

26th Annual Report 2015-2016



Board of Directors

CS Maroti Jawanjar
Chairman & Managing Director
Mr. Shantaram Mahakalkar
Mr. Vishwas Pathak
Mr. Ashok Kachore
Mr. Dattatraya Dalal
CA Bankim Shah
CA Atul Sarda
Mr. Sandeep Jawanjal
(Executive Director)

Company Secretary

CS (Mrs.) Deepali Balpande

Bankers

Bank of Maharashtra
Indian Overseas Bank
IDBI Bank Ltd.

Financial Institution

Sundaram Finance Limited
IFMR Capital Finance Limited
Capital First Limited

Debenture Trustee

Catalyst Trusteeship Ltd.

Auditors

M/s APJ & Associates
Chartered Accountants

Regd. Office

Avinisha Tower,
Mehadia Square, Dhantoli,
NAGPUR - 440 012.
Ph. : 0712 - 6663999

CIN No.

U65929MH1990PLC057829

Website

www.berarfinance.com

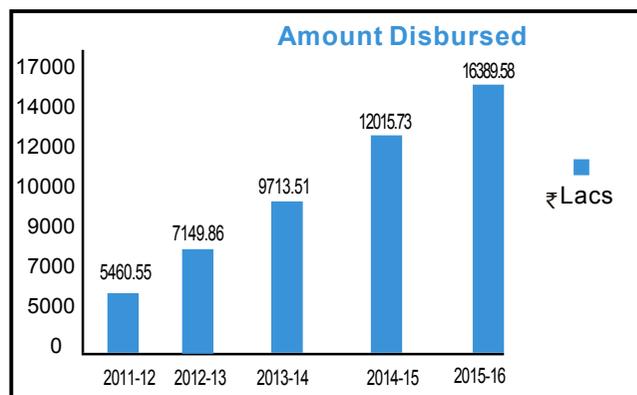
REPORT OF THE DIRECTORS

Your Directors present their 26th Annual Report and the audited accounts of your Company for the financial year ended 31.03.2016.

OPERATIONS

The business operation of the Company continued to grow satisfactorily during the year, as is evident from the following figures.

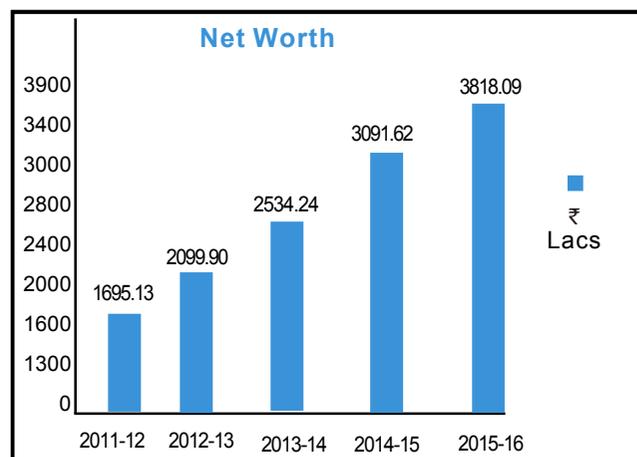
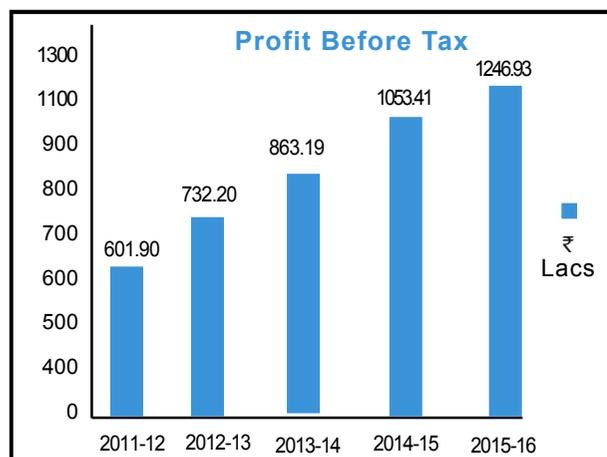
	<u>2015-2016</u>	<u>2014-2015</u>
	₹ (Lacs)	₹ (Lacs)
Amount Disbursed	16,389.58	12,015.73
Receivables under Management		
At year end	17,193.21	12,815.62
Gross Income	4,502.94	3,501.55
Gross Profit	<u>1,246.93</u>	<u>1,053.41</u>



FINANCIAL RESULTS

The operations reflect a Net Profit (after tax) of ₹ 8,22,74,454. Your Directors propose to appropriate the same as under:

Net Profit (after Tax)	8,22,74,454
Add Balance Brought Forward	<u>15,82,932</u>
Disposable Profit	8,38,57,386
Appropriation	
Transfer to Statutory Reserve.	2,20,00,000
Transfer to General Reserve	5,00,00,000
Dividend (incl. tax thereon)	96,28,640
Balance Carried Forward	<u>22,28,746</u>



Dividend

Your Directors are pleased to recommend a dividend of Rs.1.00 per Equity Share (10.00%) as against Rs.1.25 per share(12.50%) in the previous year(exclusive of tax on dividend).The reduction in rate of dividend is aimed at conserving resources for future growth.

Resources

i)Bank Facilities- The consortium of bankers comprising Bank of Maharashtra, IDBI Bank and Indian Overseas Bank have enhanced Cash Credit facility from Rs. 3500.00 lacs to Rs.4500.00 lacs.

ii)Fixed Deposits- As on 31.03.2016 total fixed deposits are of Rs.48,86,33,502,public deposits being of Rs.44,71,52,649.

Public Deposits at the beginning of the year	Rs.	30,28,07,779
- Public deposits repaid during the year	Rs.	8,54,74,155
+ Public Deposits received during the year	Rs.	22,98,19,025
Public Deposits at the year end	Rs .	44,71,52,649

45 Deposits of Rs.44,76,345 though matured were unclaimed on 31.03.2016. Of these 3 deposits of Rs.30,239 are still unclaimed on the date of this report.

Periodic reminders are being sent to the depositors for repayment/renewal of deposits.

iii) Issue of secured Bonds (NCDs)- The terms of issue of NCDs stipulated by Reserve Bank Of India being very restrictive the Company discontinued private Placement of NCDs.By circular dated 20.02.2015,Reserve Bank Of India issued new guidelines, which are reasonable and your Company is seriously considering private placement of NCDs during the current year.

iv)Terms Loans- Your Company has availed fresh term loans aggregating to Rs.56.05 Crores from lenders comprising Sundaram Finance Ltd, IFMR Capital Finance Private Limited , Capital First Limited and Hinduja Leyland Finance at favorable terms and reasonable rate of interest. The term loans offer ready availability and repayments match maturity of receivables offered as security.

Review of Working

Financing of 2 Wheelers continues to be the main stay of your Company. With a view the broadbase the business, your Company ventured into financing agri-equipments ,office equipments, commercial vehicles, cars , consumer durables and personal loans during the year. Your Company has a strong network and presence in the growing rural India.**36.40%** increase in disbursement and **28.59 %** increase in gross income could be considered as a satisfactory growth in business.

Branch Network

Your Company plans to reach Customers through expansion of branch network at strategic locations in Central India.

During the year, your Company opened new branches at Bhusawal, Katol, Parbhani and Paratwada .Now, your Company has a branch tally of 26,comprising 17 in Maharashtra,3 in Madhya Pradesh, 3 in Chhatisgarh and 3 in Telangana. Your Company plans to add few more branches during the current year.

RBI Guidelines

Your Company has been following guidelines issued by Reserve Bank Of India on prudential nouns for income recognition, asset classification, provisioning of bad and doubtful debts, Capital adequacy and concentration of credit and investments .Your Company has comfortable capital adequacy ratio of 21.46 % (as against 15% prescribed by RBI) as on 31.03.2016.

Under the new regulatory framework of Reserve Bank Of India, Your Company stands classified as **Systemically Important Asset Finance Company- Deposit Taking**.

Credit Rating

Your Company's cash credit facilities and public deposits schemes have received credit rating as under -

Schemes	Credit Rating Agency	Rate of Grade
Fixed Deposits	By CRISIL	FA- Investment Grade
Cash Credit Facility	BY ICRA Ltd	BBB- Investment Grade

Your Company is in the process of applying for review of ratings for the current year.

Auditors

M./s APJ and Associates (Firm Reg.No.124810W) Chartered Accountants, have been appointed on Statutory Auditors of the Company at Annual General Meeting held on 23.08.2014 for a period of 5 years. Ratification of their appointment is being sought from the members at the ensuring AGM.

M/s Somalwar Sahasrabudhe and Associates, Chartered Accountants, perform the duties of Internal Auditors of the Company and their reports are reviewed by Audit Committee from time to time.

Directors

Mr. Dattatraya Dalal (DIN No.00380199), retires by rotation and being eligible offers himself for reappointment. Your Directors recommend his reappointment.

The independent directors have given declarations that they meet the criteria of independence as laid down under sec 149(6) of the Companies Act 2013.

Directors' Responsibility Statement

As required under section 134(3) (c) of the Companies Act, 2013, your Directors Confirm

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

Risk Management

Your Company, being in the business of retail financing has to face inherent risks like credit risk, liquidity risk, interest rate risk and operational risk, The survival and growth of any financing entity largely depends upon carefully managing these risks.

The Audit Committee, Risk Management Committee and Assets Liability Management Committees 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 risks and interest rate risks 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.

Human Resources

Your Company is putting strong emphasis on attracting, training and retaining the right talent and performs.

Your Company has a pride of having a cadre of 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

Your Company has put in place a policy for prevention, prohibition and redressal against sexual harassment of women at the work place, to protect women employees and enable them to report sexual harassment at the workplace. An internal Complaint Committee headed by a women employee has also been constituted for the purpose.

Other Particulars

Particulars of employees and particulars regarding conservation of energy, technology absorption, foreign exchange ensuring and outgo are not applicable to company.

Your Company, being NBFC registered with Reserve Bank Of India, the provisions of Sec. 185 and details of loans, investments, guarantees etc under section 186 of the companies Act 2013 are not applicable to your Company. Further all related party transactions, that were entered into during the financial year were on armslength basis and were in the ordinary course of business.

Reports forming part of this Report

i) Management Discussion and Analysis	Annex I
ii) Report on Corporate Governance	Annex II
iii) Report on CSR Activities	Annex III
iv) Annual Return (sec 92(3) of Companies Act, 2013	Annex IV

Acknowledgement

Your Directors take this opportunity to express their appreciation for the excellent support and assistance received from Company's Bankers Bank Of Maharashtra, Indian Overseas Bank, IDBI Bank Limited, Lenders Sundaram Finance Limited, IFMR Capital Finance Private Limited, Capital First Limited, Hinduja Leyland Finance Limited, for the continued enthusiasm and efforts of employees at all levels, and for the continued confidence and repose by shareholders, depositors, bond holders and customers.

Nagpur
18.06.2016

For and on behalf of
the Board of Directors

M.G.Jawanjar
Chairman

Management Discussion and Analysis

There is not much change in market scenario during 2015-2016 and outlook for 2016-2017 remains unaffected. Much will depend upon rainfall and consequent buoyancy in the market.

Market Scenario

Your Company is a strategic player in Central India. This part of India is characterised by rich natural resources, rural based populations and agriculture and agro-industries as a source of employment and livelihood. This region saw stable economy and market during the year.

Your Company mainstay during the year was financing 2 wheelers to urban and rural population. Despite deficit in rainfall impacting the earning, the demand for 2 wheelers continued to grow throughout the year. The reason being, the people here have developed other sources of income like dairy farming, agro-industries. The spending by Government on infra-projects provided employment to the people, that helped maintain their standard of living and demand for various products. The same logic holds true for cars, commercial vehicles, consumer durables, agri-equipments. The consumers are enthused with easy availability of credit, which ensures continuous growth in demand from various sections of society.

Out Look

The political stability, revived confidence in all walks of life, higher spending on social sector and thrust on infra-projects would certainly generate stronger economic growth, a revival of manufacturing, service sector and agriculture. We have the world's youngest population, fast growing middle class and less penetration of goods and services offer tremendous opportunity for doing business to meet the ever growing demand.

Your Company has decided to broaden product portfolio to take advantage of the growing demand from customers. The main verticals could be agri finance, consumer finance, cars and commercial vehicles finance and personal loans. Your Company sees a sustained growth in business and profitability with such a diversified portfolio.

Berar Finance Limited expects to maintain its performance in 2016-17, and hopes to grow at a rate faster than the growth in bank credit. The profitability would also improve, given the availability of low cost funds and low overheads. The approach would be to continue with the growth momentum while balancing risk.

The Year 2015-2016

The performance of the Company during the year could be considered satisfactory, in the backdrop of growing competition, recessionary trend in economy and failed monsoon.

Particular		2014-2015	2015-16	Change %
Total Income	Rs.Lacs	3501.55	4502.94	+28.60
Total Cost	Rs.Lacs	2448.13	3256.01	+32.99
Profit Before Tax	Rs.Lacs	1053.41	1246.93	+18.37
Profit after Tax	Rs.Lacs	677.75	822.74	+21.39
Earning per Share	(Rs.)	8.47	10.28	+21.36

Risks and Concerns

The Company has a policy to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with business. The Company is aware of multiple risks and keep constant vigil to manage the same to Company advantage.

The Main Focus of your Company has been -

i) a diversified portfolio ii) improving credit quality iii) reduced mismatch in Assets and Liability iv) low cost of Funds. Risk Management Committee and Assets Liability management Committee are doing all efforts to meet this challenge. The

Company has been largely successful in managing the risks and concerns inherent in the business of a finance company. With multiple lenders and other sources of funds, the Company is assured of easy availability of funds at lower cost for its growing business. Your company does not perceive any threat to the business growth with profits.

Customer Service

Your Company continues to remain customer centric in its policies and practices. Customer data and status is available on line at all branches. Accepting that time has value, the Company provides prompt services while selling Company products as well as post-sales services. Customers enquiries and complaints are attended instantly. Secondly the Company is known for its customer friendly and transparent finance schemes. Once a Berar customers- always Berar customers. There are committed staffs at Head Office level as well as branch level to attend to customer enquiries to offer prompt services and attend customers complaints urgently.

Annexure II

Report on Corporate Governance

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

1) Board Of Directors

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

The Composition as on 31.03.2016 is as follows

<u>Category</u>	<u>Name Of Directors</u>	<u>Designation</u>
Promoter	Mr.Maroti awanjar	Chariman and Managing Director
NonExecutive Director	Mr.Shantaram Mahakalkar	Director
Non Executive Director	Mr.Ashok Kachore	Director
Non Executive Director	Mr.Dattatraya Dalal	Director
Non Executive Director	Mr.Bankim Shah	Director
Independent Director	Mr.Vishwas Pathak	Director
Independent Director	Mr.Atul Sarda	Director
Promoter	Mr.Sandeep Jawanjal	Executive Director.

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.

During the year under review,6 meetings of the Board Of Directors were held -

Date	Date
1. 22.06.2015	4.26.12.2015
2 30.09.2015	5.25.01.2016
3.24.11.2015	6.19.03.2016

The details of Directors, attendance at Board meetings AGM are as follows:

Name	Attendance Particulars	
	Board Meeting	AGM
1) Mr.Maroti Jawanjar	6	Yes
2) Mr.Shantaram Mahakalkar	6	Yes
3) Mr.Ashok Kachore	6	Yes
4) Mr.Dattatraya Dalal	6	Yes
5) Mr.Bankim Shah	2	No
6) Mr.Vishwas Pathak	5	No
7) Mr.Atul Sarda	5	Yes
8) Mr.Sandeep Jawanjal	6	Yes

Mr.Bankim Shah is director in two private limited companies. The name of the companies are i)Connect Infotain Private Limited and ii)Connect Capital Private Limited.

None of the other Directors is holding directorship in other companies and hence details of their Directorship is not given.

Remuneration of Directors

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

	Rs.		Rs.
Mr.Shantaram Mahakalkar	12,000	Mr.Bankim Shah	4,000
Mr.Ashok Kachore	10,000	Mr.Vishwas Pathak	20,000
Mr.Dattatraya Dalal	16,000	Mr.Atul Sarda	20,000

During the year under review the Company paid Rs.101.74 Lacs towards remuneration to Mr.Maroti Jawanjar, Managing Director and Mr.Sandeep Jawanjal, Executive Director. (Details provided in note 22.19 of the notes to financial statements)

2) Audit Committee

The Board has set up the Audit Committee with two Independent Directors. The members of the committee are Mr.Sandeep Jawanjal(Executive Director), Mr.Vishwas Pathak(Independent Director) and Mr.Atul Sarda(Independent Director). Mr.Atul Sarda is the chairman of the Audit Committee.

The Audit Committee meetings were held on 22.06.2015, 30.09.2015, 26.12.2015, 16.03.2016, Mr.Vishwas Pathak has taken leave of absence on Committee meeting dated 30.09.2015.All the other members have attended the aforesaid meetings. The statutory Auditors were invited to the above meetings.

The Audit Committee reviews the financial accounting policies, adequacy of internal control system and system audit and interacts with statutory auditors, internal auditors, senior executives. The committee reviews the audit plan, interim and annual financial results of operations, observations of internal and external auditors.

3 Risk Management and ALM committee

The Board has set up Asset-Liability Management Committee and Risk Management Committee pursuant to the requirement of Reserve Bank Of India .As on date the Committee is consisting of Mr.Maroti Jawanjar (Chairman), Mr.Sandeep Jawanjal and Mr. Shantaram Mahakalkar as members of the said committee. The Committee regularly reviews the Company assets and liabilities, its quality and business risk. The Internal Auditors also report to the Committee from time to time for the purpose of risk management.

During the financial year ended 31.03.2016 meetings were held on 27.06.2015 and 30.10.2015 .All the members have attended the aforesaid meetings .

Business Risk Evaluation and Management is an ongoing process with in the organistion .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 -

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

On Board Meeting dated 30.09.2015, the committee has been reconstituted in terms of members . Upto 30.09.2015, Mr.Dattaraya Dalal was member of the committee in place of Mr.Shantaram Mahakalkar. Other members remain the same.

4.Nomination and Remuneration Committee

The Committee was constituted in pursuance of section 178 of the Companies Act 2013.

As on date the Committee consists of the following members:

Mr.Vishwas Pathak – Chairman

MrAtul Sarada - Member

Mr.Dattatraya Dalal - Member

During the financial year ended 31.03.2016 meetings were held on 22.06.2016 and 16.03.2016 .All the members have attended the aforesaid meetings .

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

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

On Board Meeting dated 30.09.2015, the Committee has been reconstituted in terms of members. Upto 30.09.2015, Mr.Shantaram Mahakalkar was member of the committee in place of Mr.Dattatraya Dalal. Other members remain the same.

5.Stakeholders Relationship Committee

As on date the composition of the Stakeholders Relationship Committee is as follows:

Mr.Shantaram Mahakalkar- Chairman

Mr.Ashok Kachore - Member

Mr.Dattaraya Dalal – Member

The Stakeholders Relationship Committee reviews redressal of complaints from shareholders, depositors, Bondholders, etc.

The meeting was held on 16.03.2016.

The Company secretary is the secretary of the Committee.No Complaints were received during the year

On Board Meeting dated 30.09.2015, the Committee has been reconstituted in terms of members. Mr. Shantaram Mahakalkar has been appointed as Chairman of the Committee Meeting in place of Mr. Ashok Kachore, who continues to be a member of the Committee. Further Mr. Dattatraya Dalal has been appointed as one more member of the Stakeholders Relationship Committee.

6. Corporate Social Responsibility (CSR) committee

As required under section 135 of the Companies Act, 2013, the Company has formed a CSR Committee comprising the following members.

Name of Directors	Designation
Mr. Marotrao Jawanjar	Chairman
Mr. Sandeep Jawanjar	Member
Mr. Vishwas Pathak	Member

The committee met on 30.09.2015 and 16.03.2016 during the financial year ended 31.03.2016. Mr. Vishwas Pathak has been granted leave of absence for committee meeting dated 30.09.2015. All the other members have attended the aforesaid CSR Committee meetings.

7. Independent Directors Meeting

During the year under review the Independent Directors met on 16.03.2016, inter alia to discuss

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

All The Independent Directors were present at the meeting.

8. General Body Meetings

The particulars of last 3 years Annual General Meetings are as under

Fin. Year	Day	Date	Time	Place
2014-15	Saturday	26.09.2015	3.30P.M.	Celebration Centre N. Ambazari Road, Nagpur
2013-14	Saturday	23.08.2014	3.30P.M.	Celebration Centre N. Ambazari Road, Nagpur
2012-13	Saturday	03.08.2013	3.30P.M.	Hotel Centre Point Ramdaspath, Nagpur

Details of the Special Resolutions passed at the last three Annual general Meetings (AGM) and Postal Ballot:

1. Special Resolution passed at AGM held on 03.08.2013
 - a. Section 81 of the Companies Act, 1956: Issue of further shares to any person not being shareholder of the Company.
2. Special Resolution passed at AGM held on 23.08.2014
 - a. Section 180(1) (a) of the Companies Act 2013:
Authorising Board of Directors to charge/mortgage company's movable/ immovable properties.
 - b. Section 180(1) (c) of the Companies Act, 2013:
Approval of the borrowing powers of Board of Directors upto a total limit of Rs.200.00 crores.
3. Following three Special Resolutions were passed by the members through postal ballot on 25.09.2015:
 - a. Section 180(1) (c) of the Companies Act, 2013:

Approval of the borrowing powers of Board of Directors upto a total limit of Rs.400.00 crores.

b. Section 180(1) (a) of the Companies Act 2013:

Authorising Board of Directors to charge/mortgage company's movable/ immovable properties.

Mr.Amit Rajkotiya , Practising Company Secretary was appointed as scrutinizer for conducting the postal ballot process in a fair and transparent manner. Both the resolutions were passed with 100 % voting in favour of the resolutions.

Resolution No. 1:

Total Valid Votes	Votes with Assent	Votes in decent	%
3571284	3571284	0	100

Resolution No.2

Total Valid Votes	Votes with Assent	Votes in decent	%
3615184	3615184	0	100

9.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 by adoption of highest standard of professionalism, honesty, integrity and ethical behavior, the Company has adopted a vigil mechanism policy. The mechanism of whistle blower policy is in place. Both Vigil Mechanism and Whistle Blower policies are posted on website of the Company .No personnel have been denied access to the Chairman or members of the Audit Committee.

Annexure III

Report on CSR activities.

1.A Brief outline of Company's CSR Policy

The Company CSR Policy is approved at the Board Meeting held on 05.03.2015. Berar Finance Limited as a good corporate citizen, has adopted CSR as strategic tool for sustainable growth and has decided to contribute to the development of the communities as a whole. In doing so, the Company aims at building a better, sustainable way of life for the weaker section of society,

The three areas in which Berar Finance plans to work shall include Education, Health and Environmental sustainability. The objectives of the Company for the above activities shall be as follows

- 1) Education- Our endeavor is to spark the desire for learning and enlighten minds. We may undertake to fulfill this objective by way of providing quality education initiatives or by financial assistance to the poor and needy students, undertaking to impart vocational training, adult education programs, girl education, other related infrastructure etc.
- 2) Health Care- Our goal is to render quality health care facilities which we may provide by way of undertaking preventive healthcare programs by way of including but not limited to settings various camps and related infrastructure services, providing of sanitation and making available safe drinking water etc.
- 3) Environmental Sustainability -For addressing this objective we may undertake afforestation, planting of trees, maintain public garden, playground cleanliness and such other like programmes, activities towards maintaining ecological balance, quality of soil, air and water, conservation of natural resources etc.

2. Composition Of Committee

Name	Designation
Mr. Maroti Jawanjar	Chairman
Mr. Sandeep Jawanjal	Member
Mr. Vishwas Pathak	Member

3. Average net profit of the Company for Last 3 financial years.

Profits for 3 past years (Rs.lacs)

		Average Net Profit (Rs.Lacs)
2014-15	1053.41	
2013-14	863.19	882.93
2012-13	732.20	

4. Prescribed CSR expenditure (2% of the amount as in item 3

The Company is required to spend Rs.17.66 lacs .

During the year, the Company spent Rs.7.27 lacs. The Company is in the process of identifying good projects and once finalized the needful expenditure will be incurred on such projects.

5. Details of CSR Spend

The Company spent the amount on CSR activities in the following ways.

Project Description	Amount Spent	Purpose
1) Contribution to of sadhnya Sanwardhan Sanstha	Rs. 5,00,000.00	Education to the mentally retarded children
2) Medical Teratment of poor children :		
a) Ms. Janvi Ghodele	Rs. 80,000.00	Eye Cancer Treatment
b) Master.Vyankatesh Garalwar	Rs. 80,000.00	Eye operation-Accidental injury.
3) Promoting education:		
a) Cycle Distribution to poor girl students	Rs. 32,000.00 }	}
b) Reimbursement of college fees of Ms.Apexa Kotawar	Rs. 35,000.00 }	Promoting education among the girl students }

	Rs. 7,27,000.00	

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

Annexure IV

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	U65929MH1990PLC057829
2	Registration Date	22-08-1990
3	Name of the Company	BERAR FINANCE LIMITED
4	Category/Sub-category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
5	Address of the Registered office & contact details	AVINISHA TOWER, MEHADIA CHOWK, DHANTOLI, NAGPUR-440012 .PH. NO.0712-6663999
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	GRANTING LOANS TO INDIVIDUALS	64,920	100
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NOT APPLICABLE				
2					
3					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	23,48,494	23,48,494	29.36%	-	25,42,412	25,42,412	31.78%	8.26%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	10,54,434	10,54,434	13.18%	-	10,54,434	10,54,434	13.18%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	34,02,928	34,02,928	42.54%	-	35,96,846	35,96,846	44.96%	5.70%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	34,02,928	34,02,928	42.54%	-	35,96,846	35,96,846	44.96%	5.70%
B. Public									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	15,450	15,450	0.19%	-	4,450	4,450	0.06%	-71.20%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-								
i) Individual shareholders holding nominal share		23,00,788	23,00,788	28.76%	-	22,22,006	22,22,006	27.78%	-3.42%

capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	22,80,834	22,80,834	28.51%	-	21,76,698	21,76,698	27.21%	-4.57%
c) Others (specify)									
Non Resident			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	45,97,072	45,97,072	57.46%	-	44,03,154	44,03,154	55.04%	-4.22%
Total Public (B)	-	45,97,072	45,97,072	57.46%	-	44,03,154	44,03,154	55.04%	-4.22%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	80,00,000	80,00,000	100.00%	-	80,00,000	80,00,000	100.00%	1.48%

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	JAWANJAR MAROTI	9,50,144	11.88%		10,00,644	12.51%		5.31%
2	JAWANJAR JYOTI	2,72,350	3.40%		2,72,350	3.40%		0.00%
3	JAWANJAR SANDEEP	2,66,900	3.34%		2,92,718	3.66%		9.67%
4	JAWANJAR BAKUL	1,01,000	1.26%		1,01,000	1.26%		0.00%
5	JAWANJAR RADHEMOHAN	1,200	0.02%		1,200	0.02%		0.00%
6	MAROTI JAWANJAR(HUF)	6,56,900	8.21%		7,69,500	9.62%		17.14%
7	SANDEEP JAWANJAR(HUF)	1,00,000	1.25%		1,05,000	1.31%		5.00%
8	AVINO AGRI-FARMS LIMITED	10,54,434	13.18%		10,54,434	13.18%		0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	JAWANJAR MAROTI						
	At the beginning of the year			9,50,144	11.88%	9,50,144	11.88%
	Changes during the year	10.11.2015	Transfer	30,000	0.38%	9,80,144	12.25%
		14.12.2015	Transfer	16,200	0.20%	9,96,344	12.45%
		06.01.2016	Transfer	300	0.00%	9,96,644	12.46%
		25.03.2016	Transfer	4,000	0.05%	10,00,644	12.51%
	At the end of the year					10,00,644	12.51%
2	JAWANJAR JYOTI						
	At the beginning of the year			2,72,350	3.40%	2,72,350	3.40%
	Changes during the year			-	0.00%	2,72,350	3.40%
	At the end of the year					2,72,350	3.40%
3	JAWANJAR SANDEEP						
	At the beginning of the year			2,66,900	3.34%	2,66,900	3.34%
	Changes during the year	02.09.2015	Transfer	7,000	0.09%	2,73,900	3.42%
		16.10.2015	Transfer	17,818	0.22%	2,91,718	3.65%
		10.11.2015	Transfer	1,000	0.01%	2,92,718	3.66%
	At the end of the year					2,92,718	3.66%
4	JAWANJAR BAKUL						
	At the beginning of the year			1,01,000	1.26%	1,01,000	1.26%
	Changes during the year			-	0.00%	1,01,000	1.26%
	At the end of the year					1,01,000	1.26%
5	JAWANJAR RADHEMOHAN						
	At the beginning of the year			1,200	0.02%	1,200	0.02%
	Changes during the year			-	0.00%	1,200	0.02%
	At the end of the year					1,200	0.02%
6	MAROTI JAWANJAR(HUF)						
	At the beginning of the year			6,56,900	8.21%	6,56,900	8.21%
	Changes during the year	10.07.2015	Transfer	3,600	0.05%	6,60,500	8.26%
		14.08.2015	Transfer	35,300	0.44%	6,95,800	8.70%
		02.09.2015	Transfer	850	0.01%	6,96,650	8.71%
		19.09.2015	Transfer	1,100	0.01%	6,97,750	8.72%
		16.10.2015	Transfer	40,900	0.51%	7,38,650	9.23%
		10.11.2015	Transfer	11,750	0.15%	7,50,400	9.38%
		14.12.2015	Transfer	800	0.01%	7,51,200	9.39%
		06.01.2016	Transfer	4,600	0.06%	7,55,800	9.45%
		25.01.2016	Transfer	8,200	0.10%	7,64,000	9.55%
		08.02.2016	Transfer	5,500	0.07%	7,69,500	9.62%
	At the end of the year					7,69,500	9.62%

7	SANDEEP JAWANJAL(HUF)						
	At the beginning of the year			1,00,000	1.25%	1,00,000	1.25%
	Changes during the year	14.12.2015	Transfer	5000	0.06%	1,05,000	1.31%
	At the end of the year					1,05,000	1.31%
8	AVINO AGRI- FARMS PVT.LTD.						
	At the beginning of the year			10,54,434	13.18%	10,54,434	13.18%
	Changes during the year			-	0.00%	10,54,434	13.18%
	At the end of the year					10,54,434	13.18%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	KACHORE RAVINDRA						
	At the beginning of the year			2,33,484	2.92%	2,33,484	2.92%
	Changes during the year			-	0.00%	2,33,484	2.92%
	At the end of the year					2,33,484	2.92%
2	KACHORE NARENDRA						
	At the beginning of the year			1,98,482	2.48%	1,98,482	2.48%
	Changes during the year			-	0.00%	1,98,482	2.48%
	At the end of the year					1,98,482	2.48%
3	PATNI AJAYKUMAR						
	At the beginning of the year			1,00,000	1.25%	1,00,000	1.25%
	Changes during the year			-	0.00%	1,00,000	1.25%
	At the end of the year					1,00,000	1.25%
4	KIDILE PRAKASH						
	At the beginning of the year			62,650	0.78%	62,650	0.78%
	Changes during the year			-	0.00%	62,650	0.78%
	At the end of the year					62,650	0.78%
5	CHAUDHARI SUBHASHCHANDRA						
	At the beginning of the year			60,000	0.75%	60,000	0.75%
	Changes during the year			-	0.00%	60,000	0.75%
	At the end of the year					60,000	0.75%
6	MUTHA PARAS						
	At the beginning of the year			50,000	0.63%	50,000	0.63%
	Changes during the year			-	0.00%	50,000	0.63%
	At the end of the year					50,000	0.63%

7	MUTHA CHANDAN						
	At the beginning of the year			50,000	0.63%	50,000	0.63%
	Changes during the year			-	0.00%	50,000	0.63%
	At the end of the year					50,000	0.63%
8	AGRAWAL VIDUSHI						
	At the beginning of the year			48,500	0.61%	48,500	0.61%
	Changes during the year			-	0.00%	48,500	0.61%
	At the end of the year					48,500	0.61%
9	AGRAWAL CHANDA						
	At the beginning of the year			43,000	0.54%	43,000	0.54%
	Changes during the year			-	0.00%	43,000	0.54%
	At the end of the year					43,000	0.54%
10	AGRAWAL NIKHIL						
	At the beginning of the year			40,750	0.51%	40,750	0.51%
	Changes during the year			-	0.00%	40,750	0.51%
	At the end of the year					40,750	0.51%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	JAWANJAR MAROTI						
	At the beginning of the year			9,50,144	11.88%	9,50,144	11.88%
	Changes during the year	10.11.2015	Transfer	30,000	0.38%	9,80,144	12.25%
		14.12.2015	Transfer	16,200	0.20%	9,96,344	12.45%
		06.01.2016	Transfer	300	0.00%	9,96,644	12.46%
		25.03.2016	Transfer	4,000	0.05%	10,00,644	12.51%
	At the end of the year					10,00,644	12.51%
2	MAHAKALKAR SHANTARAM						
	At the beginning of the year			29,900	0.37%	29,900	0.37%
	Changes during the year			-	0.00%	29,900	0.37%
	At the end of the year					29,900	0.37%
3	PATHAK VISHWAS						
	At the beginning of the year			26,400	0.33%	26,400	0.33%
	Changes during the year			-	0.00%	26,400	0.33%
	At the end of the year					26,400	0.33%

4	KACHORE ASHOK						
	At the beginning of the year			24,034	0.30%	24,034	0.30%
	Changes during the year			-	0.00%	24,034	0.30%
	At the end of the year					24,034	0.30%
5	DALAL DATTATRAYA						
	At the beginning of the year			1,06,716	1.33%	1,06,716	1.33%
	Changes during the year	06.01.2016	Transfer	(4,000)	-0.05%	1,02,716	1.28%
	At the end of the year					1,02,716	1.28%
6	SHAH BANKIM						
	At the beginning of the year			3,600	0.05%	3,600	0.05%
	Changes during the year			-	0.00%	3,600	0.05%
	At the end of the year					3,600	0.05%
7	SARDA ATUL						
	At the beginning of the year			13,200	0.17%	13,200	0.17%
	Changes during the year			-	0.00%	13,200	0.17%
	At the end of the year					13,200	0.17%
8	JAWANJAL SANDEEP						
	At the beginning of the year			2,66,900	3.34%	2,66,900	3.34%
	Changes during the year	02.09.2015	Transfer	7,000	0.09%	2,73,900	3.42%
		16.10.2015	Transfer	17,818	0.22%	2,91,718	3.65%
		10.11.2015	Transfer	1,000	0.01%	2,92,718	3.66%
	At the end of the year					2,92,718	3.66%
9	BALPANDE DEEPALI						
	At the beginning of the year			36,000	0.45%	36,000	0.45%
	Changes during the year			-	0.00%	36,000	0.45%
	At the end of the year					36,000	0.45%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	77,44,73,036.00	-	31,53,94,145.00	1,08,98,67,181.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21,33,695.00	-	1,86,77,920.00	2,08,11,615.00
Total (i+ii+iii)	77,66,06,731.00	-	33,40,72,065.00	1,11,06,78,796.00
Change in Indebtedness during the financial year				
* Addition	65,40,94,632.00	-	24,17,31,200.00	89,58,25,832.00
* Reduction	38,18,43,048.00	-	8,71,69,763.00	46,90,12,811.00
Net Change	27,22,51,584.00	-	15,45,61,437.00	42,68,13,021.00
Indebtedness at the end of the financial year				
i) Principal Amount	1,03,78,60,155.00	-	44,55,42,016.00	1,48,34,02,171.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,09,98,160.00	-	4,30,91,486.00	5,40,89,646.00
Total (i+ii+iii)	1,04,88,58,315.00	-	48,86,33,502.00	1,53,74,91,817.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

SN	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		Mr.Maroti Jawanjar Managing Director	Mr.Sandeep Jawanjal Executive Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,60,000.00	18,10,000.00	42,70,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,200.00	10,800.00	18,000.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	31,11,008.00	22,88,992.00	54,00,000.00
	- others, specify			-
5	Others, please specify(PF Contribution & Gratuity)	2,13,461.00	2,72,668.00	4,86,129.00
	Total (A)	57,91,669.00	43,82,460.00	1,01,74,129.00
	Ceiling as per the Act			1,35,51,626.00

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Mr.Vishwas Pathak	Mr.Atul Sarda	Mr.Bankim Shah(NED)	
1	Independent Directors				
	Fee for attending board committee meetings	14,000.00	14,000.00	-	28,000.00
	Commission	-	-	-	-
	Others, please specify(Board Meetings)	6,000.00	6,000.00	4,000.00	16,000.00
	Total (1)	20,000.00	20,000.00	4,000.00	44,000.00
2	Other Non-Executive Directors(NED)				
	Fee for attending board committee meetings	4,000.00	2,000.00	8,000.00	14,000.00
	Commission	-	-	-	-
	Others, please specify(Board Meetings)	8,000.00	8,000.00	8,000.00	24,000.00
	Total (2)	12,000.00	10,000.00	16,000.00	38,000.00
	Total (B)=(1+2)	32,000.00	30,000.00	20,000.00	82,000.00
	Total Managerial Remuneration				1,02,56,129.00
	Overall Ceiling as per the Act				1,35,51,626.00

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (₹)
		Name			
		Designation	CEO	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	8,98,800.00	8,98,800.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify(PF contribution & Gratuity)	-	-	50,798.00	50,798.00
	Total	-	-	9,49,598.00	9,49,598.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT	Appeal made, if any (give Details)
A. COMPANY		Penalty, Punishment, Compounding	: NIL		
B. DIRECTORS		Penalty, Punishment, Compounding	: NIL		
C. OTHER OFFICERS IN DEFAULT		Penalty, Punishment, Compounding	: NIL		

INDEPENDENT AUDITORS' REPORT

To the Members of
Berar Finance Limited, Nagpur.

Reports on the Financial Statements:

We have audited the accompanying financial statements of Berar Finance Limited, Nagpur (“the Company”), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements:

The Company’s Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenances of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies ; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, 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.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statement that give true and fair view in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company’s Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
 - e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of of sub-section (2) of section 164 of the Companies Act, 2013.
 - f) With respect to the other matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 2.15).
 - ii. As represented by the Company, there are no long term contracts including derivative contracts having material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection fund by the Company.

For APJ & ASSOCIATES
Firm Reg. No.:124810W
Chartered Accountants

Place : Nagpur
Date : 18th June 2016

Atul Bhaiyya
Partner
M.No. 128681

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report the following:

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased programme of physical verification of fixed assets, which in our opinion, is reasonable having regards to the size of the Company and nature of fixed assets. In accordance with the programme, the fixed assets have been physically verified by the management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- II. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- III. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the loans given and investments made.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules framed thereunder with regard to deposits accepted from the public. No order has been passed on the Company by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- V. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013.
- VI. (a) According to the records of the Company and the information and explanation given to us, undisputed statutory dues including provident fund, investor education and protection fund. Employee state insurance, income tax, wealth tax, services tax, sales tax, value added tax, customs duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authority, were regularly deposited during the year with the appropriate authority.
- (b) According to the records of the Company and the information and explanation given to us, there are no dues of Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of dispute.

Nature of Dues	Amount (In ₹)	Period to which amount relates	Form where the dispute is pending
Income Tax	12,53,320	FY 2011-12	Commissioner of Income Tax (Appeals)-I, Nagpur
Income Tax	3,67,360	FY 2012-13	Commissioner of Income Tax (Appeals)-I, Nagpur

-
- VII. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank, financial institution, debentures holder or repayments of dues to the government.
- VIII. As per the information and explanations given by the management, we report that, the Company has not raised any money by way of public issue/ follow-on offer and to the best of our knowledge & belief and according to the information & explanations given to us, in our opinion, term loans availed by the Company were applied for the purpose for which the loans were obtained.
- IX. As per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers/ employees was noticed or reported during the course of our audit
- X. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- XI. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- XII. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards
- XIII. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon..
- XIV. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- XV. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are applicable to the Company and the Company has registration under section 45-IA of the Reserve Bank of India Act, 1934.

In our opinion, and according to the information and explanations given to us, and in view of nature of the Company's business/activities during the year, clause no. (ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to it.

For APJ & ASSOCIATES
Chartered Accountants
Firm Reg. No.:124810W

Atul Bhaiyya
Partner
M.No. 128681

Place : Nagpur
Date : 18th June 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BERAR FINANCE LIMITED

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

To the Members of

Berar Finance Limited, Nagpur.

We have audited the internal financial controls over financial reporting of Berar Finance Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditors' 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 (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management 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 March 31, 2016, 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 APJ & ASSOCIATES

**Firm Reg. No.:124810W
Chartered Accountants**

**Atul Bhaiyya
Partner
M.No. 128681**

**Place : Nagpur
Date : 18th June 2016**

Financial Statements

BALANCE SHEET AS AT 31st MARCH, 2016

Figures in ₹

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
a) Share Capital	3	8,00,00,000	8,00,00,000
b) Reserves and Surplus	4	30,18,08,746	22,91,62,932
(2) Non-Current Liabilities			
a) Long-term borrowings	5	62,82,51,603	33,12,13,093
b) Long Term Provisions	9	50,41,422	31,30,369
(3) Current Liabilities			
a) Short-term borrowings	6	42,96,64,084	33,60,69,452
b) Trade payables	7	6,68,413	19,80,023
c) Other current liabilities	8	50,39,96,788	46,31,85,241
d) Short-term provisions	9	2,76,08,898	3,48,38,720
Total		1,97,70,39,954	1,47,95,79,830
II. Assets			
(1) Non-current assets			
a) Fixed assets			
(i) Tangible assets	10	2,28,26,448	2,11,02,302
(ii) Capital work-in-progress	10	--	--
b) Non-current investments	11	4,91,07,448	2,46,36,214
c) Deferred tax assets (net)	23.3	53,94,379	42,39,470
d) Long term loans and advances	12	49,61,57,098	35,15,67,323
(2) Current assets			
a) Current investments	11	--	14,94,812
c) Cash and cash equivalents	13	14,24,76,401	10,73,02,413
d) Short-term loans and advances	12	1,25,87,95,565	96,77,22,718
e) Other current assets	14	22,82,615	15,14,578
Total		1,97,70,39,954	1,47,95,79,830

In terms of our report attached.

For APJ & ASSOCIATES.
Chartered Accountants
Firm Reg. No. : 124810W

M.G. Jawanjar
(Managing Director)

S.K. Mahakalkar

V. B. Pathak

S.M. Jawanjal
(Executive Director)

A. G. Kachore

Atul Bhaiyya
Partner
M. No. 128681
NAGPUR
18.06. 2016

D.R. Balpande
(Company Secretary)

D.P. Dalal

B.V. Shah

A.D. Sarda
DIRECTORS

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Figures in ₹

Particulars	Note No.	2015-16	2014-15
I. Income			
Revenue from operations	15	44,32,14,075	34,53,60,733
Other Income	16	70,79,673	47,93,954
I. Total Revenue		45,02,93,748	35,01,54,687
II. Expenditure			
Employee benefit expenses	17	5,08,01,089	3,98,05,247
Administrative & Other expenses	18	8,98,71,918	6,71,91,131
Financial costs	19	16,38,30,967	12,59,65,174
Depreciation & amortization expenses	10	30,70,230	5,06,018
Provisions and Write off	20	1,80,26,537	1,13,45,892
II. Total Expenditure		32,56,00,741	24,48,13,462
Profit before tax (I - II)		12,46,93,007	10,53,41,225
III. Tax expense			
(1) Current tax	21	4,35,00,000	3,80,00,000
(2) Prior Year Tax	21	73,462	5,80,062
(3) Deferred tax	23.3	(11,54,909)	(10,13,757)
III. Total Tax Expenses		4,24,18,553	3,75,66,305
IV. Profit			
Net Profit after tax for the year	(V-VI)	8,22,74,454	6,77,74,920
Balances in Profit & Loss account brought forward		15,82,932	13,43,812
	Total	8,38,57,386	6,91,18,732
V. Appropriations			
Proposed dividend		80,00,000	1,00,00,000
Divident Distribution Tax		16,28,640	20,35,800
Amount transferred to Statutory Reserve		2,20,00,000	1,75,00,000
Amount transferred to general reserve		5,00,00,000	3,80,00,000
Balance Carried over to Balances Sheet		22,28,746	15,82,932
	Total	8,38,57,386	6,91,18,732
VIII. Earning per equity share : (Annualised)			
(1) Basic		10.28	8.47
(2) Diluted		10.28	8.47
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For APJ & ASSOCIATES.
FirmReg. No. : 124810W
Chartered Accountants

M.G. Jawanjar
(Managing Director)

S.K. Mahakalkar

V. B. Pathak

S.M. Jawanjal
(Executive Director)

A. G. Kachore

D.P. Dalal

Atul Bhaiyya
Partner
M. No. 128681
NAGPUR
18.06. 2016

D.R. Balpande
(Company Secretary)

B.V. Shah

A.D. Sarda

DIRECTORS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Figures in ₹

	PARTICULARS	2015-16	2014-15
A	<u>CASH FLOW FROM OPERATING ACTIVITY</u>		
	Net profit before taxation	12,46,93,007	10,53,41,225
	Adjustment for :		
	Depreciation	30,70,230	5,06,018
	(Profit)/ Loss on sale of Securitiers investments	-	(8,76,525)
	(Profit)/ Loss on sale of Current & long term investments	1,31,062	3,94,250
	Profit on sale of fixed assets	-	(42,907)
	Interest paid on Term Loans	6,27,98,973	4,41,35,922
	Interest received on current & long term investments & interest on Fixed deposits	(69,66,731)	(38,36,692)
	Dividend received	(56,050)	(26,623)
	Operating profit before working capital changes	18,36,70,491	14,55,94,668
	Adjustment for Decrease/(Increase) in Operating Assets	(43,64,30,660)	(28,91,47,551)
	Adjustment for Decrease/(Increase) in Operating Liabilities	46,40,889	91,17,402
	Cash Generated From Operations	(24,81,19,280)	(13,44,35,481)
	Direct Tax Paid	(4,78,05,902)	(3,55,97,243)
	(a) Net cash inflow from operating activity	(29,59,25,182)	(17,00,32,724)
B	<u>CASH FLOW FROM INVESTING ACTIVITY</u>		
	Purchase of Fixed assets	(47,94,376)	(41,23,582)
	Sale of Fixed Assets	-	80,000
	Purchase of Mutal Funds	-	(2,00,000)
	Purchase of Gold Coins	-	-
	Purchase of Securities Investment	(12,28,733)	(25,08,462)
	Proceeds from Sale of Securities Investment	-	18,60,500
	Purchase of Government Securities	(2,34,03,750)	(1,28,87,250)
	Proceeds from Sale of Government Securities	15,25,000	3,00,000
	Interest received on current & long term investments & interest on Fixed deposits	69,66,731	38,36,692
	Dividend received	56,050	26,623
	(b) Net cash inflow from investing activity	(2,08,79,078)	(1,36,15,479)
C	<u>CASH FLOW FROM FINANCING ACTIVITY</u>		
	Proceeds from Bank & Financial Institution Borrowing (Net of Repayments)	34,14,34,835	26,91,20,967
	Proceeds from Fixed Deposits (Net of Repayments)	15,45,61,437	21,15,01,850
	Proceeds from Non-Covertible Debentures (Net of Repayments)	(6,91,83,251)	(18,01,15,221)
	Interest paid on Term Loans	(6,27,98,973)	(4,41,35,922)
	Share Capital Issued	-	-
	Dividend & Dividend Tax Paid	(1,20,35,800)	(1,40,39,400)
	(c) Net cash inflow from financing activity	35,19,78,248	24,23,32,274
	Net increase/(Decrease) in cash and cash equivalents	3,51,73,988	5,86,84,071
	Cash and cash equivalents at the beginning of the period	10,73,02,413	4,86,18,342
	Cash and cash equivalents at the end of the period	14,24,76,401	10,73,02,413
	Composition of cash & cash equivalents :		
	Cash in hand	49,65,545	30,70,860
	Bank balances	13,75,10,856	10,42,31,553

The above cash flow statement is prepared as per Indirect method set out in AS-3 issued by ICAI in terms of our report attached.

For APJ & ASSOCIATES.
FirmReg. No. : 124810W
Chartered Accountants

Atul Bhaiyya
Partner
M. No. 128681
NAGPUR

18.06. 2016

M.G. Jawanjar
(Managing Director)

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(Executive Director)

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(Company Secretary)

S.K. Mahakalkar

V. B. Pathak

A. G. Kachore

D.P. Dalal

B.V. Shah

A.D. Sarda

DIRECTORS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1) Corporate Information

Berar Finance Limited is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Berar Finance Ltd. is a NBFC & it holds a valid certificate of registration, issued by the Reserve Bank of India dated 24th November, 1998. Berar Finance Ltd. has its headoffice at Nagpur and 26 branches spread across Central India as at March, 2016. Berar Finance Ltd is engaged in business of financing of Two Wheeler loans, Car Loans, Agriculture Equipments Loans, Personal Loans, Demand Loans, Consumer Loans, Commercial Vehicle Loans and Loans against Vehicles.

2) Significant Accounting Policies

1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and conform to the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the notified Accounting Standards under Companies Accounting Standard Rules, 2006, (As amended), and the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC').

2 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset & liabilities at the date of the financial statement and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Management is of the view that the estimates used in the preparation of financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

3 Cash Flow Statement

The Cash flow statement is prepared in accordance with the Indirect method prescribed in Accounting Standard 3.

4 Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

5 Valuation of Investments

Investments are classified into Long Term Investments and Current Investments. Long-term investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary. Current investments are valued at lower of cost and market value / net asset value determined on an individual investment basis.

6 Provisioning / Write-off of assets

The management has written-off Secured loans which have gone bad and the recovery of which is doubtful & uncertain. The provision is made as per provision required as per Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

7 Advances under Financing Activity

Advances under financial activity includes Two Wheelers loans, Car Loans, Agriculture Equipments Loans, Personal Loans, Demand Loans, Consumer Loans, Commercial vehicle Loans and Loan against vehicles/ assets. Advances are stated at amount advanced including finance charges accrued except in case of significant uncertainties and expenses recoverable, as reduced by the amounts received up to March 31, 2016.

8 Revenue recognition

- i. The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in the case of significant uncertainties.
- ii Interest on loans is recognized under the internal rate of return method.
- iii Dividend is recognized as income when right to receive payment is established by the balance sheet date.
- iv Interest on securities is accounted for on accrual basis except where the ultimate collection cannot be established with reasonable certainty.

9 Employee Benefits

a) Short Term Employee Benefits

Short Term Employees Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Post Employment Benefits

(i) Provident Fund

The Company contributes monthly at a determined rate. These contributions are remitted to the Employees' Provident Fund Organisation, India for this purpose and is charged to Profit and Loss Statement on accrual basis.

(ii) Gratuity

The Company provides for gratuity (a defined benefit retirement plan) to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service or on death while in employment. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the balance sheet date and gains/losses are recognized immediately in the profit and loss account.

(iii) Leave Encashment

Liability in respect of leave encashment is determined using the projected unit credit method with actuarial valuations as on the balance sheet date and gains/losses are recognized immediately in the Statement of profit and loss.

10 Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized

only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The un-recognized deferred tax assets are re-assessed by the Company at each balance sheet date and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares.

12 Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

13 Expenses on deposits / debentures

Expenses on mobilization of deposits / debentures have been charged to Statement of Profit and Loss in year in which they are incurred.

14 Ancillary cost of borrowings and securitisation of advances

Ancillary cost of borrowings are charged to statement of Profit and Loss in the year in which they are incurred.

3 SHARE CAPITAL

Amount in ₹

Particulars	As at 31.03.16	As at 31.03.15
Authorized		
Equity shares, of ₹ 10 each 1,50,00,000 equity shares	15,00,00,000	15,00,00,000
Issued, Subscribed and Fully Paid-Up		
Equity shares, of ₹ 10 each 80,00,000 Equity shares fully paid-up	8,00,00,000	8,00,00,000
TOTAL	8,00,00,000	8,00,00,000

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

3,10,000 Equity shares out of issued, subscribed and fully paid up share capital were allotted as Bonus Shares by capitalisation of Share Premium and General Reserve.

The reconciliation of the number of shares outstanding as at March 31, 2016 and March 31, 2015 is set out below:

Particulars	As at 31.03.16	As at 31.03.15
Number of shares as at the beginning	80,00,000	80,00,000
Add: Shares allotted during the period	--	--
Number of shares as at the end	80,00,000	80,00,000

The details of shareholders holding more than 5% shares as at March 31, 2016 is set out below :

Name of the shareholder	No. of shares	% held as at 31.03.16
M/s Avino Agri Farms Private Limited	10,54,434	13.18%
Mr. Maroti Jawanjar	10,00,644	12.51%
Mr. Maroti Jawanjar (HUF)	7,69,500	9.62%

4. RESERVES AND SURPLUS

Amount in ₹

Particulars	As at 31.03.16	As at 31.03.15
A. Statutory Reserve		
Opening balance	8,33,15,000	6,58,15,000
Add: Transferred from Surplus	2,20,00,000	1,75,00,000
Closing balance	10,53,15,000	8,33,15,000
B. General Reserve		
Opening balance	14,42,65,000	10,62,65,000
Add: Transferred from Surplus	5,00,00,000	3,80,00,000
Closing balance	19,42,65,000	14,42,65,000
C. Surplus in the Profit & loss Statement		
Opening Balance	15,82,932	13,43,812
Add: Net profit after tax transferred from Statement of Profit and Loss	8,22,74,454	6,77,74,920
Amount available for appropriation	8,38,57,386	6,91,18,732
Less Appropriations:		
Proposed dividend	80,00,000	1,00,00,000
Dividend Distribution tax	16,28,640	20,35,800
Amount transferred to Statutory Reserve	2,20,00,000	1,75,00,000
Amount transferred to General Reserve	5,00,00,000	3,80,00,000
Closing Balances	22,28,746	15,82,932
TOTAL	30,18,08,746	22,91,62,932

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

5. LONG TERM BORROWINGS

Secured

Amount in ₹

Particulars	Non-Current As at 31st March		Current As at 31st March	
	2016	2015	2016	2015
(a) Redeemable Non-Convertible debentures of Rs.1000 [Refer Note 5.1 & 5.3]	--	4,19,83,973	4,68,04,645	7,40,03,923
(b) Term Loans From Financial Institutions [Refer Note 5.1 & 5.2]	37,48,55,504	7,16,04,475	19,75,34,082	25,29,44,908
	37,48,55,504	11,35,88,448	24,43,38,727	32,69,48,831
Unsecured Fixed Deposits [Refer Note 5.4]	25,33,96,099	21,76,24,645	23,52,37,403	11,64,47,420
	25,33,96,099	21,76,24,645	23,52,37,403	11,64,47,420
TOTAL	62,82,51,603	33,12,13,093	47,95,76,130	44,33,96,251

5.1 Secured by First charge on specific receivables under Hypothecation Agreements other than those hypothecated to banks.

5.2 Terms of Repayment for secured borrowing including current maturities

Particulars	Period	ROI	Non Current	Current
Term Loan of Rs.427.40 lacs, Repayment Starting From May,13	36 months	15.50%	--	14,49,645
Term Loan of Rs.464.00 lacs, Repayment Starting From May,14	24 months	15.50%	--	19,86,184
Term Loan of Rs.163.55 lacs, Repayment Starting From Sep,14	24 months	15.50%	--	37,70,956
Term Loan of Rs.213.94 lacs, Repayment Starting From Oct,14	24 months	15.50%	--	59,10,283
Term Loan of Rs.165.00lacs, Repayment Starting From Oct,14	24 months	15.50%	--	45,37,531
Term Loan of Rs.500.00lacs, Repayment Starting From Jun,15	24 months	14.00%	48,23,014	2,61,06,577
Term Loan of Rs.105.00lacs, Repayment Starting From Dec,15	24 months	14.00%	38,82,904	51,23,935
Term Loan of Rs.500.00 lacs, Repayment Starting From May,14	24 months	15.60%	--	21,06,049
Term Loan of Rs.300.00lacs, Repayment Starting From Oct,14	24 months	15.25%	--	75,02,816
Term Loan of Rs.500.00lacs, Repayment Starting From Jul,14	24 months	15.00%	--	71,40,671
Term Loan of Rs.500.00lacs, Repayment Starting From Dec,14	24 months	14.75%	--	61,71,983
Term Loan of Rs.500.00lacs, Repayment Starting From Feb,15	24 months	14.75%	--	1,21,69,856
Term Loan of Rs.500.00lacs, Repayment Starting From Aug,15	24 months	14.60%	96,24,781	2,55,26,037
Term Loan of Rs.500.00lacs, Repayment Starting From Oct,15	24 months	14.60%	1,42,04,824	2,49,18,540
Term Loan of Rs.300.00lacs, Repayment Starting From Jan,15	24 months	14.50%	88,19,857	1,02,67,484
Term Loan of Rs.500.00lacs, Repayment Starting From Nov,15	36 months	14.50%	2,93,32,385	1,53,45,535
Term Loan of Rs.2000.00lacs, Repayment Starting From Oct,18	12 months	14.00%	20,00,00,000	--
Term Loan of Rs.500.00lacs, Repayment Starting From Dec,15	48 months	14.00%	3,33,34,403	1,25,00,004
Term Loan of Rs.1000.00lacs, Repayment Starting From Feb,16	48 months	14.00%	7,08,33,336	2,49,99,996
			37,48,55,504	19,75,34,082

5.3 Maturity profile and Rate of interest of Secured Non-Convertible Debentures are as set out below:

Rate of Interest	Upto 1 Year	1-3 Years
12.50%	2,70,02,956	--
13.50%	1,98,01,689	--
Total	4,68,04,645	--

5.4 Maturity profile and Rate of interest of Unsecured loans(Fixed Deposits) are as set out below:

Rate of Interest	Upto 1 Year	1-3 Years
10.50%	93,22,571	--
11.00%	3,50,41,620	15,95,615
11.50%	4,61,08,185	83,88,483
12.00%	6,55,39,679	7,22,68,529
12.50%	7,92,25,348	17,11,43,472
Total	23,52,37,403	25,33,96,099

6. SHORT TERM BORROWINGS

Amount in ₹

Particulars	As at 31.03.16	As at 31.03.15
Secured		
(a) Loans from Banks		
Cash Credit from Banks [Refer Note 6.1 to 6.4]	42,96,64,084	33,60,69,452
Total	42,96,64,084	33,60,69,452

- 6.1 Secured by first charge on Hypothecation loan receivables present and future, ranking pari passu, excluding assets which are specifically charged to others lenders.
- 6.2 Secured by equitable mortgage of Office premises situated at Amravti, Akola, Chandrapur, Chhindwara, Raipur and Nagpur.
- 6.3 Secured by hypothecation of furniture/Fixture/Computers/Equipments in the above office premises.
- 6.4 Further secured by personal guarantees of Mr. M.G.Jawanjar, Mrs Jyoti Jawanjar and Mr. S.M.Jawanjal.

7. TRADE PAYABLES

Amount in ₹

Particulars	As at 31.03.16	As at 31.03.15
Sundry Creditors		
(a) total outstanding dues of micro enterprises and small enterprises	6,68,413	19,80,023
(b) total outstanding dues of creditor other than micro enterprises and small enterprises	--	--
Total	6,68,413	19,80,023

8. OTHER CURRENT LIABILITIES

Amount in ₹

Particulars	As at 31.03.16	As at 31.03.15
Current Maturities of non convertible Debenture [Refer Note 5.1 & 5.3]	4,59,38,338	7,31,06,389
Current Maturities of Term Loan from Financial Institutions [Refer Note 5.1 & 5.2]	19,75,34,082	25,29,44,908
Current Maturities of Long Term Deposits [Refer Note 5.4]	23,07,61,058	11,55,60,651
Other Payables		
(a) Statutory Remittances	22,39,206	17,54,913
(b) Security Deposits	59,98,649	43,06,416
(c) Other Expenses Payable (Refer Note 8.1)	1,53,30,141	1,25,99,785
(d) Other Credit Balance	4,24,797	6,87,058
Unclaimed Dividend	4,27,865	4,40,818
Unclaimed Deposits	44,76,345	8,86,769
Unclaimed Non Convertible Debentures	8,66,307	8,97,534
	50,39,96,788	46,31,85,241

8.1 Other Expenses Payable includes commission payable, salary to staff and other payables.

9. PROVISIONS

Amount in ₹

Particulars	Long Term		Short Term	
	As at 31st March		As at 31st March	
	2016	2015	2016	2015
<u>Provision for employee benefits</u>				
For Gratuity	--	--	46,86,545	41,23,767
For Earned Leave	--	--	28,28,490	25,19,395
	--	--	75,15,035	66,43,162
<u>Others</u>				
Dividend Payable	--	--	80,00,000	1,00,00,000
Dividend Distribution Tax Payable	--	--	16,28,640	20,35,800
Provision for Income Tax (Net of Advances Tax & Tax Deducted at sources)	--	--	30,68,398	73,00,838
Provision for NPA	--	--	73,96,825	88,58,920
Contingent Provision Against Standard Assets	50,41,422	31,30,369	--	--
	50,41,422	31,30,369	2,00,93,863	2,81,95,558
	50,41,422	31,30,369	2,76,08,898	3,48,38,720

9.1 Provision for Income tax (Net of Advances Tax & Tax deducted at sources) comprises:

9.2 Advances Income Tax: ₹ 4,00,00,000 (31-Mar-15 ₹ 8,35,08,920)

9.3 Tax Deducted at Sources : ₹ 4,31,602 (31-Mar-15 ₹ 6,53,415)

Notes 10 : FIXED ASSETS

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	AS AT 01.04.15 ₹	ADDI- TION ₹	ADJUST- MENTS ₹	AS AT 31.03.16 ₹	AS AT 01.04.15 ₹	FOR THE YEAR ₹	ADJUST- MENTS ₹	UPTO 31.03.16 ₹	AS AT 31.03.16 ₹	AS AT 31.03.15 ₹
A										
Tangible Assets										
Land-Freehold	28,42,686	--	--	28,42,686	--	--	--	--	28,42,686	28,42,686
Building	1,13,88,644	--	--	1,13,88,644	22,90,322	1,60,163	--	24,50,485	89,38,159	90,98,322
Office Equipments	49,89,641	10,29,512	--	60,19,153	20,54,018	8,62,381	--	29,16,399	31,02,754	29,35,623
Computers	60,39,554	18,75,357	--	79,14,911	42,92,511	11,13,277	--	54,05,788	25,09,123	17,47,043
Generator	3,53,160	--	--	3,53,160	3,35,502	--	--	3,35,502	17,658	17,658
Furniture	60,89,387	9,73,457	--	70,62,844	30,34,352	5,44,950	--	35,79,302	34,83,542	30,55,035
Vehicles	22,56,988	--	--	22,56,988	8,51,053	3,05,700	--	11,56,753	11,00,235	14,05,935
Printers	--	49,800	--	49,800	--	2,602	--	2,602	47,198	--
Server	--	8,66,250	--	8,66,250	--	81,157	--	81,157	7,85,093	--
TOTAL	3,39,60,060	47,94,376	--	3,87,54,436	1,28,57,758	3070230	--	1,59,27,988	2,28,26,448	2,11,02,302
Previous Year	3,02,74,034	41,23,582	4,37,556	3,39,60,060	1,27,52,203	5,06,018	4,00,463	1,28,57,758	2,11,02,302	1,75,21,831

11. INVESTMENTS

Amount in ₹

Particulars	Non- Current As at 31st March		Current As at 31st March	
	2016	2015	2016	2015
In Government Securities- Quoted (Refer Note 11.1 & 11.4)	4,46,54,780	2,12,51,030	--	17,20,413
In Equity Shares- Quoted fully paid up (Refer Note 11.2)	40,68,037	28,39,303	--	--
In Equity Shares- unquoted fully paid up Avino Agri farms Pvt. Ltd. (Refer Note 11.3)	5,90,000	5,90,000	--	--
Other Investments	3,58,881	3,58,881	--	--
	4,96,71,698	2,50,39,214	--	17,20,413
Less: Provision for Diminution in Value of Investments in Government Securities	5,64,250	4,03,000	--	2,25,601
	4,91,07,448	2,46,36,214	--	14,94,812

Note - Non Current Investments

(Amount in ₹)

Particulars	31.03.2016		₹	31.03.2015		₹
	Face Value Per Share ₹	NOS./ UNITS		Face Value Per Share ₹	NOS./ UNITS	
TRADE INVESTMENTS, AT COST						
11.1. Government Securities -						
7.80% GOI BONDS	2021	--		4,67,400	--	4,67,400
8.28% GOI BONDS	2027	--		4,72,250	--	4,72,250
5.69% Govt. Stock	2018	--		3,61,180	--	3,61,180
7.49% Govt.Of India Bonds	2017	--		4,95,000	--	4,95,000
8.03% Govt.Of India FCI Bonds	2024	--		9,59,000	--	9,59,000
8.23% Govt.Of India FCI Bonds	2027	--		6,00,000	--	6,00,000
8.30% GOI FCI Special Bonds	2023	--		10,36,200	--	10,36,200
7.94% GOI Bonds	2021	--		9,16,500	--	9,16,500
7.49% GOI Bonds	2017	--		4,89,000	--	4,89,000
8.26% GOI Bonds	2027	--		5,08,750	--	5,08,750
8.26% GOI BONDS	2027	--		9,92,000	--	9,92,000
8.83% GOI BONDS	2041	--		5,80,500	--	5,80,500
8.12% GOI BONDS	2025	--		4,86,000	--	4,86,000
8.24% GOI BONDS	2027	--		9,93,000	--	9,93,000
8.83% GOI BONDS	2023	--		21,11,400	--	21,11,400
8.24% GOI BONDS	2027	--		5,12,850	--	5,12,850
8.35% GOI BONDS	2022	--		92,70,000	--	92,70,000
8.15% GOI BONDS	2026	--		90,72,000	--	--
8.26% GOI BONDS	2027	--		35,89,250	--	--
7.88% GOI BONDS	2030	--		24,97,500	--	--
7.16% GOI BONDS	2023	--		82,45,000	--	--
	TOTAL (1)			4,46,54,780		2,12,51,030

11.2. INVESTMENTS IN QUOTED EQUITY SHARES

Equity Shares of :

Sundaram Finance Ltd.	10	1000	9,93,570	10	500	2,77,137
Bajaj Finance Ltd.	10	400	8,33,976	10	400	8,33,976
IDBI Bank Ltd.	10	1000	89,252	10	1000	89,252
I.T.C.Ltd.	1	1000	3,48,587	1	1000	3,48,587
Bank of Maharashtra	10	1000	53,704	10	1000	53,704
Mahindra & Mahindra Fin. Services Ltd.	2	1000	2,72,177	2	1000	2,72,177
HDFC Bank Ltd.	2	1000	9,63,126	2	500	4,50,826
L & T Finance Holding Ltd.	10	2000	1,41,505	10	2000	1,41,505
ONGC Ltd.	5	1000	3,72,139	5	1000	3,72,139
TOTAL (2)			40,68,036			28,39,303

11.3. UNQUOTED, AT COST

Equity Shares Of

Avino Agri Farms Pvt. Ltd.	10	59000	5,90,000	10	59000	5,90,000
TOTAL (1+2+3)			4,93,12,816			2,46,80,333

Aggregated Market value of quoted investments ₹ 61,63,480 (P.Y. ₹ 40,30,565)

11.4. Current Investments

Particulars	31.03.2016		Amount in ₹	
	Face Value Per Share ₹	NOS./ UNITS	₹	31.03.2015
TRADE INVESEMENTS, AS COST				
Government Securities -				
5.85% M.P. State Dev. Loans 2015	--	--	--	1,00,000
11.50% GOI Bonds 2015	--	--	--	11,25,601
6.20% Mah. State Govt. Loan 2015	--	--	--	4,94,812
				17,20,413

12. LOANS AND ADVANCES

Amount in ₹

Particulars	Long Term As at 31st March		Short Term As at 31st March	
	2016	2015	2016	2015
	Other Loans & Advances			
Secured Considered Good				
Hypothecation Loans -(Refer Note 12.1 & 12.3)	48,50,96,466	33,45,83,312	1,21,73,26,618	93,71,62,241
Loans Against Deposits	--	--	32,43,124	9,05,720
Personal Loans -(Refer Note 12.1 & 12.3)	65,04,310	23,47,605	39,27,193	33,68,038
Unsecured Considered Good				
Hypothecation Loans -(Refer Note 12.1 & 12.3)	--	--	25,48,318	22,58,651
Advances to Dealers	--	--	2,19,00,834	1,55,10,826
Other Advances	--	--	8,60,322	18,34,570
Advances to Employees	--	--	64,668	58,968
	49,16,00,776	33,69,30,917	1,24,98,71,077	96,10,99,014
Deposits - Unsecured Considered Good				
Security Deposits against borrowing	--	1,17,50,000	82,49,627	50,00,000
Security Deposits for Office Hiring	15,05,000	12,50,000	--	--
Other Deposits	19,99,12	1,84,996	--	--
	17,04,912	1,31,84,996	82,49,627	50,00,000

	2016	2015	2016	2015
<u>Loans & Advances -Unsecured Considered Good</u>				
Avino Agri Farms Pvt. Ltd.	--	--	6,74,861	16,23,704
	--	--	6,74,861	16,23,704
Advance Income Tax (Refer Note 12.2)	28,51,410	14,51,410	--	--
	28,51,410	14,51,410	--	--
	49,61,57,098	35,15,67,323	1,25,87,95,565	96,77,22,718

12.1 The Long term Others loan and advances includes Non Performing Asset of ₹ 14,22,112 (P.Y ₹ 5,12,376)

12.2 Advances income tax comprises Income Tax liability deposited under protest ₹ 28,51,410 (P.Y ₹ 14,51,410)

12.3 The Short term loan and advances includes Non Performing Asset of ₹ 3,74,23,180 (P.Y ₹ 3,08,06,823)

13. CASH AND BANK BALANCES

Amount in ₹

Particulars	As at 31-Mar-16	As at 31-Mar-15
I. Cash And Cash Equivalents		
(a) Cash-on-Hand	22,39,077	16,08,544
(b) Cash in Transit	27,26,468	14,62,316
(c) Balances with banks		
In current accounts	8,04,35,814	7,52,52,625
In Deposits accounts	2,19,99,689	71,61,894
II. Earmarked Balances with banks		
Unpaid Dividend	4,27,865	4,40,818
III. Bank Deposits with more than 12 months maturity		
Bank of Maharashtra - Fixed Deposit (incl. acc. Intt.)	3,46,47,488	2,13,76,216
	14,24,76,401	10,73,02,413

14. OTHER CURRENT ASSETS

Amount in ₹

Particulars	As at 31-Mar-16	As at 31-Mar-15
Interest Accured on Govt. Securities	10,92,251	6,04,325
Interest Accured on Other Deposits	8,40,214	7,03,053
Stamps in Hands	3,50,150	2,07,200
	22,82,615	15,14,578

15. REVENUE FROM OPERATIONS

Amount in ₹

Particulars	For the Year ended 31-03-16	For the Year ended 31-03-15
Interest	37,78,25,871	29,64,09,508
Other Operating Revenues		
Bad Debt Recovered	90,8,806	4,93,133
Securitisation Income	--	19,401
Sale of Agreement	1,36,87,085	1,08,71,247
Processing Fees	5,07,92,313	3,75,67,444
Total	44,32,14,075	34,53,60,733

16. OTHER INCOME

Amount in ₹

Particulars	For the Year ended 31-03-16	For the Year ended 31-03-15
Interest on Bank Deposits	32,06,337	18,29,449
Interest on Other Deposits	12,21,146	10,30,587
Interest on Investments	25,39,248	9,76,656
Dividend received	56,050	26,623
Profit on Investment Sale	30,187	8,76,525
Profit on Sale of Assets	--	42,907
Miscellaneous income	26,705	11,207
Total	70,79,673	47,93,954

EXPENSES

17. EMPLOYEE BENEFIT EXPENSES

Amount in ₹

Particulars	For the Year ended 31-03-16	For the Year ended 31-03-15
Salaries	4,04,90,845	3,02,17,514
Staff Welfare Expenses	1,52,079	2,49,170
Ex-gratia	11,38,534	9,32,812
Commission to Managerial persons	54,00,000	46,90,000
Contribution to PF,ESI & Other Funds		
ESI Employer's contribution	8,28,787	5,91,392
Provident Fund - Employer's Contribution	17,73,267	15,01,528
Gratuity	5,62,778	10,03,364
Earned Leave Provision	4,54,799	6,19,467
Total	5,08,01,089	3,98,05,247

18. ADMINISTRATIVE and OTHER EXPENSES

Particulars	Amount in ₹	
	For the Year ended 31-03-16	For the Year ended 31-03-15
Rent	37,55,102	24,09,225
Rates & Taxes	1,12,615	1,21,302
Service Tax	14,77,748	6,04,669
Payment to Auditors (Refer Note (18.1) Below	1,85,850	1,63,652
Directors sitting fees	82,000	89,664
Legal & Professional Charges	1,18,48,488	84,95,985
Advertisement Expenses	10,11,669	6,72,068
Marketing Commission	1,62,76,938	1,16,41,376
Business Sourcing Commission	3,56,66,546	2,75,67,545
Conveyance & Travelling	36,40,854	29,64,092
Courier & Postage Charges	18,55,812	14,73,094
Computer Charges	7,73,388	4,82,232
Electricity Charges	13,90,740	9,31,630
Donation	--	11,000
Office Car Expenses	1,62,960	1,44,909
Printing & Stationery	37,56,528	30,16,367
Telephone Charges	28,97,986	21,98,012
Office Expenses	16,28,471	13,34,670
Office Building Maintances	1,01,447	69,508
CSR Contribution	7,27,000	6,50,000
Misc Expenses	25,19,776	21,50,131
Total	8,98,71,918	6,71,91,131

18.1 Payments to Auditors Comprises :-		
• For Statutory Audit	1,20,000	1,10,000
• For Tax Audit	40,000	30,000
• For Other Attest Services & Service Tax	25,850	15,000

19. FINANCE COST

Particulars	Amount in ₹	
	For the Year ended 31-03-16	For the Year ended 31-03-15
Interest on Bank Borrowings	4,06,75,278	3,33,51,472
Interest on Deposits	4,97,64,443	2,88,19,810
Interest on NCDs	95,60,035	1,81,33,666
Interest to Others	6,27,98,973	4,41,35,922
Bank Charges	10,32,238	15,24,304
Total	16,38,30,967	12,59,65,174

20. PROVISIONS AND WRITE-OFF

Amount in ₹

Particulars	For the Year ended 31-03-16	For the Year ended 31-03-15
Bad Debts Written Off	1,74,16,329	73,09,099
Provision/(Reversal) for NPA	(14,62,095)	29,87,543
Provision for Standard Assets (Refer Note 20.1)	19,11,053	6,55,000
Provision against Investments	1,61,250	3,94,250
	1,80,26,537	1,13,45,892

20.1 The Company has made a provision on the standard assets. @ 0.30% for current year (P.Y. @ 0.25%)

21. TAX EXPENSES

Amount in ₹

Particulars	For the Year ended 31-03-16	For the Year ended 31-03-15
Current Tax		
Income Tax	4,35,00,000	3,80,00,000
Prior Period Income Tax	73,462	5,80,062
Deferred Tax	(11,54,909)	(10,13,757)
	4,24,18,553	3,75,66,305

22. ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

22.1. Previous Year's figures have been regrouped/re-arranged wherever necessary to conform to current year's classification

22.2 Provisions and Contingencies

Break up of Provisions and Contingencies shows under the head Expenditure in Profit and Loss Accounts	Current Year	Previous Year
Provision for Depreciation on Investment	1,61,250	3,94,250
Provision towards NPA	(14,62,095)	29,87,543
Provision made towards Income Tax	4,35,00,000	3,80,00,000
Provision for Standard Assets	19,11,053	6,55,000

22.3 Concentration of Deposits, Advances, Exposures and NPA

a. Concentration of Deposits

Amount in Cr

Particulars	
Total Deposits of Twenty Largest Depositors	2.87
Percentage of Deposits of Twenty largest depositors to Total Deposits	5.88%

b. Concentration of Advances

Amount in Cr

Particulars	
Total Advances of Twenty Largest borrowers	1.14
Percentage of Advances of Twenty largest borrowers to Total Advances	0.66%

c. Concentration of Exposures Amount in Cr

Particulars	
Total Exposure of Twenty Largest borrowers	1.14
Percentage of Exposure of Twenty largest borrowers to Total Exposure	0.66%

d. Concentration of NPA Amount in Cr

Particulars	
Total Exposure of Top Four NPA Accounts	0.07

22.4 Movements of NPAs

Particulars	Current Year	Previous Year
i. Net NPAs to Net Advances (%)	1.84%	1.75%
ii. Movements of NPAs (Gross)		
a. Opening Balances	3,13,19,199	2,67,86,906
b. Addition during the year	2,99,90,088	1,54,55,756
c. Reduction during the year	2,24,63,995	1,09,23,463
d. Closing Balance	3,88,45,292	3,13,19,199
iii. Movements of Net NPAs		
a. Opening Balances	2,24,60,279	2,09,15,529
b. Addition during the year	2,66,28,565	1,26,60,036
c. Reduction during the year	1,76,40,377	1,11,15,286
d. Closing Balance	3,14,48,467	2,24,60,279
iv. Movements of provisions for NPA		
a. Opening Balances	88,58,920	58,71,377
b. Provision made during the year	(14,62,095)	29,87,543
c. Write-off/ Write back of excess provision	--	--
d. Closing Balance	73,96,825	88,58,920

22.5 Sector wise NPAs

Sr.no	Sector	Of NPA to
a.	Agriculture & Allied activities	32.36%
b.	MSME	0.00%
c.	Corporate Borrowers	0.00%
d.	Services	0.00%
e.	Unsecured personal loans	0.38%
f.	Auto loans	67.26%
g.	Other personal loans	0.00%

22.6 Customers Complaints

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

22.7 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2015-16, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

	As at 31.03.2016	As at 31.03.2015
Principal amount remaining unpaid (but within due date as per MSMED Act)	6,68,413	19,80,023
Interest due thereon remaining unpaid	--	--
Interest paid by the Company in terms of section 16 of the Micro Small and Medium Enterprises Development Act, 2006 alongwith the amount of payment made to the supplier beyond the appointed day during the period	--	--
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	--	--
Interest accrued and remaining unpaid	--	--
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	--	--

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

22.8 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The area for CSR activities are as per 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 profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility. During the Year, the Company has spent only Rs.7.27 lacs on CSR activities.

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

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

22.10 Capital

Amount in ₹

	Particulars	Current Year	Previous Year
i)	CRAR (%)	21.46%	22.80%
ii)	CRAR - Tier I Capital (%)	21.18%	22.57%
iii)	CRAR - Tier II Capital (%)	0.28%	0.23%
iv)	Amount of Subordinated debt raised as Tier-II Capital	--	--
v)	Amount raised by issued of Perpetual Debt Instruments	--	--

22.11 Investments

Amount in ₹

	Particulars	Current Year	Previous Year
1	Value of Investments		
	i) Gross Value of Investments		
	(a) In India	4,96,71,698	2,67,59,627
	(b) Outside India	--	--
	(ii) Provision for Depreciation		
	(a) In India	5,64,250	6,28,601
	(b) Outside India	--	--
	(iii) Net Value of Investments		
	(a) In India	4,91,07,448	2,61,31,026
	(b) Outside India	--	--
2	Movement of Provision held towards depreciation on Investments		
	(i) Opening Balances	6,28,601	2,34,351
	(ii) Add: Provision made during the year	1,61,250	3,94,250
	(iii) Less: Write off/Write-back of excess provision during the year	2,25,601	--
	(iv) Closing Balances	5,64,250	6,28,601

22.12 The Company was not entered into any derivatives contract or has not done any securitisation or Sale of any financial assets to Securitisation/Resconstruction company or has not done any assignment transaction and has not sold/purchase any non performing financial assets.

22.13 The Company has not done any exposure to Real State Sector.

22.14 Exposure to Capital Market

Amount in ₹

	Particulars	Current Year	Previous Year
i)	Direct Investment in equity shares, convertible bonds, convertible debentures and unit of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	48,58,036	36,39,303

22.15 The Company has given unsecured loan of Rs.6,74,861/- to a company and Rs.1,04,31,503 as a personal loans to the borrowers. Personal loans are fully/partly secured by assignment/pledge of life insurances policies, shares and other securities.

22.16 The Company has not obtained registration from any other financial sector regulators.

22.17 During the year no penalties has been imposed by RBI or any other regulator.

22.18 The Company has been assigned rating of "ICRA BBB-/(Stable)" and CARE BBB- (Stable) for Long Term Bank Facilities. The Company has also been assigned "CRISIL FA- (Stable) " for Fixed Deposit programme.

22.19 Details of Managerial Remuneration

Particular	2015-16	2014-15
Salary	42,88,000	40,28,000
Commission	54,00,000	46,90,000
Contribution to Gratuity	2,84,529	3,75,552
Other Allowances & Perquisites	2,01,600	1,87,200
Total	1,01,74,129	92,80,752

22.20 Contingent Liabilities

The company has preferred an appeal against the demand raised of Rs.14,51,410, Rs.24,53,320/- and Rs.5,67,360/- by the Income Tax Authorities for the financial year 2010-11, FY 2011-12 and FY 2012-13 respectively. The company has remitted the amount of Rs.28,51,410/- under protest.

22.21. Asset Liability Management Maturity Pattern of certain items of Assets & Liabilities

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month upto 6 months	Over 6 month upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years upto 5 Years	Total
Deposits	3,93,18,649	1,17,26,977	1,75,15,661	8,29,42,866	8,37,33,250	25,33,96,099	--	48,86,33,502
Advances (Net of Provision)	22,30,29,840	10,90,87,628	10,58,17,268	29,85,15,467	48,65,79,319	48,88,92,743	--	1,71,19,22,265
Investments	--	--	--	--	--	13,45,180	4,86,000	18,31,180
Borrowing	3,79,66,082	2,46,57,994	2,11,14,766	6,47,03,543	52,67,42,581	24,45,06,681	12,91,66,668	1,04,88,58,315

23: Disclosure under Accounting Standards

23.1. Employee Benefits

The details of employee benefits are as given below:

a) Provident Fund:

Retirement benefit in the form of Provident Fund are defined contribution schemes and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.

b) Gratuity:

The company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending upon the date of joining. The same is payable on death, separation from service, or retirement, whichever is earlier. The benefit vests after five years of continuous service or on death.

c) Leave Encashment:

The company has been accounting for provision on account of leave encashment on retirement based on actuarial valuation carried out as at the Balance Sheet date.

d) Disclosures:

(i) Defined Benefit Plans

	<u>2015-2016</u>		<u>2014-2015</u>	
	<u>Non Funded Gratuity</u>	<u>Non Funded Leave Encashment</u>	<u>Non Funded Gratuity</u>	<u>Non Funded Leave Encashment</u>
a) The amount recognised in the Balance sheet as at 31.03.2016				
1) Present Value of defined Benefit Obligation	46,86,545	28,28,490	41,23,767	25,19,395
2) Fair value of plan assets	NA	NA	NA	NA
3) Funded Status-Surplus/(Deficit)	(46,86,545)	(28,28,490)	(41,23,767)	(25,19,395)
4) Less: Unrecognised Past service cost	-	-	-	-
5) Net assets/(liability)	(46,86,545)	(28,28,490)	(41,23,767)	(25,19,395)
b) The amounts recognised in profit & Loss Account				
1) Current service cost	5,24,280	2,40,847	4,64,403	1,96,400
2) Interest Cost	3,19,592	1,95,253	2,90,961	1,85,449
3) Expected return on plan assets	NA	NA	NA	NA
4) Acturail(gain)/losses	(2,81,094)	18,699	2,48,000	2,37,618
5) Net expenses/(gain) recognised in Profit & loss A/c.	5,62,778	4,54,799	10,03,364	6,19,467

c) The changes in the present value of the defined benefit Obligation during the year

1) Opening defined benefit Obligaion	41,23,767	25,19,395	32,32,902	20,60,548
2) Current service cost	5,24,280	2,40,847	4,64,403	1,96,400
3) Interest Cost	3,19,592	1,95,253	2,90,961	1,85,449
4) Acturial(gain)/losses	(2,81,094)	18,699	2,48,000	2,37,618
5) Benefits Paid	--	(1,45,704)	(1,12,499)	(1,60,620)
6) closing defined benefit Obligaion	46,86,545	28,28,490	41,23,767	25,19,395

d) Acturial Assumptions:

(i) Discount Rate	8% Per annum
(ii) Mortality Rate	India Asuured Lives (2006-08) Ultimate Mortality Rates
(iii) Future Salary Increase	6% Per annum
(iv) Withdrawal Rate	1%
(v) Retirement Age	58 Years

Notes:-

- (i) The estimates of future salary increases, considered in acturial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

23.2. Earning per share :

SN.	PARTICULARS	2015-2016(₹)	2014-2015(₹)
A)	Basic Earning per share has been computed as under :		
a)	Net Profit attributable to Equity shareholders (After netting prior period tax from Profit after tax)	8,22,74,454	6,77,74,920
b)	Weighted number of equity shares outstanding	80,00,000	80,00,000
c)	Basic Earning per share in (Face value ₹. 10 per share) (a) / (b)	10.28	8.47
B)	Diluted earning Per share	10.28	8.47

23.3. Deferred Tax (Liabilities) / Assets (Net)

The breakup of deferred Tax assets / liabilities is as under:

SN.	PARTICULARS	31.03.16(₹)	Current year (Credit)/ Charges	31.03.15(₹)
A)	Deferred Tax Assets -			
	For Gratuity Provision	16,21,919	(2,64,693)	13,57,226
	For Non Performing Assets Provision	43,04,629	(9,28,157)	33,76,472
	For Earned Leave Provision	9,78,884	(1,51,541)	8,27,343
	Deferred Tax Assets	69,05,432	(13,44,391)	55,61,041
B)	Deferred Tax Liability -			
	For WDV of Fixed Assets	15,11,053	1,89,482	13,21,571
	Deferred Tax Liabilities	15,11,053	1,89,482	13,21,571
	NET DEFERRED TAX ASSETS/(liability)	53,94,379	(11,54,909)	42,39,470

23.4. SEGMENTREPORTING

In terms of business segment the company is dealing in only one major segment “Hypothecation Loans” and geographically all its operations are situated at one place. Hence no disclosures is needed in accordance with the requirement of AS-17 on “Segment Reporting” issued by the Institute of Chartered Accountants of India.

23.5. Related Party Disclosures : (With Whom the Company has transcations)

Related Party Disclosures as stipulated by AS-18-Related Party Disclosures, issued by ICAI are given below:

Key Management Personnel :

- 1)Mr. M.G. Jawanjar, Managing Director
- 2) Mr. S.M. Jawanjal, Executive Director
- 3) Mrs. Deepali Balpande, Company Secretary

Relative of Key Management Personnel

- 1) Mrs.Jyoti Jawanjar
- 2) Mrs. Bakul Jawanjal
- 3) Radhemohan Jawanjal
- 4) Mrs. Vaishali Charde
- 5) Mr.Ravindra Balpande
- 6) Aaryan Balpande
- 7) Shounak Balpande

Enterprises on which Key Management Personnel & their relative can exercise significant infulence

- 1) Avino Agri Farms Pvt Ltd
- 2) Maroti Jawanjar(HUF)
- 3) Sandeep Jawanjal (HUF)

RELATED PARTY TRANSACTIONS FOR YEAR ENDED 31ST MARCH, 2016

The nature and volume of transactions of the Company during the year with above related parties are as follows.

(Figures in ₹)

Nature of Relationship Nature of Transaction	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprise on which Relative of Key Management Personnel can Exercise Significant Influence	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<u>PAYMENTS</u>						
Remuneration	1,10,79,867	1,00,47,016	7,42,355	6,88,730	--	--
Interest on Deposits	69,681	--	3,06,308	1,88,967	49,236	--
Loans Granted	--	--	75,000	50,000	--	--
Deposit Repaid	3,03,957	29,324	7,26,202	6,89,717	7,04,927	--
Equity Dividend	15,75,055	17,42,766	5,12,563	5,68,800	23,15,231	26,43,876
<u>RECEIPTS</u>						
Interest on Loans	--	--	3,320	240	--	--
Repayment of Loans Granted	--	--	1,28,560	--	--	--
Deposits Accepted	9,60,000	--	21,59,849	13,18,220	12,00,000	50,000
<u>BALANCE OUTSTANDING</u>						
<u>LOANS GRANTED</u>						
Opening Balance	--	--	50,240	--	16,23,704	30,25,246
Closing Balance	--	--	--	50,240	6,74,861	16,23,704
<u>DEPOSITS ACCEPTED</u>						
Opening Balance	3,03,678	--	17,00,126	11,88,808	53,183	--
Closing Balance	10,29,402	3,03,678	24,10,400	17,00,126	5,97,492	53,183

In terms of our report attached.

For APJ & ASSOCIATES.
Firm Reg. No. : 124810W
Chartered Accountants

Atul Bhaiyya
Partner
M. No. 128681
NAGPUR
18-06-2016

M.G. Jawanjar
(Managing Director)

S.M. Jawanjal
(Executive Director)

D.R. Balpande
(Company Secretary)

S.K. Mahakalkar

V. B. Pathak

A. G. Kachore

D.P. Dalal

B.V. Shah
DIRECTORS

SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2016

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

(₹ in lacs)

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	468.05	8.66
	Unsecured (Other than falling within the meaning of public deposits)	--	--
	b) Deferred credits	--	--
	c) Term Loans	5,723.90	--
	d) Inter-corporate loans and borrowing	--	--
	e) Commercial Paper	--	--
	f) Public deposits(Including deposits from directors and their relatives)	4,886.34	44.76
	g) Cash Credit & Working Capital Demand Loan	4,296.64	--
	Total	15,374.92	53.42
2	Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	a) In the form of unsecured debentures	--	--
	b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	--	--
	c) Other Public Deposits	4,886.34	44.76

(₹ in lacs)

No	Particulars	Amount Outstanding
	ASSETS :	
3	Break-up of loans and advances including bills receivables [other than those included in (4) below]	
	a) Secured	32.43
	b) Unsecured	6.75
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	17,154.03
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)	--
	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	40.68
	b)Preference	--
	ii) Debentures and bonds	--
	iii) Units of mutual funds	2.00
	iv) Government securities	446.55
	v) Others (Please specify)	--
	2. Unquoted :	
	i) Shares :a)Equity	5.90
	b)Preference	--
	ii) Debentures and bonds	--
	iii) Units of mutual funds	--
	iv) Government securities	--
	v) Others (Please specify)	--

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

(₹ in lacs)

	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	17,102.14	17.10	17,119.24
	Total	17,102.14	17.10	17,119.24

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

(₹ in lacs)

	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	514.08	493.13
	Total	514.08	493.13

8 Other information

(₹ in lacs)

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	--
	(b) Other than related parties	388.45
(ii)	Net Non-Performing Assets	
	(a) Related parties	--
	(b) Other than related parties	314.48
(iii)	Assets acquired in satisfaction of debt	--

For APJ & ASSOCIATES.
Firm Reg. No. : 124810W
Chartered Accountants

M.G. Jawanjar
(Managing Director)

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D.P. Dalal

Atul Bhaiyya
Partner
M. No. 128681
NAGPUR
22.06. 2016

D.R. Balpande
(Company Secretary)

B.V. Shah
DIRECTORS

FINANCIAL HIGHLIGHTS

(₹ in lacs)

YEAR	PAID-UP CAPITAL	NET WORTH	TOTAL ASSETS	PROFIT BEFORE TAX	PROFIT AFTER TAX	DIVIDEND	
						Rate%	AMOUNT
1990-91	1.44	1.50	3.03	0.06	0.06	--	--
1994-95	20.75	38.14	74.88	6.45	5.80	26.0%	4.07
1995-96	26.00	44.40	124.95	8.07	6.09	20.0%	5.04
1996-97	30.00	48.94	174.86	11.16	5.15	14.0%	3.72
1997-98	30.00	52.72	224.24	19.15	10.00	16.0%	4.80
1998-99	30.00	59.80	223.71	20.22	12.97	16.0%	4.80
1999-00	30.00	61.41	247.47	16.47	8.55	16.0%	4.80
2000-01	36.00	70.22	280.79	17.78	9.15	16.0%	4.92
2001-02	50.00	109.28	374.83	31.84	22.74	17.0%	7.70
2002-03	80.00	187.27	748.88	55.55	34.57	18.0%	14.40
2003-04	102.55	256.21	865.80	81.84	52.70	18.0%	15.55
2004-05	102.55	307.02	1,155.50	112.80	75.73	20.0%	20.51
2005-06	163.50	452.20	1,392.69	126.43	83.88	22.0%	26.04
2006-07	310.00	715.98	1,956.10	153.81	101.36	22.5%	44.64
2007-08	* 620.00	780.25	2,619.22	228.63	153.54	* 12.5%	90.67
2008-09	700.00	978.58	3,486.60	336.82	218.98	13.0%	100.66
2009-10	700.00	1,119.71	4,100.69	379.84	247.60	13.0%	106.47
2010-11	700.00	1,361.79	5,206.99	545.56	355.98	14.0%	113.90
2011-12	750.00	1,695.14	6,377.90	601.90	399.37	14.0%	116.01
2012-13	800.00	2,099.90	9,076.85	732.20	492.46	15.0%	137.70
2013-14	800.00	2,534.23	11,125.49	863.19	574.74	15.0%	140.39
2014-15	800.00	3,091.63	14,788.92	1,053.41	677.75	12.5%	120.35
2015-16	800.00	3,818.09	19,770.39	1,246.93	822.74	10.00%	96.29

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

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