



CIN No. :- U65929MH1990PLC057829
Regd. Office : AVINISHA TOWER, MEHADIA SQUARE, DHANTOLI, NAGPUR - 440 012.
Tel. : (0712) 6663999 ❖ Website : www.berarfinance.com ❖ Email : info@berarfinance.com

BFL: 2025-26/129

Date: August 23, 2025

To,
The Manager (Listing),
The BSE Limited,
P.J. Towers,
Dalal Street,
Mumbai-400 001.

Dear Sir/Madam,

Sub: - Notice of the 35th Annual General Meeting and Annual Report for the Financial Year 2024-2025 - Intimation under Regulation 50 and 53 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

This is to inform you that the 35th Annual General Meeting ("AGM") of the Members of Berar Finance Limited is scheduled to be held on Tuesday, the 16th day of September, 2025 at 11.00 A.M. (IST), at "Arjuna Celebrations", Pande Layout Road, Khamla, Nagpur-440025 to transact the business as set out in the Notice convening 35th AGM.

Accordingly, in pursuance to the Regulation 50 and 53 of the Listing Regulations, as amended from time to time, kindly find enclosed herewith the Notice of 35th AGM and the Annual Report of the Company for the Financial Year 2024-2025 sent to the Members/securities holders of the Company today i.e. August 23, 2025, who have registered their e-mail addresses with the Company or the Depository Participant(s), through electronic mode and through physical mode to the members who have not registered their email-ID or have requested for physical copies in permitted mode.

The Notice of 35th AGM and the Annual Report for the Financial Year 2024-2025 are also available on the website of the Company at www.berarfinance.com

Kindly take the same on record.

Thanking you,

For Berar Finance Limited



(Deepali Balpande)

Company Secretary and Compliance Officer

ACS: 21290

Encl: As above

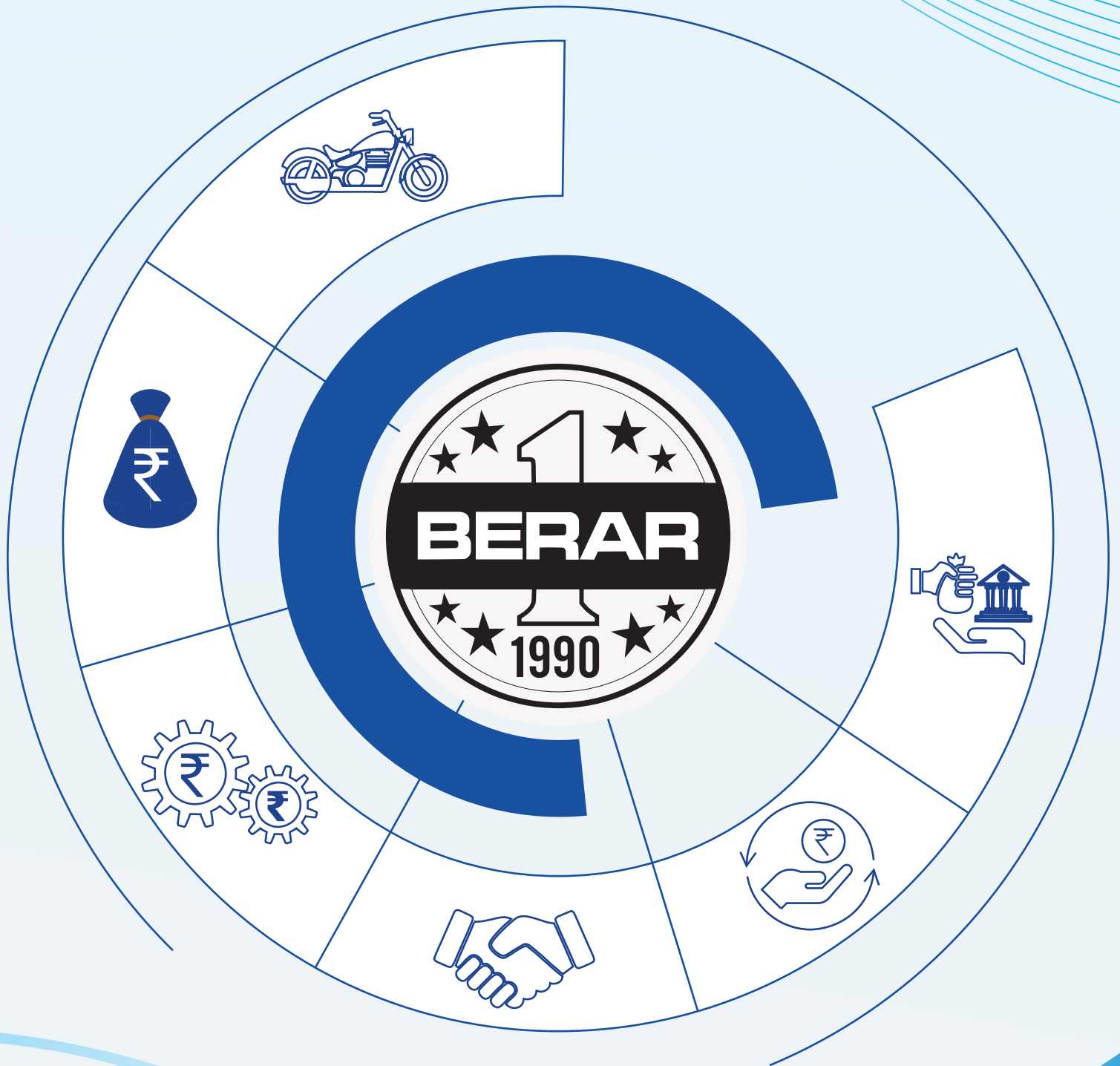
Copy to following for information:-

- 1) IDBI Trusteeship Services Limited, Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Rd, Fort, Mumbai, Maharashtra - 400 001.

- 2) Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093.
- 3) CRISIL Ratings Limited, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076, Maharashtra, India.
- 4) India Ratings and Research Private Limited, Wockhardt Tower, Level 4, West Wing, Plot C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051, India.
- 5) National Securities Depository Limited, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
- 6) Central Depository Services (India) Limited, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel (East) Mumbai - 400013.

Dimple





35th Annual Report

2024-2025

CONTENTS

Corporate Information	01
Board’s Report	02
▶ Management Discussion and Analysis	16
▶ Secretarial Audit Report	19
▶ Report on Corporate Governance	23
▶ Annual Report on Corporate Social Responsibility (“CSR”) Activities	42
Independent Auditor’s Report on Financial Statements	49
Financial Statements	60
Financial Highlights	133
AGM Notice	134

CORPORATE INFORMATION

BOARD OF DIRECTORS:

CS Maroti Jawanjar Executive Chairman
Mr. Shantaram Mahakalkar
CA Avishek Addy
Mr. Rajesh Vasudevan
(w.e.f. May 23, 2024)
Mr. Varun Bhalla
(w.e.f. September 20, 2024)
CA. Annapurna Dubey
(w.e.f. November 14, 2024)
Ms. Anvi Somaiya
(w.e.f. May 27, 2025)
Mr. Sandeep Jawanjal Managing Director

COMPANY SECRETARY:

CS Deepali Balpande

CHIEF FINANCIAL OFFICER:

CA Yogesh Tahalyani

STATUTORY 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: 022-62638261
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 7068
Website: www.idbitrustee.com
Email: itsl@idbitrustee.com

PUBLIC DEPOSIT TRUSTEE

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

EQUITY ISIN

INE998Y01017

BOARD'S REPORT

The Board of Directors ("the Board") of Berar Finance Limited ("the Company") have pleasure in presenting the 35th Annual Report and the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025 ("FY 2024-2025 or FY 2025").

FINANCIAL RESULTS

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

(₹ in lakhs)

Particulars	FY 2024-2025	FY 2023-2024
Loans disbursed during the year	1,17,511.60	95,792.48
Gross Assets under Management (AUM)	1,38,306.39	1,11,762.30
Assets sold under Securitisation	7,145.94	1,425.51
Gross Income	29,496.39	25,181.03
Profit (before tax and extra-ordinary items)	4,225.86	2,995.29
Net Profit (after Tax)	3,229.70	2,218.06

APPROPRIATION OF PROFITS

The operations of the Company have generated a Net Profit (after tax) of ₹ 3,229.70 lakhs (P.Y.: ₹ 2,218.06 lakhs) for the financial year ended March 31, 2025.

Your Directors propose to appropriate the same as under:

(₹ in lakhs)

Particulars	FY 2024-2025	FY 2023-2024
Net Profit (after Tax)	3,229.70	2,218.06
Add: Balance Brought Forward	1,789.31	143.89
Add/(Less): Other Comprehensive Income	2.47	(4.27)
Disposable Profit	5,021.48	2,357.68
Appropriations:		
- Dividend paid during the year	(123.37)	(123.37)
- Transfer to Statutory Reserve (As per Section 45-IC of RBI Act, 1934)	(678.24)	(445.00)
Balance Carried Forward	4,219.87	1,789.31

MANAGEMENT DISCUSSION AND ANALYSIS

An 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 ₹ 678.24 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 Non- Convertible 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 2024-2025, no new equity shares were issued by the Company.

As on March 31, 2025, the paid-up share capital of the Company stood at ₹ 1233.68 lakhs consisting of 1,23,36,846 equity shares of face value of ₹ 10 fully paid-up.

DIVIDEND

RBI vide its circular dated June 24, 2021 (including any amendment thereof) has laid down framework for declaration of dividend by NBFCs.

Your Company declared an interim dividend of ₹ 1.20/- per share for the FY 2024-2025 amounting to ₹ 1,48,04, 216/- at duly convened Board Meeting held on May 27, 2025.

The said dividend was in accordance with the principles and criteria set out in the Company's Dividend Distribution Policy. Total dividend paid does not exceed the ceilings specified in said circular/RBI Master Directions.

FUNDING RESOURCES

i. Bank Facilities -

As on date, a consortium of bankers comprising of Bank of Maharashtra, IDBI Bank, Punjab National Bank, AU Small Finance Bank Limited and IDFC First Bank Limited are providing CC facilities of ₹ 6,500.00 lakhs.

The overall outstanding balance of the consortium and non-consortium CC Limit as on March 31, 2025 is ₹ 1965.43 lakhs.

ii. Fixed Deposits -

As on March 31, 2025, total fixed deposits amounted to ₹ 19,649.67 lakhs, of which public deposits amounted to ₹ 17,875.21 lakhs. The following table provides the details of the flow of public deposits during FY 2024-2025:

Particulars	₹ in lakhs
Public Deposits at the beginning of the year	18,905.83
Less: Public deposits repaid/renewed during the year	9,136.97
Add: Public Deposits accepted / renewed during the year	8,106.35
Public Deposits at the end of the year	17,875.21

₹ 91.35 lakhs of deposits (from 29 deposit accounts) matured and were unclaimed as on March 31, 2025. All these were claimed subsequently except 10 deposit accounts amounting to ₹ 25.70 lakhs. Periodic reminders are being sent to the depositors for repayment of deposits. The Company has stopped accepting fresh public deposits or renewal of existing public deposits w.e.f December 01, 2024.

iii. Term Loans -

Your Company has availed term loans for working capital from various lenders at favorable terms and at a reasonable rate of interest. The outstanding balance of such loans as on March 31, 2025 is ₹ 82,971.44 lakhs. The term loans offer ready availability, their repayments match maturity of receivables offered as security.

iv. Assets Securitized -

During the year your Company has raised resources through securitization of receivables. The closing balance of assets securitized as on March 31, 2025 is ₹ 7145.94 lakhs.

v. Non-Convertible Debentures -

During the year under review, your Company has issued and allotted the following Non-Convertible Debentures ("NCDs") on Private Placement basis:

Sr. No	ISIN	Date of Allotment	No. of Debentures	Face Value (per debenture) ₹ in Lakhs	Total Amount ₹ in lakhs	Remarks
1	INE998Y07147	23.04.2024	2500	1.0	2500	Listed
2	INE998Y07154	28.10.2024	30000	0.1	3000	Listed
3	INE998Y07162	12.02.2025	30000	0.1	3000	Listed
4	INE998Y07170	21.03.2025	1500	1.0	1500	Listed
*5	INE998Y07188	24.06.2025	50000	0.1	5000	Listed
*6	INE998Y07196	30.06.2025	2500	1.0	2500	Listed

*Note: The said NCDs were issued and allotted after the closure of financial year and till the date of this report.

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

Sr. No	ISIN	Date of Allotment	No. of Debentures	Face Value (per debenture) ₹ in Lakhs	Total Amount ₹ in lakhs	Date of Redemption	Remarks
1	INE998Y07113	05.08.2022	25000	0.1	2500	05.08.2024	Unlisted
2	INE998Y07121	05.08.2022	15000	0.1	1500	07.08.2024	Unlisted
3	INE998Y07097	17.09.2021	130	10	1300	05.09.2024	Unlisted
4	INE998Y07105	17.09.2021	120	10	1200	05.09.2024	Unlisted
5	INE998Y07089	24-03-2021	340	10	3400	05.02.2025	Listed
6	INE998Y07139	16-09-2022	300	10	3000	13.03.2025	Listed

The Company has been regular in the payment of principal / interest towards all the outstanding Non-Convertible Debentures. As on March 31, 2025 the total outstanding Secured NCDs stood at ₹ 9,449.04 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, two-wheeler re-financing loans and Secured MSME/ Loan against property. Your Company has a strong network and presence in rural and semi-urban India which has demonstrated strong growth potential and resilience in spite of multiple macro- economic challenges during the year. Your Company has recorded satisfactory growth in business with a 22.67% increase in disbursement and 17.14% increase in gross income during FY 2024-2025 compared to FY 2023-2024.

BRANCH NETWORK

As on March 31, 2025, besides the registered office situated at Nagpur, the Company had 134 branches comprising 41 in Maharashtra, 24 in Madhya Pradesh, 24 in Chhattisgarh, 17 in Telangana, 8 in Gujarat, 7 in Karnataka and 13 in Odisha. During the FY 2024-2025, the Company closed one branch located at Wanaparthy in Telangana.

After the end of the FY 2024-2025 and till the date of this report, the Company has opened 27 new branches comprising 1 in Maharashtra, 3 in Chhattisgarh, 1 in Telangana, 2 in Gujarat, 9 in Andhra Pradesh, 3 in Jharkhand and 8 in Odisha. As on date of this report, the total branch count is 162 including Head Office of the Company.

Your Company plans to add more branches during the financial year 2025-2026 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 22.28% (as against 15% prescribed by RBI) as on March 31, 2025. Under the regulatory framework of RBI, your Company is classified as Systemically Important Asset Finance Company.

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

As per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI on October 19, 2023 as amended from time to time (‘RBI Scale Based Regulation’), your Company is classified as **NBFC- Middle Layer**.

Further, the Company exceeds the regulatory requirement of Liquidity Coverage Ratio (‘LCR’) introduced by the RBI in FY2020. As against the LCR requirement of 100%, the Company’s LCR as on 31 March 2025 was 104.52%.

The Company continues to be in compliance with RBI Scale Based Regulation as may be amended from time to time.

INTERNAL CAPITAL ADEQUACY ASSESSMENT POLICY ('ICAAP')

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

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

INFORMATION TECHNOLOGY GOVERNANCE AND CYBER SECURITY

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

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

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

The IT Strategy Committee met five (5) times during the year under review.

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

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

During the year under review, the Company has strengthened IT systems, cyber and information security infrastructure to enhance digital outreach and provide hassle free services to the customer base spread across urban and rural areas.

Apart from in-house technological advancements the Company has on-boarded industry expert vendors & service providers adding hi-tech resources for robust and reliable operations management as well as enhancing and accelerating software and application-based business processes. Guidelines issued by the regulatory authorities are well implemented to match industry specific standard compliances.

In addition, the Company has increased skilled man-power team with relevant technical expertise having roles & responsibilities assigned to handle cyber and information security systems and infrastructure as well as to manage situational emergencies emerged out of cyber threats and attack incidents.

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 2024-2025. Hence, 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 not applicable. The policy on materiality of related party transactions and on dealing with related party transactions is hosted on the website of the Company and can be accessed at https://www.berarfinance.com/pdf/policies/2025/related_party_transactions_policy.pdf

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 as on March 31, 2025 are as follows:

Sr. No.	ISIN/Instrument Name	CRISIL Rating	CARE Limited Rating	ICRA Rating	India Ratings
1	Fixed Deposits Programme	BBB; Stable (Triple B; Outlook: Stable)	BBB; Stable (Triple B; Outlook: Positive); reaffirmed	-	-
2	Long Term Bank Facilities	BBB; Stable (Triple B; Outlook: Stable)	BBB; Stable (Triple B; Outlook: Stable); reaffirmed and withdrawn	-	-
3	Long Term Bank Facilities – Term Loan (TL)	-	A- (CE); Stable, withdrawn	-	-
4	Non-Convertible Debentures	BBB; Stable (Triple B; Outlook: Stable)	BBB; Stable (Triple B; Outlook: Stable); reaffirmed	1. BBB; (Stable) (Triple B; Outlook: Stable); reaffirmed and withdrawn 2. BBB (Stable) (Triple B; Outlook: Stable) reaffirmed	*IND BBB/ Positive (Triple B; Outlook; Positive)
5	Market Linked Debentures	-	PP-MLD BBB; Stable (Triple B; Outlook: Stable); withdrawn	PP-MLD[ICRA]BBB (Stable) (Triple B; Outlook: Stable) reaffirmed and withdrawn	-

*Note: The Company received upgraded credit rating viz, “IND BBB/Positive (Triple B; Outlook; Positive) to IND BBB+ (Triple B+; Outlook; Stable) from India Ratings and Research Private Limited on July 11, 2025.

LISTING ON STOCK EXCHANGES

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

STATUTORY AUDITORS

RBI issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide Circular RBI/2021-22 /25 Ref. No. DoS. CO.ARG/ SEC.01/ 08.91.001/2021-22 dated April 27, 2021 (“RBI Guidelines”). Pursuant to the said RBI Guidelines, the existing Statutory Auditors, M/s. Manubhai & Shah LLP will complete their tenure of 3 consecutive years with the Company at the conclusion of 35th AGM of the Company to be held in September 2025. As per RBI Guidelines, the said audit firm is not eligible for re-appointment as Statutory Auditors of the Company. Hence, it is necessary to appoint new Statutory Auditors of the Company.

Basis the recommendation of the Audit Committee, the Board of Directors, have approved and recommended the appointment of M/s. N.A. Shah Associates LLP, Chartered Accountants (ICAI Firm Registration Number: 116560W / W100149) as the Statutory Auditors of your Company for a term of 3 consecutive years to hold office from conclusion of the 35th AGM upto the conclusion of 38th AGM to be held in the year 2028 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 Statutory Auditors, as proposed, have given confirmation to the effect that they are eligible to be appointed and not disqualified from acting as Statutory Auditors. Members are requested to consider and approve the appointment of M/s. N.A. Shah Associates LLP, Chartered Accountants as the Statutory Auditors of your Company. The proposal is included in the Notice of 35th AGM of the Company.

AUDITORS' REPORT

The Auditors Report issued by M/s. Manubhai & Shah LLP on the financial statements of the Company for the year ended March 31, 2025 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 M/s. Manubhai & Shah LLP have also submitted an additional report dated June 23, 2025 for FY 2024-2025. There were no comments or adverse remarks in the said report as well.

INTERNAL AUDITORS

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

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

The Audit Committee of Board ("ACB") regularly reviews the RBIA reports and the adequacy and effectiveness of internal controls. Significant audit observations, corrective and preventive actions thereon are presented to the Audit Committee on a periodic basis.

The ACB reviewed the performance of the RBIA Function and acknowledged the improvement in the performance of Risk based audit function of the Company as per the quality assurance and improvement program which includes adherence to the internal audit policy, objectives and expected outcomes.

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

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s. SPZ & Associates, Company Secretaries, Nagpur (Firm Unique Identification Number S2015MH305600) ("**Secretarial Auditor**") to conduct Secretarial Audit for FY 2024-2025.

The Secretarial Audit Report for the financial year ended March 31, 2025 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.

APPOINTMENT OF SECRETARIAL AUDITOR

The Board has considered and approved the appointment of M/s Makarand M. Joshi & Co., a peer reviewed firm of Company Secretaries in Practice, Mumbai (Firm Unique Identification Number P2009MH007000), as Secretarial Auditors of the Company for the FY 2025-2026.

The Company has received their consent to act as Secretarial Auditors of the Company. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and ICSI Auditing Standards.

The Board wishes to place on record the valuable services rendered by M/s. SPZ & Associates, Company Secretaries during their association with the Company.

INTERNAL OMBUDSMAN

The Company has implemented the Internal Ombudsman (IO) scheme to independently review the resolution provided by the Company in cases of wholly or partially rejected complaints, as per the RBI's 'Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023'.

The Office of the Internal Ombudsman helps organise meetings with internal teams based on complaints and escalations received, working with internal departments and stakeholders for timely closure of identified actionable items.

The IO is permanent invitee to the Customer Service Committee of the Board.

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	Appointment/ Re-appointment/ Cessation	Remarks
1.	Mr. Harishchandra Sukhdeve (DIN No. 09289094)	Non-Executive, Non-Independent Director, liable to retire by rotation.	Re-appointment	Re-appointed on retiring by rotation at the AGM held on September 20, 2024
2.	Mr. Himanshu Joshi (DIN: 07214254)	Independent Director	Cessation	Completion of his 1 st term and he communicated his intention to cease to be Director w.e.f May 31, 2024.
3.	Mr. Rajesh Vasudevan (DIN: 02711990)	Independent Director	Appointment	Appointed for a first term of 5 (Five) years effective from May 23, 2024 till May 22, 2029 at the AGM held on September 20, 2024.
4.	Mr. Varun Bhalla (DIN: 09687552)	Independent Director	Appointment	Appointed for a first term of 5 (Five) years effective from September 20, 2024 till September 19, 2029 at the AGM held on September 20, 2024.
5.	Mr. Atul Sarda (DIN: 02161209)	Independent Director	Cessation	Completion of 2 nd term on September 20, 2024. Hence, ceased to be a Director.
6.	Mr. Vishwas Pathak (DIN: 00452917)	Independent Director	Cessation	Completion of 2 nd term on September 20, 2024. Hence, ceased to be a Director.
7.	Mr. Harishchandra Sukhdeve (DIN No. 09289094)	Non-Executive, Non-Independent Director, liable to retire by rotation.	Cessation	Resigned from directorship w.e.f October 17, 2024
8.	Ms. Rashmi Mitkary (DIN: 08960192)	Independent Director	Cessation	Completion of 2 nd term on November 12, 2024. Hence, ceased to be a Director.
9.	Ms. Annapurna Dubey (DIN: 08760434)	Additional Director (Independent, Non-Executive)	Appointment	Appointment w.e.f November 14, 2024 subject to approval of members at the 35 th AGM.

(ii) Appointments and Resignation of KMP

The following appointment and resignation of KMP took place during the financial year ended on March 31, 2025:

Name of KMP	Designation	Nature of Change (Appointment/ Resignation)	Date of change
Mr. Ravindra Dorle	Chief Financial Officer	Resignation	December 05, 2024
Mr. Yogesh Tahalyani	Chief Financial Officer	Appointment	February 01, 2025

(B) Appointment of Non-Executive Directors:**i. Ms. Annapurna Dubey (DIN: 08760434)**

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors at its meeting held on November 14, 2024, approved the appointment of Ms. Annapurna Dubey (DIN: 08760434) as an Additional Director (Category: Non-Executive, Independent Director) of the Company.

Her appointment as an Independent Director will be for a term of 5 (Five) consecutive years w.e.f. November 14, 2024 subject to approval of members at the ensuing Annual General Meeting of the Company. She holds a valid registration certificate with the database of Independent Directors.

The Board is of the opinion that Ms. Annapurna Dubey 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.

Ms. Annapurna Dubey has cleared the online proficiency test pursuant to rule 6(4) of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

ii. Ms. Anvi Somaiya (DIN: 11102904)

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors at its meeting held on May 23, 2025, approved the appointment of Ms. Anvi Somaiya (DIN: 11102904) as an Additional Director (Category: Non-Executive, Non- Independent Director) of the Company.

Her appointment as a Non- Executive Director is effective from May 27, 2025 and will be subject to the approval of members at the ensuing Annual General Meeting of the Company.

(C) Cessation of Non-Executive Directors:**Mr. Siva Vadivel Alagan (DIN: 08242283)**

Mr. Siva Vadivel Alagan (DIN: 08242283) resigned as a Non-Executive Director with effect from June 11, 2025 and accordingly communicated his intention to the Company. The Board accepted the resignation and placed on record its sincere appreciation for the valuable contribution made by him during his tenure as director on the Board of the Company.

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

Mr. Shantaram Mahakalkar (DIN: 00379988), Non-Executive Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for reappointment. The brief profile of director seeking re-appointment is given in the Notice of 35th AGM.

(E) Declaration by Directors:

Pursuant to provisions of section 149(7), all Independent Directors have submitted the declaration of independence, confirming that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Further, the Independent Directors have complied with the Code applicable for

Independent Directors as stipulated under Schedule IV of the Companies Act, 2013 and have registered their name in the data bank of Independent Directors and have also passed the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs (IICA).

All the Directors of the Company have confirmed that they satisfy the “fit and proper” criteria as prescribed in RBI Scale Based Regulation and that they are not disqualified from being appointed / continuing as Directors under the terms of Section 164(2) of the Act.

(F) Key Managerial Personnel:

In terms of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Maroti Jawanjar, Executive Chairman, Mr. Sandeep Jawanjal, Managing Director, Mr. Yogesh Tahalyani, Chief Financial Officer and Ms. Deepali Balpande, Company Secretary & Compliance Officer are the key managerial personnel of the Company as on March 31, 2025.

PERFORMANCE EVALUATION

In compliance with the provisions of the Companies Act, 2013 and relevant rules, the Board of Directors has undertaken an annual evaluation of Board, Chairman of the Board, its Committees, Managing Director and individual Directors. A structured questionnaire-cum-rating system was deployed via a secured IT platform to maintain confidentiality of the feedback.

The performance of the Board was evaluated 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 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 satisfaction on their overall performance.

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

MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board of Directors met Seven (7) times during the year and the maximum gap between any two meetings did not exceed the limit of 120 days as prescribed under the provisions of the Act and Rules made thereunder and the Secretarial Standard on Meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India.

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

The Independent Directors conducted their separate meetings on March 28, 2025 and April 22, 2025 without attendance of non-independent Directors and members of management, inter alia, to review the matters statutorily prescribed under the Act.

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

REPORT ON CORPORATE GOVERNANCE

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

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

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

As informed in the previous Board's report dated August 13, 2024, the Board had *suo- moto* floated an Exit Offer Scheme where an invitation to Offer was given to the identified shareholders by Mr. Maroti Jawanjar and Mr. Sandeep Jawanjal to sell their shares at a pre-determined price, as a remediation measure against the arguable non-compliance of the regulatory requirements during the Allotments made by the Company between 1990 and 2005.

After the successful completion of exit offer, the Company has approached the Hon'ble National Company Law Tribunal, Mumbai Bench for compounding of the aforesaid offence voluntarily. The Hon'ble Tribunal sought an interlocutory application to bring on record Mr. Maroti Jawanjar as Petitioner No. 2, to facilitate the further proceedings. The same was duly e-filed with the Tribunal. The matter is scheduled for hearing on September 15, 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

NOMINATION AND REMUNERATION POLICY

Your Company has adopted the Nomination and Remuneration Policy in accordance with the provisions of sub-section (4) of Section 178 of the Act. The Nomination & Remuneration Policy mainly covers the criteria for determining qualifications, positive attributes, independence of a Director and the Remuneration for Directors, Key Managerial Personnel and other senior managerial employees, functionality of Nomination & Remuneration committee and to administer and supervise the Employee Stock Option Plans of the Company. The said policy was reviewed and revised on May 27, 2025. The said Policy is available on the Company's website https://www.berarfinance.com/pdf/policies/2025/nomination_and_remuneration_policy.pdf

COMPENSATION POLICY FOR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

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

This policy lays down detailed framework, inter alia, encompassing the following:

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

RISK MANAGEMENT

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act. Your Company has a well-defined risk management framework in place and a robust organisational structure for managing and reporting on risks. The Risk Management Committee reviews and defines the risk tolerance levels and risk appetite in guidance of the Board of the Company.

Your Company, being in the business of retail financing has to face inherent risks like credit risk, liquidity risk, interest rate risk, information technology and cyber 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, Asset-Liability Management Committee and IT Strategy 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.

To strengthen the existing InfoSec setup – Firewall & Endpoint security, IPSec connectivity between the Corporate office and branches, SSL-VPN secure connectivity, Multi-Factor Authentication, Patch management – SD-WAN managed network system was upgraded for better efficiency, network traffic management within Virtual LAN as well as to enhance internal network security. Also, Implemented the Geo-Fencing service for the field executives.

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, 27,600 options were vested with the employees to whom stock options were granted under the Plan. The Company also granted 1,00,000 fresh options under the ESOP 2019 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 V**” 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 the process to install 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. The Company has initiated a project to install the solar panel at the Head Office. This initiative aims to consume natural resources and reduce the electricity cost.

(b) Technology absorption:

During FY2024-25, the Company commissioned a world class ‘Data Center’ at Yotta Delhi NCR to catering the next 5 years business growth requirements. A new age Loan Origination Systems (LOS) for Customer On-boarding and Credit Processing functions, Autonom8 with configurable BRE and integration capabilities with third party API, under SaaS model has been fully functional. Around 35+ third party APIs (Bureau, KYC, e-Sign, e-Nach), been integrated with these core systems to facilitate seamless end to end loan on-boarding, processing, disbursals & collection process, digitally. The Company has robust LMS (FinnOne Nucleus) to carry out loan management processes. By adopting the above industry best technology practices the Company has reduced the loan application processing time from 25 minutes to 10 minutes, with the possibility of same day disbursement. Overall branch and the sales team productivity has improved by 40%.

(c) Foreign Exchange Earning & Outgo:

During FY 2024-2025, the Company did not have any foreign exchange earnings but the foreign exchange outgo in terms of actual outflow amounted to ₹ 75.31 lakhs.

CORPORATE SOCIAL RESPONSIBILITY:

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

The CSR Policy is uploaded on the Company’s website at the web link: https://www.berarfinance.com/investors.html/pdf/policies/csr/corporate_social_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**”.

The CSR obligation of the Company for the FY 2024-2025 is ₹ 66.25 lakhs. As on March 31, 2025, total amount spent on CSR activities by the Company is ₹ 66.65 lakhs.

Further, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY 2024-2025.

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

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

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

The number of complaints received, disposed of, and pending during FY2025 is given in the Report on Corporate Governance forming **Annexure- III** to this Board’s Report.

SECRETARIAL STANDARDS OF INSTITUTE OF COMPANIES SECRETARIES OF INDIA

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

MAINTENANCE OF COST RECORDS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

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

INFORMATION ABOUT SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

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

ANNUAL RETURN

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at

https://www.berarfinance.com/pdf/agm/agm-25/draft_form_mgt_7.pdf

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of your Company during the FY 2024- 2025.

CHANGES TO THE CONSTITUTIONAL DOCUMENTS

There was no change in the constitutional documents during the FY 2024-2025.

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

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

OTHER STATUTORY DISCLOSURES

- In this report, any reference to the statutory or regulatory guidelines, acts, circulars, regulations, notifications and directions, unless the context otherwise requires, be construed to include any amendments, modifications, updations or re-enactment thereof as the case may be.
- Information pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under Rule 5(3) of the said Rules, forms part of this report and is annexed to this report as "Annexure VI".
- The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.
- The auditors, i.e., statutory auditors and secretarial auditors have not reported any fraud under section 143(12) of the Act, and therefore, no details are required to be disclosed under section 134(3)(ca) of the Act.
- The Company has completed all corporate actions within the specified time limits. The securities were not suspended from trading during the year due to corporate actions or otherwise.

- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principal of any of its debt securities.
- As on March 31, 2025, there is no amount remaining unclaimed in respect of non-convertible debentures.
- Your Company, being an NBFC registered with the RBI, the provisions of Section 185 of the Act are not applicable to the Company.
- No application was made under the Insolvency and Bankruptcy Code, 2016 during the year, therefore there is no requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year.
- Disclosures pursuant to RBI Master Directions, unless provided in the Board's Report, form part of the notes to the standalone financial statements.
- The Company has in place various Board approved policies pursuant to Companies Act, 2013 and SEBI Regulations. These policies are reviewed from time to time keeping in view the operational requirements and the extant regulations.
- SEBI vide its circular no. SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/176 dated November 8, 2023 ('the Circular'), has prescribed the procedural framework for dealing with unclaimed interest and redemption amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by investors. The Circular requires such companies to formulate a policy specifying the process to be followed by investors for claiming their unclaimed amounts. Accordingly, a policy titled 'Policy for filing and processing of claim for unclaimed amount by Investors of Non-Convertible Securities' has been framed by the Company. The policy can be accessed at https://berarfinance.com/pdf/listed_non_convertible_securities/updates/policy_for_filing_and_processing_of_claim_unclaimed_amount_of_ncs.pdf
- The Company Secretary has been designated as the Nodal Officer for the purposes of this circular. As on March 31, 2025, there is no amount remaining unclaimed in respect of non-convertible debentures.
- The Company is in compliance of Maternity Benefit Act, 1961 for the year under review.

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. Disclosure under the Indian Accounting Standard (Ind AS) 102 - Share-based Payment: **Annexure V**
6. 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 VI**

ACKNOWLEDGEMENT

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

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

For and on behalf of Board of Directors

Date: August 12, 2025
Place: Nagpur

M.G. Jawanjar
Chairman
DIN: 00379916

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview Global Economy

The global economy continued to demonstrate resilience despite evolving challenges such as persistent geopolitical tensions, elevated policy uncertainty, and the resetting of global trade systems. Growth in major advanced and emerging market economies remained stable, supported by easing inflation, normalizing labour markets, and robust performance in the services sector, even as manufacturing activity stayed subdued.

Global growth is projected at 2.8% in 2026, slightly lower than the previous year, reflecting cautious sentiment amid tightening financial conditions and shifting global dynamics. Inflation is expected to moderate to 4.3% in 2026, although the pace of decline stays uneven across regions. As inflation expectations improve, long-term interest rates have softened, supporting market confidence. Despite the prevailing risks, the global economy is transitioning through a phase of adjustment, with underlying fundamentals showing continued resilience.

Indian Economy

The Indian economy continued its impressive performance in FY 2024–25, keeping momentum despite external uncertainties. Growth remained broad-based, with GDP estimated at 6.5%, supported by steady investment activity, resilient domestic consumption, and improving rural demand. The agriculture sector benefited from a favorable monsoon and stable output, while services and manufacturing showed sustained expansion, reinforcing the recovery.

Inflation pressures eased over the year, with headline CPI falling below the RBI's target by March 2025, creating space for a more accommodative monetary stance. The Reserve Bank of India responded with calibrated rate cuts and liquidity support, helping to keep financial stability and credit flow. Although global trade risks persist, India's strong macroeconomic fundamentals, policy support, and growing private sector participation are expected to sustain its growth trajectory going forward.

Industry Scenario and Financing

The Non-Banking Financial Companies (NBFC) sector continues to be a key enabler of credit flow across India's financial system, particularly in semi-urban and rural areas where formal banking penetration stays limited. As of FY 2024–25, the sector expanded to approximately USD 350 billion, up from USD 326 billion in the previous year, highlighting its continued relevance in addressing grassroots credit needs and supporting economic inclusion.

Despite regulatory tightening and funding cost challenges, NBFCs remain central to India's credit delivery architecture. Their adaptability, product innovation, and growing digital integration are expected to support continued lending momentum in priority segments such as vehicle finance, LAP, and MSME credit, contributing to broad-based financial inclusion.

Market Scenario

The services of your Company encompass loans tailored for the purchase of two-wheelers, personal loans for household needs, alongside disbursements for secured business loans specifically designed for the MSME sector, with a focus on semi-urban and rural areas. In FY 2024–25, the domestic two-wheeler industry recorded a strong 11% year-on-year growth, supported by a 9% rise in domestic sales and a 21% recovery in exports. Rural demand stayed a key driver, accounting for over 58% of retail registrations, reaffirming the role of two-wheelers as essential for both personal mobility and agricultural transport. Demand for electric two-wheelers also remained steady, with volumes reaching 1.2 million units, despite a phased reduction in government subsidies. Easing inflation, improved rural sentiment, and lower interest rates further contributed to sustained credit demand, enabling your Company to strengthen its presence in core target markets through customer-focused, inclusive lending solutions.

Outlook

Your Company's financial services cater to a growing base of around 2.94 lakh customers, reinforcing its role as a trusted financial partner across regions. As on March 31, 2025, besides headquarter in Nagpur, Maharashtra, the Company operates through a robust network of 134 branches across Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh, Telangana, Karnataka, and Odisha. Geographic expansion, a large and loyal customer franchise, and increasing adoption of digital technology continue to serve as core pillars of the Company's growth strategy.

As markets evolve and customer expectations become more nuanced, the focus will intensify on differentiated customer acquisition and deeper engagement across the customer lifecycle, with technology as a critical enabler. With a diversified product portfolio—including two-wheeler loans, personal loans, and Secured MSME loans—your Company is well-positioned to capitalize on emerging opportunities and drive meaningful growth in FY 2025–26.

The Company enters the new fiscal year with strong momentum, backed by a healthy balance sheet, low NPAs, and a capital adequacy ratio of 22.28%, comfortably above regulatory norms. With Assets Under Management (AUM) standing at ₹ 1,383.06 crore, your Company is strategically poised to take a quantum leap forward while maintaining a prudent approach to risk. The outlook for the coming years remains optimistic, supported by operational strength, financial resilience, and a deep commitment to inclusive growth.

Performance during the Financial Year 2024 - 2025

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

(₹ in Lakhs)			
Particulars	FY 2024-2025	FY 2023-2024	% Change
Total Income	29,496.39	25,181.03	+17.14%
Total Cost	25,270.53	22,185.74	+13.90%
Profit Before Tax	4,225.86	2,995.29	+41.08%
Profit after Tax	3,229.70	2,218.06	+45.61%
<u>Earnings per Share (Fig. in ₹)</u>			
Basic	26.18	17.98	-
Diluted	26.09	17.92	-

Risk Management

Your Company fosters a strong and initiative-taking risk culture that is deeply embedded across all levels of the organization. At the highest governance level, the Board of Directors is supported by the Risk Management Committee (RMC), which is responsible for oversight of the Company's risk management framework, including the formulation and review of risk strategies, policies, risk appetite, and control mechanisms.

Risk management remains a strategic priority, aimed at protecting the interests of customers, employees, shareholders, and the Company, while enabling sustainable and ethical growth. The Company's risk management framework is aligned with industry's best practices and is supported by a strong internal control environment. It addresses all major risk categories—including credit, market, operational, legal, regulatory, liquidity, interest rate, strategic, information technology, cyber security, and economic risks—through a well-defined governance system and structured quarterly reviews.

The framework enables independent identification, assessment, and mitigation of risks across all business verticals. Policies and procedures are periodically reviewed and approved by the Board and its Committees, ensuring responsiveness to the evolving risk landscape. The Company adopts a disciplined approach to risk evaluation, supported by continuous monitoring, robust analytical tools, and preventive mechanisms that mitigate emerging threats.

In the context of financial services, your Company is naturally exposed to various risks. However, through its comprehensive risk management policy, it aims to achieve sustainable business growth with financial stability. Key priorities include maintaining a diversified loan portfolio, improving asset quality, managing asset–liability mismatches, and securing low-cost funding.

The Risk Management Committee and Asset-Liability Management Committee (ALCO) continue to work in close coordination to meet these objectives. With access to multiple funding partners and a stable borrowing structure, your Company remains confident in its ability to support future growth without material threats to business profitability.

Customer Service

Your Company continues to place customers at the center of its operations, guided by the philosophy: “Once a Berar customer – always a Berar customer.” A consistent focus on convenience, transparency, and responsiveness has helped build lasting relationships and trust among its growing customer bases.

Customer data and loan status are accessible in real-time across all branches, enabling efficient service delivery. Acknowledging the value of time, the Company prioritizes promptness in both loan sanctioning and disbursement, as well as in post-disbursement support.

The Company remains committed to delivering superior customer experience by addressing queries and complaints swiftly and effectively. A dedicated customer relationship team at both branch and Head Office levels is responsible for resolving concerns with professionalism and care. The Company is well-recognized for its transparent, customer-friendly financial offers, backed by committed personnel who strive to exceed service expectations.

To further reinforce customer trust, your Company has implemented a comprehensive grievance redressal framework, including the RBI Integrated Ombudsman Scheme and the Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023. In line with these regulations, a Customer Service Committee has been constituted to check and strengthen grievance resolution processes. Details of the Committee's composition are available in the Corporate Governance section of this Report.

Internal Control Systems and Their Adequacy

Your Company has instituted a comprehensive internal control framework that is designed to ensure operational efficiency, safeguard assets, maintain reliable financial reporting, and secure adherence to statutory and regulatory requirements. The framework is built on well-documented policies, standard operating procedures, and a clearly defined authority matrix, thereby promoting transparency and accountability across all functions.

Internal controls are embedded throughout key business processes, integrating risk management, compliance, and fraud prevention mechanisms with best-in-class governance practices. The Company follows a risk-based internal audit approach, wherein critical processes are periodically assessed for control effectiveness, policy adherence, and regulatory compliance. Findings from these audits are presented to the Audit Committee of the Board, which oversees the implementation of corrective measures and continuous improvements.

In line with evolving business needs and regulatory expectations, the internal control environment is periodically reviewed and strengthened to remain robust, adaptive, and future-ready. This proactive approach allows your Company to mitigate risks effectively while enabling seamless operations and supporting long-term sustainable growth.

Material Developments in Human Resources and People Employed

Human resources continue to be a key enabler of the Company's growth strategy. During the year, emphasis was placed on strengthening the leadership team to align people's strategies with business objectives and enhance overall organizational performance.

In view of the Company's expansion and future growth, the Human Resources function focused on forecasting workforce requirements, identifying skills gaps, and implementing strategies to address them. This included recruitment, training, and succession planning to ensure preparedness for emerging challenges and opportunities.

As part of Environmental and Social Governance initiatives, the Human Resources team ensured the health, safety, and overall well-being of employees. Regular cross-functional meetings were conducted to align goals, enhance collaboration, and address challenges collectively.

As of March 31, 2025, the Company employed 2,243 individuals compared to 1,703 in the previous year, reflecting a net increase of 540 employees driven by branch network expansion and scaling of operations. The workforce is deployed across the Head Office and 134 branches in Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh, Telangana, Karnataka, and Odisha. Going forward, the priority will remain on enhancing digital capabilities, upskilling talent and building a resilient leadership pipeline to support sustainable and inclusive growth.

Annexure II
Form No. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the Financial year ended 31st March, 2025

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, 2025 duly complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2025, 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 thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 the Non-Convertible Debentures issued by the Company, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended; (***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 clients; (***Not Applicable to the Company during the audit period***)
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended; (***Not Applicable to the Company during the audit period***)

- The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended; ***(Not Applicable to the Company during the audit period)***
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended; ***(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, as amended; ***(Not Applicable to the Company during the audit period)***

(vi) Applicable Secretarial Standards issued by the Institute of Company Secretaries of India;

(vii) Rules, regulations and guidelines issued by the Reserve Bank of India from time to time as are applicable to Deposit taking Non-Banking Financial Companies.

(Hereinafter called as “Applicable Act, Rules, Regulations, Guidelines, Standards, and Directions”)

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

We further report that -

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

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

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

We further report that during the audit period some major events were taken place in Company, having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. of which some are as under;

1. The Board, in its meeting held on 23rd May 2024, considered and approved the appointment of Mr. Rajesh Vasudevan (DIN: 02711990) as an Additional Director (Non-Executive, Independent) on the Board of the Company.
2. The Board took note of the cessation of Mr. Himanshu Joshi (DIN: 09379740) as an Independent Director of the Company with effect from 31st May 2024, upon completion of his tenure, in accordance with the provisions of the Companies Act, 2013.
3. In the Board Meeting held on 17th October 2024, the Board took note of the resignation of Mr. Ravindra Dorle, Chief Financial Officer (CFO) of the Company, with effect from 5th December 2024.
4. In the Board Meeting held on 14th November 2024, the Board took note of the resignation of Mr. Harishchandra Sukhdeve (DIN: 09289094) from the Directorship of the Company with effect from 17th October 2024.
5. In the Board Meeting held on 14th November 2024, the Board took note of the completion of the tenure of Ms. Rashmi Mitkary, Independent Director of the Company, with effect from 12th November 2024.
6. In the Board Meeting held on 14th November 2024, the Board considered and approved the appointment of Ms. Annapurna Dubey (DIN: 08760434) as an Additional Director, designated as Non-Executive, Independent Director, on the Board of the Company with effect from 14th November 2024.
7. In the Board Meeting held on 31st January 2025, the Board considered and approved the appointment of Mr. Yogesh Tahalyani, Vice President (Treasury), as the Chief Financial Officer (CFO) of the Company with effect from 1st February 2025.

8. In the 34th AGM held on 20th September 2024, Mr. Varun Bhalla (DIN: 09687552) was appointed as an Independent Director of the Company by way of an Ordinary Resolution.
9. In the 34th AGM held on 20th September 2024, Mr. Rajesh Vasudevan (DIN: 02711990) was appointed as an Independent Director of the Company by way of an Ordinary Resolution.
10. In the 34th Annual General Meeting held on 20th September 2024, the tenure of Mr. Vishwas Pathak and Mr. Atul Sarda, Independent Directors of the Company, was completed with effect from the same date.
11. In the Circular Resolution passed on 23rd April 2024, the Board approved the allotment of 2,500 (Two Thousand Five Hundred) listed, Non-Convertible Debentures (NCDs).
12. In the Circular Resolution passed on 28th October 2024, the Board approved the allotment of 30,000 (Thirty Thousand) listed, Non-Convertible Debentures (NCDs),
13. In the Circular Resolution passed on 12th February 2025, the Board approved the allotment of 30,000 (Thirty Thousand) listed, Non-Convertible Debentures (NCDs).
14. In the Circular Resolution passed on 21st March 2025, the Board approved the allotment of 1,500 (One Thousand Five Hundred) Listed Non-Convertible Debentures (NCDs).

This Secretarial Audit Report is being issued on 1st August 2025.

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 : A022144G000913023

(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 1st August 2025

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 is the framework by which the Company ensures transparency in all its dealings and whereby various stakeholders' interests are balanced. The Company's philosophy on Corporate Governance is to achieve business excellence by enhancing the longterm welfare of all its stakeholders. The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics and accountability to its customers, government and others.

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. With a steadfast dedication to integrity and values, your Company ensures that its operations adhere to the highest standards of corporate governance behavior. This dedication extends to all stakeholders, including members, customers, employees, and the environment.

Key elements of Company's Corporate Governance:

- Compliance with applicable laws.
- Number of Board and Committee meetings are more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans, and risks.
- Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- Separate meeting of independent directors without presence of non-independent directors or Executive Management.
- Independent discussions by the Audit Committee members with Head of Internal Auditor and Chief Compliance officer without presence of Managing Director and Senior Management
- Confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board as a whole.
- Complete and detailed information provided to the Board members in advance to enable them to evaluate matters carefully for meaningful discussions.
- Adoption of key governance policies in line with the best practices, which are made available to stakeholders for downloading from the Company's website <https://www.berarfinance.com/investors.html>

1) Board of Directors:

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

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

As on March 31, 2025, the Board comprised 8 (Eight) Directors, consisting of 3 (Three) Independent Directors, 3(three) Non-Executive Directors including Nominee Directors and 2 (two) Executive Directors. The Independent Directors of the Company are duly registered on the Independent Directors databank and have submitted their annual disclosures/declarations with respect to the criteria of independence as stipulated under the Act, and confirmed that they are independent of the management and meet the criteria of independence laid down thereunder.

i. The details of attendance of Directors at the Board Meetings held during the financial year under review is as under:

Sl. No.	Name of Director	Director since	Capacity	DIN	Number of Board Meetings held (7)		No. of other Directorships as on March 31, 2025	Remuneration (Rs. in Lakh)			No. of shares held in the Company
					Entitled to attend	Attended		Salary and other compensation	Sitting Fee (Gross)	Commission*	
i.	Mr. Maroti Jawanjar	22/08/1990	Promoter and Executive Chairman	00379916	7	6	0	49.2	-	51	10,22,894
ii.	Mr. Shantaram Mahalkar	25/09/2002	Non - Executive Director	00379988	7	7	0	-	1.9	4.1	29,900
iii.	Mr. Vishwas Pathak (upto September 20, 2024)	01/09/1990	Independent Director	00452917	2	2	-	-	1	-	24,600
iv.	Mr. Atul Sarda (upto September 20, 2024)	05/04/2008	Independent Director	02161209	2	2	-	-	1	-	18,200
v.	Ms. Rashmi Mitkary (upto November 12, 2024)	13/11/2020	Independent Director	08960192	3	3	-	-	1.15	-	-
vi.	Mr. Avishek Addy	19/01/2021	Non- Executive Director	07973542	7	6	2	-	-	-	-
vii.	Mr. Harishchandra Sukhdeve (upto October 17, 2024)	23/08/2021	Non- Executive Director	09289094	3	2	-	-	1.10	-	-
viii.	Mr.Siva Vadivel Alagan	21/03/2022	Non- Executive Director	08242283	7	5	5	-	-	-	-
ix.	Mr. Himanshu Joshi (upto May 31, 2024)	01/06/2023	Independent Director	07214254	1	0	-	-	-	-	-
x.	Mr. Rajesh Vasudevan	23/05/2024	Independent Director	02711990	6	6	0	-	4.6	3.80	-
xi.	Mr. Varun Bhalla	20/09/2024	Independent Director	09687552	5	5	1	-	3.2	1.80	-
xii.	Ms. Annapurna Dubey	14/11/2024	Additional Director in the capacity of Independent Director	08760434	3	3	2	-	2	-	-
xiii.	Mr. Sandeep Jawanjal	01/04/2007	Promoter and Managing Director	01490054	7	6	0	46.8	-	49	3,31,218

Note: The Commission will be paid post adoption of the financial statements at the ensuing Annual General Meeting as per the Compensation Policy of the Company.

Details of Directorship in other entities of director(s) as on March 31, 2025 (except Berar Finance Limited):

Name of Director	Number of Directorship	Companies in which a director is a member or chairperson of the Board	Category
*Mr. Avishek Addy	2	1. D2C Insurance Broking Private Limited; 2. Altum Credo Home Finance Private Limited	Non-Executive Director
**Mr. Siva Vadivel Alagan	5	1. SAVE Solutions Private Limited; 2. SAVE Microfinance Private Limited; and 3. SAVE Financial Services Private Limited. 4. Belstar Microfinance Limited 5. Saggraha Management Services Private Limited	Non-Executive Director
Mr. Varun Bhalla	1	Digital Outcomes Technologies Pvt Ltd	Independent Director
Ms. Annapurna Dubey	2	1. Unified Data-tech Solutions Limited 2. J L Morison (India) Limited	Independent Director

* Nominee Director on behalf of Amicus Capital Private Equity I LLP, equity investor in the Company.

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

Notes:

- i. As on March 31, 2025, 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 Jawanjar, no other directors are related to each other.
- iv. None of the Key Managerial Personnel of the Company holds any office (including Directorship) in any other NBFC-ML or NBFC-UL.
- v. The independent directors have also confirmed that they are not on the Board of more than three NBFCs [NBFC-Middle Layer ('NBFC-ML') or NBFC-Upper Layer ('NBFC-UL')] at the same time in line with RBI Scale Based Regulations.
- vi. Except Mr. Siva Vadivel Alagan and Mr. Avishek Addy, all the Directors attended the AGM held on September 20, 2024.

Changes in composition of Board during FY2025 and FY2024

Details of change in composition of the Board during the year under review and previous year i.e., from April 01, 2023 to March 31, 2025 is given below:

Sl. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Mr. Himanshu Joshi (DIN: 07214254)	Additional Director (Category: Non-Executive, Independent Director)	Appointment	June 01, 2023
2.	Mr. Himanshu Joshi (DIN: 07214254)	Independent Director	Regularized as Independent Director	September 25, 2023
3.	Mr. Rajesh Vasudevan (DIN: 02711990)	Additional Director (Category: Non-Executive, Independent Director)	Appointment	May 23, 2024

Sl. No.	Name of Director	Capacity	Nature of change	Effective date
4.	Mr. Himanshu Joshi (DIN: 07214254)	Independent Director	Cessation on completion of 1 st term as Independent Director	May 31, 2024
5.	Mr. Vishwas Pathak (DIN: 00452917)	Independent Director	Cessation on completion of 2 nd and final term as Independent Director	September 20, 2024
6.	Mr. Atul Sarada (DIN: 02161209)	Independent Director	Cessation on completion of 2 nd and final term as Independent Director	September 20, 2024
7.	Mr. Rajesh Vasudevan (DIN: 02711990)	Independent Director	Regularized as an Independent Director	September 20, 2024
8.	Mr. Varun Bhalla (DIN: 09687552)	Independent Director	Appointed as an Independent Director	September 20, 2024
9.	Mr. Harishchandra Sukhdeve (DIN: 09289094)	Non-Executive Director	Resignation	October 17, 2024
10.	Ms. Rashmi Mitkary (DIN: 08960192)	Independent Director	Cessation on completion of 2 nd and final term as Independent Director	November 12, 2024
11.	Ms. Annapurna Dubey (DIN: 08760434)	Additional Director (Category: Non-Executive, Independent Director)	Appointment	November 14, 2024

After the closure of the Financial Year 2024-2025 till the date of this report, the below mentioned changes took place in the composition of the Board of Directors:

Sl. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Ms. Anvi Somaiya (DIN :11102904)	Additional Director (Category: Non-Executive, Non-Independent Director)	Appointment	May 27,2025
2.	Mr. Siva Vadivel Alagan (DIN: 08242283)	Non-Executive Director	Resignation	June 11, 2025

ii. The brief description consisting of skills and domain expertise of the Board of Directors of the Company as on March 31,2025 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/management.html>

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

Sl. No.	Particulars	Description
1.	Business	Experience and understanding of the industry, business environment economic conditions, strategic thinking, etc.
2.	Corporate Governance	Maintaining Board and management accountability, environmental awareness, ethical behavior, policies adoption for governance, etc.
3.	Financial	Knowledge and understanding of finance management, ability to read and understand financial statements, etc.
4.	Leadership	Leadership ability in regular and complex business environment management, decision making, strategy formulation abilities, etc.
5.	Risk Oversight	Risk oversight comprising the ability to understand and oversee various risks facing by the Company and ensure that appropriate policies and procedures are in place to effectively manage risk.
6.	Information Technology	Knowledge about Technology and innovation.

Name / skill and Expertise	Leadership	Business	Financial	Corporate Governance	Risk Oversight	Technology
Mr. Maroti Jawanjar	Yes	Yes	Yes	Yes	Yes	-
Mr. Shantaram Mahakalkar	Yes	Yes	-	Yes	-	-
Mr. Avishek Addy	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Siva Vadivel Alagan (upto June 11,2025)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rajesh Vasudevan	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Varun Bhalla	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Annapurna Dubey	Yes	Yes	Yes	Yes	Yes	-
Mr. Sandeep Jawanjal	Yes	Yes	Yes	Yes	Yes	Yes

iii. Remuneration of Directors:

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

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

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

The members of the Company vide special resolution passed at the Annual General Meeting (‘AGM’) of the Company held on September 25, 2023 have approved the payment of commission up to a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of section 198 of the Act be paid to and distributed amongst the directors of the Company or some or any of

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

Details of Remuneration paid to all the Directors and Key Managerial Personnel during the Financial Year 2024-2025 is also provided in Annual Return in form 'MGT- 7' as available on the website of the Company and can be accessed at https://www.berarfinance.com/pdf/agm/agm-25/draft_form_mgt_7.pdf

iv. Board Meeting

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

7 (Seven) Board Meetings were held during the financial year ended March 31, 2025. The dates of the Board meetings held are as under:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	May 23, 2024	5.	January 31,2025
2.	August 13,2024	6.	March 13, 2025
3.	October 17,2024	7.	March 28, 2025
4.	November 14, 2024		

Besides, the Directors of the Company have passed resolutions by circulation viz. April 23, 2024, May 03, 2024, May 06, 2024, August 02, 2024, October 28, 2024, February 12, 2025 and March 21,2025.

2) Committees of the Board and their composition

The Board has established the following Committees in line with the Companies Act, 2013 and Rules made thereunder and circulars and regulations issued by RBI from time to time. The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as the case may be.

i. Audit Committee:

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

The Audit Committee reviews the financial accounting policies, adequacy of internal control system and system audit and interacts with statutory auditors, internal auditors and senior executives of the Company, reviews the compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The Committee also reviews the audit plan, quarterly and annual financial results of operations, and observations of internal and external auditors, instances of frauds and the proposals for compromise settlements in respect of borrowers classified as fraud or wilful defaulter.

Pursuant to the Related Party Transaction Policy of the Company, the Audit Committee approves or any subsequent modify the transactions of the Company with related parties and reviews on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

During the year under review, the Committee met Seven (7) times viz., May 23, 2024, August 13, 2024, November 13, 2024, December 23, 2024, January 31, 2025, February 06, 2025 and March 28, 2025.

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

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Committee Meetings held (7)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Atul Sarada*	May 27, 2014	Independent Director as Chairman of the Committee	2	2	18,200
2.	Mr. Rajesh Vasudevan	June 01,2024	Independent Director as Chairman of the Committee (Appointed as Chairman of the Committee w.e.f October 17, 2024)	6	6	-
3.	Mr. Vishwas Pathak*	May 27, 2014	Independent Director as Member	2	2	24,600
4.	Ms. Rashmi Mitkary*	January 19, 2021	Independent Director as Member	2	2	-
5.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	7	6	-
6.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	7	2	-
7.	Mr. Himanshu Joshi*	August 12,2023	Independent Director as Member	1	0	-
8.	Mr. Varun Bhalla	October 17, 2024	Independent Director as Member	5	5	-
9.	Ms. Annapurna Dubey	November 14, 2024	Additional Director (Category: Non-Executive, Independent Director) as Member	4	4	-

The Company Secretary acted as the Secretary to the Audit Committee.

*Note:

1. Mr. Atul Sarada ceased to be a Member and Chairman of the Audit Committee w.e.f. September 20, 2024.
2. Mr. Vishwas Pathak ceased to be a Member of Audit Committee w.e.f. September 20, 2024.
3. Ms. Rashmi Mitkary ceased to be a Member of Audit Committee w.e.f. November 12, 2024.
4. Mr. Himanshu Joshi ceased to be a Member of Audit Committee w.e.f. May 31, 2024.

The Chairman of the Audit Committee is an Independent Director and was present at the 34th AGM of the Company to address the Shareholders' queries.

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

ii. Risk Management Committee:

The Board has set up a Risk Management Committee in line with the provisions of the RBI Master Directions read with other circulars and guidelines issued by Reserve Bank of India ('**Guidelines**') from time to time which regularly reviews the quality of assets and liabilities and its business risk. The Internal Auditors also reports to the Committee from time to time for risk management purposes.

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

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

1. Oversight of risk management by executive management.
2. Reviewing the policy and framework in line with legal requirement and guidelines.
3. Reviewing risk and evaluating treatment including mitigation action.
4. Defining framework for identification, assessment, monitoring, mitigation and reporting risks.
5. overseeing and reviewing implementation of operational risk management and operational resilience framework, to promote a strong risk culture and reviewing status of 'Risk Appetite/Limit' of the Company based on its 'Risk Capacity'.
6. 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 Six (6) times viz., May 23, 2024, July 31, 2024, September 13, 2024, November 13, 2024, December 23, 2024 and March 13, 2025.

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

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Committee Meetings held (6)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Rajesh Vasudevan	June 01, 2024	Independent Director as a Chairman of the Committee w.e.f. June 01, 2024	5	5	-
2.	Mr. Maroti Jawanjar*	May 27, 2014	Executive Chairman as Member	6	5	10,22,894
3.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	6	6	3,31,218
4.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	6	5	-
5.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	6	3	-
6.	Mr. Himanshu Joshi*	August 12, 2023	Independent Director as Member	1	0	-

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.

*Note:

1. Mr. Himanshu Joshi ceased to be a Member of Risk Management Committee w.e.f. May 31,2024
2. Mr. Maroti Jawanjar ceased to be Chairman of the Risk Management Committee w.e.f. June 01, 2024.

iii. Nomination and Remuneration Committee:

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

The broad terms of reference of this Committee include recommending a Policy relating to remuneration and employment terms of Key Managerial Personnel (KMPs), senior management personnel, adherence to the remuneration and employment Policy, preparing the criteria, identifying persons who may be appointed as Directors or senior management of the Company, administering Employee Stock Option Plan and evaluation of performance of Directors of the Company, Committees of the Board and Board as a whole. The Criteria for performance evaluation of the Directors of the Company, the Board and its Committees forms a part of the Board's Report.

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

During the year under review, the Committee met Four (4) times viz., May 23, 2024, August 13, 2024, November 13, 2024 and January 30, 2025.

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

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Committee Meetings held (4)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Vishwas Pathak*	May 27, 2014	Independent Director as Chairman of the Committee	2	2	24,600
2.	Mr. Rajesh Vasudevan	June 01,2024	Independent Director as Member (Appointed as Chairman of the Committee w.e.f October 17, 2024)	3	3	-
3.	Mr. Atul Sarda*	May 27, 2014	Independent Director as Member	2	2	18,200
4.	Mr. Avishek Addy	January 19, 2021	Non-Executive Director as Member	4	3	-
5.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	4	1	-
6.	Mr. Himanshu Joshi*	August 12,2023	Independent Director as Member	1	0	-
7.	Mr. Varun Bhalla	October 17, 2024	Independent Director as Member	2	2	-

Besides, the Committee has passed resolutions by circulation viz. May 06, 2024 and August 02, 2024.

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

The Chairman of the Nomination and Remuneration Committee was present at the 34th AGM of the Company to address the Shareholders' queries.

*Note:

1. Mr. Vishwas Pathak ceased to be a Chairman and Member of the Committee w.e.f. September 20, 2024.
2. Mr. Atul Sarda ceased to be a Member of the Nomination and Remuneration Committee w.e.f. September 20, 2024.
3. Mr. Himashu Joshi ceased to be a Member of Nomination and Remuneration Committee w.e.f. May 31,2024

iv. Information Technology (IT) Strategy Committee:

The Board constituted the IT Strategy Committee (ITSC) in compliance with the provisions of the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023, issued by the Reserve Bank of India. In addition to the terms of reference of ITSC mentioned in the above Master Directions, the ITSC also ensure that:

1. IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives, and unambiguous responsibilities for each level in the organization.
2. Processes for assessing and managing IT and cybersecurity risks is in place;
3. Cyber security are commensurate with the IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives;

During the year under review, the Committee met Five (5) times viz., May 23, 2024, August 13, 2024, November 14, 2024, January 30,2025 and March 28, 2025.

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

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Committee Meetings held (5)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Atul Sarda*	March 22, 2021	Independent Director as Chairman of the Committee	2	2	18,200
2.	Mr. Varun Bhalla	October 17,2024	Independent Director as Chairman of the Committee (Appointed as Chairman of the Committee w.e.f October 17, 2024)	3	3	-
3.	Mr. Sandeep Jawanjaj	March 22, 2021	Managing Director as Member	5	5	3,31,218
4.	Mr. Avishek Addy	March 27,2024	Non-Executive Director as Member	5	4	-

The Chief Information Security Officer (CISO) and Chief Technology Officer(CTO) of the Company are the permanent Invitees to the said Committee meetings.

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

* Mr. Atul Sarda ceased to be a Chairman and Member of IT Strategy Committee w.e.f. September 20, 2024.

During FY 2025, the Committee reviewed IT Infrastructure Projects, Information Security Projects, Governance Framework, Cyber Security, System Audit Reports, etc.

v. Stakeholders Relationship Committee:

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

During the year under review, the Committee met Four (4) times viz., April 20, 2024, July 19, 2024, October 18, 2024 and January 18, 2025.

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

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Committee Meetings held (4)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Shantaram Mahakalkar	May 27, 2014	Non-Executive Director as Chairman of the Committee	4	4	29,900
2.	Mr. Harishchandra Sukhdeve*	August 23, 2021	Non-Executive Director as Member	2	2	-
3.	Mr. Maroti Jawanjar	March 21, 2022	Executive Chairman as Member	4	4	10,22,894
4.	Ms. Annapurna Dubey	November 14, 2024	Additional Director (Category: Non-Executive, Independent Director) as Member	1	1	-

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

* Mr. Harishchandra Sukhdeve ceased to be a Member of Stakeholders Relationship Committee w.e.f. October 17, 2024.

The Chairman of the Stakeholders Relationship Committee was present at the 34th AGM of the Company to address the Shareholders' queries.

The status and details of the investor complaints received during the Financial Year 2024-2025 are as follows:

PARTICULARS OF INVESTOR COMPLAINTS	NUMBER OF COMPLAINTS
No. of Complaints outstanding at the beginning of the year	0
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

vi. 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, as approved and adopted by the Board, has been posted on the website https://www.berarfinance.com/pdf/policies/csr/corporate_social_responsibility_policy.pdf

During the year under review, the Committee met Three (3) times viz., May 23, 2024, August 13, 2024, and January 30, 2025.

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

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Committee Meetings held (3)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Maroti Jawanjar	May 27, 2014	Executive Chairman as Chairman of the Committee	3	3	10,22,894
2.	Mr. Sandeep Jawanjal	May 27, 2014	Managing Director as Member	3	3	3,31,218
3.	Mr. Vishwas Pathak*	May 27, 2014	Independent Director as Member	2	2	24,600
4.	Mr. Siva Vadivel Alagan	March 31, 2022	Non-Executive Director as Member	3	0	-
5.	Mr. Rajesh Vasudevan	October 17, 2024	Independent Director as Member	1	1	-

The Company Secretary acts as Secretary to the CSR Committee.

*Mr. Vishwas Pathak ceased to be a Member of CSR Committee w.e.f. September 20, 2024.

vii. Exit offer implementation Committee:

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

During FY 2024-25, no meeting of the Exit offer implementation Committee was held.

The particulars of Members of the Committee as on March 31, 2025 are as follows:

- Mr. Shantaram Mahakalkar- Non-Executive Director as Chairman of the Committee
- Mr. Rajesh Vasudevan - Independent Director as Member (w.e.f November 14, 2024)
- Ms. Annapurna Dubey - Additional Director (Category: Non-Executive, Independent Director) as Member (w.e.f November 14, 2024)

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

*Note:

1. Mr. Atul Sarda ceased to be a Member of Exit offer implementation Committee w.e.f. September 20, 2024.
2. Ms. Rashmi Mitkary ceased to be a Member of Exit offer implementation Committee w.e.f. November 12, 2024.

viii. Customer Service Committee:

The Board at its meeting held on February 09, 2024 constitute the Customer Service Committee in compliance with the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023 to strengthen the existing mechanism for redressal of customer grievances. The Committee is responsible to monitor and bring about continuous improvements in the quality of services rendered to the customers and to ensure implementation of the guidelines issued by the Reserve Bank of India from time to time.

During the year under review, the Committee met Four (4) times viz., April 09, 2024, July 09,2024, October 09,2024 and January 09,2025.

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

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Committee Meetings held (4)		No. of Equity shares held in the Company
				Entitled to attend	Attended	
1.	Mr. Maroti Jawanjar	February 09,2024	Executive Chairman as Chairman of the Committee	4	4	10,22,894
2.	Mr. Harishchandra Sukhdeve*	February 09,2024	Non-Executive Director as Member	3	3	-
3.	Ms. Rashmi Mitkary*	February 09,2024	Independent Director as Member	3	3	-
4.	Mr. Rajesh Vasudevan	November 14, 2024	Independent Director as Member	1	1	-
5.	Ms. Annapurna Dubey	November 14, 2024	Additional Director (Category: Non-Executive, Independent Director) as Member	1	1	-

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

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

*Note:

1. Mr. Harishchandra Sukhdeve ceased to be a Member of Customer Service Committee w.e.f October 17, 2024.
2. Ms. Rashmi Mitkary ceased to be a Member of Customer Service Committee November 12, 2024.

ix. Review Committee:

In line with the RBI Guidelines, the Company is required to constitute a committee for identifying non-cooperative borrowers as specified in the said guidelines. Accordingly, the Company had constituted a Identification Committee to assess Wilful Defaulters. To review the proposals made by this Committee, a Review Committee of the Board was also constituted. The identification order becomes final only upon confirmation by the Review Committee.

The terms of reference of the Review Committee, *inter alia*, includes review of the order passed by Identification Committee after considering written representation, if any forwarded by non-cooperative borrower(s)/Wilful Defaulters and pass necessary orders upholding/rejecting the order passed by Identification Committee.

The Review Committee comprising of following as members:

- Mr. Sandeep Jawanjali - Managing Director as a Chairman of the Committee
- Mr. Rajesh Vasudevan - Independent Director as Member
- Mr. Varun Bhalla - Independent Director as Member

During FY 2024-25, no meeting of the Review Committee was held.

3) Independent Directors Meeting

Pursuant to Section 149(8) read with Schedule IV of Companies Act, 2013, meeting of the Independent Directors of the Company is required to be conducted once a year in absence of Non-Independent Directors and members of management.

Accordingly, the Independent Directors conducted their separate meeting on March 28, 2025 attended by all the Independent Directors without attendance of non-independent Directors and members of management, *inter alia*, to discuss the matters statutorily prescribed under the Act.

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
2023-2024	Friday	September 20, 2024	04.00 P.M	“ Arjuna Celebrations ”, Pande Layout Road, Khamla, Nagpur- 440 025.
2022-2023	Monday	September 25, 2023	03.30 P.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
2021-2022	Monday	September 26, 2022	04.00 P.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

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	Reappointment of Ms. Rashmi Mitkary (DIN: 08960192) as Independent Director of the Company.	26.09.2022	68,12,071	0	100%	0%
2	To consider & approve the amendment in the Articles of Association of the Company.	25.09.2023	87,88,462	0	100%	0%
3	To consider & approve profit related commission payable to the non-executive Directors of the Company	25.09.2023	87,88,462	0	100%	0%

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

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

II. Extra-ordinary General Meeting (EGM):

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

III. Postal Ballot:

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

IV. Annual General Meeting Information:

AGM Date, Time and Venue	September 16, 2025 at 11.00 A.M. at Arjuna Celebrations, Pande Layout Road, Khamla , Nagpur- 440 025
Financial Year	April 01, 2024 to March 31, 2025
Dividend Payment Date	Not Applicable
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
Address for Correspondences	The Company Secretary & Compliance Officer, Berar Finance Limited, Avinisha Tower, Mehadia Chowk, Dhantoli, Nagpur - 440012, Maharashtra
Name and Address of the Stock Exchange(s)	Privately Placed Non-Convertible Debentures (“NCDs”) are Listed on BSE Limited. P J Towers, Dalal Street, Fort, Mumbai – 400 001. Annual Listing Fees to the stock exchange have been paid for the financial year 2024-2025
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’s Report.
- iv. BSE Listing Centre (Listing Centre):** All periodical and other event-based compliance filings of the Company are filed electronically on BSE Listing Centre.
- v. SEBI Complaints Redress System (SCORES 2.0):** Your Company is registered on SEBI SCORES (SEBI Complaints Redress System) an online platform designed to help investors to lodge their complaints, pertaining to securities market, online with SEBI against listed companies. Further, it is informed that your Company has not received any investor complaint in FY 2024-2025.
- vi. Online dispute resolution Portal (“ODR Portal”):** The Company has also enrolled itself on the online dispute resolution Portal (“ODR Portal”) to streamline the existing dispute resolution mechanism and for prompt resolution of investor’s disputes in the Indian Securities Market. Further, it is informed that your Company has not received any investor complaint in FY 2024-2025.

6) Shareholding as on March 31, 2025:

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

Category	No. of Shares	Percentage of holding (%)
Promoter & their Group	4206200	34.10
Corporates	28850	0.23
Institutional Investors	4336846	35.15
Investors Education and Protection Fund	4550	0.04
Public	3760400	30.48
Total	12336846	100

7) Details of Shares transferred to Investor Education and Protection Fund (IEPF) during FY 2024-2025 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, 2024	8	4,550
Less: Requests received for transfer / delivery during F.Y. 2024-2025 and Shares transferred / delivered during F.Y. 2024-2025	0	0
Add: Transfer of shares to Investor Education and Protection Fund Authority of Ministry of Corporate Affairs during F.Y. 2024-2025	0	0
Balance as on March 31, 2025	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 2017-18	October 8, 2025
Final Dividend 2018-19	October 21, 2026
Final Dividend 2019-20	October 28, 2027
Final Dividend 2020-21	October 27, 2028
Final Dividend 2021-22	October 26, 2029
Final Dividend 2022-23	October 25, 2030
Final Dividend 2023-24	October 20, 2031
Interim Dividend 2024-25	June 26, 2032

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

8) Other disclosures:**a) Related Party Transactions:**

In line with the requirements of the Act, your Company has adopted Related Party Transaction (RPT) Policy and the same has been updated by the Board at its meeting held on April 23, 2025:

- i. All the related party transactions entered into by the Company, during the review period, were in its ordinary course of business and on an arm's length basis. Further, there were no material related party transaction entered into by the Company which may potential conflict with the interests of 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 28, 2025, respectively, had reviewed the compliance in terms of regulation 9A (4) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and confirmed that the systems for internal control with respect to the SEBI (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively.

Further, the Company has a Structured Digital Database in place and is maintained in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. In this regard the Company has filed the compliance certificate with the Stock Exchanges on yearly basis or as may be prescribed by SEBI from time to time.

c) Vigil Mechanism/Whistle Blower Policy:

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

No personnel have been denied access to the Chairman or members of the Audit Committee. During FY 2024-25, no complaints were received under the Vigil Mechanism and Whistle Blower Policy.

d) Recommendations of the Committees:

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

e) Penalties and strictures:

No penalties/strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority on any matter relating to capital markets, during the last 3 (three) financial years.

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

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

g) Breach of covenant:

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

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

The Company has in place a Policy for prevention of sexual harassment, in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the same is available on the website of the Company and can be accessed at the web-link https://www.berarfinance.com/pdf/policies/2024/prevention_of_sexual_harassment_policy.pdf. An Internal Committee (IC) has been set up to redress complaints.

The following is a summary of sexual harassment complaints received and disposed off during the year 2024-25 :

Sr.no.	Particulars	Number
1.	Number of Sexual Harassment Complaints received	0
2.	Number of Sexual Harassment Complaints disposed off	0
3.	Number of Sexual Harassment Complaints pending beyond 90 days.	0

i) Details of Employees at the closure of the Financial Year:

As on March 31, 2025, the total number of employees in the organization is as follows:

- Female : 254
- Male : 1989
- Transgender : 0

j) Accounting Treatment:

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

k) Utilization of Funds:

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

l) Status of compliance of discretionary requirements:

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

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

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

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

The Company is having separate positions for Chairman and MD. However, Chairman is Whole time Director and is related to the Managing Director as per the definition of the term "relative" defined under the Act.

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

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

iv. Modified opinion(s) in audit report:

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

- v.** The Company has framed the "Policy for filing and processing of claim for unclaimed amount by Investors of Non-Convertible Securities" as per circular dated November 08, 2023 issued by Securities and Exchange Board of India ("SEBI") which is hosted on Company's website at https://berarfinance.com/pdf/listed_non_convertible_securities/updates/policy_for_filing_and_processing_of_claim_unclaimed_amount_of_ncs.pdf No interest or principal was unclaimed as on March 31, 2025.

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

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

1. Brief outline on CSR Policy of the Company:

The Company’s CSR Policy (‘Policy’) was approved at the Board Meeting held on March 07, 2015 and last modification being made on December 23, 2022. The Policy is available on the Company’s website at the following link:

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Maroti Jawanjar	Executive Chairman	3	3
2.	Mr. Sandeep Jawanjal	Managing Director	3	3
3.	Mr. Vishwas Pathak*	Independent Director	3	2
4.	Mr. Siva Vadivel Alagan*	Non-Executive Director	3	0
5.	Mr. Rajesh Vasudevan*	Independent Director	3	1

***Notes:**

- Mr. Vishwas Pathak ceased to be Director and Member of CSR Committee w.e.f. September 20, 2024, due to completion of second and final term as Independent Director.
- Mr. Rajesh Vasudevan was appointed as member of CSR Committee w.e.f. October 17, 2024.
- Mr. Siva Vadivel Alagan resigned and ceased to be Member of CSR Committee w.e.f. June 11, 2025 and Ms. Anvi Somaiya was appointed as member of CSR Committee w.e.f. June 13, 2025.

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

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

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

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

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

Average net profit: Rs. 33,12,33,160/- (Indian Rupees Thirty Three Crore Twelve Lakh Thirty Three Thousand One Hundred Sixty only).

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

Rs. 66,24,663/- (Indian Rupees Sixty Six Lakh Twenty Four Thousand Six Hundred Sixty Three only)

- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
- (d) Amount required to be set-off for the financial year, if any: NIL
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 66,24,663/- (Indian Rupees Sixty Six Lakh Twenty Four Thousand Six Hundred Six Three only).
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 66,64,562/- (Indian Rupees Sixty Six Lakh Sixty Four Thousand Five Hundred Sixty Two only)
- (b) Amount spent in Administrative Overheads: NIL
- (c) Amount spent on Impact Assessment, if applicable: NIL
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 66,64,562/- (Indian Rupees Sixty Six Lakh Sixty Four Thousand Five Hundred Sixty Two only).
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
66,64,562/-	Nil	NA	NA	Nil	NA

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

Sl. No.	Particulars	Amount (In Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	66,24,663/-
(ii)	Total amount spent for the Financial Year	66,64,562/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	39,899/-
(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)]	39,899/-

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

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

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

Yes No

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

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in Rs.)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration	Name	Registered address
					Number, if applicable		
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**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 Exercise price for the third grant dated January 30,2025 - ₹ 300
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 Maximum terms for the options granted dated January 30,2025- 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	154750
2	Options Granted during the year	100000
3	Options Forfeited / lapsed during the year	16200
4	Options Vested during the year	27600
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	238550
9	Number of Options exercisable at the end of the year	121750

* 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	300
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	103.98

The weighted average market price of options exercised during the year	No options Exercised during the year
Remaining Contractual life of options outstanding (Years)	3.84

IV Employee-wise details of options granted during the financial year 2024-2025 to:
(i) Senior Managerial Personnel:

Sr. No.	Name of Employee	No. Of ESOP Granted
1	Yogesh Tahalyani	25000
2	Abhijeet Mahajan	16000
3	Satish Pohadare	10000
4	Vikas Mane	10000
5	Ashish Rathi	10000
6	Avinash Menon	10000
	Total	81000

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

Sr. No.	Name of Employee	No. Of ESOP Granted
1	Yogesh Tahalyani	25000
2	Abhijeet Mahajan	16000
3	Satish Pohadare	10000
4	Vikas Mane	10000
5	Ashish Rathi	10000
6	Shubham Ghatole	5000
7	Avinash Menon	10000
8	Khushboo Goyal	10000
	Total	96000

(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 Black-Scholes Option pricing formula.

The Assumptions used in the model are as follows:

Date of grant	Particulars
1. Risk Free Interest Rate	6.52%
2. Expected Life	3.5 Years
3. Expected Volatility	35.93%
4. Dividend Yield	0.33%
5. Price of the underlying share in market at the time of the option grant (Rs.)	302

Assumptions:

Stock Price: The market price as on the date of grant provided by the company has been considered for the purpose of Option valuation.

Volatility: The measure of volatility used in the Black-Scholes Option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

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

Exercise Price: Exercise Price taken as per the information provided by company

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 based on the dividend declared for one financial year prior to the date of grant.

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard (IND-AS) 33	₹ 26.09
--	---------

Annexure VI

Statement of Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, and forming part of the Board’s Report for the year ended March 31, 2025:

Sr. No	Name of the Employee	Designation/ Nature of Employment	Age/ Qualification	Experience (in years)	Remuneration Received (₹) F.Y. 2024-2025	Last Employment	Date of Appointment	Equity holding %
1	Mr. Maroti Jawanjar	Executive Chairman, Permanent	73, Company Secretary	35	84,90,000	—	01-10-1997	8.29
2	Mr. Sandeep Jawanjal	Managing Director, Permanent	41, B.Com.	19	80,88,400	—	01-08-2006	2.68
3	Mr. Ashish Rathi	National Business Head, Permanent	42, MBA	13	39,85,000	Hero Moto Corp. -Ltd	01-06-2024	0
4	Mrs. Deepali Balpande	Company Secretary, Permanent	45, Company Secretary	22	33,18,350	—	09-06-2003	0.34
5	Mr. Digvijay Deshmukh	Business Head- Secured MSME, Permanent	46, MBA	20	31,35,872	Shri Ram Finance Corporation Pvt Ltd.	05-08-2024	--
6	Mr. Ravindra Dorle	Chief Financial Officer, Permanent	35, Chartered Accountant	13	29,75,684	Svatantra Microfin Pvt Ltd	20-06-2023	
7	Mr. Satish Pohadare	Vice President-Risk, Permanent	39, BA	16	26,76,000	L&T Finance Limited	01-12-2023	--
8	Mr. Satish Kumar Gupta	Head-Internal Audit, Permanent	43, C.A, MBA, M.Com, DISA, CIA (IIA-USA)	18	24,71,665	Cholamandalam Investment and Finance Company Limited	14-06-2021	--
9	Mr. Avinash Sivasadas Menon	Vice President-HR, Permanent,	44, B.E (Electronics), MBA-HR	17	24,56,004	Bharat Financial Inclusion Limited	01-08-2023	--
10	Mr. Yogesh Tahalyani	Chief Financial Officer, Permanent	29, Chartered Accountant	5	24,41,582	Credit Wise Capital	03-10-2023	--

Notes:

- i. Remuneration includes Salary and allowances.
- ii. None of the above employees are related to any Director or Manager except Mr. Sandeep Jawanjal, and Ms. Deepali Balpande who are relatives of Mr. Maroti Jawanjar (Executive Chairman).
- iii. Mr. Ravindra Dorle left the Company on December 5, 2024.

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 comprises the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (herein after referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, 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, and in forming our opinion thereon, 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:

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

<p>(b) Grouping of borrowers based on category of loans.</p> <p>(c) Estimation of life of loans under various stages for each category, recoverable amounts in case of defaults etc.</p> <p>(d) Determining macro-economic factors impacting the credit quality of loans</p> <p>(e) Estimation of losses for loans receivable with no / minimal historical defaults.</p> <p>(f) Determination of whether restructuring of principal / interest to a borrower under regulatory directions resulting in restructuring conclusion under Ind AS is subject to interpretation / judgment.</p> <p>(g) Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and</p> <p>(h) Assessment of qualitative factors having an impact on the credit risk.</p> <p>(i) Calculation of Loss Given Default Considering the Recovery Trends of Credit Impaired Portfolio.</p> <p>Since the loan receivable form major portion of Company's assets and due to the significance of judgments used in classifying loans into various stages as stipulated in Ind AS 109 and determining related impairment provision requirements this is considered to be area of key focus of overall Company audit and thus a key audit matter.</p>	<p>(d) Tested the ECL model, including assumptions and underlying computation. Assessed the floor / minimum rates of provisioning applied by the Company for loans receivable with inadequate historical defaults.</p> <p>Tested a sample of exposures, the appropriateness of determining exposure at default ("EAD"), calculation of probability of default ("PD") and Loss given default ("LGD") in calculation.</p>
---	---

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 an 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 2025, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2025 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 year, the final dividend proposed in the previous financial year was duly declared and paid by the Company in compliance with Section 123 of the Companies Act, 2013.
- (vi) Based on our examination which included test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended March 31st, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tempered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

Mumbai, 27th May 2025

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 25103750BMOICK8217

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 of 31st March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As stated in note no. 18.1 the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, by banks or financial institutions on the basis of security of loans (assets) during the year. We have observed differences/reconciliation items in the quarterly returns or statements filed by the Company with such banks or financial institutions as compared to the books of account maintained by the Company. However, we have not conducted a specific audit of such statements. The differences are primarily due to furnishing of quarterly returns to the banks by the company before giving effect to adjustments as per Ind-AS as stated in note no. 18.1 of the financials statements of the Company.
- (iii) (a) The Company is primarily engaged in lending activities and hence reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) In our opinion, having regard to the nature of the Company’s business, the investments made, security given and the terms and conditions of the grant of all loans and advances provided are not prejudicial to the Company’s interest.
- (c) In respect of loans and advances, 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 of March 31, 2025, 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 are no overdue amount of active accounts for more than ninety days as at March 31, 2025 except for the following cases:

Rs. in Lakhs

Number of Cases	Principal Amount Overdue	Interest Amount Overdue	Total Amount Overdue
16,194	2,476.72	4,59.07	2,935.79

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

- (e) The Company is primarily engaged in lending activities and hence reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) Based on the information and explanations provided to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments, or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company being NBFC registered with RBI, provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) We are informed that maintenance of cost records prescribed by the Central Government of India under section 148(1) of the Act, is not applicable in respect of Company's business.
- (vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2025 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 2025 which have not been deposited on accounts of any disputes except as stated below:

Amount (In Rs)

Nature of Statute	Nature of Dues	Forum Where Dispute is Pending	Period to which the Amount Relates	Amount under Dispute *	Amount Paid
The Income Tax Act, 1961	Income Tax	CIT(A)	AY 2020-21	7,45,844	1,49,170
The Goods and Service Tax Act 2017	GST	Appellate Authority	FY 2018-19	20,28,228	1,07,006

*Paid under Protest

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

- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis do not seem to have used during the year for long term purposes.
- (e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting requirements of clause 3 (ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting requirements of clause 3 (ix)(f) of the Order is not applicable to the Company.
- (x) (a) In our opinion, and according to the information and explanations given to us, the Debt raised by the Company during the year were used for the purpose for which they were raised.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xi) (a) To the best of our knowledge and belief, based on the audit procedures performed and the representations obtained from the management, and as disclosed in Note 77 to the financial statements, we report that one instance of fraud done by an employee was identified and reported by the management to the Reserve Bank of India in accordance with the applicable regulatory requirements. The Company has initiated appropriate Disciplinary actions on the employee as per the Internal Policy of 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 to us by management, there are no complaint received under the whistleblower mechanism by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per clause 3 (xii) of the Order is not required.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting as per clause 3 (xv) of the Order is not required.
- (xvi) (a) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, and it has obtained the registration.
- (b) The Company has conducted the non-banking financial activities with a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) The Group (as defined under Master Direction DNBR.PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) to which the company belongs does not have any CIC as part of the group.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) (a) There are no amounts unspent 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 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, 27th May 2025

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 25103750BMOICK8217

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 2025 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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, 2025, 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, 27th May 2025

ASHISH SHAH
PARTNER
Membership No.: 103750
UDIN: 25103750BMOICK8217

Financial Statements

Balance Sheet as at 31st March 2025

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	5	2,825.16	5,348.54
(b) Bank Balances other than cash and cash equivalents	6	11,114.41	8,724.05
(c) Loans	7	1,34,922.96	1,08,207.59
(d) Investments	8	2,022.63	1,974.89
(e) Other Financial assets	9	3,808.05	3,375.09
Non-Financial Assets			
(a) Current tax asset (Net)	21	126.32	155.74
(b) Deferred tax assets (Net)	10	1,086.21	1,086.29
(c) Property, Plant and Equipment	11	2,088.07	1,860.66
(d) Capital Work in Progress	12	28.00	11.70
(e) Intangible assets	13	80.12	96.18
(f) Right of use assets	14	527.82	638.28
(g) Other non-financial assets	15	236.69	106.76
Total Assets		1,58,866.44	1,31,585.77
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
(a) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	16	384.33	94.09
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,808.22	1,395.18
(b) Debt Securities	17	9,449.04	7,490.26
(c) Borrowings (Other than Debt Securities)	18	92,082.81	70,032.15
(d) Deposits	19	19,558.32	19,743.53
(e) Other financial liabilities	20	1,937.68	2,454.98
Non-Financial Liabilities			
(a) Provisions	22	617.37	496.87
(b) Other non-financial liabilities	23	290.10	257.25
EQUITY			
(a) Equity Share capital	24	1,233.68	1,233.68
(b) Other Equity	25	31,504.89	28,387.78
Total Liabilities and Equity		1,58,866.44	1,31,585.77

Summary of Material accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 89

As per our Report of even date attached

For and On Behalf of Board of Directors
Berar Finance LimitedFor Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136M.G.Jawanjar
Executive Chairman
DIN: 00379916S.M.Jawanjar
Managing Director
DIN: 01490054CA Ashish Shah
M.No :103750Yogesh Tahalyani
Chief Financial Officer
NagpurD.R.Balpande
Company Secretary
NagpurPlace : Mumbai
Date : 27th May 2025

Statement of Profit and Loss for the year ended 31st March 2025

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March 2025	Year ended 31st March 2024
I) Revenue from operations			
i) Interest Income	26	26,684.29	22,945.97
ii) Dividend Income	27	0.09	0.10
iii) Fee & Commission Income	28	2,132.16	2,104.47
iv) Net gain on fair value changes	29	3.02	12.33
v) Other operating Income	30	640.20	73.53
I) Total Revenue from operations		29,459.76	25,136.40
II) Other Income	31	36.63	44.63
III) Total Income (I+II)		29,496.39	25,181.03
IV) Expenses			
i) Finance Costs	32	13,018.42	10,386.26
ii) Impairment on financial instruments	33	3,123.65	3,907.19
iii) Employee Benefits Expenses	34	5,589.65	4,550.80
iv) Depreciation, amortization and impairment	35	495.56	467.69
v) Other expenses	36	3,043.25	2,873.80
IV) Total Expenses		25,270.53	22,185.74
V) Profit/ (Loss) before tax (IV-III)		4,225.86	2,995.29
VI) Tax Expense:			
i) - Current Tax	10	942.00	840.00
ii) - Prior period income tax	10	54.93	54.43
iii) - Deferred Tax (Income)/Expenses	10	(0.77)	(117.20)
VII) Profit/(Loss) for the year (V-VI)		3,229.70	2,218.06
VIII) Other Comprehensive Income			
A) Items that will not be reclassified to statement of profit & loss			
i) Re-measurement gains / (losses) on defined benefit plans		3.30	(5.70)
ii) Income tax impact on above		(0.83)	1.43
B) Items that will be reclassified to profit or loss			
(i) Income tax relating to items that will be reclassified to profit or loss		-	-
VIII) Other Comprehensive Income for the year (A+B)		2.47	(4.27)
IX) Total Comprehensive Income/(Loss) for the year (Comprising Profit and other comprehensive income for the year) (VII+VIII)		3,232.17	2,213.79
X) Earnings per equity share			
i) Basic (In Rs.)		26.18	17.98
ii) Diluted (In Rs.)		26.09	17.92

Summary of Material accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 89

As per our Report of even date attached

 For and On Behalf of Board of Directors
Berar Finance Limited

 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

 Yogesh Tahalyani
Chief Financial Officer
Nagpur

 D.R.Balpande
Company Secretary
Nagpur

 Place : Mumbai
Date : 27th May 2025

Statement of Cash Flows for the year ended 31st March 2025

(₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year Ended 31st March 2024
A. Cash flow from operating activities		
Profit/(loss) before tax	4,225.86	2,995.29
Adjustments for:		
Depreciation and amortisation expense	495.56	467.69
ESOP expense	8.31	7.45
Provision for Defined Benefit Obligation	122.50	88.19
Finance cost	509.29	411.22
Interest Income on Security Deposit	(5.78)	(5.09)
Interest income on investment	(142.44)	(126.41)
Net gain on fair value changes in Investment	(3.03)	(3.43)
Profit on sale of investment	-	(8.91)
Gain on termination of lease	(2.12)	(0.05)
Impairment on financial instruments	3,123.65	3,907.20
Profit on sale of property, plant and equipment (Net)	(0.07)	(0.50)
Operating profit before working capital changes	8,331.73	7,732.65
Changes in working capital		
Increase/ (decrease) in trade payables	703.30	226.13
Increase/ (decrease) in other financial liabilities	(423.20)	804.19
Increase/ (decrease) in provisions and other liabilities	30.85	(105.81)
(Increase)/ decrease in other financial assets	(434.23)	791.62
(Increase)/ decrease in Loans	(29,839.02)	(19,902.14)
(Increase)/ decrease in other assets	(129.93)	(59.38)
Cash generated from/(used in) operations	(21,760.50)	(10,512.74)
Income tax paid	(965.32)	(1,193.55)
Net cash used in operating activities (A)	(22,725.82)	(11,706.29)
B. Cash flow from Investing activities		
Payment for property, plant and equipment, intangible assets and Capital Work-in-progress	(381.63)	(153.94)
Change in Other Bank balances not available for Immediate use	(2,390.36)	(3,364.46)
Proceeds from sale of property plant and equipment	0.58	0.90
Purchase of investment	(52.25)	(370.96)
Proceeds from sale of Investments	9.59	238.44
Interest received	140.86	128.84
Net cash used in investing activities (B)	(2,673.21)	(3,521.18)
C. Cash flow from Financing activities		
Proceeds from Bank & Financial Institution Borrowing (Net of Repayments)	25,120.11	15,872.48
Debt Securities issued/(repaid)	1,897.62	(7,157.43)
Deposits taken (Net of Repayments)	(185.21)	1,731.85
Dividend Paid	(123.37)	(123.37)
Repayment of lease liabilities	(390.17)	(333.82)
Net cash used generated from financing activities (C)	26,318.98	9,989.71
Net increase/decrease in cash and cash equivalents (A+B+C)	919.95	(5,237.77)
Cash and cash equivalents at the beginning of the year	(60.23)	5,177.54
Cash and cash equivalents at the end of the year	859.72	(60.23)

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 2025	Year ended 31st March 2024
Opening Balances (Borrowing and debt/subordinated -debt securities) as at 1st April	71,770.89	63,055.84
Proceeds from borrowings	67,637.00	48,673.98
Proceeds from issue of Non-convertible debentures	10,000.00	-
Repayment of borrowings	(42,516.89)	(32,801.50)
Repayment of Non-convertible debentures	(8,102.38)	(7,157.43)
Closing Balances (Borrowing and debt/subordinated-debt securities)	98,788.62	71,770.89

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Balances with banks		
In current accounts	186.21	2,172.63
In fixed deposits (with maturity less than 3 months)	2,503.21	3,000.37
Working capital loan Cash credit from banks	(1,965.44)	(5,408.77)
Cash in Hand	2.54	20.65
Cash in transit	133.20	154.89
	859.72	(60.23)

Summary of material accounting policies 1 to 4
The accompanying notes are an integral part of the financials statements 5 to 89
As per our Report of even date attached
**For and On Behalf of Board of Directors
Berar Finance Limited**
**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**
**Yogesh Tahalyani
Chief Financial Officer
Nagpur**
**D.R.Balpande
Company Secretary
Nagpur**
**Place : Mumbai
Date : 27th May 2025**

Statement of Changes in Equity for the year ended 31st March 2025

A. Equity Share Capital

(1) Current reporting period

(₹ in Lakhs)

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

(2) Previous reporting period

(₹ in Lakhs)

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

B. Other Equity

(1) Current reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	Total
Balance at the beginning of the current reporting period	4,157.95	14,123.94	8,182.65	133.93	1,789.31	28,387.78
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	4,157.95	14,123.94	8,182.65	133.93	1,789.31	28,387.78
Profit for the year	-	-	-	-	3,229.70	3,229.70
Other comprehensive income for the year	-	-	-	-	2.47	2.47
Total comprehensive income for the year	4,157.95	14,123.94	8,182.65	133.93	5,021.48	31,619.95
Dividend Paid including taxes on dividend	-	-	-	-	(123.37)	(123.37)
Transfers to Statutory reserves under section 45IC of RBI Act 1934	678.24	-	-	-	(678.24)	-
Transfers to General reserves	-	-	-	-	-	-
Any other change:	-	-	-	-	-	-
Premium on issue of Shares	-	-	-	-	-	-
Expenses related to issue of shares (Private Placement)	-	-	-	-	-	-
Share based payment expense	-	-	-	8.31	-	8.31
Balance at the end of the current reporting period	4,836.19	14,123.94	8,182.65	142.24	4,219.87	31,504.89

(2) Previous reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	Total
Balance at the beginning of the previous reporting period	3,712.95	14,123.94	8,182.65	126.49	143.89	26,289.92
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	3,712.95	14,123.94	8,182.65	126.49	143.89	26,289.92
Profit for the year	-	-	-	-	2,218.06	2,218.06
Other comprehensive income for the year	-	-	-	-	(4.27)	(4.27)
Total comprehensive income for the year	3,712.95	14,123.94	8,182.65	126.49	2,357.68	28,503.71
Dividend Paid including taxes on dividend	-	-	-	-	(123.37)	(123.37)
Transfers to Statutory reserves under section 45IC of RBI Act 1934	445.00	-	-	-	(445.00)	-
Transfers to General reserves	-	-	-	-	-	-
Any other change:	-	-	-	-	-	-
Premium on issue of Shares	-	-	-	-	-	-
Expenses related to issue of shares (Private Placement)	-	-	-	-	-	-
Share based payment expense	-	-	-	7.45	-	7.45
Balance at the end of the previous reporting period	4,157.95	14,123.94	8,182.65	133.93	1,789.31	28,387.78

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 21.00% of the profit after tax (as against 20.00%) required to the statutory reserves in accordance to the provision of Section 45-IC Reserve Bank of India Act, 1934.

Summary of material accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 89

As per our Report of even date attached

**For and On Behalf of Board of Directors
Berar Finance Limited**

**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**

**Yogesh Tahalyani
Chief Financial Officer
Nagpur**

**D.R.Balpande
Company Secretary
Nagpur**

**Place : Mumbai
Date : 27th May 2025**

MATERIAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2025

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, Secured MSME 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 134 branches as on 31 March 2025. The financial statements of the Company for the year ended March 31, 2025 were approved in accordance with the resolution of the Board of Directors on May 27, 2025.

2 Basis of Preparation

2.1 Statement of compliance

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

2.2 Basis of preparation

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

2.3 Functional and presentation currency

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

2.4 Use of estimates, judgements and assumptions

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

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

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

i) Fair value of financial instruments

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

price is directly observable or estimated using another valuation technique. When the fair value 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 value.

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 behavioral 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 behavior 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 & 76.

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.

3 Material Accounting Policies

3.1 Revenue recognition

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

A Interest and dividend income

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

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

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

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

B Other Financial Charges

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

C Net gain or fair value change

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

D Other operational revenue

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

3.2 Financial instrument - initial recognition

A Date of recognition

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

B Initial measurement of financial instruments

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

3.3 Financial assets and liabilities**A Financial assets****Business model assessment**

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

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

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

Solely payments of principal and interest (SPPI) test

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

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

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

Accordingly, financial assets are measured as follows:

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

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- ii) Financial assets measured at FVOCI

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

iii) Financial assets measured at FVTPL

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

B Financial liabilities

i) Initial recognition and measurement

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

ii) Borrowings

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2025 and 31 March 2024.

3.5 Derecognition of financial assets and liabilities

i) **Financial assets**

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

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

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

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

ii) **Financial liabilities**

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

3.6 Impairment of financial assets

A. Overview of ECL principles

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

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

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

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

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

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

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

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

B. Calculation of ECLs

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

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

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

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

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

The mechanics of the ECL method are summarised below:

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

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

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

C. Forward looking information

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

3.7 Write-offs

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

3.8 Determination of fair value

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

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

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

3.9 Recognition of other expense

A. Borrowing costs

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

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

3.10 Cash and cash equivalents

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

3.11 Property, plant and equipment

Property, plant and equipment ('PPE') are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

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

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

3.12 Intangible assets

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

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

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

The estimated useful life is, as follows:

- i) Computer Software - 5 years

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

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

3.14 Leases

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

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

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

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

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

3.15 Retirement and other employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

Short-term employee benefits

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

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the

obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

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

C. Contingent asset

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

3.17 Taxes

A. Current Tax

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

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

B. Deferred Tax

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

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

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

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

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

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

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

3.18 Earnings per share

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

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

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

3.19 Dividends on ordinary shares

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

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

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

3.20 Cash flow statement

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

4 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
5 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Cash in hand	2.54	20.65
Cash in transit	133.20	154.89
Balances with banks		
In current accounts	186.21	2172.63
In fixed deposits (with original maturity less than 3 months)	2,503.21	3,000.37
Total	2,825.16	5,348.54

6 Bank Balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Fixed Deposits (Including Accrued Interest)	9,489.93	7,940.77
Balances with banks to the extent held as margin money or security against the borrowings	1,623.73	782.42
Earmarked balances with banks (Unpaid dividend)	0.75	0.86
Total	11,114.41	8,724.05

7 Loans

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Loans measured at Amortised Cost- (Refer Note 46 & 89)		
i) Terms Loans-Secured		
Hypothecation Loans	1,37,789.68	1,11,061.31
Loans Against Deposits	118.91	94.65
ii) Term Loans- Unsecured		
Personal Loans	397.80	606.34
Total (Gross)	1,38,306.39	1,11,762.30
Less: Impairment loss allowance (Refer Note 46 & 89)	(3,383.43)	(3,554.71)
Total (Net)	1,34,922.96	1,08,207.59
Loans in India	1,34,922.96	1,08,207.59
Loans outside India	-	-
Out of total loans and advances, Loans given to employee	5.37	11.41

8 Investments

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
i) Investments measured at amortised cost (Refer Note I)		
* Investments in Government Securities (Quoted)	2,002.54	1,957.83
ii) Investments measured at fair value through Profit or Loss (Refer Note II)		
Investments in Equity Instruments (Quoted)	20.09	17.06
Total	2,022.63	1,974.89
(i) Investments outside India	-	-
(ii) Investments in India	2,022.63	1,974.89
Total	2,022.63	1,974.89
Market Value of equity shares	20.09	17.06
Market Value of Government Securities	2,046.63	1,943.86
Cost of equity shares	17.52	17.52
Cost of Government Securities	1,993.10	1,950.44

*Securities are purchased for SLR purpose.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Details of investments -

Note I - Investments in government securities measured at amortised cost

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Investments measured at amortised cost (Quoted)		
8.03% GOI BONDS 2024	0.00	10.18
8.15% GOI BONDS 2026	92.57	92.59
8.23% GOI BONDS 2027	6.06	6.06
8.26%GOI BONDS 2027	5.07	5.08
8.28%GOI BONDS 2027	4.93	4.90
8.26% GOI BONDS 2027	10.09	10.07
8.24% GOI BONDS 2027	5.04	5.04
8.24% GOI BONDS 2027	10.04	10.02
8.26% GOI BONDS 2027	35.58	35.63
8.24% GOI BONDS 2027	30.68	0.00
7.37% GOI BONDS 2028	10.40	10.43
7.59% GOI BONDS 2029	45.57	45.67
7.10% GOI BONDS 2029	40.16	39.98
7.10% GOI BONDS 2029	10.06	10.00
7.10% GOI BONDS 2029	20.39	20.34
7.88% GOI BONDS 2030	20.79	20.01
7.88% GOI BONDS 2030	36.09	36.25
7.88% GOI BONDS 2030	24.81	24.77
7.88% GOI BONDS 2030	58.85	58.65
7.88% GOI BONDS 2030	15.19	15.20
6.54% GOI BONDS 2032	78.95	78.72
7.73% GOI BONDS 2034	16.11	16.16
7.50% GOI BONDS 2034	12.45	12.47
7.50% GOI BONDS 2034	18.05	18.11
7.50% GOI BONDS 2034	24.63	24.76
7.50% GOI BONDS 2034	21.28	0.00
7.40% GOI BONDS 2035	9.43	9.39
7.40% GOI BONDS 2035	74.93	76.62
7.40% GOI BONDS 2035	76.54	74.83
7.40% GOI BONDS 2035	31.98	32.10
6.22% GOI BONDS 2035	24.71	24.68
6.22% GOI BONDS 2035	154.84	154.47
6.22% GOI BONDS 2035	24.47	24.43
6.64% GOI BONDS 2035	49.96	49.96
6.22% GOI BONDS 2035	48.48	48.37
6.64% GOI BONDS 2035	141.47	141.40
6.67% GOI BONDS 2035	95.07	94.67
6.67% GOI BONDS 2035	19.12	19.05
6.67% GOI BONDS 2035	62.16	61.93
6.67% GOI BONDS 2035	89.35	89.10
6.22% GOI BONDS 2035	37.01	36.81
7.41% GOI BONDS 2036	102.48	102.51
7.18% GOI BONDS 2037	110.14	110.08
7.18% GOI BONDS 2037	50.28	50.26
6.83% GOI BONDS 2039	140.49	140.30
8.83% GOI BONDS 2041	5.79	5.78
TOTAL	2002.54	1957.83

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
Note II - Investments measured at Fair Value through Profit or Loss

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Investments measured at Fair Value through Profit or Loss		
i) Investments in Equity Instruments (Quoted)		
Sundaram Finance Ltd 100 (31 March 2024: 100)	4.58	4.13
Bajaj Finance Ltd. 100 (31 March 2024: 100)	8.95	7.24
Hdfc Bank Ltd 168 (31 March 2024: 100)	3.07	2.43
Kotak Mahindra Bank Ltd 100 (31 March 2024: 100)	2.17	1.78
Yes Bank Ltd 1,500 (31 March 2024: 1,500)	0.25	0.35
Au Small Finance Bank Ltd. 200 (31 March 2024: 200)	1.07	1.13
Total	20.09	17.06

9 Other Financial assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Security deposits		
a) Premises	65.39	56.64
b) Others	15.77	311.97
Advances		
a) Advances to employees	11.54	9.93
b) Advances to dealers	3,379.23	2,736.83
Less: Impairment loss allowance	(110.56)	(120.00)
Net advances to dealer	3,268.67	2,616.83
c) Accrued recovery charges	463.64	369.81
Less: Impairment loss allowance	(68.40)	(58.95)
Net accrued recovery charges	395.24	310.86
d) Other financial assets	99.18	116.61
Less: Impairment loss allowance	(47.74)	(47.75)
Net other financial assets	51.44	68.86
Total	3,808.05	3,375.09

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

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(A) Deferred tax relates to the following:		
(A) Deferred tax assets		
- on financial assets measured at amortised cost	315.06	305.63
- on expected credit loss provision on loans	908.60	951.71
- on lease as per Ind AS 116	5.00	1.28
- on ESOP	35.80	14.04
- on investments measured at FVTPL	-	0.11
- on gratuity	99.78	80.89
- on leave encashment	55.60	44.16
- on Commission to managerial person	11.32	-
Total Deferred tax assets (A)	1,431.16	1,397.82

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(B) Deferred tax liabilities		
- on difference between written down value of fixed assets as per books of accounts and income tax	42.15	35.75
- on investments measured at FVTPL	0.39	-
- on financial assets measured at amortised cost	-	0.44
- on financial liabilities measured at amortised cost	144.51	116.81
- ECL provision claimed	157.90	158.53
Total Deferred tax liabilities (B)	344.95	311.53
Deferred tax asset / (liability), net (A-B)	1,086.21	1,086.29

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

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance as on 1st April	1,086.29	967.65
Deferred tax assets/(liabilities) recognized in Statement of Profit and Loss	0.77	117.20
Deferred tax assets/(liabilities) recognized in OCI	(0.83)	1.43
Closing balance as on 31st March	1,086.21	1,086.29

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

Particulars	As at 31st March 2025	As at 31st March 2024
- Current tax	942.00	840.00
- Prior period income tax	54.93	54.43
- Deferred tax charge / (income)	(0.77)	(117.20)
Total	996.16	777.23

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

Particulars	As at 31st March 2025	As at 31st March 2024
Income tax (expense)/Income on remeasurements of defined benefit plans	(0.83)	1.43
Total	(0.83)	1.43

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

Particulars	As at 31st March 2025	As at 31st March 2024
Statement of Profit and Loss:		
a) Profit & Loss Section		
i) <u>Current Tax</u>		
Current Tax expense for the year	942.00	840.00
Tax expense for the earlier years	54.93	54.43
	996.93	894.43
ii) <u>Deferred Tax</u>		
Tax expense on origination and reversal of temporary differences	(0.77)	(117.20)
	(0.77)	(117.20)
Income tax expense reported in the statement of profit or loss [(i)+(ii)]	996.16	777.23
Other Comprehensive Income (OCI) Section:		
i) <u>Items that will not be reclassified to profit or loss in subsequent years:</u>		
Deferred tax (expense)/income:	(0.83)	1.43
	(0.83)	1.43
ii) <u>Items that will be reclassified to profit or loss in subsequent years:</u>	-	-
Income tax (expenses)/income reported in the other comprehensive income [i+ii]	(0.83)	1.43

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
(F) Reconciliation of tax charge
(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Profit before tax	4,225.86	2,995.29
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expenses	1,063.65	753.91
Tax effects of:		
- Disallowed expense	16.77	73.05
- Deductions under chapter VIA	(79.34)	(48.61)
- Expenses claimed as deduction earlier disallowed	(59.08)	-
- Adjustments related to tax of Prior Years	54.93	116.08
- Impact of Deferred Tax Adjustments	(0.77)	(117.20)
Tax expense recognised in Statement of Profit and Loss	996.16	777.23
Effective Tax Rate	23.57%	25.95%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

11 Property, plant and equipment March 2025

(₹ in Lakhs)

Particulars	Gross block			Accumulated depreciation and impairment					Net block	
	As at 1st April 2024	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2025	As at 1st April 2024	Addition	Deductions/ Adjustments	Impairment	As at 31st March 2025	As at 31st March 2024
Owned assets										
Land-Freehold	1,181.08	-	-	1,181.08	-	-	-	-	1,181.08	1,181.08
Buildings	264.35	-	-	264.35	22.33	4.51	-	-	237.51	242.02
Office Equipments	236.10	14.93	2.01	249.02	92.99	34.66	1.50	-	122.87	143.11
Computers	251.61	54.22	-	305.83	179.35	43.35	-	-	83.13	72.26
Generator	14.03	-	-	14.03	4.48	1.32	-	-	8.23	9.55
Furniture & Fixtures	181.56	29.76	-	211.32	71.87	19.94	-	-	119.52	109.70
Vehicles	43.95	-	-	43.95	18.47	5.70	-	-	19.78	25.48
Printer	21.19	3.49	-	24.68	11.55	3.39	-	-	9.74	9.65
Server	53.16	248.25	-	301.41	16.45	9.22	-	-	275.73	36.70
Electrical Fitting	45.38	4.08	-	49.46	14.26	4.71	-	-	30.49	31.12
Total	2,292.41	354.73	2.01	2,645.13	431.75	126.80	1.50	-	2,088.07	1,860.66

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

11 Property, plant and equipment March 2024

(₹ in Lakhs)

Particulars	Gross block			Accumulated depreciation and impairment				Net block		
	As at 1st April 2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2024	As at 1st April 2023	Addition	Deductions/ Adjustments	Impairment	As at 31st March 2024	As at 31st March 2023
Owned assets										
Land-Freehold	1,181.08	-	-	1,181.08	-	-	-	-	-	1,181.08
Buildings	264.35	-	-	264.35	17.83	4.51	-	-	22.33	246.52
Office Equipments	156.96	81.29	2.16	236.10	67.52	27.23	1.75	-	92.99	89.44
Computers	220.67	30.94	-	251.61	126.53	52.82	-	-	179.35	94.15
Generator	14.03	-	-	14.03	3.17	1.32	-	-	4.48	10.86
Furniture & Fixtures	176.28	5.28	-	181.56	53.15	18.72	-	-	71.87	123.14
Vehicles	43.95	-	-	43.95	12.77	5.70	-	-	18.47	31.17
Printer	18.36	2.84	-	21.19	8.19	3.36	-	-	11.55	10.17
Server	53.15	-	-	53.16	8.63	7.76	-	-	16.45	44.46
Electrical Fitting	45.38	-	-	45.38	9.75	4.51	-	-	14.26	35.63
Total	2,174.21	120.35	2.16	2,292.41	307.53	125.93	1.75	-	431.75	1,866.62

(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, 2025 and March 31, 2024. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

12. Capital work in progress (CWIP)

CWIP ageing schedule as at 31st March 2025

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Solar project is ongoing at head office	28.00	-	-	-	28.00
Projects temporarily suspended	-	-	-	-	-

CWIP ageing schedule as at 31 March 2024

(₹ in Lakhs)

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

As at 31st March 2025

(₹ in Lakhs)

Particulars	Gross block			Accumulated amortisation and impairment			Net block			
	As at 1st April 2024	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2025	As at 1st April 2024	Addition	Deductions/ Adjustments	Impairment	As at 31st March 2025	As at 31st March 2024
Computer Software	228.73	10.60	-	239.33	132.55	26.66	-	-	159.21	80.12
Total	228.73	10.60	-	239.33	132.55	26.66	-	-	159.21	80.12

As at 31st March 2024

(₹ in Lakhs)

Particulars	Gross block			Accumulated amortisation and impairment			Net block			
	As at 1st April 2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2024	As at 1st April 2023	Addition	Deductions/ Adjustments	Impairment	As at 31st March 2024	As at 31st March 2023
Computer Software	175.57	53.16	-	228.73	108.84	23.71	-	-	132.55	66.74
Total	175.57	53.16	-	228.73	108.84	23.71	-	-	132.55	66.74

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
14 Right of use assets

(₹ in Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2023	813.70
Addition	180.45
Adjustments/deletion	(37.83)
Depreciation for the year	(318.04)
Carrying amount as at 31st March 2024	638.28
Addition	248.49
Adjustments/deletion	(16.85)
Depreciation for the year	(342.10)
Carrying amount as at 31st March 2025	527.82

15 Other Non - Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Prepaid expenses	131.96	71.10
Advances to Creditors	30.67	22.77
Stamp in Hand	74.06	12.89
Total	236.69	106.76

16 Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(i) Total outstanding dues of micro enterprises and small enterprises	384.33	94.09
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,808.22	1,395.18
Total	2,192.55	1,489.27

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

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there company has outstanding dues payable to micro and small Enterprises that are reportable under the MSMED Act, 2006. The disclosures relating to Micro and Small Enterprises are as below:

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	384.33	94.09
- Interest	-	-
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
- The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Particulars	As at 31st March 2025	As at 31st March 2024
- 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	384.33	94.09

16.2 Trade Payables ageing

a) Trade payables ageing schedule as at 31 March 2025 (₹ 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. Undisputed MSME	384.33	-	-	-	384.33
2. Undisputed Others	1,775.25	24.03	8.94	-	1,808.22
3. Disputed dues - MSME	-	-	-	-	-
4. Disputed dues - Others	-	-	-	-	-
5. Unbilled trade payables, if any	-	-	-	-	-

b) Trade payables ageing schedule as at 31 March 2024 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1. Undisputed MSME	94.09	-	-	-	94.09
2. Undisputed Others	1,336.34	58.84	-	-	1,395.18
3. Disputed dues - MSME	-	-	-	-	-
4. Disputed dues - Others	-	-	-	-	-
5. Unbilled trade payables, if any	-	-	-	-	-

17 Debt Securities (₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
At Amortised cost :		
Secured		
Non Convertible Debentures	9,449.04	3,919.53
Market linked Non convertible debentures	0.00	3,570.73
Total	9,449.04	7,490.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
17.1 Disclosure on Debt Securities issued on private placement basis.
Issue of secured redeemable non convertible debentures as on March 31st, 2025 (₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31st March 2025
* 11.65% Listed Non Convertible Debentures	1.00	23-Apr-24	23-Apr-26	Payable Half Yearly, Final Redemption at par at the end of 24 Months from the date of allotment.	1956.38
*11.4% Listed Non Convertible Debentures	0.10	28-Oct-24	28-Oct-26	Payable 3 equal instalment, First at 8th month, second at 16th month and third at 24th month from the date of allotment.	2,994.99
*11.5% Listed Non Convertible Debentures	0.10	12-Feb-25	12-Feb-27	Payable Yearly, Final Redemption at par at the end of 24 Months from the date of allotment.	2,999.53
*12.25% Listed Non Convertible Debentures	1.00	21-Mar-25	25-Nov-27	25% of the Face Value of Debentures will be redeemed at the end of 14 months from Deemed Date of Allotment. 7.5% of the Face Value of Debentures will be redeemed monthly from 23rd month to 32 month from Deemed Date of Allotment.	1,498.14
Total					9449.04

Issue of secured redeemable non convertible debentures as on March 31, 2024 (₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31st March 2024
* 14.06% Listed Non Convertible Debentures	10.00	24-Mar-21	05-Feb-25	20% of the Face Value of Debentures will be redeemed at the end of 24 months from Deemed Date of Allotment. 30% of the Face Value of Debentures will be redeemed at the end of 36 months from Deemed Date of Allotment. 50% of the Face Value of Debentures will be redeemed at the end of 46 months and 21 days from Deemed Date of Allotment	1,700.27
13.63% Unlisted Market linked Non Convertible Debentures	10.00	17-Sep-21	31-Oct-24	Redeemable at par along with interest at the end of 38 Months from the date of allotment.	1,855.32
11.25% Unlisted Non Convertible Debentures	0.10	05-Aug-22	07-Aug-24	Payable Half Yearly, Final Redemption at par at the end of 24 Months from the date of allotment.	1,013.45

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

* 11.50% Listed Non Convertible Debentures	10.00	16-Sep-22	16-Mar-25	Payable monthly, Final Redemption at par at the end of 30 Months from the date of allotment.	1,205.81
13.63% Unlisted Market linked Non Convertible Debentures	10.00	17-Sep-21	30-Nov-24	Redeemable at par along with interest at the end of 39 Months from the date of allotment.	1,715.41
Total					7,490.26

Nature of Security:

The 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 guarantee of Managing Director and Executive Chairman.

* The NCDs are listed on BSE Ltd.

18 Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
At Amortised cost :		
a) Term loans		
i) Secured		
Term Loan from Banks	33,379.06	27,459.50
Term Loan from Financial Institutions	49,592.38	35,738.38
#Associated liabilities in respect of securitization transactions	7,145.94	1,425.51
b) Loans repayable on demand		
i) Secured		
Working capital demand loan and Cash credit from banks	1,965.43	5,408.76
Total	92,082.81	70,032.15

18.1 Disclosure for Borrowings**Term loans from bank as on March 31, 2025 : Secured**

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2025	As at 31st March 2024
Monthly	Upto 5 Years	9.01%-10.00%	201.85	1,458.27
Monthly	Upto 5 Years	10.01%-11.00%	6,881.95	10,421.80
Monthly	Upto 5 Years	11.01%-12.00%	26,295.26	14,767.96
Monthly	Upto 5 Years	12.01%-13.00%	-	811.47
Total			33,379.06	27,459.50

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 guarantee of Managing Director and Executive Chairman.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
Term loans from Financial Institutions as on March 31, 2025 : Secured (₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31st March 2025	As at 31st March 2024
Monthly	Upto 5 Years	10.01%-11.00%	-	407.80
Monthly	Upto 5 Years	11.01%-12.00%	36,551.30	22,154.13
Monthly	Upto 5 Years	12.01%-13.00%	12,495.47	11,822.81
Monthly	Upto 5 Years	13.01%-14.00%	545.61	1,215.16
Monthly	Upto 5 Years	14.01%-15.00%	-	138.48
Total			49,592.38	35,738.38

Details of Securities Given

Term loan from financial institutions are secured by first charge on specific receivables under Hypothecation Agreements other than those hypothecated to banks. It is further secured by personal guarantee of Managing Director and Executive Chairman.

#Associated liabilities in respect of securitization transactions is secured against loans and advances given.

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

Repayment Term	Tenure	Interest Range	As at 31st March 2025	As at 31st March 2024
Bank overdraft/Cash Credit	Bullet	9.00%-13.00%	1,965.43	5,408.76
Total			1,965.43	5,408.76

Details of Securities Given

Loan repayable on demand from bank is secured by:

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

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 2025	As at 31st March 2024
At Amortised cost :		
<u>Deposits (Unsecured)</u>		
- Public deposits	17,783.86	18,369.39
- Inter corporate deposits	1,532.34	723.87
- Director and director relatives	242.12	650.27
Total	19,558.32	19,743.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

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

Rate of Interest	As at 31st March 2025		
	Upto 1 Year	1-5 Years	Total
8.50%	24.76	-	24.76
8.75%	503.89	-	503.89
9.00%	2,711.88	378.95	3,090.83
9.25%	2,591.48	928.18	3,519.66
9.50%	1,396.18	2,074.27	3,470.45
9.75%	22.08	1,872.50	1,894.58
10.00%	1,039.54	4,712.87	5,752.41
10.50%	-	1,193.09	1,193.09
12.00%	200.00	-	200.00
Total	8,489.81	11,159.86	19,649.67

(₹ in Lakhs)

Rate of Interest	As at 31st March 2024		
	Upto 1 Year	1-5 Years	Total
8.50%	1,769.56	-	1,769.56
8.75%	3,106.32	389.27	3,495.59
9.00%	1,382.57	1,769.30	3,151.87
9.25%	388.23	1,332.88	1,721.11
9.50%	2,026.18	2,339.22	4,365.40
9.75%	548.24	1,181.28	1,729.52
10.00%	0.61	3,056.02	3,056.63
10.50%	1,029.10	-	1,029.08
Total	10,250.81	10,067.97	20,318.76

20 Other Financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Employee benefits payable	706.06	553.81
Unclaimed Dividend	0.79	0.97
Other expenses payable	35.51	36.48
Security deposits	317.02	360.12
Unclaimed matured deposits (Refer note 19.1)	91.35	575.23
Lease liability (Refer note 20.1)	538.71	632.81
Other credit balances	248.24	295.56
Total	1,937.68	2,454.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
20.1 Movement of lease liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening Balance	632.81	752.09
Additions	243.19	174.52
Interest expenses	71.10	81.66
Lease Payments	(390.17)	(333.82)
Deletions	(18.22)	(41.64)
Total	538.71	632.81

21 Current tax liabilities/(Asset)- Net

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Current income tax payable/(refund) for 31 March 2025, net of advance tax of INR 800.36 lakhs and TDS receivable of INR 267.96 lakhs (31 March 2024: Net of advance tax of INR 900.34 lakhs and TDS receivable of INR 96.88 lakhs)	(126.32)	(155.74)
Total	(126.32)	(155.74)

22 Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Provision for employee benefits		
Provision for gratuity (Refer Note 39)	396.47	321.40
Provision for compensated absences (Refer Note 39)	220.90	175.47
Total	617.37	496.87

23 Other Non-Financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Statutory dues payable	290.10	257.25
Total	290.10	257.25

24 Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Authorized		
1,45,00,000 (31 March 2024: 1,45,00,000) Equity shares of INR 10/- each.	1,450.00	1,450.00
5,00,000 (31 March 2024: 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 2024: 1,23,36,846) Equity shares of INR 10/- each.	1,233.68	1,233.68
Total	1,233.68	1,233.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year (₹ in Lakhs)**

Particulars	As at 31st March 2025		As at 31st March 2024	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,23,36,846.00	1,233.68	1,23,36,846.00	1,233.68
Add: Issued during the year - Private Placement	-	-	-	-
Outstanding at the end of the year	1,23,36,846.00	1,233.68	1,23,36,846.00	1,233.68

(b) Rights, preferences and restrictions attached to shares

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

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

Name of shareholders	As at 31st March 2025		As at 31st March 2024	
	Number of shares	% Holding	Number of shares	% Holding
M/s Avino Capcons Pvt Ltd	14,88,484	12.07%	14,88,484	12.07%
Maroti Jawanjar	10,22,894	8.29%	10,22,894	8.29%
Maroti Jawanjar (HUF)	8,68,954	7.04%	8,68,954	7.04%
Amicus Capital Private Equity I LLP	21,28,263	17.25%	21,28,263	17.25%
Maj Invest Financial Inclusion Fund III K/S	19,79,691	16.05%	19,79,691	16.05%
Total	74,88,286	60.70%	74,88,286	60.70%

(d) Shareholding of Promoters

Name of the Promoter	As at 31st March 2025		As at 31st March 2024		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Maroti Jawanjar	10,22,894	8.29%	10,22,894	8.29%	0.00%
Sandeep Jawanjal	3,31,218	2.68%	3,31,218	2.68%	0.00%
Maroti Jawanjar (HUF)	8,68,954	7.04%	8,68,954	7.04%	0.00%
Jyoti Jawanjar	2,74,550	2.23%	2,74,550	2.23%	0.00%
Avino Capcons Pvt Ltd	14,88,484	12.07%	14,88,484	12.07%	0.00%
Bakul Jawanjal	1,01,000	0.82%	1,01,000	0.82%	0.00%
Radhemohan Jawanjal	1,400	0.01%	1,400	0.01%	0.00%
Sandeep Jawanjal (HUF)	1,17,700	0.95%	1,17,700	0.95%	0.00%

25 Other equity

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Retained earnings	4,219.87	1,789.31
General Reserve	8,182.65	8,182.65
Securities Premium	14,123.94	14,123.94
Employee stock options plan	142.24	133.93
Statutory Reserve	4,836.19	4,157.95
Total	31,504.89	28,387.78

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(A) Retained earnings

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance	1,789.31	143.89
Add: Net profit for the year	3,229.70	2,218.06
Add/(Less): Other comprehensive income	2.47	(4.27)
Appropriations:		
Less: Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act,1934	(678.24)	(445.00)
Dividend Paid including taxes on dividend	(123.37)	(123.37)
Transfer to General Reserve	-	-
Closing balance	4,219.87	1,789.31

(B) General Reserve

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance	8,182.65	8,182.65
Add: Transferred during the year	-	-
Closing balance	8,182.65	8,182.65

(C) Securities Premium

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance	14,123.94	14,123.94
Add: Premium on issue of Equity Shares	-	-
Less: Expenses related to Issue of Shares (Private Placement)	-	-
Closing balance	14,123.94	14,123.94

(D) Employee stock options plan

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance	133.93	126.49
Add: Share based payment expense	8.31	7.44
Closing balance	142.24	133.93

(E) Statutory Reserve

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance	4,157.95	3,712.95
Add: Transferred during the year	678.24	445.00
Closing balance	4,836.19	4,157.95

26 Interest Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Interest income on financial assets measured at amortised cost:		
- Interest on loans	25,758.91	22,094.11
- Interest on fixed deposits with banks	777.16	720.36
- Interest income from investments;	142.44	126.41
- Interest on security deposits	5.78	5.09
Total	26,684.29	22,945.97

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

27 Dividend Income (₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Dividend received	0.09	0.10
Total	0.09	0.10

28 Fee & Commission Income (₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Fee & Commission Income	2,132.16	2,104.47
Total	2,132.16	2,104.47

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

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments		
Net gain on financial instruments designated at fair value through profit or loss	3.02	12.33
Total Net gain on fair value changes (A)	3.02	12.33
Fair Value changes:		
-Realised	-	8.91
-Unrealised	3.02	3.42
Total Net gain on fair value changes (B) to tally with (A)	3.02	12.33

*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 2025	Year ended 31st March 2024
Securitisation Income	640.20	73.53
Total	640.20	73.53

31 Other Income (₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Profit on sale of assets	0.07	0.50
Gain on derecognition of leased assets	0.04	0.05
Gain on termination of lease	2.12	4.89
Advertisement Income	26.84	33.00
Miscellaneous Income	7.56	6.19
Total	36.63	44.63

32 Finance Costs (₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
On Financial liabilities measured at Amortised Cost		
Interest on deposits	1,919.52	1,809.81
Interest on borrowings	9,805.98	6,832.68
Interest on debt securities	984.40	1,464.08
Interest on lease liabilities	71.09	81.66
Bank charges	237.43	198.03
Total	13,018.42	10,386.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

33 Impairment on financial instruments (₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Financial assets measured at amortised cost		
Impairment and write-off on loans and others	3,123.65	3,907.19
Total	3,123.65	3,907.19

34 Employee Benefits Expenses (₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Salaries, wages and bonus	4807.39	3937.79
Contribution to provident and other funds	350.78	256.78
Gratuity expenses (Refer Note 39)	122.50	88.19
Compensated absences expenses	101.45	70.13
Staff welfare expenses	99.22	80.96
Share based payment to employees	8.31	7.45
Commission to Managerial persons	100.00	109.50
Total	5,589.65	4,550.80

35 Depreciation and amortization expense (₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Depreciation on property plant & equipments	126.80	125.93
Depreciation on right to use assets	342.10	318.04
Amortization of intangible assets	26.66	23.72
Total	495.56	467.69

36 Other expenses (₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Rent expenses	145.18	123.56
Rates and taxes	13.80	3.85
Goods & Service Tax (ITC not claimed)	457.32	429.56
Conveyance & Travelling	293.62	271.09
Directors sitting fees	25.65	4.20
Legal and Professional charges	489.62	269.23
Advertisement Expenses	19.48	21.82
Marketing Commission	653.96	858.64
Stamp duty expenses	25.06	4.82
Computer and Software Charges	363.18	316.75
Electricity expenses	73.82	69.63
Courier and Printing Charges	96.97	139.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Telecom Charges	88.02	107.24
Office Expenses	126.33	100.47
Office Building Maintenances	12.85	9.99
Statutory Auditors remuneration (Note I)	20.25	21.87
CSR Contribution (Note II)	66.65	55.80
Repairs and Maintenance	9.81	16.38
Misc Expenses	61.68	49.11
Total	3,043.25	2,873.80

Note I – Payments to Auditors

(₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Statutory audit fees	12.00	12.00
Tax Audit Fees	2.00	2.00
Other Services	6.25	7.87
Total	20.25	21.87

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 2025	Year ended 31st March 2024
Amount required to be spent by the Company during the year	66.25	55.33
Amount of expenditure incurred	66.65	55.80
Shortfall at the end of the year	-	-

The breakup of expenditure incurred on Corporate Social Responsibility activities:

(₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
(i) Construction / acquisition of any asset		-
(ii) On purpose other than (i) above	66.65	55.80
- Paid in cash	66.65	55.80
- Yet to be paid	-	-
Total	66.65	55.80

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 thereof during the financial years ended 31 March 2025 and 31 March 2024.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
37 Earnings per share

(₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Profit / (loss) attributable to ordinary equity holders	3,229.70	2,218.06
Less: Dividend attributable to preference shareholders (including tax thereon, if any)		-
Profit / (loss) attributable to ordinary equity holders	3,229.70	2,218.06
Weighted average number of equity shares for basic EPS	1,23,36,846.00	1,23,36,846.00
Weighted average number of equity shares for diluted EPS	1,23,79,464.00	1,23,79,464.00
Face Value per share		
Basic earnings/(loss) per share (INR)	26.18	17.98
Diluted earnings/(loss) per share (INR)	26.09	17.92

38 Contingent liabilities and Commitments
A) Contingent liabilities

- The Company is contesting the demand to the tune of ₹7.46 lakhs (31 March 2024: ₹7.46 lakhs) in respect of income tax matter relating to Assessment Year 2017-18 before the Commissioner of Income Tax (Appeals). Based on interpretation of the relevant provisions of the Income Tax Act, the company has been legally advised that the impugned demand is likely to be deleted and accordingly no provision is considered necessary.
- The Goods and Service tax (GST) appellate authority has issued a Demand order for the payment of Rs 20.28 lakhs pertaining to the Financial year 2018-19. This amount includes ineligible ITC, interest, and penalties. In our view, this liability is incorrect according to the relevant provisions, therefore there is no need to create any provision for this liability.

B) Capital Commitments

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

39 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 2025	Year ended 31st March 2024
Contribution to Provident, ESIC and labour welfare fund (Refer Note 34)	350.78	256.78
Total	350.78	256.78

(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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

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:

a) 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.

b) 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.

c) 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 :-

a) Discount rate

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

b) 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.

c) 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.

d) Salary escalation rate

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
i) Principal assumptions used for the purposes of the actuarial valuations

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Economic Assumptions		
Discount rate (per annum)	6.83%	7.21%
Salary Escalation rate	6.00%	6.00%
Demographic Assumptions		
Mortality	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)
Employee turnover/Withdrawal rate	1% at all ages	1% at all ages
Retirement age	58 Years	58 Years

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

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Present value of unfunded obligation as at the end of the year	396.47	321.40
Net liability recognized in Balance Sheet (Refer Note 22)	396.47	321.40
Current obligation	76.27	68.71
Non-current obligation	320.20	252.69

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

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Present value of obligation at the beginning of the year	321.40	262.01
Interest cost	23.17	19.65
Current service cost	99.33	68.54
Past service cost	-	-
Benefits paid	(44.14)	(34.50)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	20.35	12.27
Actuarial (gain)/ loss on obligations - Due to experience adjustments	(23.64)	(6.57)
Present value of obligation at the end of the year	396.47	321.40

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

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Current service cost	99.33	68.54
Net Interest cost	23.17	19.65
Past service cost	-	-
Total expenses recognized in the Statement Profit and Loss (Refer Note 34)	122.50	88.19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**v) Expense recognized in Other comprehensive income**

(₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Remeasurements due to-		
- Effect of change in financial assumptions	20.35	12.27
- Effect of experience adjustments	(23.64)	(6.57)
Net actuarial (gains) / losses recognised in OCI	(3.29)	5.70

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Discount rate		
1% increase	346.22	282.05
1% decrease	458.64	370.00
Salary Escalation rate		
1% increase	458.53	370.11
1% decrease	345.44	281.31

vii) Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Within next 12 months	76.27	68.72
Between 2 and 5 years	19.10	18.76
Between 6 and 10 years	50.55	34.19
Beyond 10 years	1,153.63	973.18
Total expected payments	1,299.55	1,094.85

40 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 2025 and 31 March 2024 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(Discounted):

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Less than one year	359.40	282.51
More than one year	179.31	350.30
Total	538.71	632.81

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

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 145.18 lakhs (31 March 2024: INR 123.56 lakhs).

41 Related Party Disclosures as per IND AS 24:

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

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

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

(b) Key Management Personnel	Designation
1) M.G.Jawanjar	Executive chairman
2) S.M. Jawanjal	Managing director
3) D.R. Balpande	Chief compliance officer & Company Secretary
4) Shantaram Mahakalkar	Director
5) Vishwas Pathak	Independent Director (Till 20th September 2024)
6) Atul Sarda	Independent Director (Till 20th September 2024)
7) Rashmi Mitkary	Independent Director (Till 12th November 2024)
8) Avishek Addy	Investor Nominee Director
9) Harishchandra Sukhdeve	Non Executive director (Till 17th October 2024)
10) Siva Vadivel Alagan	Investor Nominee Director
11) Himanshu Joshi	Independent director (From 1st June 2023 to 31st May 2024)
12) Yogesh Tahalayni	Chief financial officer (From 1st February 2025)
13) Ravindra Dorle	Chief financial officer (From 12th August 2023 to 5th December 2024)
14) Rajesh Vasudevan	Independent director (From 23rd May 2024)
15) Varun bhalla	Independent director (From 20th September 2024)
16) Annapurna dubey	Independent director (From 14th November 2024)

(c) Relatives of Key Management Personnel:

- 1) Jyoti Jawanjar
- 2) Ravindra Balpande
- 3) Vaishali Charde
- 4) Bakul Jawanjal
- 5) Arjun Jawanjal
- 6) Radhemohan Jawanjal
- 7) Purushottam Mahakalkar
- 8) Mansaram Mahakalkar
- ***9) Viveknand Pathak

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

- ***10) Wasudha Pathak
 ***11) Meena Pidadi
 12) Hemant Charde
 13) Mangala Mahakalkar
 14) Arvind Mahakalkar
 ***15) Swati Agnihotri

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2025	Year Ended 31st March 2024
I) Key Management Personnel and Directors who have significant influence		
<u>Remuneration*</u>		
M.G. Jawanjar	96.95	98.64
S.M. Jawanjal	100.80	91.20
D.R. Balpande	38.37	27.27
R. Srinivasan	-	11.84
Himanshu Joshi	-	9.45
Ravindra Dorle	29.47	27.19
Yogesh Tahalayni	5.49	-
<u>Director Sitting fees</u>		
Shantaram Mahakalkar	1.90	0.49
Vishwas Pathak	1.00	0.83
Rashmi Mitkary	1.15	0.64
Harishchandra Sukhdeve	1.10	0.44
Himanshu Joshi	-	0.55
Atul Sarda	1.00	1.30
Rajesh Vasudevan	4.60	-
Varun Bhalla	3.20	-
Annapurna Dubey	2.00	-
<u>Interest on Deposit</u>		
M.G. Jawanjar	6.15	3.32
S.M. Jawanjal**	1.54	(0.07)
D.R. Balpande	2.32	1.82
Vishwas Pathak	2.26	2.16
Rashmi Mitkary	0.17	0.15
<u>Deposit Repaid</u>		
M.G. Jawanjar	29.29	0.33
S.M. Jawanjal	0.15	8.06
D.R. Balpande	14.22	13.84
Vishwas Pathak	15.22	5.95
Rashmi Mitkary	0.88	0.84
<u>Loans Granted</u>		
M.G. Jawanjal	3.00	-
<u>Equity Dividend</u>		
M.G. Jawanjar	10.23	10.23
S.M. Jawanjal	3.31	3.31
D.R. Balpande	0.42	0.42
Shantaram Mahakalkar	0.30	0.30
Vishwas Pathak	0.01	0.25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Particulars	Year ended 31st March 2025	Year Ended 31st March 2024
<u>Interest on Loans</u>		
M.G. Jawanjar	0.04	-
S.M. Jawanjal	-	0.08
<u>Repayment of Loans</u>		
M.G. Jawanjar	3.04	-
S.M. Jawanjal	-	2.29
<u>Deposits Accepted</u>		
M.G. Jawanjar	57.50	15.00
S.M. Jawanjal	20.00	5.00
D.R. Balpande	18.21	13.60
Vishwas Pathak	6.28	5.64
Rashmi Mitkary	0.86	0.82
II) Relatives of Key Management Personnel and Directors		
<u>Remuneration</u>		
Jyoti Jawanjar	9.59	10.05
<u>Interest on Deposit</u>		
Jyoti Jawanjar	2.75	2.19
Ravindra Balpande	0.75	0.74
Vaishali Charde	4.00	6.41
Hemant Charde	0.83	1.41
Bakul Jawanjal	1.46	0.88
Arjun Jawanjal	0.18	0.16
Radhemohan Jawanjal	0.38	0.34
Purushottam Mahakalkar	0.92	1.02
Mansaram Mahakalkar	0.46	0.48
Arvind Mahakalkar	-	0.32
Viveknand Pathak	0.03	0.02
Wasudha Pathak	-	-
Meena Pidadi	0.36	0.62
Mangala Mahakalkar	1.69	1.99
Swati Agnihotri	0.22	0.25
<u>Deposit Repaid</u>		
Jyoti Jawanjar	13.12	14.51
Ravindra Balpande	2.93	1.07
Vaishali Charde	70.53	65.14
Hemant Charde	15.10	10.55
Bakul Jawanjal	4.18	8.34
Arjun Jawanjal	1.69	0.02
Radhemohan Jawanjal	0.77	1.06
Mansaram Mahakalkar	0.46	5.48
Arvind Mahakalkar	-	6.82
Viveknand Pathak	-	0.27
Meena Pidadi	0.04	15.93
Mangala Mahakalkar	25.46	23.59
Swati Agnihotri	3.01	0.17
Purushottam Mahakalkar	3.02	2.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Particulars	Year ended 31st March 2025	Year Ended 31st March 2024
<u>Equity Dividend</u>		
Jyoti Jawanjar	2.75	2.75
Ravindra Balpande	0.03	0.03
Vaishali Charde	0.27	0.27
Hemant Charde	0.08	0.08
Bakul Jawanjal	1.01	1.01
Radhemohan Jawanjal	0.01	0.01
Purushottam Mahakalkar	0.03	0.03
Mansaram Mahakalkar	0.14	0.14
Meena Pidadi	0.02	0.02
Mangala Mahakalkar	0.14	0.14
Arvind Mahakalkar	0.10	0.10
<u>Deposits Accepted</u>		
Jyoti Jawanjar	22.00	10.00
Ravindra Balpande	2.96	1.00
Vaishali Charde	24.50	43.18
Hemant Charde	10.00	8.00
Bakul Jawanjal	7.97	7.99
Arjun Jawanjal	1.67	-
Radhemohan Jawanjal	0.73	1.03
Purushottam Mahakalkar	-	2.32
Mansaram Mahakalkar	-	5.00
Viveknand Pathak	-	0.27
Meena Pidadi	-	4.87
Mangala Mahakalkar	-	23.39
Swati Agnihotri	-	0.17
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Interest on Deposit</u>		
M.G. Jawanjar (HUF)	3.93	3.31
S.M. Jawanjal (HUF)**	0.08	(0.09)
Avino Capcons Private Ltd.	3.03	1.98
<u>Deposit Repayment</u>		
M.G. Jawanjar (HUF)	38.30	1.40
S.M. Jawanjal (HUF)	0.74	5.33
Avino Capcons Private Ltd.	3.03	1.98
<u>Equity Dividend</u>		
Avino Capcons Private Ltd.	14.88	14.88
M.G. Jawanjar (HUF)	8.69	8.69
S.M. Jawanjal (HUF)	1.18	1.18
<u>Deposit Accepted</u>		
M.G. Jawanjar (HUF)	27.00	8.00
S.M. Jawanjal (HUF)	0.73	-
Avino Capcons Private Ltd.	12.00	10.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
(C) Amount due to/from related parties
(₹ in Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
I) Key Management Personnel		
<u>Amount receivable for Loans Granted</u>		
S.M. Jawanjal	-	-
<u>Amount payable for Deposits Accepted</u>		
M.G. Jawanjar	77.56	43.20
S.M. Jawanjal	26.51	5.13
D.R. Balpande	27.37	21.07
Vishwas Pathak	18.09	24.76
Rashmi Mitkary	1.88	1.73
II) Relatives of Key Management Personnel		
<u>Amount payable for Deposits Accepted</u>		
Jyoti Jawanjar	34.12	22.49
Ravindra Balpande	8.63	7.85
Vaishali Charde	18.49	60.52
Bakul Jawanjal	19.11	13.86
Arjun Jawanjal	2.00	1.84
Radhemohan Jawanjal	3.98	3.64
Purushottam Mahakalkar	9.08	11.17
Mansaram Mahakalkar	5.00	5.00
Viveknand Pathak	0.32	0.29
Meena Pidadi	4.05	3.73
Hemant Charde	10.27	14.54
Mangala Mahakalkar	-	23.77
Swati Agnihotri	0.19	2.98
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Amount payable for Deposits Accepted</u>		
M.G. Jawanjar (HUF)	31.65	39.02
S.M. Jawanjal (HUF)	0.76	0.69
Avino Capcons Private Ltd.	37.00	25.00

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

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

***Viveknand Pathak, Wasudha Pathak, Meena Pidadi, and Swati Agnihotri are relatives of Vishwas Pathak, who served as an Independent Director until 20 September 2024.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**42 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 2025 or 31 March 2024.

43 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

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Opening balance	1.55	1.82
Granted during the year	-	-
Exercised during the year	-	-
Forfeited / Lapsed during the year	(0.07)	(0.27)
Closing balance	1.48	1.55
Vested and exercisable	1.27	0.94

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

Grant date	Expiry date	Exercise price (in ₹)	Share options as at 31 March 2025	Share options as at 31 March 2024
23 Dec 19	23 Dec 24	95.00	0.90	0.90
21 Feb 22	21 Feb 26	250.00	0.58	0.65
Total			1.48	1.55
Weighted average remaining contractual life of options outstanding at the end of year			0.90	1.90

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

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

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

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Gross expense arising from share based payments	8.31	7.45
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)	8.31	7.45

44 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.

Particulars	(₹ in Lakhs)		
	FVOCI	FVTPL	Amortised cost
As at 31 March 2025			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents	-	-	2,825.16
Bank Balances other than cash and cash equivalents	-	-	11,114.41
Loans	-	-	1,34,922.96
Investments	-	20.09	2,002.54
Other Financial assets	-	-	3,808.05
Financial liabilities			
Trade Payables	-	-	2,192.55
Debt Securities	-	-	9,449.04
Borrowings (Other than Debt Securities)	-	-	92,082.81
Deposits	-	-	19,558.32
Other financial liabilities	-	-	1,937.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ in Lakhs)			
Particulars	FVOCI	FVTPL	Amortised cost
As at 31 March 2024			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents	-	-	5,348.54
Bank Balances other than cash and cash equivalents	-	-	8,724.05
Loans	-	-	1,08,207.59
Investments	-	17.06	1,957.83
Other Financial assets	-	-	3,375.09
Financial liabilities			
Trade Payables	-	-	1,489.27
Debt Securities	-	-	7,490.26
Borrowings (Other than Debt Securities)	-	-	70,032.15
Deposits	-	-	19,743.53
Other financial liabilities	-	-	2,454.98

45 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 2025				
Financial assets				
<u>Financial assets measured at fair value through profit or loss</u>				
Investment in equity instruments	20.09	-	-	20.09
Total Financial Assets	20.09	-	-	20.09
As at 31 March 2024				
Financial assets				
<u>Financial assets measured at fair value through profit or loss</u>				
Investment in equity instruments	17.06	-	-	17.06
Total Financial Assets	17.06	-	-	17.06

Investment in quoted equity instruments are valued using the closing market rate 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.

46 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(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 sensitivity

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

Particulars	(₹ in Lakhs)	
	Increase/ decrease in basis points	Effect on profit before tax
31 Mar 25		
INR	+50	460.41
INR	-50	(460.41)
31 Mar 24		
INR	+50	350.16
INR	-50	(350.16)

(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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

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 671.90 Lakhs on the remaining receivables. The provision is created with respect to the established policy by Company to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Furthermore, there is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible for the receivables categorised under "Stage 1".

(C) Liquidity risk

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

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

(₹ in Lakhs)

Particulars	Within 12 Months	Beyond 12 Months	Total
31 March 2025			
Trade payables	2,192.55	-	2,192.55
Debt Securities	5,728.19	5,094.19	10,822.38
Borrowings (Excluding Securitization)	49,877.50	44,108.45	93,985.95
Deposits (Including Unclaimed Deposits)	8,778.70	12,881.58	21,660.28
Other financial liabilities	1,667.02	179.31	1,846.33
Total	68,243.96	62,263.53	1,30,507.49

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ in Lakhs)

Particulars	Within 12 Months	Beyond 12 Months	Total
31 March 2024			
Trade payables	1,489.27	-	1,489.27
Debt Securities	8,094.41	-	8,094.41
Borrowings (Excluding Secutrization)	37,395.42	34,823.39	72,218.81
Deposits (Including Unclaimed Deposits)	10,623.96	11,615.84	22,239.80
Other financial liabilities	1,529.45	350.30	1,879.75
Total	59,132.51	46,789.53	1,05,922.04

47 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 2025

(₹ in Lakhs)

Particulars	As at 31st March 2025		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	2,825.16	-	2,825.16
Bank Balances other than cash and cash equivalents	10,426.29	688.12	11,114.41
Loans	80,770.37	54,152.59	1,34,922.96
Investments	-	2,022.63	2,022.63
Other Financial assets	3,808.05	-	3,808.05
Tax assets (Net)	-	126.32	126.32
Deferred tax assets (Net)	-	1,086.21	1,086.21
Investment Property	-	-	-
Property, Plant and Equipment	-	2,088.07	2,088.07
Capital Work in Progress	-	28.00	28.00
Intangible assets	-	80.12	80.12
Right to use assets	370.33	157.49	527.82
Non-financial assets	236.69	-	236.69
Total Assets	98,436.89	60,429.55	1,58,866.44
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	384.33	-	384.33
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,808.22	-	1,808.22
Debt Securities	4,924.76	4,524.28	9,449.04
Borrowings (Other than Debt Securities)	51,419.50	40,663.31	92,082.81
Deposits	8,398.48	11,159.84	19,558.32
Other Financial liabilities	1,758.37	179.31	1,937.68
Tax liabilities (Net)	-	-	-
Provisions	617.37	-	617.37
Non-financial liabilities	290.10	-	290.10
Total Liabilities	69,601.13	56,526.74	1,26,127.87

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Maturity analysis of assets and liabilities as at 31st March 2024

(₹ in Lakhs)

Particulars	As at 31st March 2024		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	5,348.54	-	5,348.54
Bank Balances other than cash and cash equivalents	7,189.71	1,534.34	8,724.05
Loans	66,369.41	41,838.18	1,08,207.59
Investments	9.59	1,965.30	1,974.89
Other Financial assets	3,375.09	-	3,375.09
Tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	1,086.29	1,086.29
Investment Property	-	-	-
Property, Plant and Equipment	-	1,860.66	1,860.66
Capital Work in Progress	11.70	-	11.70
Intangible assets	-	96.18	96.18
Right to use assets	-	638.28	638.28
Non-financial assets	262.50	-	262.50
Total Assets	82,566.54	49,019.23	1,31,585.77
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	94.09	-	94.09
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,395.18	-	1,395.18
Debt Securities	7,473.72	16.54	7,490.26
Borrowings (Other than Debt Securities)	38,070.16	31,961.99	70,032.15
Deposits	10,250.78	9,492.75	19,743.53
Other Financial liabilities	1,462.05	992.93	2,454.98
Tax liabilities (Net)	-	-	-
Provisions	496.87	-	496.87
Non-financial liabilities	257.25	-	257.25
Total Liabilities	59,500.10	42,464.21	1,01,964.31

48 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

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 2025	As at 31st March 2024
Gross Debt	1,21,181.52	97,841.17
Less: Liquid Assets	(2,825.16)	(5,348.54)
Net Debt	1,18,356.36	92,492.63
Equity	32,738.57	29,621.46
Net Gearing Ratio	3.62	3.12

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

Analytical Ratios

Particulars	As at 31st March 2025	As at 31st March 2024	% Variance
Capital to risk-weighted assets ratio (CRAR)			
Tier I CRAR	22.01%	24.25%	-9.25%
Tier II CRAR	0.27%	0.70%	-60.75%
Total	22.28%	24.95%	-10.70%

49 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, 2025 and March 31, 2024.

50 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, 2025 and March 31, 2024.

51 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, 2025 and March 31, 2024.

52 Expenditure in Foreign Currency (accrual basis)

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Dividend Paid	19.80	19.80
Computer Charges	55.51	14.83

53 Earnings In Foreign Currency

The Company does not have any Earnings in foreign Currency for the year ended March 31,2025 and March 31,2024.

54 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 ₹2984.14 Lakhs (March 31, 2024:₹2880.99Lakhs) in favour of trustees representing the public deposit holders of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

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

56 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, 2025 and March 31, 2024. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

57 Compliance with approved Scheme(s) of Arrangements

The Company has not approved any scheme of arrangements in the financial years ended March 31, 2025 and March 31, 2024.

58 Details Of Non-Performing Financial Assets Purchased/Sold

The Company has neither purchased nor sold any non performing financial asset during 2024-25 and 2023-24.

59 Advances Against Intangible Security

No finance has been made against the collateral of intangible security such as rights, licenses, authorizations, etc. in respect of projects (including infrastructure projects) during the year 2024-25 and 2023-24.

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

The Company has not sold any financial assets to Securitisation/Reconstruction Company for asset reconstruction during 2024-25 and 2023-24.

61 Draw Down From Reserves

No reserves have been draw down during the financial year 2024-25 and 2023-24.

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

The Company does not have any joint venture or subsidiary overseas

63 Details Of Financing Of Parent Company Products

There is no parent Company to finance any product.

64 Postponement Of Revenue Recognition

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

65 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.

66 Undisclosed income

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

67 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, 2025 and March 31, 2024.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
68 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, 2025 and March 31, 2024.

69 Liquidity Coverage Ratio Disclosure

Disclosure as per circular no.RBI/2019-20/88 DOR.NBFC(PD)CC. No.102/03.10.001/2019-20 dated November 04,2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio(LCR)" Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2025, December 31,2024, September 30,2024 and June 30,2024.

(₹ in Crores)

Sr. No.	Particular	31-Mar-25		31-Dec-24		30-Sep-24		30-Jun-24	
		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)	26.51	22.45	24.99	20.92	24.62	20.64	32.08	28.19
Cash Outflow									
2	Deposits (for deposit taking companies)	9.96	11.45	7.89	9.08	7.36	8.46	6.94	7.98
3	Unsecured wholesale funding	0.31	0.35	0.68	0.79	1.30	1.49	0.73	0.84
4	Secured wholesale funding	55.10	63.36	51.52	59.25	47.15	54.22	38.34	44.09
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	9.35	10.76	7.77	8.93	9.32	10.72	7.47	8.59
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	74.72	85.93	67.87	78.05	65.13	74.90	53.49	61.51
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	103.02	77.26	100.45	75.34	80.35	60.26	92.31	69.23
11	Other cash inflow	0.26	0.19	1.11	0.83	0.64	0.48	0.59	0.44
12	TOTAL CASH INFLOWS	103.27	77.46	101.56	76.17	80.98	60.74	92.89	69.67
13	TOTAL HQLA		22.45		20.92		20.64		28.19
14	TOTAL NET CASH OUTFLOWS		21.48		19.51		18.72		15.38
15	LIQUIDITY COVERAGE RATIO (%)		104.52		107.22		110.23		183.34

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

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

The figures pertaining to December 31, 2024, September 30, 2024 and June 30, 2024 are unaudited and are as represented by the management, which have been relied upon by the auditors.

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

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

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

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

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, 2024, September 30, 2024, and December 31, 2024 is computed as simple averages of monthly observations over the previous quarter. The average LCR for the quarter ended March 31, 2025 is computed as simple averages of daily observations over the previous quarter.

The average LCR for the quarter ended March 31, 2025 is 104.52% which is well above the RBI regulatory requirement.

70 Liquidity Risk

Public Disclosure on Liquidity Risk for the quarter ended March 31, 2025 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	20	936.34	-	74.24%
2	2	9.26	4.71%	-

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

Particulars	As at March 31st, 2025
Total amount of Top 20 Large Deposits	28.27
% of amount of Top 20 Large Deposits to Total Deposits	14.39%

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

Particulars	As at March 31st, 2025
Total amount of Top 10 Borrowings	719.62
% of amount of Top 10 Borrowings to Total Borrowings	70.88%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
(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	94.49	7.49%
2	Term loan	829.71	65.78%
3	Public Deposits	152.13	12.06%
4	Commercial paper	0.00	0.00%
5	Cash credit	19.65	1.56%
6	Other Bank Borrowings	71.46	5.67%

(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	53.06	50.98	39.57

(vi) Institutional setup for Liquidity Risk management

Refer note no. 46 Risk management structure and Liquidity Risk and Funding Management for Institutional setup for Liquidity Risk Management

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

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

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

The Company has diversified source of funding to ensure that there is no significant source, the withdrawal of which could trigger liquidity problems.

The Company monitors cumulative mismatches across all time buckets by establishing internal prudential limits. The Company maintains adequate liquidity buffer of readily marketable assets, to protect itself against any liquidity risk at the same time is mindful of the cost associated with it.

Notes:

1. As per the circular issued by RBI on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated 04th Nov 2019, "Significant counterparty" is defined as a single counter party or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the total Liabilities and "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total Liabilities.
2. Total Liabilities represent 'Total Liabilities and Equity' as per Balance sheet less Equity.
3. Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. Other Short-term liabilities represent all Short-term borrowings other than CPs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

71 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	4	19
2	Number of complaints received during the year	302	417
3	Number of complaints disposed during the year	292	432
3.1	Of which, number of complaints rejected by the NBFC	3	7
4	Number of complaints pending at the end of the year	14	4
4.1	Maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	13	21
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	12	20
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	1	1
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

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, 2025					
CIBIL related complaints	-	98	-3.92%	10	-
Customer Services related complaints	-	28	-17.64%	-	-
NOC related complaints	2	33	-76.92%	-	-
Penalty charges related complaints	1	83	12.16%	3	-
CIBIL and NOC related complaints	-	1	-66.66%	-	-
Others	1	59	-3.28%	1	-
Total	4	302	-	14	0
Year ended March 31, 2024					
CIBIL related complaints	5	102	-15.70%	0	-
Customer Services related complaints	2	34	-41.37%	0	-
NOC related complaints	4	143	50.52%	2	-
Penalty charges related complaints	3	74	15.62%	1	-
CIBIL and NOC related complaints	1	3	-40.00%	0	-
Others	4	61	-17.56%	1	-
Total	19	417	-	4	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

72 Details of Registration with Financials Regulators

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

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

73 Rating assigned by Credit Rating Agencies

The Company has been assigned rating of “ICRA BBB /(Stable)” for Bank Facilities. The Company has also been assigned “BBB (Stable)” for Fixed Deposit program.

Sr. No.	ISIN/Instrument Name	CRISIL Rating	CARE Limited Rating	ICRA Rating	India Ratings
1	Fixed Deposits Programme	BBB; Stable (Triple B; Outlook: Stable)	BBB; Stable (Triple B; Outlook: Positive); reaffirmed	-	-
2	Long Term Bank Facilities	BBB; Stable (Triple B; Outlook: Stable)	BBB; Stable (Triple B; Outlook: Stable); reaffirmed and withdrawn	-	-
3	Long Term Bank Facilities – Term Loan (TL)	-	A- (CE); Stable, withdrawn	-	-
4	Non-Convertible Debentures	BBB; Stable (Triple B; Outlook: Stable)	BBB; Stable (Triple B; Outlook: Stable); reaffirmed	1. BBB; (Stable) (Triple B; Outlook: Stable); reaffirmed and withdrawn 2. BBB (Stable) (Triple B; Outlook: Stable) reaffirmed	IND BBB/ Positive (Triple B; Outlook; Positive)
5	Market Linked Debentures	-	PP_MLD BBB; Stable (Triple B; Outlook: Stable); withdrawn	PP-MLD[ICRA]BBB (Stable) (Triple B; Outlook: Stable) reaffirmed and withdrawn	-
6	Securitisation Transactions				
	-Knight 09 2023	-	-	A- (Outlook: Stable); reaffirmed	-
	-Horsepower 07 2024	A+ (Outlook: Stable)	-		-
	-Hulk 2024	-	-	A- (Outlook: Stable); assigned	-
	-Trisul 09 2024	-	-		-
	-Series A1 PTC	-	-	A- (Outlook: Stable); assigned	-
	-Equity Tranche PTC	-	-	BBB+ (Outlook: Stable) (Triple B plus; Outlook: Stable) ; assigned	-
	-Duchess 2024	-	-	A- (Outlook: Stable); assigned	-

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

a. Concentration of Deposits (₹ in Crores)

Particulars	Amount
Total Deposits of Twenty Largest Depositors	28.27
Percentage of Deposits of Twenty largest depositors to Total Deposits	14.39%

b. Concentration of Advances (₹ in Crores)

Particulars	Amount
Total Advances of Twenty Largest borrowers	2.68
Percentage of Advances of Twenty largest borrowers to Total Advances	0.19%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**c. Concentration of Exposures (₹ in Crores)**

Particulars	Amount
Total Exposure of Twenty Largest borrowers	2.68
Percentage of Exposure of Twenty largest borrowers to Total Exposure	0.19%

d. Concentration of NPAs (₹ in Crores)

Particulars	Amount
Total Exposure of Top Four NPAs	0.17

75 Movements of NPAs (₹ in Crores)

Sr. No.	Particulars	As at 31st March 2025	As at 31st March 2024
i)	Net NPAs to Net Advances (%)	2.89%	2.81%
ii)	Movements of NPAs (Gross)		
	a. Opening Balances	50.99	44.14
	b. Addition during the year	43.62	35.48
	c. Reduction during the year	33.28	28.63
	d. Closing Balance	61.33	50.99
iii)	Movements of Net NPAs		
	a. Opening Balances	30.84	28.17
	b. Addition during the year	41.80	31.30
	c. Reduction during the year	33.29	28.63
	d. Closing Balance	39.35	30.84
iv)	Movements of ECL on NPAs		
	a. Opening Balances	20.16	15.97
	b. Provision made during the year	1.82	4.19
	c. Write-off/ Write back of excess provision	-0.00	-0.00
	d. Closing Balance	21.98	20.16

76 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 2025	For the Year Ended 31st March 2024
Impairment Loss Allowances on Loans	(1.71)	10.63
Impairment Loss Allowances on Other Financial Assets	-	1.17
Provision for Income Tax (excluding deferred tax)	9.42	8.40

77 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, 2025 (₹ in Lakhs)**

No of Cases	Nature of Fraud	Amount of Fraud	Recovery	Write off
1	Fraud committed by employees	1.85	0.97	-
-	Fraud committed by borrowers and outsiders	-	-	-

There are certain instances reported in risk based internal audit reports of the company where in the recovery proceeds collected by the employee were not deposited in Company's bank account but were deposited after the lapse was identified by the Internal audit team of the Company. The management does not view these instances as fraud as there was only delay in deposit of the recovery proceeds and no loss was incurred by the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
Instances of fraud for the year ended March 31, 2024

(₹ in Lakhs)

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

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

79 Penalties Imposed by RBI and Other Regulators

No penalty have been imposed by RBI or any regulator on the company in current financial year however In the financial year 2023-24, the fine of Rs. 10,54,000/- was imposed by the RBI for failure to put in place a system of periodic review of risk categorisation of Accounts and Failure to put into use robust software for effective identification and reporting of suspicious transactions.

80 Derivatives

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

81 Investments

(₹ in Crores)

Sr. No.	Particulars	As at 31st March 2025	As at 31st March 2024
1.	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	20.03	19.75
	(b) Outside India	-	-
	(ii) Provision for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	20.03	19.75
	(b) Outside India	-	-
2.	Movement of Provision held towards depreciation on Investments		
	(i) Opening Balances	-	-
	(ii) Add: Provision made during the year	-	-
	(iii) Less: Write off/Write-back of excess provision during the year	-	-
	(iv) Closing Balances	-	-

82 Disclosures relating to Securitisation

(₹ in Crores)

Particulars	As at 31st March 2025	As at 31st March 2024
No of SPVs sponsored by the NBFC for securitisation transactions	5.00	1.00
Total amount of securitised assets as per books of the SPVs sponsored	98.31	14.26
Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet	18.58	7.90
Off-balance sheet exposures	-	-
First loss	-	-
Others	-	-
On-balance sheet exposures	-	-
First loss (In the form of Fixed Deposit)	5.57	-
Others (MRR)	13.01	7.90
Amount of exposures to securitisation transactions other than MRR	-	-
Off-balance sheet exposures	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Particulars	As at 31st March 2025	As at 31st March 2024
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	98.31	-
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.	-	-
i) Credit enhancement (12%)		
(a) Amount paid	-	-
(b) Repayment Received	-	-
(c) Outstanding Amount	-	7.90
ii) Credit enhancement (15%)_Knight 09 2023		
(a) Amount paid	-	-
(b) Repayment Received	-	-
(c) Outstanding Amount	7.08	-
iii) Credit enhancement (15%)_Hulk 2024		
(a) Amount paid	-	-
(b) Repayment Received	-	-
(c) Outstanding Amount	26.61	-
iv) Credit enhancement (20%)_Horsepower 07 2024		
(a) Amount paid	-	-
(b) Repayment Received	-	-
(c) Outstanding Amount	10.74	-
v) Credit enhancement (17%)_Trisul 09 2024		
(a) Amount paid	-	-
(b) Repayment Received	-	-
(c) Outstanding Amount	22.08	-
vi) Credit enhancement (15%)_Duchess 2024		
(a) Amount paid	-	-
(b) Repayment Received	-	-
(c) Outstanding Amount	14.19	-
Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	1.33%	0.33%
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	Nil	Nil
Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
83 Disclosure of Loan transfer through Assignment

The company has not undertaken any assignment transactions during the year ended March 31, 2025 and March 31, 2024

84 Disclosure of Loan transfer through Co-Lending

The company has not undertaken any Co-lending transactions during the year ended March 31, 2025 and March 31, 2024

85 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 2025	As at 31st March 2024
Capital Ratio		
CRAR - Tier I Capital (%)	22.01%	24.25%
CRAR - Tier II Capital (%)	0.27%	0.70%
Total Capital (%)	22.28%	24.95%

86 The Company has Outstanding unsecured loan as on 31st March 2025 of ₹ 397.80 (31st March 2024 ₹606.34) Lakhs as a personal loans to the borrowers. Personal loans are partly secured by assignment/pledge of life insurances polices, shares and other securities or are unsecured.

87 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures
(a) Expected credit loss - Loans:
(₹ in Lakhs)

Particulars		As at March 31, 2025			As at March 31, 2024		
		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	1,26,096.34	671.90	1,25,424.44	98,623.33	840.20	97,783.13
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	6,076.61	513.60	5,563.01	8,039.58	698.83	7,340.75
	Financial assets for which credit risk has increased significantly and credit-impaired	6,133.44	2,197.93	3,935.51	5,099.39	2,015.68	3,083.71
Total		1,38,306.39	3,383.43	1,34,922.96	1,11,762.30	3,554.71	1,08,207.59

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**(b) Reconciliation of loss allowance provision - Loans:****(₹ in Lakhs)**

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2023	497.28	397.59	1,597.29	2,492.16
New assets originated or purchased	580.27	380.96	319.52	1,280.75
Amount written off	(25.74)	(80.92)	(662.80)	(769.46)
Transfers to Stage 1	185.67	(94.23)	(91.44)	(0.00)
Transfers to Stage 2	(46.43)	86.34	(39.92)	(0.00)
Transfers to Stage 3	(32.81)	(103.22)	136.03	(0.00)
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(318.04)	112.31	757.00	551.26
ECL as on March 31, 2024	840.20	698.83	2,015.68	3,554.71
New assets originated or purchased	434.59	212.36	280.35	927.30
Amount written off	(405.80)	(7.39)	(936.43)	(1,349.62)
Transfers to Stage 1	271.53	(180.02)	(91.51)	-
Transfers to Stage 2	(60.01)	93.23	(33.22)	-
Transfers to Stage 3	(49.97)	(204.08)	254.05	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(358.64)	(99.33)	709.01	251.04
ECL as on March 31, 2025	671.90	513.60	2,197.93	3,383.43

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2023	85,185.82	5,104.35	4,414.61	94,704.78
New assets originated or purchased	73,198.59	4,247.98	806.93	78,253.50
Amount written off	(454.27)	(124.47)	(2,001.16)	(2,579.90)
Transfers to Stage 1	1,523.03	(1,269.47)	(253.56)	-
Transfers to Stage 2	(6,315.76)	6,426.38	(110.63)	(0.00)
Transfers to Stage 3	(3,594.47)	(1,276.57)	4,871.03	(0.00)
Net Recovery	(50,919.61)	(5,068.62)	(2,627.83)	(58,616.08)
Gross carrying amount as on March 31, 2024	98,623.33	8,039.58	5,099.39	1,11,762.30
New assets originated or purchased	92,052.02	2,519.86	784.87	95,356.75
Amount written off	(116.69)	(66.43)	(3,011.29)	(3,194.41)
Transfers to Stage 1	2,424.66	(2,193.15)	(231.51)	(0.00)
Transfers to Stage 2	(5,332.52)	5,416.86	(84.34)	(0.00)
Transfers to Stage 3	(3,802.62)	(2,226.85)	6,029.47	-
Net Recovery	(57,751.84)	(5,413.26)	(2,453.15)	(65,618.25)
Gross carrying amount as on March 31, 2025	1,26,096.34	6,076.61	6,133.44	1,38,306.39

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
(d) Asset classification as per Ind AS 109:
(₹ in Lakhs)

Asset Classification as per IND AS 109	For the year ended March 31, 2025				
	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, 2025)	Difference between provisions as per IND AS 109 and IRAC Norms
Stage-1	1,26,096.34	671.90	1,25,424.44	504.39	167.51
Stage-2	6,076.61	513.60	5,563.01	24.30	489.30
Stage-3	6,133.44	2,197.93	3,935.51	1,146.47	1,051.47
Total	1,38,306.39	3,383.43	1,34,922.96	1,675.16	1,708.28

(d) Asset classification as per Ind AS 109:
(₹ in Lakhs)

Asset Classification as per IND AS 109	For the year ended March 31, 2024				
	Gross carrying amount as per IndAS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount	Provisions required as per IRACP norms (For the year ended March 31, 2024)	Difference between provisions as per IND AS 109 and IRAC Norms
Stage-1	98,623.33	840.20	97,783.13	394.49	445.70
Stage-2	8,039.58	698.83	7,340.75	32.16	666.68
Stage-3	5,099.39	2,015.68	3,083.71	980.87	1,034.81
Total	1,11,762.30	3,554.71	1,08,207.59	1,407.52	2,147.19

88 Asset Liability Management Maturity Pattern of certain items of Assets & Liabilities
As at 31st March 2025
(₹ in Crores)

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over 1 month up to 2 months	Over 2 month up to 3 months	Over 3 month & up to 6 months	Over 6 month & up to 1 Year	Over 1 Year & up to 3 Years	Over 3 Years up to 5 Years	Over 5 Years	Total
Deposits	2.76	4.89	11.39	7.20	7.16	23.17	28.33	85.03	26.57	0.00	196.50
Advances (Net of Provision)	1.86	24.66	62.89	76.38	73.43	211.65	356.84	487.40	17.53	36.60	1349.23
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.86	3.09	15.28	20.23
Borrowing	12.70	2.70	42.11	47.08	53.42	132.28	273.15	445.72	6.16	0.00	1015.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**As at 31st March 2024****(₹ in Crores)**

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over 1 month up to 2 months	Over 2 month up to 3 months	Over 3 month & up to 6 months	Over 6 month & up to 1 Year	Over 1 Year & up to 3 Years	Over 3 Years up to 5 Years	Over 5 Years	Total
Deposits	8.81	2.79	8.84	6.94	8.24	20.31	46.59	70.13	30.55	0.00	203.19
Advances (Net of Provision)	0.16	11.64	54.05	64.88	62.15	177.21	293.59	398.56	-7.30	27.12	1082.08
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.10	1.19	1.28	17.17	19.74
Borrowing	9.19	1.70	18.81	30.37	37.98	103.56	253.83	313.51	6.28	0.00	775.22

89 Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification

Summary of Material accounting policies 1 to 4

The accompanying notes are an integral part of the financials statements 5 to 89

As per our Report of even date attached

For and On Behalf of Board of Directors
Berar Finance Limited

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

Yogesh Tahalyani
Chief Financial Officer
Nagpur

D.R.Balpande
Company Secretary
Nagpur

Place : Mumbai
Date : 27th May 2025

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

1 Exposure

1.1 Exposure to real estate sector

(₹ in Lakhs)

Particulars	Current year	Previous year
Exposure to real estate sector		
i) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	3,488.23	1,044.41
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development & construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –	-	-
i. Residential		
ii. Commercial Real Estate		
iii. Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance	-	-
Total Exposure to real estate sector	3,488.23	1,044.41

1.2 Exposure to capital market

(₹ in Lakhs)

Exposure to capital market	Current year	Previous year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	20.09	17.06
ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Exposure to capital market	Current year	Previous year
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II		
(iii) Category III		
Total exposure to capital market	20.09	17.06

1.3 Sectoral Exposure

(in Crores)

Sector	Current year			Previous year		
	Total exposure (including on balance sheet and off balance sheet exposure)	Gross NPA	Percentage of gross NPA to total exposure in that sector	Total exposure (including on balance sheet and off balance sheet exposure)	Gross NPA	Percentage of gross NPA to total exposure in that sector
1) Agriculture and allied activities	-	-	-	-	-	-
2) Industry						
i)	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of industry	-	-	-	-	-	-
3) Services						
i) MSME	34.88	0.11	0.32%	10.44	-	-
Others	-	-	-	-	-	-
Total of services	34.88	0.11	0.32%	10.44	-	-
4) Personal loans						
i) Unsecured personal loans	3.98	0.46	11.56%	6.06	0.31	5.12%
ii) Vehicle/auto loans	1,343.01	60.76	4.52%	1,100.17	50.68	4.61%
iii) Loans against deposits	1.19	-	-	0.95	-	-
Others	-	-	-	-	-	-
Total of Personal loans	1,348.18	61.22	4.54%	1,107.18	50.99	4.61%
5) Others, if any	-	-	-	-	-	-

Related Party Disclosure

(₹ in Lakhs)

Nature of Transaction	Director/Key Management Personnel		Relatives of Director/Key Management Personnel		Others	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings	-	-	-	-	-	-
Deposits Repaid	59.76	29.02	182.38	163.99	-	-
Placement of Deposits	102.85	40.07	109.56	125.22	-	-
Interest Paid	12.44	7.39	21.07	22.05	-	-
Interest Received	0.04	0.08	-	-	-	-
Others	-	-	-	-	-	-
Dividend Paid	14.27	14.51	29.33	29.33	-	-
Remuneration	271.08	265.58	9.59	10.05	-	-
Director sitting fees	15.95	4.25	-	-	-	-
Loans Granted	3.00	-	-	-	-	-
Loans Repaid	3.04	2.29	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2025

(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	9,449.04	-
	Unsecured (other than falling within the meaning of public deposits)	-	-
	(b) Deferred credits	-	-
	(c) Term Loans	90,117.38	-
	(d) Inter-corporate loans and borrowing	1,532.34	-
	(e) Commercial Paper	-	-
	(f) Deposits (Refer Note no. 19 & 20)	18,117.33	91.35
	(h) Cash Credit & Working Capital Demand Loan	1,965.43	-
	Total	1,21,181.52	91.35
(2)	Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Deposits (Refer Note no. 19 & 20)	18,117.33	91.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ in Lakhs)

No.	Particulars	Amount Outstanding	Amount overdue
	Assets :		
3	Break-up of loans and advances including bills receivables [other than those included in (4) below]		
	(a) Secured	118.91	-
	(b) Unsecured	397.80	-
4	Break-up of leased assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	1,37,789.68	-
5	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify) Investment in Alternative Instrument Fund	-	-
	2. Unquoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-
	Long Term Investments :		
	1. Quoted :		
	(i) Shares: (a) Equity	20.09	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	2,002.54	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025
6 Borrower group-wise classification of assets financed as in 3 & 4 above

(₹ in Lakhs)

Sr. No	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
(ii)	Other than related parties	1,34,552.18	370.78	1,34,922.96
	Total	1,34,552.18	370.78	1,34,922.96

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

(₹ in Lakhs)

Sr. No	Category	Market Value/Breakup or fair value of NAV	Book Value (Net of Provisions)
(i)	Related parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
(ii)	Other than related parties	2066.72	2022.63
	Total	2066.72	2022.63

8 Other information

(₹ in Lakhs)

Sr. No	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	6,133.44
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	3,935.51
(iii)	Assets acquired in satisfaction of debt	-

As per our Report of even date attached
For Manubhai & Shah LLP
Chartered Accountants
FRN : 106041W / W100136
CA Ashish Shah
M.No :103750
Place : Mumbai
Date : 27th May 2025
For and On Behalf of Board of Directors
Berar Finance Limited
M.G.Jawanjar
Executive Chairman
DIN: 00379916
Yogesh Tahalyani
Chief Financial Officer
Nagpur
S.M.Jawanjal
Managing Director
DIN: 01490054
D.R.Balpande
Company Secretary
Nagpur

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

YEAR	PAID-UP CAPITAL	NET WORTH	TOTAL ASSETS	PROFIT BEFORE TAX	PROFIT AFTER TAX	DIVIDEND	
						Rate%	AMOUNT
1990-91	1.44	1.50	3.03	0.06	0.06	--	--
1994-95	20.75	38.14	74.88	6.45	5.80	26.00%	4.07
1995-96	26.00	44.40	124.95	8.07	6.09	20.00%	5.04
1996-97	30.00	48.94	174.86	11.16	5.15	14.00%	3.72
1997-98	30.00	52.72	224.24	19.15	10.00	16.00%	4.80
1998-99	30.00	59.80	223.71	20.22	12.97	16.00%	4.80
1999-00	30.00	61.41	247.47	16.47	8.55	16.00%	4.80
2000-01	36.00	70.22	280.79	17.78	9.15	16.00%	4.92
2001-02	50.00	109.28	374.83	31.84	22.74	17.00%	7.70
2002-03	80.00	187.27	748.88	55.55	34.57	18.00%	14.40
2003-04	102.55	256.21	865.80	81.84	52.70	18.00%	15.55
2004-05	102.55	307.02	1,155.50	112.80	75.73	20.00%	20.51
2005-06	163.50	452.20	1,392.69	126.43	83.88	22.00%	26.04
2006-07	310.00	715.98	1,956.10	153.81	101.36	22.50%	44.64
2007-08	* 620.00	780.25	2,619.22	228.63	153.54	* 12.50%	90.67
2008-09	700.00	978.58	3,486.60	336.82	218.98	13.00%	100.66
2009-10	700.00	1,119.71	4,100.69	379.84	247.60	13.00%	106.47
2010-11	700.00	1,361.79	5,206.99	545.56	355.98	14.00%	113.90
2011-12	750.00	1,695.14	6,377.90	601.90	399.37	14.00%	116.01
2012-13	800.00	2,099.90	9,076.85	732.20	492.46	15.00%	137.70
2013-14	800.00	2,534.23	11,125.49	863.19	574.74	15.00%	140.39
2014-15	800.00	3,091.63	14,788.92	1,053.41	677.75	12.50%	120.35
2015-16	800.00	3,818.09	19,770.39	1,246.93	822.74	10.00%	96.29
2016-17	800.00	4,713.26	26,660.71	1,532.62	991.47	10.00%	96.29
2017-18	800.00	5,950.92	32,937.95	1,768.79	1,237.65	10.00%	96.44
2018-19	800.00	7,326.43	41,796.85	2,077.27	1,471.95	10.00%	96.44
2019-20	966.67	11,808.65	55,274.97	2,258.44	1,691.27	5.00%	46.50
2020-21	1,000.78	14,642.40	89,143.75	2,055.66	1,537.66	10.00%	100.07
2021-22	1,233.68	25,914.20	1,03,842.69	2,237.41	1,741.97	10.00%	123.37
2022-23	1,233.68	27,523.60	1,14,108.14	2,172.78	1,708.12	10.00%	123.37
2023-24	1,233.68	29,621.46	1,31,585.77	2,995.29	2,218.06	10.00%	123.37
2024-25	1,233.68	32,738.57	1,58,866.44	4,225.86	3,229.70	12.00%	148.04

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



BERAR FINANCE LIMITED

Corporate Identity Number: U65929MH1990PLC057829

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

Tel.No.0712-6663999

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

NOTICE OF 35th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty – Fifth (35th) Annual General Meeting ('AGM') of the Members of **Berar Finance Limited** will be held on **Tuesday, the 16th day of September, 2025 at 11.00A.M. (IST), at "Arjuna Celebrations", Pande Layout Road, Khamla, Nagpur-440 025** (Route map enclosed) to transact the following business:

ORDINARY BUSINESS:

- To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT the Audited Financial Statements of the Company for the year ended March 31, 2025 and the Board's and Auditors' Reports thereon, be and are hereby approved and adopted."
- To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Shantaram Krishnarao Mahakalkar (DIN: 00379988), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation."
- To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India (RBI) vide Notification Ref. No. DoS.CO.ARG/ SEC.01/08.91.001/2021-22 dated April 27, 2021 ("**RBI Guidelines**"), read with the Company's Policy on Appointment of Statutory Auditors and the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of Audit Committee and the Board of Directors of the Company, M/s. N.A. Shah Associates LLP (Firm Registration No.: 116560W/W100149), Chartered Accountants, Mumbai who have given their consent and who also fulfills the applicable eligibility criteria, be and are hereby appointed as Statutory Auditors of the Company, to hold office for a term of Three (3) consecutive years, from the conclusion of the 35th Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the remuneration payable to the Statutory Auditors from time to time, apart from certificate fees, reimbursement of travelling/other out-of-pocket expenses incurred by them in connection with the audit."

SPECIAL BUSINESS:

- APPOINTMENT OF MS. ANNAPURNA DUBEY (DIN: 08760434), AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("**the Act**"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and relevant circulars issued by the Reserve Bank of India ("**RBI**") from time to time (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Annapurna Dubey (DIN: 08760434) who was appointed as an Additional Director (Category - Non-Executive, Independent Director) of the Company, with effect from November 14, 2024 under Section 161 of the Act and Articles of Association of the Company, and who holds office upto the date of this Annual General Meeting of the Company, and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of

the Act, proposing her candidature for the office of Director of the Company, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) consecutive years commencing from November 14, 2024 to November 13, 2029 (both days inclusive).

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

5. APPOINTMENT OF MS. ANVI SOMAIYA (DIN: 11102904) AS A DIRECTOR LIABLE TO RETIRE BY ROTATION:

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

“RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and relevant circulars issued by the Reserve Bank of India (‘RBI’) from time to time (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company Ms. Anvi Somaiya (DIN: 11102904) , who was appointed as an Additional Director(Category: Non-Executive, Non-Independent Director) with effect from May 27, 2025, under section 161 of the Act and the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation.

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

6. ISSUE OF NON-CONVERTIBLE DEBENTURES THROUGH PRIVATE PLACEMENT:

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

“RESOLVED THAT pursuant to sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment(s), statutory modification(s), variation(s) or re-enactment(s) to any of the foregoing and other applicable guidelines, circulars, directions or laws) and extant RBI guidelines, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall deem to include any Committee(s) constituted/to be constituted by the Board to exercise its powers conferred by this resolution) to make offer(s) or an invitation(s) or to issue non-convertible debentures (‘NCDs’), secured or unsecured, at face value or such other price as may be permissible to the eligible investors under the relevant regulations as the Board may determine in accordance with any of the aforementioned directions or regulations, under one or more offer/disclosure document as may be issued by the Company and in one or more tranches for an aggregate amount upto Rs. 500 crores, during a period of one year commencing from the date of this annual general meeting, on a private placement basis and on such terms and conditions as the Board may deem fit and appropriate for each tranche , as the case may be provided that the borrowings by way of issue of NCDs to be within the overall limit of borrowing approved by the members of the Company from time to time.

RESOLVED FURTHER THAT for giving effect to above resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose including but not limited to execution of all necessary and required agreements, documents, instruments, writings and papers, and settle all difficulties, doubts and questions that may arise in regard to implementation of the aforesaid resolution.”

Registered Office:

Avinisha Tower, Mehadia Chowk,
Dhantoli, Nagpur- 440012

By order of the Board of Directors**For Berar Finance Limited****Sd/-****Deepali Balpande****Company Secretary****Membership No: ACS 21290****Place: Nagpur****Date: August 12, 2025****Notes:****PROXY RELATED INFORMATION:**

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

INSTRUCTIONS FOR MEMBERS/PROXIES:

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

IEPF RELATED INFORMATION:

- vii. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, any amount transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called 'Investor Education and Protection Fund' ("IEPF") set up by the Central Government. Accordingly, the unclaimed dividend amounts in respect of Financial Years 2011 - 2012 to 2016-2017 were transferred by the Company to the said fund in Financial Years from 2019 - 2020 to 2024 - 2025 respectively. No claim lies against the Company in respect of these dividend.
- viii. The Company uploads the details of unpaid and unclaimed amounts lying with the Company on the website of the Company viz: <https://www.berarfinance.com/investors.html> as well as on the website of the Ministry of Corporate Affairs.
- ix. Due dates of transferring unclaimed and unpaid dividends declared by the Company for the Financial Year 2017-2018 and thereafter to the IEPF are as under:

Financial year ended	Date of declaration of dividend	Last date for claiming Unpaid/ unclaimed dividend	Proposed period for transfer of unclaimed dividend to IEPF
March 31, 2018	08.09.2018	07.10.2025	08.10.2025 to 06.11.2025
March 31, 2019	21.09.2019	20.10.2026	21.10.2026 to 19.11.2026
March 31, 2020	28.09.2020	27.10.2027	28.10.2027 to 26.11.2027
March 31, 2021	27.09.2021	26.10.2028	27.10.2028 to 25.11.2028
March 31, 2022	26.09.2022	25.10.2029	26.10.2029 to 24.11.2029
March 31, 2023	25.09.2023	24.10.2030	25.10.2030 to 23.11.2030
March 31, 2024	20.09.2024	19.10.2031	20.10.2031 to 18.11.2031
March 31, 2025	27.05.2025	25.06.2032	26.06.2032 to 25.07.2032

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

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

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

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

INSPECTION OF DOCUMENTS:

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

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

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

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

REMOTE E-VOTING/ VOTING RELATED INFORMATION

- xii. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014, the Company has provided E-voting facility to the members. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") who shall be providing facility for voting through remote e-voting. The procedures and instructions for 'remote e-voting' issued by CDSL are furnished as part of this Notice.

- xiii. It may be noted that the remote e-voting facility is optional. The remote e-voting facility will be available at the link www.evotingindia.com during the following voting period:

The remote e-voting will commence on Friday, September 12, 2025 at 9:00 A.M. (IST) and ends on Monday, September 15, 2025 at 5:00 P.M. (IST).

- xiv. During the above period, shareholders of the Company as on **the cut-off date of Tuesday, September 09, 2025**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on September 15, 2025. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

- xv. The voting rights of Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on **Tuesday, September 09, 2025**. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on **the cut-off date i.e. Tuesday, September 09, 2025** only shall be entitled to avail the facility of remote e-voting / voting at the time of the meeting. A person who is not a member on the cut-off date should treat this Notice for information purpose only.
- xvi. The facility for voting through polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- xvii. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- xviii. Members can opt for only one mode of voting, i.e., either by remote e-voting or voting during the meeting by Polling paper. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through during the meeting shall be treated as invalid.
- xix. The Board of Directors has appointed Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837), having office at “A-Wing, 202, Kolshet Road, Dhokali Naka, Cosmos Nest, Thane (W) – 400 607” and at “Block No.98, Wing III, Rajat Sankul, Ganesh Peth, Nagpur- 440018” as the Scrutinizer for conducting Voting process (both remote e-voting as well as voting during the AGM) in a fair and transparent manner.
- xx. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unlock the votes cast at the meeting as well as the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutiniser’s report of the total votes cast in favour or against, if any, within prescribed timelines and provide the same to the Chairman or any person so authorised by him, who shall countersign the same and declare the result thereof.
- xxi. The results declared along with the scrutiniser’s report shall be placed on the Company’s website at <https://www.berarfinance.com/investors.html> and shall also be communicated to the stock exchange.

GENERAL INFORMATION:

- xxii. Institutional/Corporate shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body’s resolution/authorisation, etc., authorizing their representative to attend the AGM on its behalf and to vote. The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to cssunilzore@gmail.com with a copy marked to the Company at investor.relations@berarfinance.com.
- xxiii. The Explanatory Statement pursuant to Section 102(1) of the Act in respect of the special business above is attached herewith. As required, the brief profile of Directors seeking appointment/ re-appointment at this AGM are given in the Explanatory Statement to the Notice of the AGM.
- xxiv. The Company’s Registrar and Transfer Agent for its Share Registry Work is M/s. Bigshare Services Pvt. Ltd., Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093. Ph. No. 022-62638261.
- xxv. Notice is being sent to all the shareholders whose name appear on the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as at the close of business hours on Friday, August 15, 2025.
- xxvi. Sections 101 and 136 of the Act read with the rules made thereunder and Circulars issued by the Ministry of Corporate Affairs (MCA) regarding the Green Initiative, permit the companies to send the Notice of AGM and the Annual Report, including financial statements, Board’s Report, etc., by electronic mode. The Company is accordingly forwarding the soft copies of the above referred documents to all those members who have registered their e-mail IDs with their respective depository participants or with the Company.
The Annual Report, Notice of AGM, Proxy Form and Attendance Slip are also available on the Company’s website <https://www.berarfinance.com/investors.html> and website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com.
- xxvii. Members who have not registered their e-mail address, physical copy of Annual Report along with AGM Notice, Proxy form and Attendance slip (inclusive remote e-voting credential) are sent at their registered address available with Company.

- xxviii. Members are requested to support the Green Initiative by registering / updating their email addresses with the Depository Participants (in case shares are held in dematerialized form) or with the Company (in case shares are held in physical form).
- xxix. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
- Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
 - Members holding shares in physical form may register their email address by informing the Company at its investor email id investor.relations@berarfinance.com.
 - The Members who are holding shares in Physical Form are requested to avail dematerialization facility. For further information, please refer to the FAQs posted by NSDL on its website nsdl.co.in and CDSL on its website www.cdslindia.com.

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

- xxx. Any person, who acquires shares of the Company and becomes a member after dispatch of the Notice, but holds shares as on **the cut-off date i.e. Tuesday, September 09, 2025** may obtain the copy of Annual Report, Notice, login ID and password by sending a request to helpdesk.evoting@cdslindia.com or to the Company at its email id investor.relations@berarfinance.com from their registered e-mail ID. In case the e-mail ID is not registered, such members are requested to register/update the same with the respective depository participants.

- xxxi. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company to record additional details of Members, including their PAN details, email address, Aadhaar Card Number etc. Members are requested to submit their details and changes therein;
- In case shares held in Demat Form, to their respective depository participant.
 - In case shares held in physical form, the member can approach the Company by writing an email to the Company at investor.relations@berarfinance.com.

- xxxii. The Ministry of Corporate affairs by virtue of notification dated September 10, 2018 has amended the Companies (Prospectus and Allotment of Securities) Rules, 2014. According to this notification;

Every holder of securities of an unlisted public company –

- who intends to transfer such securities on or after October 02, 2018, shall get such securities dematerialised before the transfer; or
- who subscribes to any securities of an unlisted public company (whether by way of private placement or bonus shares or rights offer) on or after October 02, 2018 shall ensure that all his existing securities are held in dematerialized form before such subscription.

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

NOMINATION FACILITY:

- xxxiii. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. For the said purpose:
- Shareholders holding shares in electronic mode may approach their respective depository participants (DP) and
 - Shareholders holding shares in physical mode can approach M/s. Bigshare Services Pvt Ltd, our Registrar & Share Transfer Agent (RTA) at Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400 093 Ph. No: 022-62638261.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013
ORDINARY BUSINESS
Resolution at Item No. 2:

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

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

S. No.	Nature of Information	Particulars
1.	Name of the Director	Mr. Shantaram Krishnarao Mahakalkar
2.	Director Information Number (DIN)	00379988
3.	Date of Birth & Age	July 04, 1953 , 72 years
4.	Date of First Appointment on the Board	September 25,2002
5.	Terms and Conditions of Appointment	The Appointee shall be a Non-Executive Director on the Board and be liable to retire by rotation.
6.	Details of Remuneration	The Appointee shall be entitled to all rights and privileges of other Non-Executive Directors and to the sitting fees and expenses as well as all reasonable out-of-pocket-expenses (including travel, boarding and lodging expenses) for attending any shareholders’ meeting or Board meeting of the Company or a meeting of the board of directors of subsidiaries of the Company (if any) and any other reasonable expenses incurred by him in the course of fulfilling his duties and obligations as a Director of the Company and/or a director of the subsidiaries of the Company (if appointed) in terms of the policy of the Company.
7.	Shareholding in the Company	As on March 31, 2025, the appointee holds 29,900 equity shares in the Company.
8.	Relationship with other Directors, Manager and other Key Managerial Personnel (KMP) of the Company	Nil.
9.	Qualifications	The Appointee holds Masters in Commerce and Bachelor of Education.
10.	Experience	The Appointee has over 33 years in lectureship in Economics and Commerce
11.	Number of meetings of the Board attended	The details of Board Meetings attended by the appointee during the financial year 2024-2025 are as under: 1. May 23, 2024 2. August 13, 2024 3. October 17,2024 4. November 14, 2024 5. January 31,2025 6. March 13, 2025 7. March 28, 2025
12.	Directorship held in other companies as on date	As on date, the Appointee does not hold Directorship in any other Company.
13.	Chairmanship/Membership of the committees of the Board of Directors of other companies as on date	As on date, the Appointee does not hold Chairmanship/Membership of the committees of the Board of Directors of other Companies.

Except Mr. Shantaram Krishnarao Mahakalkar, none of the Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, directly or indirectly, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

Resolution at Item No. 3:

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

At the 32nd Annual General Meeting of the Company held on September 26, 2022, the shareholders approved the appointment of M/s. Manubhai & Shah LLP, Chartered Accounts ((Firm Reg.No. 106041W/W100136), as the Statutory Auditors of the Company, to hold office for a term of Three (3) consecutive years from the conclusion of the 32nd Annual General Meeting till the conclusion of the 35th Annual General Meeting. The Reserve Bank of India (RBI), vide its Notification Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, issued the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (“RBI Guidelines”). Pursuant to RBI Guidelines, the Audit Firms completing tenure of three financial years in the NBFC are not eligible to continue to hold office as Statutory Auditors of the NBFC.

In order to comply with the requirements of the RBI Guidelines, the Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on August 12, 2025, recommended for approval of members appointment of M/s. N. A. Shah Associates LLP (Firm Registration No.: 116560W/W100149), Chartered Accountants as the Statutory Auditors of the Company for a term of Three (3) consecutive years from the conclusion of 35th AGM of the Company till conclusion of 38th AGM.

M/s. N. A. Shah Associates LLP., Chartered Accountants, have consented to and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed that they are not disqualified to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and also meet the eligibility criteria as per the RBI Guidelines.

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

The Board recommends Ordinary Resolution set out at item no.3 of the Notice for approval of the Members.

SPECIAL BUSINESS:

Resolution at Item No. 4:

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

The Board of Directors of the Company at its meeting held on November 14,2024, pursuant to the recommendation of Nomination & Remuneration Committee, has approved the appointment of Ms. Annapurna Dubey (DIN: 08760434) as an Additional Director (Category: Non-Executive, Independent Director) of the Company with effect from November 14,2024 to hold office upto the date of ensuing Annual General meeting of the Company pursuant to section 161 of the Act and subject to the approval of the members at the said Annual General Meeting, to hold office as an Independent Director, not liable to retire by rotation, for a term of five (5) consecutive years commencing from November 14,2024 to November 13,2029 (both days inclusive).

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

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

In the opinion of the Board, Ms. Annapurna Dubey is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Companies Act, 2013 for appointment as an Independent Director and she is independent of the management. The Board of Directors is of the opinion that it would be in the interest of the Company to appoint her as an Independent Director for a period of five years from November 14, 2024 to November 13,2029. Accordingly, the Board recommends this resolution for the appointment of Ms. Annapurna Dubey, as a Director in the category of Non-Executive, Independent for the approval by the Members of the Company. The generic copy of letter of appointment setting out the terms and conditions of her appointment is available for inspection by the members. In terms of SS-2 – Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, a brief profile of Ms. Annapurna Dubey (“Appointee”), except the information already provided in the explanatory statement is provided below:

S. No.	Nature of Information	Particulars
1.	Name of the Director	Ms. Annapurna Dubey
2.	Director Information Number (DIN)	08760434
3.	Date of Birth & Age	March 19, 1981, 44 years
4.	Date of First Appointment on the Board	November 14,2024
5.	Terms and Conditions of Appointment	https://www.berarfinance.com/pdf/policies/july24/appointment_letter_independent_director.pdf
6.	Details of Remuneration	The Appointee shall be entitled to all rights and privileges of other Non-Executive Directors and to the sitting fees and expenses as well as all reasonable out-of- pocket expenses (including travel, boarding and lodging expenses) for attending any shareholders’ meeting or Board meeting of the Company or a meeting of the Board of Directors of subsidiaries of the Company (if any) and any other reasonable expenses incurred by her in the course of fulfilling her duties and obligations as a Director of the Company and/or a Director of the subsidiaries of the Company (if appointed) in terms of the policy of the Company.
7.	Shareholding in the Company	The Appointee does not hold any shares in the Company.
8.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
9.	Qualifications	The Appointee is a member of Institute of Chartered Accountants of India
10.	Experience	Ms. Annapurna Dubey, has an experience of more than 19 years of professional experience encompassing in audit, financial reporting, and taxation.
11.	Number of meetings of the Board attended	3 meetings dated January 31, 2025, March 13,2025 and March 28,2025.
12.	Directorship held in other companies as on date	As on date, Ms. Annapurna Dubey hold Directorship in following Companies: 1. Unified Data-tech Solutions Limited 2. J L Morison (India) Limited

13.	Chairmanship/Membership of the committees of the Board of Directors of other companies as on date.	<p>1. Unified Data-tech Solutions Limited</p> <p>Chairman</p> <ul style="list-style-type: none"> ➤ Audit Committee ➤ Stakeholders relationship Committee <p>Member</p> <ul style="list-style-type: none"> ➤ Nomination and Remuneration Committee <p>2. J L Morison (India) Limited</p> <p>Chairman</p> <ul style="list-style-type: none"> ➤ Audit Committee ➤ Stakeholders relationship Committee ➤ Nomination and Remuneration Committee <p>Member</p> <ul style="list-style-type: none"> ➤ Corporate Social Responsibility
-----	--	--

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

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

Resolution at Item No. 5:

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

The members of the Company are informed that pursuant to the share subscription agreement dated March 02, 2022 entered into among the Company, Maj Invest Financial Inclusion Fund III K/S (“Maj”), Amicus Capital Private Equity I LLP (“ACPE”), Amicus Capital Partners India Fund I (“ACPIF”) (Maj, ACPE and ACPIF are collectively referred to as, “Investors”), Individual Promoters (as identified therein), Avino Capcons Private Limited (“Avino”) and Other Founding shareholders (as identified therein), (together, the “Transaction Parties” and such agreement, the “SSA”) and the amended and restated shareholders’ agreement dated March 02, 2022 entered into among the Transaction Parties (“SHA” and together with the SSA, the “Transaction Documents”), and the recommendation made by the Nomination and Remuneration Committee of the Company in its meeting dated May 23, 2025, Ms. Anvi Somaiya (DIN: 11102904), (the “Investor Director”), has been appointed as an Additional Director of the Company at the meeting of the Board, held on May 27, 2025 in accordance with the provisions of Section 161 of the Companies Act, 2013 and any other applicable provisions, if any, read with the relevant rules framed thereunder and the applicable provisions of the Articles of Association of the Company.

The Investor Director has been appointed as an Additional Director of the Company and is entitled to hold office up to the date of next Annual General Meeting of the Company or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier in terms of Section 161 of the Companies Act, 2013.

The Company has received a Notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Anvi Somaiya for the office of Director of the Company and the Nomination and Remuneration Committee of the Company at its meeting dated May 23, 2025 has recommended to appoint the Investor Director as a Director of the Company liable to retire by rotation, at the ensuing Annual General Meeting of the Company.

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

Additionally, the Company has received her consent to act as a Director of the Company in Form DIR 2 along with other requisite documents required for her appointment as a Director.

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

The Board is of the view that Ms. Anvi Somaiya qualifications, knowledge and experience will be of immense benefit and value to the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends her appointment as a Non- Executive, Non-Independent Director to the Members of the Company.

S. No.	Nature of Information	Particulars
1.	Name of the Director	Ms. Anvi Somaiya
2.	Director Information Number (DIN)	11102904
3.	Date of Birth & Age	April 22, 1993, 32 Years
4.	Date of First Appointment on the Board	May 27, 2025
5.	Terms and Conditions of Appointment	The Appointee has been appointed pursuant to Transaction Documents. She shall be a Non-Executive Director on the Board and be liable to retire by rotation.
6.	Details of Remuneration	The Appointee shall be entitled to all rights and privileges of other Non-Executive Directors and to the sitting fees and expenses as well as all reasonable out-of-pocket expenses (including travel, boarding and lodging expenses) for attending any share- holders' meeting or Board meeting of the Company or a meeting of the Board of Directors of subsidiaries of the Company (if any) and any other reasonable expenses incurred by her in the course of fulfilling her duties and obligations as a Director of the Company and/or a Director of the subsidiaries of the Company (if appointed) in terms of the policy of the Company.
7.	Shareholding in the Company	The Appointee does not hold any shares in the Company
8.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
9.	Qualifications	The appointee holds a Bachelor's degree in Commerce from the University of Mumbai and has completed the intermediate-level Accounting Technician Certification from the Institute of Chartered Accountants of India. Additionally, she has obtained an Executive Education certificate from Harvard Business School, USA, for the program on Strategic Leadership in Inclusive Finance.
10.	Experience	The Appointee has 10+ years of experience in financial services industry across investment banking and private equity
11.	Number of meetings of the Board attended	Ms. Anvi Somaiya has been appointed as an Additional Director of the Company at the meeting of the Board dated May 27, 2025, therefore, she has not attended/been part of any meeting of the Board during the financial year 2024-2025.
12.	Directorship held in other companies as on date	As on date, Ms. Anvi Somaiya does not hold Directorship in any other Company.
13.	Chairmanship/Membership of the committees of the Board of Directors of other companies as on date	As on date, the Appointee does not hold Chairmanship/Membership of the committees of the Board of Directors of other Companies.

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

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

Resolution at Item No. 6:

The Company, in the ordinary course of its business, is required to borrow from time to time, by way of loans, issue of non-convertible debentures (secured or unsecured) and/or other instruments. The inter-mix of borrowings by the Company depends upon the market conditions, cost of funds, tenor, etc.

In terms of section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, (the 'Companies PAS Rules'), as amended, a Company may make an offer or invitation to subscribe to the debentures through an issue of a private placement offer subject to a special resolution of its members approving offer(s) or invitation(s) to subscribe to the non-convertible debentures ('NCDs') of the Company. In case the proposed amount to be raised through such offer or invitation exceeds the limits specified in section 180(1)(c) of the Act, a Company may pass a special resolution once a year for all the offers or invitations to be made for such debentures to be issued during the year.

Accordingly, it is proposed to seek approval of members by way of special resolution to authorise the Board or any Committee(s) constituted/to be constituted by the Board to borrow by issue of NCDs on private placement basis, in the ordinary course of its business, for a period of one year commencing from September 16, 2025. Further, the amount to be raised by such issue of NCDs will be within the overall borrowing limit of Rs. 2000 crore approved by the members of the Company under section 180(1)(c) of the Act.

Disclosure as per provisions of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 is as follows:

1.	Particulars of the offer including the date of passing of Board resolution and the amount which the Company intends to raise by way of such securities;	Issue of such number of NCDs, from time to time, in one or more tranches, carrying such terms and conditions as may be decided by the Board (as more specifically set-out in special resolution in Item No. 6 of the notice convening AGM) for an amount up to Rs. 500 crore within a period of one year from the date of passing the aforesaid special resolution. The issue has been approved by the Board at its meeting held on August 12, 2025.
2.	Kind of securities offered and the price at which security is being offered	NCDs at a price as may be decided by the Board from time to time.
3.	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	As may be decided by the Board pursuant to the applicable laws.
4.	Name and address of valuer who performed valuation	Not applicable
5.	Intention of promoters, directors or key managerial personnel to subscribe to the offer / Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects of the offer	The promoters, directors or key managerial personnel of the Company do not intend to subscribe to the offer. Any such contribution shall be subject to and in compliance with the applicable laws.
6.	Material terms of raising such securities, proposed time schedule, purposes or objects of offer, principle terms of assets charged as securities	As may be decided by the Board pursuant to the applicable laws.

None of the Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, directly or indirectly, financially, or otherwise, in the resolution set out at Item No. 6.

The Board recommends Special Resolution set out at item no. 6 of the Notice for approval of the Members.

PROCEDURES / INSTRUCTIONS**CDSL e-Voting System – For Remote e-voting****THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:**

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

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

- (i) The voting period begins on **Friday, September 12, 2025 at 9:00 A.M. (IST) and ends on Monday, September 15, 2025 at 5:00 P.M. (IST)**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Tuesday, September 09, 2025** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

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

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

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

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

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

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

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

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; cssunilzore@gmail.com and to the Company at the email address viz; investor.relations@berarfinance.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

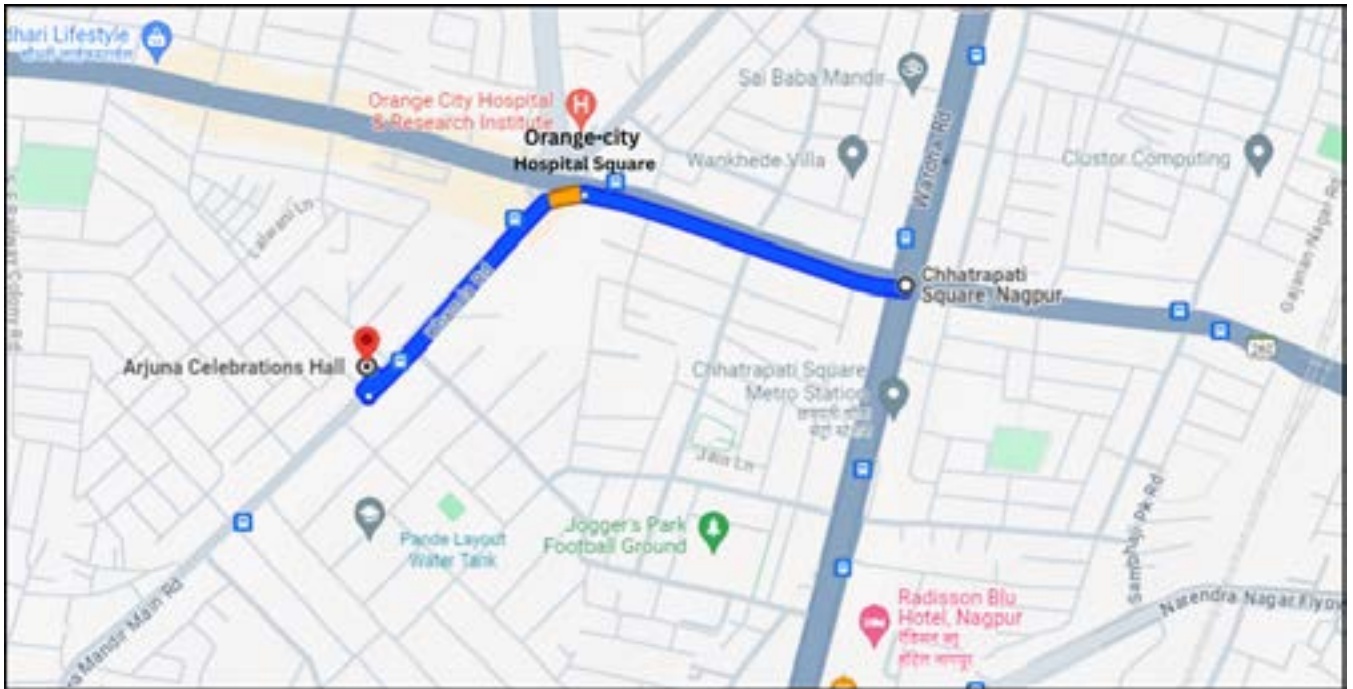
PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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

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

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

35TH ANNUAL GENERAL MEETING ROUTE MAP



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



BERAR FINANCE LIMITED

Corporate Identity Number: U65929MH1990PLC057829

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

Tel.No.0712-6663999

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

ATTENDANCE SLIP

35TH Annual General Meeting

Date & Time: **Tuesday, September 16, 2025 at 11.00 A.M.**

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

Folio No /Client ID/ DP Id : _____

Name and address : _____

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

No. of shares held : _____

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

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

I/we hereby record my/our presence at the 35th Annual General Meeting of the Company.

Signature of member(s)/ Proxy/ Authorised Representative

Signature of Joint holder(s)

Notes:

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





BERAR FINANCE LIMITED

Corporate Identity Number: U65929MH1990PLC057829

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

Tel.No.0712-6663999

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

PROXY FORM

Form No.MGT-11

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty- Fifth Annual General Meeting of the Company, to be held on **Tuesday, the 16th day of September, 2025 at 11.00 A.M. at “ARJUNA CELEBRATIONS”, Pande Layout Road, Khamla, Nagpur- 440 025** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Business to be transacted
ORDINARY BUSINESS	
1	Adoption of audited financial statements for the year ended March 31, 2025 and the Board's and Auditors' Reports thereon.
2	Re-appointment of Mr. Shantaram Krishnarao Mahakalkar (DIN: 00379988), as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
3	Appointment of M/s. N.A. Shah Associates LLP (Firm Registration No.: 116560W/W100149), Chartered Accountants, Mumbai as Statutory Auditors of the Company.
SPECIAL BUSINESS	
4	Appointment of Ms. Annapurna Dubey (DIN: 08760434), as an Independent Director of the Company.
5	Appointment of Ms. Anvi Somaiya (DIN: 11102904) as a director liable to retire by rotation.
6	Issue of Non-Convertible Debentures through Private Placement.

Signed this _____ day of _____ 2025.

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

Affix
Revenue
stamp
of ₹ 1/-

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

MISSION

Partnering To Prosper

COMMITMENT

Close To The People

VISION

Miles To Go

BRANCHES

MAHARASHTRA -

Ahmadnagar, Akola, Amravati, Aurangabad, Baramati, Bhandara, Bhusawal, Brahmapuri, Buldhana, Chalisgaon, Chandrapur, Dhule, Gadchiroli, Gondia, Hingoli, Jalgaon, Karad, Katol, Khamgaon, Kolhapur, Kudal, Latur, Manmad, Nanded, Nandurbar, Nashik, Osmanabad, Pandharpur, Paratwada, Parbhani, Pune, Pusad, Ratnagiri, Sangli, Satara, Solapur, Udgir, Wani, Wardha, Washim, Yavatmal and Alibag

MADHYA PRADESH -

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

CHHATTISGARH -

Ambikapur, Baikunthpur, Balodabazar, Bemetara, Bilaspur, Dallirajhara, Dhamtari, Dongargarh, Durg, Gariyaband, Jagdalpur, Janjgir-Champa, Kanker, Kawardha, Kondagaon, Korba, Mahasamund, Mungeli, Raigarh, Raipur, Rajim, Rajnandgaon, Saraipali, Surajpur, Balrampur, Jashpur and Pendra

GUJARAT -

Amreli, Bardoli, Botad, Junagadh, Navsari, Rajpipla, Surat, Vyara, Vadodara and Rajkot

KARNATAKA -

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

TELANGANA -

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

ODISHA-

Bargarh, Sonepur, Jeypore, Balangir, Raj Khariar, Sundargarh, Nabrangpur, Bhawanipatna, Berhampur, Rayagada, Nayagarh, Bhnajanagar, Paralakhemundi, Angul, Dhenkanal, Bhubaneswar, Phulbani, Jajpur, Jagatsinghpur, Sambalpur and Baripada

ANDHRA PRADESH-

Vizianagaram, Eluru, Nellore, Vijayawada, Nandyal, Srikakulam, Rajahmundry, Kurnool and Visakhapatnam

JHARKHAND-

Palamu, Ranchi and Saraikela



CIN No. : U65929MH1990PLC057829

REGD. OFFICE: AVINISHA TOWER, MEHADIA CHOWK,
DHANTOLI, NAGPUR-440 012

TEL.:- 0712 - 6663999

WEBSITE: WWW.BERARFINANCE.COM

EMAIL: INVESTOR.RELATIONS@BERARFINANCE.COM