	24,680.51

(A) Retained earnings

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	107.96	108.19
Add: Net profit for the year	1,708.12	1,741.97
Add/(Less): Other comprehensive income	1.15	(92.14)
Appropriations:		
Less: Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(450.00)	(450.00)
Dividend Paid	(123.34)	(100.06)
Transfer to General Reserve	(1,100.00)	(1,100.00)
Closing balance	143.89	107.96

(B) General Reserve

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	7,082.65	5,982.65
Add: Transferred during the year	1,100.00	1,100.00
Closing balance	8,182.65	7,082.65

(C) Securities Premium (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	14,123.94	4,675.44
Add: Premium on issue of Equity Shares	-	9,767.10
Less: Expenses related to Issue of Shares (Private Placement)	-	-
Less: Expenses related to Issue of Shares (Private Placement)	-	(318.60)
Closing balance	14,123.94	14,123.94

(D) Share option outstanding (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	103.02	62.38
Add: Share based payment expense	23.47	40.64
Closing balance	126.49	103.02

(E) Statutory Reserve (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	3,262.95	2,812.95
Add: Transferred during the year	450.00	450.00
Closing balance	3,712.95	3,262.95

Description of the nature and purpose of Other Equity :

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

The Company has transferred 26% of the profit after tax (as against 20%) required to the statutory reserves in accordance to the provision of Section 45-IC Reserve Bank of India Act, 1934.

26 Interest Income (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest income on financial assets measured at fair value through profit or loss:		
- Interest income on bonds held for trading	-	-
Interest income on financial assets measured at amortised cost:		
- Interest on loans	20,163.14	15,558.93
- Interest on fixed deposits with banks	330.83	238.64
- Interest income from investments;	106.63	86.20
- Interest on security deposits	4.44	4.99
Total	20,605.04	15,888.76

27 Dividend Income		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Dividend received	0.07	0.05	
Total	0.07	0.05	

28 Fee & Commission Income		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Fee & Commission Income	1,060.70	1,630.48	
Total	1,060.70	1,630.48	

29 Net gain/ (loss) on fair value changes*		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Net gain/ (loss) on financial instruments designated at fair value through profit or loss	10.34	8.73	
Total Net gain/(loss) on fair value changes (A)	10.34	8.73	
Fair Value changes:			
-Realised	0.00	6.71	
-Unrealised	10.34	2.02	
Total Net gain/(loss) on fair value changes (B) to tally with (A)	10.34	8.73	

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

30 Other operating Income		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Securitisation fees	112.78	22.29	
Total	112.78	22.29	

31 Other Income		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Profit on sale of assets	2.86	0.19	
Gain on derecognition of leased asset	0.10	0.05	
Gain on termination of lease	1.84	5.80	
Miscellaneous income	2.43	3.55	
Total	7.23	9.59	

32 Finance Costs		(₹ in Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
On Financial liabilities measured at Amortised Cost			
Interest on deposits	1,582.38	1,293.95	
Interest on borrowings	6,120.65	6,034.71	
Interest on debt securities	2,067.99	1,558.16	
Interest on lease liabilities	78.78	34.89	
Bank charges	144.74	99.35	
Total	9,994.54	9,021.06	

33 Impairment on financial instruments

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Financial assets measured at amortised cost		
Loans	3,067.99	964.44
Total	3,067.99	964.44

34 Employee Benefits Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries, wages and bonus	3,069.23	2,215.51
Contribution to provident and other funds	190.36	143.83
Gratuity expenses (Refer Note 40)	60.71	33.65
Compensated absences expenses	53.83	68.07
Staff welfare expenses	6.68	18.58
Share based payment to employees	23.47	40.62
Commission to Managerial persons	78.00	118.65
Total	3,482.28	2,638.91

35 Depreciation and amortization expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Depreciation on property plant & equipments	110.08	87.71
Depreciation on right to use assets	258.48	121.53
Amortization of intangible assets	27.88	27.80
Total	396.44	237.04

36 Other expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Rent expenses	100.41	80.33
Rates and taxes	3.39	4.68
Goods & Service Tax	389.85	468.95
Conveyance & Travelling	247.20	176.66
Directors sitting fees	1.82	2.72
Legal and Professional charges	270.87	214.35
Advertisement Expenses	17.50	23.24
Marketing Commission	841.62	795.98
Courier & Postage Charges	93.14	77.85
Computer Charges	156.50	124.70
Electricity expenses	52.22	44.09
Office Car Expenses	1.58	0.77
Printing & Stationery	136.68	107.77
Telecom Charges	93.18	76.29
Office Expenses	111.94	114.47
Office Building Maintenances	6.58	5.27
Statutory Auditors remuneration (Note I)	15.00	2.90
CSR Contribution (Note II)	51.01	51.18
Misc Expenses	91.64	88.84
Total	2,682.13	2,461.04

Note I – Payments to Auditors

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Statutory audit fees	9.00	2.00
Taxation matters	1.00	0.75
Other Attest Services	5.00	0.15
Total	15.00	2.90

Note II - Corporate Social Responsibility (CSR) :

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company has made CSR expenditure for activities specified in Schedule VII of the Companies Act, 2013. As per section 135 (5) of the Companies Act, 2013, the Company was required to spend, in every financial year, at least two per cent of the average net profit of the company made during three immediately preceding financial years in pursuance of its Corporate Social Responsibility. The details are as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Amount required to be spent by the Company during the year	48.10	46.85
Amount of expenditure incurred	51.01	50.18
Shortfall at the end of the year*	-	-

The breakup of expenditure incurred on Corporate Social Responsibility activities:

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	51.01	50.18
- Paid in cash	51.01	50.18
- Yet to be paid in cash	-	-
Total	51.01	50.18

CSR activities include promoting health care, undertaking livelihood enhancement projects, promoting education, including special education, eradicating hunger, poverty and malnutrition which are specified under Schedule VII of Companies Act, 2013. The Company has neither made any CSR Contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended 31 March 2023 and 31 March 2022.

37 Earnings per share

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit / (loss) attributable to ordinary equity holders	1,708.12	1,741.97
Less: Dividend attributable to preference shareholders (including tax thereon, if any)	-	-
Profit / (loss) attributable to ordinary equity holders	1,708.12	1,741.97
Weighted average number of equity shares for basic EPS	123.37	100.79
Weighted average number of equity shares for diluted EPS	123.86	101.41
Face Value per share		
Basic earnings/(loss) per share (INR)	13.85	17.28
Diluted earnings/(loss) per share (INR)	13.79	17.18

38 Contingent liabilities

The Company is contesting the demand to the tune of ₹ 7.46 lakhs (31 March 2022: ₹ 7.46 lakhs) in respect of income tax matter relating to Assessment Year 2017-18 before the Commissioner of Income Tax (Appeals). Based on interpretation of the relevant provisions of the Income Tax Act, the company has been legally advised that the impugned demand is likely to be deleted and accordingly no provision is considered necessary.

39 Capital Commitments

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

40 Employee benefits**(A) Defined Contribution Plans**

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Contribution to Provident, ESIC and labour welfare fund (Refer Note 34)	190.36	143.83
Total	190.36	143.83

(B) Defined benefit plans**a) Gratuity payable to employees**

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

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

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

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience:

Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates:

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Basis of Assumptions

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

Discount rate

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

Mortality/ disability

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

Employee turnover/withdrawal rate

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

Salary escalation rate

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

i) **Principal assumptions used for the purposes of the actuarial valuations** (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<u>Economic Assumptions</u>		
Discount rate (per annum)	7.50%	7.10%
Salary Escalation rate	6.00%	6.00%
<u>Demographic Assumptions</u>		
Mortality	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)
Employee turnover/Withdrawal rate	1% at all ages	1% at all ages
Retirement age	58 Years	58 Years

ii) **Amount recognized in the Balance Sheet:** (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Present value of unfunded obligation as at the end of the year	262.01	232.45
Net liability recognized in Balance Sheet (Refer Note 22)	262.01	232.45
Current obligation	61.33	54.58
Non-current obligation	200.68	177.87

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Present value of obligation at the beginning of the year	232.45	131.75
Interest cost	16.51	8.89
Current service cost	44.21	24.77
Benefits paid	(29.62)	(6.57)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(14.54)	(11.53)
Actuarial (gain)/ loss on obligations - Due to experience adjustments	13.01	85.14
Present value of obligation at the end of the year	262.02	232.45

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Current service cost	44.21	24.77
Net Interest cost	16.51	8.89
Total expenses recognized in the Statement Profit and Loss (Refer Note 34)	60.72	33.66

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Remeasurements due to-		
- Effect of change in financial assumptions	(14.54)	(11.53)
- Effect of experience adjustments	13.01	85.14
Net actuarial (gains) / losses recognised in OCI	(1.53)	73.61

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Discount rate		
1% increase	(230.59)	(203.86)
1% decrease	300.82	267.86
Salary Escalation rate		
1% increase	301.03	267.89
1% decrease	(229.91)	(203.35)

vii) Maturity profile of defined benefit obligation (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Within next 12 months	61.33	54.58
Between 2 and 5 years	15.61	13.18
Between 6 and 10 years	29.41	22.10
Beyond 10 years	827.37	692.58
Total expected payments	933.72	782.44

41 Leases

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

The changes in the carrying value of right of use assets for the years ended 31 March 2023 and 31 March 2022 has been disclosed in Note 14.

The aggregate depreciation expense on right of use assets is included under depreciation and amortisation expense in the statement of Profit and Loss (Refer Note 35).

The movement in lease liabilities has been disclosed in Note 20.1

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

Particulars	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Less than one year	402.70	106.69
More than one year	349.39	179.27
Total	752.09	285.96

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

Short term leases:

Rental expense incurred and paid for short term leases during the year was INR 100.41 lakhs (31 March 2022: INR 80.33 lakhs).

42 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

(a) Enterprises over which Key Management Personnel are able to exercise significant influence:

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

(b) Key Management Personnel and directors who have significant influence over the company:

- 1) M.G.Jawanjar
- 2) S.M. Jawanjal
- 3) D.R. Balpande
- 4) Shantaram Mahakalkar
- 5) Vishwas Pathak
- 6) Atul Sarda
- 7) Rashmi Mitkary
- 8) Avishek Addy
- 9) Harishchandra Sukhdeve
- 10) Siva Vadivel Alagan
- 11) Y.M. Tahalyani (CFO up to 22nd October 2022.)

(c) Relatives of Key Management Personnel and Directors:

- 1) Jyoti Jawanjar
- 2) Ravindra Balpande
- 3) Vaishali Charde
- 4) Bakul Jawanjal
- 5) Arjun Jawanjal

- 6) Radhemohan Jawanjal
- 7) Purushottam Mahakalkar
- 8) Mansaram Mahakalkar
- 9) Viveknand Pathak
- 10) Wasudha Pathak
- 11) Meena Pidadhi
- 12) Hemant Charde
- 13) Mangala Mahakalkar
- 14) Arvind Mahakalkar
- 15) Swati Agnihotri

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

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
I) Key Management Personnel and Directors who have significant influence		
<u>Remuneration*</u>		
<i>M.G. Jawanjar</i>	97.59	109.21
<i>S.M. Jawanjal</i>	82.33	85.91
<i>D.R. Balpande</i>	26.15	23.49
<i>Y.M. Tahalyani</i>	9.66	10.59
<u>Interest on Deposit</u>		
<i>M.G. Jawanjar</i>	2.36	2.16
<i>S.M. Jawanjal</i>	3.01	7.14
<i>D.R. Balpande</i>	1.84	1.49
<i>Vishwas Pathak</i>	2.09	1.97
<i>Rashmi Mitkary</i>	0.14	0.13
<u>Deposit Repaid</u>		
<i>M.G. Jawanjar</i>	0.24	11.09
<i>S.M. Jawanjal</i>	69.79	46.37
<i>D.R. Balpande</i>	11.90	5.17
<i>Vishwas Pathak</i>	17.50	4.78
<i>Rashmi Mitkary</i>	0.75	0.71
<u>Loans Granted</u>		
<i>S.M. Jawanjal</i>	2.00	7.21
<u>Equity Dividend</u>		
<i>M.G. Jawanjar</i>	10.23	10.21
<i>S.M. Jawanjal</i>	3.29	3.23
<i>D.R. Balpande</i>	0.42	0.42
<i>Shantaram Mahakalkar</i>	0.30	0.30
<i>Vishwas Pathak</i>	0.25	0.28
<u>Interest on Loans</u>		
<i>S.M. Jawanjal</i>	0.21	0.12
<u>Repayment of Loans</u>		
<i>S.M. Jawanjal</i>	3.64	3.70
<u>Deposits Accepted</u>		
<i>M.G. Jawanjar</i>	-	11.00

<i>S.M. Jawanjal</i>	-	39.08
<i>D.R. Balpande</i>	10.60	13.50
<i>Vishwas Pathak</i>	16.72	4.58
<i>Rashmi Mitkary</i>	0.73	0.70
II) Relatives of Key Management Personnel and Directors		
<u>Remuneration</u>		
<i>Jyoti Jawanjar</i>	10.47	13.00
<u>Interest on Deposit</u>		
<i>Jyoti Jawanjar</i>	2.24	1.35
<i>Ravindra Balpande</i>	0.62	0.37
<i>Vaishali Charde</i>	6.76	5.05
<i>Hemant Charde</i>	1.50	1.29
<i>Bakul Jawanjal</i>	2.27	2.15
<i>Arjun Jawanjal</i>	0.15	0.15
<i>Radhemohan Jawanjal</i>	0.32	0.29
<i>Purushottam Mahakalkar</i>	0.80	0.77
<i>Mansaram Mahakalkar</i>	0.49	0.49
<i>Arvind Mahakalkar</i>	0.62	-
<i>Viveknand Pathak</i>	0.02	0.02
<i>Wasudha Pathak</i>	0.00	0.02
<i>Meena Pidadi</i>	1.24	1.22
<i>Mangala Mahakalkar</i>	1.84	0.35
<i>Swati Agnihotri</i>	0.30	-
<u>Deposit Repaid</u>		
<i>Jyoti Jawanjar</i>	0.22	0.13
<i>Ravindra Balpande</i>	1.86	0.04
<i>Vaishali Charde</i>	30.79	30.93
<i>Hemant Charde</i>	15.16	0.13
<i>Bakul Jawanjal</i>	33.49	6.00
<i>Arjun Jawanjal</i>	0.28	1.32
<i>Radhemohan Jawanjal</i>	1.73	0.03
<i>Mansaram Mahakalkar</i>	0.49	
<i>Arvind Mahakalkar</i>	0.62	-
<i>Viveknand Pathak</i>	0.25	0.23
<i>Wasudha Pathak</i>	0.18	-
<i>Meena Pidadi</i>	6.50	12.64
<i>Mangala Mahakalkar</i>	21.81	0.04
<i>Swati Agnihotri</i>	3.28	-
<u>Equity Dividend</u>		
<i>Jyoti Jawanjar</i>	2.75	2.75
<i>Ravindra Balpande</i>	0.03	0.03
<i>Vaishali Charde</i>	0.27	0.27
<i>Hemant Charde</i>	0.08	0.08
<i>Bakul Jawanjal</i>	1.01	1.01
<i>Radhemohan Jawanjal</i>	0.01	0.01
<i>Purushottam Mahakalkar</i>	0.03	0.03
<i>Mansaram Mahakalkar</i>	0.14	0.14

<i>Meena Pidadi</i>	0.02	0.02
<i>Mangala Mahakalkar</i>	0.14	0.14
<i>Arvind Mahakalkar</i>	0.10	-
<u>Deposits Accepted</u>		
<i>Jyoti Jawanjar</i>	-	10.00
<i>Ravindra Balpande</i>	3.25	2.25
<i>Vaishali Charde</i>	28.29	58.13
<i>Hemant Charde</i>	13.43	6.50
<i>Bakul Jawanjal</i>	18.37	10.71
<i>Arjun Jawanjal</i>	0.26	1.30
<i>Radhemohan Jawanjal</i>	1.70	-
<i>Purushottam Mahakalkar</i>	2.50	6.22
<i>Arvind Mahakalkar</i>	-	6.50
<i>Viveknand Pathak</i>	0.25	0.23
<i>Meena Pidadi</i>	5.93	12.43
<i>Mangala Mahakalkar</i>	21.63	20.00
<i>Swati Agnihotri</i>	2.68	-
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Interest on Deposit</u>		
<i>M.G. Jawanjar (HUF)</i>	2.31	1.09
<i>S.M. Jawanjal (HUF)</i>	0.58	0.47
<i>Avino Capcons Private Ltd.</i>	0.74	-
<u>Deposit Repayment</u>		
<i>M.G. Jawanjar (HUF)</i>	0.56	0.11
<i>S.M. Jawanjal (HUF)</i>	2.26	0.05
<i>Avino Capcons Private Ltd.</i>	0.74	-
<u>Equity Dividend</u>		
<i>Avino Capcons Private Ltd.</i>	14.88	14.88
<i>M.G. Jawanjar (HUF)</i>	8.69	8.69
<i>S.M. Jawanjal (HUF)</i>	1.18	1.18
<u>Deposit Accepted</u>		
<i>M.G. Jawanjar (HUF)</i>	8.00	10.00
<i>S.M. Jawanjal (HUF)</i>	2.20	1.00
<i>Avino Capcons Private Ltd.</i>	15.00	-

(C) Amount due to/from related parties

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
I) Key Management Personnel		
<u>Amount receivable for Loans Granted</u>		
<i>S.M. Jawanjal</i>	2.21	3.64
<u>Amount payable for Deposits Accepted</u>		
<i>M.G. Jawanjar</i>	25.21	23.09
<i>S.M. Jawanjal</i>	8.25	75.02
<i>D.R. Balpande</i>	19.49	18.95
<i>Vishwas Pathak</i>	22.91	21.60
<i>Rashmi Mitkary</i>	1.60	1.47
II) Relatives of Key Management Personnel		
<u>Amount payable for Deposits Accepted</u>		
<i>Jyoti Jawanjar</i>	24.82	22.80
<i>Ravindra Balpande</i>	7.18	5.17
<i>Vaishali Charde</i>	76.08	71.81
<i>Bakul Jawanjal</i>	13.34	26.19
<i>Arjun Jawanjal</i>	1.69	1.55
<i>Radhemohan Jawanjal</i>	3.33	3.05
<i>Purushottam Mahakalkar</i>	10.15	6.85
<i>Mansaram Mahakalkar</i>	5.00	5.00
<i>Viveknand Pathak</i>	0.27	0.25
<i>Meena Pidi</i>	14.18	13.51
<i>Hemant Charde</i>	15.69	15.91
<i>Mangala Mahakalkar</i>	21.97	20.32
<i>Swati Agnihotri</i>	2.72	-
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Amount payable for Deposits Accepted</u>		
<i>M.G. Jawanjar (HUF)</i>	29.11	19.36
<i>S.M. Jawanjal (HUF)</i>	6.11	5.59
<i>Avino Capcons Private Ltd.</i>	15.00	-

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

43 Operating Segment

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

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

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2023 or 31 March 2022.

44 Employee stock option scheme

- (a) On December 7, 2019 the members of company approved the Berar Stock Option Scheme 2019 (Scheme 2019) for issue of stock options to the key employees of the company. According to the Scheme 2019, the employee selected will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 60 months/ 48 months as the case may be.

In pursuant to the said scheme, the Company issued additional stock options on February 21, 2022.

(b) Summary of option granted under the scheme

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Opening balance	2.40	1.32
Granted during the year	-0.00	1.08
Exercised during the year	-	-
Forfeited / Lapsed during the year	(0.58)	-
Closing balance	1.82	2.40
Vested and exercisable	0.65	0.36

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

(₹ in Lakhs)

Grant date	Expiry date	Exercise price	Share options as at 31 March 2023	Share options as at 31 March 2022
23 Dec 19	23 Dec 24	95.00	1.04	1.32
21 Feb 22	21 Feb 26	250.00	0.78	1.08
Total			1.82	2.40
Weighted average remaining contractual life of options outstanding at the end of year			2.90	3.90

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

(₹ in Lakhs)

Scheme	A
Grant date	21 Feb 22
Weighted average fair value of options granted	83.04
Exercise price	250.00
Share price at the grant date	245.33
Expected volatility	39.97%
Risk free interest rate	5.29%
Expected dividend yield	0.41%

(₹ in Lakhs)

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

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Gross expense arising from share based payments	23.47	40.64
Less: Options granted to employees of subsidiaries recognised as deemed investment in subsidiaries	-	-
Less: Options granted to employees of subsidiaries on reimbursement basis over the vesting period	-	-
Employee share based payment expense recognised in statement of profit and loss (Refer Note 34)	23.47	40.64

45 Changes in Liability Arising from Financing Activities (₹ in Lakhs)

Particulars	1st April 2022	Cash Flows	Exchange Differences	Others	31st March 2023
Borrowings	43,172.29	4,913.49	-	328.96	48,414.74
Debt Securities	12,224.08	2,298.53	-	118.49	14,641.10
Deposits Taken	15,064.14	2,947.54	-	-	18,011.67

(₹ in Lakhs)

Particulars	1st April 2021	Cash Flows	Exchange Differences	Others	31st March 2022
Borrowings	43,604.78	(740.79)	-	308.30	43,172.29
Debt Securities	12,165.85	123.80	-	(65.57)	12,224.08
Deposits Taken	11,318.39	3,745.75	-	-	15,064.14

46 Fair values of financial assets and financial liabilities
Classification of financial assets and financial liabilities

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

(₹ in Lakhs)

Particulars	FVOCI	FVTPL	Amortised cost
As at 31 March 2023			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents			10,525.19
Bank Balances other than cash and cash equivalents			1,580.96
Loans			92,212.64
Investments		130.43	1,699.02
Other Financial assets			4,132.85
Financial liabilities			
Trade Payables			489.29
Debt Securities			14,641.10
Borrowings (Other than Debt Securities)			49,983.76
Deposits			18,011.68
Other financial liabilities			2,543.93

(₹ in Lakhs)

Particulars	FVOCI	FVTPL	Amortised cost
As at 31 March 2022			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents			9,507.52
Bank Balances other than cash and cash equivalents			4,371.89
Loans			81,933.84
Investments		119.45	1,442.84
Other Financial assets			4,063.88
Financial liabilities			
Trade Payables			462.55
Debt Securities			12,224.08
Borrowings (Other than Debt Securities)			48,064.97
Deposits			15,064.14
Other financial liabilities			1,924.93

47 Fair value hierarchy

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

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

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

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2023				
Financial assets				
<u>Financial assets measured at fair value through profit or loss</u>				
Investment in equity instruments and Alternative Investment Fund	130.43	-	-	130.43
Total Financial Assets	130.43	-	-	130.43
As at 31 March 2022				
Financial assets				
<u>Financial assets measured at fair value through profit or loss</u>				
Investment in equity instruments, mutual funds and Alternative Investment Fund	119.45	-	-	119.45
Total Financial Assets	119.45	-	-	119.45

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

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

48 Financial risk management objectives

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

(A) Market risk

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

(i) Interest rate risk

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

(ii) Foreign currency risk

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

(B) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk by following adequate internal controls according to the materiality of the risk involved.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements."

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

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

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

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

Computation of allowance for impairment losses:

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

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

In the current year, the provision as per IRACP has been done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 wherein the borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such

processes. Similarly, classification of borrower accounts as Non-Performing Asset shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset shall reflect the asset classification status of an account at the day-end of that calendar date.”

ECL allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgement and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the “Base case” (the “Central” scenario) and two “Worst case” scenarios (the “Downside” scenario) and three “Best case” (the “Upside” scenario). Probability weights are assigned to each scenario. The Central scenario is based on the Company outlook of GDP growth, inflation, unemployment and interest rates for India and most relevant for the Company’s loan portfolio. The Upside and Downside scenarios generated at the reporting dates are designed to cover cyclical changes and are updated during the year only if the economic conditions change significantly.

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

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

Other financial assets mainly includes deposit and advances given, and receivables from recovery agents. Loans, being a primary part of our operations, represent vehicle loans given to various parties for purchasing motor vehicles. Based on assessment carried by the Company, the majority receivables under this category is classified as “Stage 1” while provision has been created at INR 49.73 million on the remaining receivables. The provision is created with respect to the established policy by Company to perform an assessment, at the end of each reporting period, of whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Furthermore, there is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible for the receivables categorised under “Stage 1”.

(C) Liquidity risk

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

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

(₹ in Lakhs)

Particulars	Within 12 Months	Beyond 12 Months	Total
31 March 2023			
Trade payables	489.29	-	489.29
Debt Securities	7,536.99	6,020.69	13,557.69
Borrowings	30,122.77	24,295.87	54,418.63
Deposits (Including Unclaimed Deposits)	9,533.79	10,788.04	20,321.82
Other financial liabilities	2,196.68	347.25	2,543.93
Total	49,879.52	41,451.85	91,331.36

(₹ in Lakhs)

Particulars	Within 12 Months	Beyond 12 Months	Total
31 March 2022			
Trade payables	462.55	-	462.55
Debt Securities	5,188.97	9,967.03	15,156.00
Borrowings	32,745.42	19,899.52	52,644.94
Deposits (Including Unclaimed Deposits)	7,979.76	8,971.10	16,950.86
Other financial liabilities	986.00	330.49	1,316.49
Total	47,362.70	39,168.14	86,530.84

49 Maturity analysis of assets and liabilities

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

Maturity analysis of assets and liabilities as at 31st March 2023

(₹ in Lakhs)

Particulars	As at 31st March 2023		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	10,525.19	-	10,525.19
Bank Balances other than cash and cash equivalents	517.96	1,063.00	1,580.96
Loans	60,046.28	32,166.36	92,212.64
Investments	113.93	1,715.52	1,829.45
Other Financial assets	4,132.85	-	4,132.85
Tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	967.65	967.65
Investment Property	-	-	-
Property, Plant and Equipment	-	1,866.62	1,866.62
Capital Work in Progress	-	31.39	31.39
Intangible assets	-	66.74	66.74
Right to use assets	-	813.70	813.70
Non-financial assets	80.95	-	80.95
Total Assets	75,417.16	38,690.98	1,14,108.14
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	489.29	-	489.29
Debt Securities	7,520.00	7,121.10	14,641.10
Borrowings (Other than Debt Securities)	27,745.54	22,238.22	49,983.76
Deposits	8,647.62	9,364.06	18,011.68
Other Financial liabilities	1,444.59	1,099.34	2,543.93
Tax liabilities (Net)	143.04	-	143.04
Provisions	407.11	-	407.11
Non-financial liabilities	364.63	-	364.63
Total Liabilities	46,761.82	39,822.72	86,584.54

Maturity analysis of assets and liabilities as at 31st March 2022

(₹ in Lakhs)

Particulars	As at 31st March 2022		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	9,507.52	-	9,507.52
Bank Balances other than cash and cash equivalents	3,552.02	819.87	4,371.89
Loans	43,586.89	38,346.95	81,933.84
Investments	92.84	1,469.45	1,562.29
Other Financial assets	4,063.88	-	4,063.88
Tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	672.69	672.69
Investment Property	-	-	-
Property, Plant and Equipment	-	1,794.81	1,794.81
Capital Work in Progress	-	21.99	21.99
Intangible assets	-	71.85	71.85
Right to use assets	-	271.61	271.61
Non-financial assets	93.69	-	93.69
Total Assets	60,896.84	43,469.22	1,04,366.06
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	462.55	-	462.55
Debt Securities	4,280.00	7,944.08	12,224.08
Borrowings (Other than Debt Securities)	29,799.57	18,265.40	48,064.97
Deposits	7,266.85	7,797.29	15,064.14
Other Financial liabilities	1,281.21	643.72	1,924.93
Tax liabilities (Net)	140.66	-	140.66
Provisions	360.26	-	360.26
Non-financial liabilities	210.28	-	210.28
Total Liabilities	43,801.38	34,650.49	78,451.87

50 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders.

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

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

The company strategically manages its funds by :-

- 1) Maintaining diversity of sources of funding and spreading the maturity across periods in order to minimize the liquidity risk.
- 2) Minimizing or wherever possible, eliminating exposure to market rate risks like foreign exchange risk, interest rate risk and commodity price risk, thereby minimizing the impact of market volatility on earnings.
- 3) Analyzing the changes in macro economic factors affecting business environment and re-organizing its capital structure accordingly to adapt to the ever changing dynamics of business environment

- 4) By continuously monitoring and adjusting overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives.

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

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Gross Debt	83,190.22	75,768.75
Less: Liquid Assets	(10,525.19)	(9,507.52)
Net Debt	72,665.03	66,261.24
Equity	27,523.60	25,914.20
Net Gearing Ratio	2.64	2.56

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2023.

51 Analytical Ratios

Particulars	As at 31st March 2023	As at 31st March 2022	% Variance	Reasons for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)				LGD has been increased from Last financial year due to which Stage I provision (Which is a part of Tire II Capital) has been increased beyond 25%.
Tier I CRAR	25.90%	28.51%	-9.15%	
Tier II CRAR	0.43%	0.33%	30.30%	
Liquidity Coverage Ratio	164.62%	170.54%	-3.47%	

52 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023 and March 31, 2022.

53 Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

54 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2023 and March 31, 2022.

55 Expenditure in foreign currency

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Share Issue Expenses*	-	30.00
Dividend Paid	19.80	-
Legal and Professional charges (MAJ)	30.03	-
Computer Charges	7.83	-

* Share issue expenses are charged directly to the Securities premium account.

56 Floating charge on investment in government securities and Bank Deposits with Nationalised Banks

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities and bank deposits with Nationalised banks to the extent of ₹2515.33 Lakhs (March 31, 2022: ₹2185.23 Lakhs) in favour of trustees representing the public deposit holders of the Company.

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

58 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

59 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2023 and March 31, 2022. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

60 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

61 Compliance with approved Scheme(s) of Arrangements

The Company has not approved any scheme of arrangements in the financial years ended March 31, 2023 and March 31, 2022

62 Utilisation of Borrowed funds and share premium

The Company, as part of its normal business, grants loans and advances, makes investment, to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

63 Undisclosed income

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

64 Change in the process of NPA Classification.

Pursuant to RBI circular RBI/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. During the year, for calculation of ECL provision, the Company has change the asset classification from DPD basis to asset classification pursuant to the RBI circular dated November 12, 2021. Had the Company followed the earlier method of calculating ECL provision, the profit before tax for the year ended on March 31, 2023 would have been higher by ₹ 355.11 Lakhs

65 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2023 and March 31, 2022.

66 Relationship with Struck off Companies

The Company has not done any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2023 and March 31, 2022

67 Liquidity Coverage Ratio Disclosure

Disclosure as per circular no.RBI/2019-20/88 DOR.NBFC(PD)CC. No.102/03.10.001/2019-20 dated November 04,2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio(LCR)", Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2023, December 31,2022, September 30,2022 and June 30,2022.

(₹ in Crores)

Particular	31-Mar-23		31-Dec-22		30-Sep-22		30-Jun-22		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	
High Quality Liquid Assets									
1	**Total High Quality Liquid Assets (HQLA)	33.33	30.00	29.34	26.20	26.53	23.60	22.10	19.19
Cash Outflow									
2	Deposits (for deposit taking companies)	10.76	12.38	6.19	7.12	3.32	3.82	5.63	6.47
3	Unsecured wholesale funding	0.04	0.05	0.40	0.46	0.25	0.29	0.23	0.26
4	Secured wholesale funding	46.02	52.91	37.46	43.08	31.85	36.63	28.93	33.27
5	Additional requirements, of which	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Outflow related to loss of funding on debt product	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding obligations	6.56	7.55	5.26	6.05	39.46	45.38	6.12	7.04
7	Other contingent funding obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	TOTAL CASH OUTFLOW	63.38	72.89	49.31	56.70	74.89	86.12	40.91	47.05
Cash Inflows									
9	Secured lending	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Inflow from fully performing exposures	80.94	60.71	83.01	62.26	69.95	52.46	60.58	45.44
11	Other cash inflow	0.40	0.30	0.60	0.45	0.33	0.25	0.28	0.21
12	TOTAL CASH INFLOWS	81.34	61.01	83.61	62.71	70.27	52.71	60.86	45.65
13	TOTAL HQLA		30.00		26.20		23.60		19.19
14	TOTAL NET CASH OUTFLOWS		18.22		14.18		21.53		11.76
15	LIQUIDITY COVERAGE RATIO (%)		164.62		184.80		109.61		163.19

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

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

The figures pertaining to December 31, 2022 , September 30, 2022 and June 30, 2022 are unaudited and are as represented by the management, which have been relied upon by the auditors.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company, which has been relied upon by the auditors.”

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

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

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

The LCR is calculated by dividing the company’s stock of HQLA by its total net cash outflows over a 30-day stress period. “High Quality Liquid Assets (HQLA)” means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total Net cash outflows is defined as total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow.

The average LCR for the quarter ended June 30, 2022, September 30, 2022, and December 31, 2022 is computed as simple averages of monthly observations over the previous quarter. The average LCR for the quarter ended March 31, 2023 is computed as simple averages of daily observations over the previous quarter.

The average LCR for the quarter ended March 31, 2023 is 164.62% which is well above the RBI regulatory requirement.

68 Liquidity Risk

Public Disclosure on Liquidity Risk for the quarter ended March 2023 pursuant to RBI circular dated 4th November 2019 on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies.

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

Sr. No.	Number of Significant counter parties	Amount (₹ in Crores)	% of total Deposits	% of Total Liabilities
1	25	593.02	-	68.49%
2	2	5.78	3.11%	-

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

Particulars	As at March 31st, 2023
Total amount of Top 20 Large Deposits	23.8
% of amount of Top 20 Large Deposits to Total Deposits	12.82%

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

Particulars	As at March 31st, 2023
Total amount of Top 10 Borrowings	377.85
% of amount of Top 10 Borrowings to Total Borrowings	58.47%

(iv) Funding Concentration based on significant instrument / product **(₹ in Crores)**

Sl. No.	Name of the Instrument/product	Amount	% of Total Liabilities
1	Non-Convertible Debentures	146.41	16.91%
2	Term loan	484.15	55.92%
3	Public Deposits	144.71	16.71%
4	Commercial paper	0.00	0.00%
5	Other Bank Borrowings	0.00	0.00%

(v) Stock Ratios:

Sl. No.	Name of the Instrument / Product	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	0.00	0.00	0.00
2	Non-Convertible Debentures (original maturity < 1 year)	0.00	0.00	0.00
3	Other Short- term Liabilities	53.45	51.36	38.10

(vi) Institutional setup for Liquidity Risk management

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

Board has setup the Asset Liability Management Committee (ALCO) and Risk Management Committee to manage various risks of the Company. ALCO meets on a regular basis and is responsible for ensuring adherence to the risk tolerance/limits set by the Board including the Liquidity risk of the Company. The performance of the ALCO is reviewed by Board.

The Company has formulated a policy on Liquidity Risk Management Framework. Accordingly, the Company,

- Performs stress testing on a quarterly basis which enables the Company to estimate the liquidity requirements as well as adequacy and cost of the liquidity buffer under stressed conditions.
- Has also formulated a contingency funding plan as a part of the outcome of stress testing results.
- Monitors liquidity risk based on 'Stock' approach to liquidity by way of pre-defined internal limits for various critical ratios pertaining to liquidity risk."

The Company has diversified source of funding to ensure that there is no significant source, the withdrawal of which could trigger liquidity problems.

The Company monitors cumulative mismatches across all time buckets by establishing internal prudential limits. The Company maintains adequate liquidity buffer of readily marketable assets, to protect itself against any liquidity risk at the same time is mindful of the cost associated with it.

Notes:

1. As per the circular issued by RBI on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies dated 04th Nov 2019, "Significant counterparty" is defined as a single counter party or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the total Liabilities and "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total Liabilities.
2. Total Liabilities represent 'Total Liabilities and Equity' as per Balance sheet less Equity.
3. Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. Other Short-term liabilities represent all Short-term borrowings other than CPs.

69 Customers Complaints
Disclosure of complaints
Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:

Sr. No.	Particulars	Current Year	Previous Year
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	0	0
2	Number of complaints received during the year	428	162
3	Number of complaints disposed during the year	428	162
3.1	Of which, number of complaints rejected by the NBFC	28	0
4	Number of complaints pending at the end of the year	0	0
4.1	Maintainable complaints received by the NBFC from Office of Ombudsman	11	11
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman		
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	11	11
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6*	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended March 31,2023					
CIBIL related complaints	0	121	236.11%	0	2
Customer Services related complaints	0	60	160.87%	0	0
NOC related complaints	0	96	284.00%	0	0
Penalty charges related complaints	0	67	135.71%	0	0
CIBIL and NOC related complaints	0	5	150.00%	0	1
Others	0	79	62.50%	0	1
Total	0	428	262.96%	0	4
Year ended March 31,2022					
CIBIL related complaints	0	36	1100%	0	2
Customer Services related complaints	0	23	2300%	0	1
NOC related complaints	0	25	317%	0	1
Penalty charges related complaints	0	28	600%	0	0
CIBIL and NOC related complaints	0	2	200%	0	0
Others	0	48	433%	0	2
Total		162	636%	0	6

70 Details of Registration with Financials Regulators

Sr.No	Regulator	Registration No.
a.	Ministry of Company Affairs	U65929MH1990PLC057829
b.	Reserve Bank of India	13.01109

71 Rating assigned by Credit Rating Agencies

Sr. No.	ISIN/Instrument Name	Rating by CARE Ratings Limited	Rating by ICRA Limited	Rating by Acuite Ratings & Research Limited
1	Fixed Deposits Programme	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable); reaffirmed, put on notice for withdrawal for 6 months	-
2	Long Term Bank Facilities	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable); reaffirmed, withdrawn and removed from issuer non-cooperation category	BBB+ Positive
3	Long Term Bank Facilities – Term Loan (TL)	A- (CE); Stable	A- (CE) (Stable); reaffirmed, withdrawn and removed from issuer non-cooperation category	A (CE) Positive
4	Non-Convertible Debentures	BBB+; Stable (Triple B Plus; Outlook: Stable)	BBB (Stable) reaffirmed and removed from issuer non-cooperation category*	-
5	Market Linked Debentures	BBB+; Stable (Triple B Plus; Outlook: Stable)	PP -MLD[ICRA]BBB(Stable) reaffirmed and removed from issuer non-cooperation category	-

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

72 Concentration of Deposits, Advances, Exposures and Stage III Assets**a. Concentration of Deposits (₹ in Crores)**

Particulars	Amount
Total Deposits of Twenty Largest Depositors	23.80
Percentage of Deposits of Twenty largest depositors to Total Deposits	12.82%

b. Concentration of Advances (₹ in Crores)

Particulars	Amount
Total Advances of Twenty Largest borrowers	0.82
Percentage of Advances of Twenty largest borrowers to Total Advances	0.00%

c. Concentration of Exposures (₹ in Crores)

Particulars	Amount
Total Exposure of Twenty Largest borrowers	0.82
Percentage of Exposure of Twenty largest borrowers to Total Exposure	0.00%

d. Concentration of NPAs (₹ in Crores)

Particulars	Amount
Total Exposure of Top Four NPAs	0.26

73 Movements of NPAs

(₹ in Crores)

Particulars		As at 31st March 2023	As at 31st March 2022
i)	Net NPAs to Net Advances (%)	3.03%	2.23%
ii)	Movements of NPAs (Gross)		
	a. Opening Balances	25.55	16.84
	b. Addition during the year	34.94	21.11
	c. Reduction during the year	16.36	12.40
	d. Closing Balance	44.14	25.55
iii)	Movements of Net NPAs		
	a. Opening Balances	18.30	11.49
	b. Addition during the year	26.23	15.43
	c. Reduction during the year	16.36	8.62
	d. Closing Balance	28.17	18.30
iv)	Movements of ECL on NPAs		
	a. Opening Balances	7.25	5.35
	b. Provision made during the year	8.72	1.91
	c. Write-off/ Write back of excess provision		
	d. Closing Balance	15.97	7.25

74 NPAs as a percentage to Advances in the respective segments

Sr. No.	Sector	As at 31st March 2023	As at 31st March 2022
a.	Agriculture & Allied activities	2.43%	3.78%
b.	MSME	0.00%	0.00%
c.	Corporate Borrowers	0.00%	0.00%
d.	Services	0.00%	0.00%
e.	Unsecured personal loans	4.35%	7.56%
f.	Auto loans	5.59%	2.99%
g.	Other personal loans	0.00%	0.00%

75 Provisions and Contingencies

(₹ in Crores)

Break up of Provisions and Contingencies shows under the head Expenditure in Profit and Loss Accounts	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Impairment Loss Allowances on Loans	12.70	8.97
Impairment Loss Allowances on Other Financial Assets	1.10	0.68
Provision for Income Tax (excluding deferred tax)	7.60	7.15

76 Disclosure of Frauds reported during the year vide DNBS.PD.CC.NO. 256/03.10.042/2011-12 Dated March 02,2012: Instances of fraud for the year ended March 31, 2023

(₹ in Lakhs)

No of Cases*	Nature of Fraud^	Amount of Fraud	Recovery*	Write off
4	Fraud committed by employees	30.61	2.79	1.46
1	Fraud committed by borrowers and outsiders	5.77	-0.00	5.77

There are certain instances reported in risk based internal audit reports of the company where in the recovery proceeds collected by the employee were not deposited in Company's bank account but were deposited after the lapse was identified by the Internal audit team of the Company. The management does not view these instances as fraud as there was only delay in deposit of the recovery proceeds and no loss was incurred by the Company.

Instances of fraud for the year ended March 31, 2022

(₹ in Lakhs)

No of Cases*	Nature of Fraud^	Amount of Fraud	Recovery*	Write off
2	Fraud committed by employees	0.28	-0.00	-0.00
1	Fraud committed by borrowers and outsiders	0.06	-0.00	-0.00

*Out of the above cases, Only one was reported to RBI during the financial year 2021-22 and the for the remaining two cases, the investigations were on going and final amount was brought to the knowledge of management in the month of May 2022 and were reported to RBI Immediately thereafter. The management had therefore made adhoc provision as on 31st March 2022 in respect of these frauds.

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

78 Registrations obtained from Other Financial Sector Regulators

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

79 Penalties Imposed by RBI and Other Regulators

The fine of Rs.3,85,860/- imposed by the BSE Limited (where the Non-Convertible Debentures are listed) regarding delay in submission of un-audited financial results for the quarter and half ended September 30, 2022.

And in the financial year 2021-22 penalty of Rs.1,00,000 Lakh has been imposed by the SEBI under section 15A(b) of the SEBI Act, 1992 for failure on the part of the Company to timely comply with the provision of regulation 52(1) of SEBI LODR regulations,2015.”

80 Derivatives

The Company has no transcatons/exposure in derivaties in the current year and previous year.

81 Investments

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
1. Value of Investments		
(i) Gross Value of Investments		
(a) In India	18.29	15.62
(b) Outside India	0	0
(ii) Provision for Depreciation		
(a) In India	0	0
(b) Outside India	0	0
(iii) Net Value of Investments		
(a) In India	18.29	15.62
(b) Outside India	0	0
2. Movement of Provision held towards depreciation on Investments		
(i) Opening Balances	0	0
(ii) Add: Provision made during the year	0	0
(iii) Less: Write off/Write-back of excess provision during the year	0	0
(iv) Closing Balances	0	0

82 Disclosures relating to Securitisation

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
No of SPVs sponsored by the NBFC for securitisation transactions	1	1
Total amount of securitised assets as per books of the SPVs sponsored	3.91	1.49
Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet	1.36	1.00
Off-balance sheet exposures		
First loss		

Others		
On-balance sheet exposures		
First loss (In the form of Fixed Deposit)	1.36	1.00
Others (over-collateralisation)	-	-
Amount of exposures to securitisation transactions other than MRR		
Off-balance sheet exposures		
Exposure to Own Securitisations		
First loss	-	-
Others	-	-
Exposure to third party Securitisations		
First loss	-	-
Others	-	-
On-balance sheet exposures		
Exposure to Own Securitisations		
First loss	-	-
Others	-	-
Exposure to third party Securitisations		
First loss	-	-
Others	-	-
Sale consideration received for the securitised assets	-	-
Gain/loss on sale on account of securitisation		
Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc.	-	-
Credit enhancement (12%)		
(a) Amount paid	-	-
(b) Repayment Received	-	1.81
(c) Outstanding Amount	-	3.39
Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	2.03%	-
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	Nil	Nil
Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

83 Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM(PK)-2008 dated 1 August 2008

Capital Adequacy Ratio

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Ratio		
CRAR - Tier I Capital (%)	25.90%	28.51%
CRAR - Tier II Capital (%)	0.43%	0.33%
Total Capital (%)	26.33%	28.84%

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

85 Exposure to Capital Market

(₹ in Crores)

Particulars	As at 31st March 2023	As at 31st March 2022
Direct Investment in equity shares, convertible bonds, convertible debentures and unit of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	1.30	1.19

86 The Company has given unsecured loan of ₹ 5,25,19,000 as a personal loans to the borrowers Personal loans are partly secured by assignment/pledge of life insurances polices, shares and other securities or are unsecured.

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

(₹ in Crores)

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years upto 5 Years	Over 5 Years	Total
Deposits	2.90	3.11	11.73	6.82	6.22	19.53	36.17	72.79	20.85	0.00	180.12
Advances (Net of Provision)	15.00	20.00	24.79	58.93	57.14	161.43	263.16	285.58	36.08	0.00	922.13
Investments	0.00	0.00	0.00	0.82	0.00	0.00	0.31	1.44	1.91	13.80	18.29
Borrowing	8.21	1.27	17.56	25.80	39.46	94.96	165.39	290.53	3.06	0.00	646.25

88 Previous year comparatives

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification

Summary of significant accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 88

As per our Report of even date attached

For and On Behalf of Board of Directors

**For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136**

**M.G.Jawanjar
Executive Chairman
DIN: 00379916**

**S.M.Jawanjal
Managing Director
DIN: 01490054**

**CA Ashish Shah
M.No :103750**

**R.Srinivasan
Chief Financial Officer**

**D.R.Balpande
Company Secretary**

**Place : Nagpur
Date: 30/05/2023**

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

(₹ in Lakhs)

Particulars		As at March 31, 2023			As at March 31, 2022		
		Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	85,185.82	497.28	84,688.55	78,114.77	358.98	77,755.79
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	5,104.35	397.59	4,706.76	2,527.67	179.55	2,348.12
	Financial assets for which credit risk has increased significantly and credit-impaired	4,414.61	1,597.29	2,817.33	2,555.40	725.47	1,829.93
Total		94,704.78	2,492.16	92,212.64	83,197.84	1,264.00	81,933.84

(b) Reconciliation of loss allowance provision - Loans:

(₹ in Lakhs)

Particular	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2021	361.51	336.01	534.69	1,232.21
New assets originated or purchased	252.62	100.68	111.03	464.34
Amount written off	(393.88)	(127.45)	(387.09)	(908.43)
Transfers to Stage 1	184.60	(104.28)	(80.32)	(0.00)
Transfers to Stage 2	(13.00)	16.01	(3.01)	(0.00)
Transfers to Stage 3	(24.14)	(73.37)	97.50	(0.01)
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(8.75)	31.95	452.67	475.87
ECL as on March 31, 2022	358.98	179.55	725.47	1,263.98
New assets originated or purchased	336.42	213.29	407.72	957.43
Amount written off	(892.61)	(133.13)	(823.48)	(1,849.21)
Transfers to Stage 1	71.28	(48.01)	(23.27)	-
Transfers to Stage 2	(23.57)	29.17	(5.60)	(0.00)
Transfers to Stage 3	(21.45)	(46.72)	68.17	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	668.42	203.23	1,248.27	2,119.93
ECL as on March 31, 2023	497.48	397.39	1,597.27	2,492.12

(c) Reconciliation of Gross carrying amount - Loans:

(₹ in Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2021	60,985.98	4,510.56	1,684.03	67,180.56
New assets originated or purchased	57,416.42	1,426.88	511.77	59,355.07
Amount written off	(393.88)	(127.45)	(387.09)	(908.43)
Transfers to Stage 1	1,864.35	(1,611.16)	(253.20)	(0.00)
Transfers to Stage 2	(1,791.89)	1,801.38	(9.49)	(0.00)
Transfers to Stage 3	(2,050.70)	(907.84)	2,958.54	-
Net Recovery	(37,915.51)	(2,564.69)	(1,949.16)	(42,429.36)
Gross carrying amount as on March 31, 2022	78,114.77	2,527.67	2,555.40	83,197.84
New assets originated or purchased	61,115.45	2,737.58	1,133.63	64,986.67
Amount written off	(892.61)	(133.13)	(823.48)	(1,849.21)
Transfers to Stage 1	918.26	(716.40)	(201.86)	-
Transfers to Stage 2	(4,212.86)	4,271.49	(58.63)	(0.00)
Transfers to Stage 3	(3,179.75)	(632.79)	3,812.54	-
Net Recovery	(46,677.44)	(2,950.07)	(2,003.00)	(51,630.52)
Gross carrying amount as on March 31, 2023	85,185.82	5,104.35	4,414.61	94,704.78

(d) Asset classification as per Ind AS 109:

(₹ in Lakhs)

Asset Classification as per IND AS 109	For the year ended March 31, 2023				
	Gross carrying amount as per IndAS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount	Provisions required as per IRACP norms (For the year ended March 31, 2023)	Difference between provisions as per IND AS 109 and IRAC Norms
Stage-1	85,185.82	497.28	84,688.54	340.40	156.88
Stage-2	5,104.35	397.59	4,706.76	20.42	377.17
Stage-3	4,414.61	1,597.29	2,817.32	787.23	810.06
Total	94,704.78	2,492.16	92,212.62	1,148.05	1,344.11

(d) Asset classification as per Ind AS 109:

(₹ in Lakhs)

Asset Classification as per IND AS 109	For the year ended March 31, 2022				
	Gross carrying amount as per IndAS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount	Provisions required as per IRACP norms (For the year ended March 31, 2022)	Difference between provisions as per IND AS 109 and IRAC Norms
Stage-1	78,114.77	358.98	77,755.79	312.46	46.52
Stage-2	2,527.67	179.55	2,348.12	10.11	169.44
Stage-3	2,555.40	725.47	1,829.93	346.33	379.14
Total	83,197.84	1,264.00	81,933.84	668.90	595.10

SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 23

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

(₹ in Lakhs)

Sr. No	Particulars	Amount outstanding	Amount overdue
	Liabilities :		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
	(a) Debentures : Secured	14,641.10	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	48,414.74	--
	(d) Inter-corporate loans and borrowing	917.22	0.00
	(e) Commercial Paper	0.00	0.00
	(f) Public deposits (Including deposits from directors and their relatives)	17,648.14	553.68
	(h) Cash Credit & Working Capital		
	Demand Loan	1,569.02	--
	Total	83,190.22	553.68
(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	17,648.14	553.68

(₹ in Lakhs)

No.	Particulars	Amount Outstanding
	Assets :	
3	Break-up of loans and advances including bills receivables [other than those included in (4) below]	
	(a) Secured	86.13
	(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	94618.65
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	113.93
	(v) Others (please specify)	
	Investment in Alternative Instrument Fund	116.79
	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	13.64
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	1,585.09
	(v) Others (please specify)	0.00
	2. Unquoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	0.00
	(v) Others (please specify)	0.00

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

Sr. No	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	(a) Subsidiaries	0.00	0.00	0.00
	(b) Companies in the same group	0.00	0.00	0.00
	(c) Other related parties	0.00	0.00	0.00
(ii)	Other than related parties	91,705.54	507.10	92,212.64
	Total	91,705.54	507.10	92,212.64

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

Sr. No	Category	Market Value/Breakup or fair value of NAV	Book Value (Net of Provisions)
(i)	Related parties		
	(a) Subsidiaries	0	0
	(b) Companies in the same group	0	0
	(c) Other related parties	0	0
(ii)	Other than related parties	1829.45	1829.45
	Total	1829.45	1829.45

(8) Other information (₹ in Lakhs)

Sr. No	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	0
	(b) Other than related parties	44.14
(ii)	Net Non-Performing Assets	
	(a) Related partied	0
	(b) Other than related parties	28.17
(iii)	Assets acquired in satisfaction of debt	0

As per our Report of even date attached

For and On Behalf of Board of Directors

For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

CA Ashish Shah
M.No :103750

R.Srinivasan
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2023

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

YEAR	PAID-UP CAPITAL	NET WORTH	TOTAL ASSETS	PROFIT BEFORE TAX	PROFIT AFTER TAX	DIVIDEND	
						Rate%	AMOUNT
1990-91	1.44	1.50	3.03	0.06	0.06	--	--
1994-95	20.75	38.14	74.88	6.45	5.80	26.00%	4.07
1995-96	26.00	44.40	124.95	8.07	6.09	20.00%	5.04
1996-97	30.00	48.94	174.86	11.16	5.15	14.00%	3.72
1997-98	30.00	52.72	224.24	19.15	10.00	16.00%	4.80
1998-99	30.00	59.80	223.71	20.22	12.97	16.00%	4.80
1999-00	30.00	61.41	247.47	16.47	8.55	16.00%	4.80
2000-01	36.00	70.22	280.79	17.78	9.15	16.00%	4.92
2001-02	50.00	109.28	374.83	31.84	22.74	17.00%	7.70
2002-03	80.00	187.27	748.88	55.55	34.57	18.00%	14.40
2003-04	102.55	256.21	865.80	81.84	52.70	18.00%	15.55
2004-05	102.55	307.02	1,155.50	112.80	75.73	20.00%	20.51
2005-06	163.50	452.20	1,392.69	126.43	83.88	22.00%	26.04
2006-07	310.00	715.98	1,956.10	153.81	101.36	22.50%	44.64
2007-08	* 620.00	780.25	2,619.22	228.63	153.54	* 12.50%	90.67
2008-09	700.00	978.58	3,486.60	336.82	218.98	13.00%	100.66
2009-10	700.00	1,119.71	4,100.69	379.84	247.60	13.00%	106.47
2010-11	700.00	1,361.79	5,206.99	545.56	355.98	14.00%	113.90
2011-12	750.00	1,695.14	6,377.90	601.90	399.37	14.00%	116.01
2012-13	800.00	2,099.90	9,076.85	732.20	492.46	15.00%	137.70
2013-14	800.00	2,534.23	11,125.49	863.19	574.74	15.00%	140.39
2014-15	800.00	3,091.63	14,788.92	1,053.41	677.75	12.50%	120.35
2015-16	800.00	3,818.09	19,770.39	1,246.93	822.74	10.00%	96.29
2016-17	800.00	4,713.26	26,660.71	1,532.62	991.47	10.00%	96.29
2017-18	800.00	5,950.92	32,937.95	1,768.79	1,237.65	10.00%	96.44
2018-19	800.00	7,326.43	41,796.85	2,077.27	1,471.95	10.00%	96.44
2019-20	966.67	11,808.65	55,274.97	2,258.44	1,691.27	5.00%	46.50
2020-21	1,000.78	14,642.40	89,143.75	2,055.66	1,537.66	10.00%	100.07
2021-22	1,233.68	25,914.20	1,03,842.69	2,237.41	1,741.97	10.00%	123.36
2022-23	1,233.68	27,523.60	1,14,108.14	2,172.78	1,708.12	10.00%	123.36

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

MISSION

Partnering To Prosper

COMMITMENT

Close To The People

VISION

Miles To Go

BRANCHES

MAHARASHTRA -

Ahmednagar, Akola, Amravati, Aurangabad, Baramati, Bhandara, Bhusawal, Brahmapuri, Buldhana, Chalisgaon, Chandrapur, Dhule, Gadchiroli, Gondia, Hingoli, Jalgaon, Karad, Katol, Khamgaon, Kolhapur, Kudal, Latur, Manmad, Nanded, Nandurbar, Nashik, Osmanabad, Pandharpur, Paratwada, Parbhani, Pune, Pusad, Ratnagiri, Sangli, Satara, Solapur, Udgir, Wagholi, Wani, Wardha, Washim & Yavatmal.

MADHYA PRADESH -

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

CHHATTISGARH -

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

GUJARAT -

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

KARNATAKA -

Belgavi, Bidar, Kalaburagi, Raichur & Vijayapur.

TELANGANA -

Adilabad, Jagtial, Jangaon, Kamareddy, Karimnagar, Khammam, Kothagudem, Mahabubnagar, Mancherial, Miriyalaguda, Nalgonda, Nirmal, Nizamabad, Sangareddy, Siddipeth, Suryapet & Warangal.



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