



Berar Finance Limited 30th Annual General Meeting Conference Call September 28, 2020

Speaker: Hello madam can we go live?

Deepali Balpande: What is the quorum on CDSA?

Speaker: One minutes, 12. We are already on 10:59 that's why.

Deepali Balpande: Quorum is present 15 members are required for AGM. So, quorum is present.

Speaker: So, we are going live.

Deepali Balpande: At 11 O'clock?

Speaker: Yes.

Deepali Balpande: Our other Directors are also joining but as quorum is fulfilled we can join the meeting.

Speaker: Okay fine, we are going live.

Deepali Balpande: Okay.

Moderator: Dear all we welcome to the 30th Annual General Meeting of Berar Finance Limited. Please note all participant mic will be on mute mode till the Chairman complete his speech. Thereafter, all those shareholders who are pre-register shall be given an opportunity to raise their query. Now, we are handing over to the Company Secretary to start the proceeding of the meeting. Thank you.

Deepali Balpande: Good morning, dear shareholders and invitees. I Deepali Balpande, Company Secretary is pleased to welcome you all on 30th Annual General Meeting of Berar Finance Limited, which is being held through video conferencing today. Before, I hand out the proceedings to the Chairman to declare the meeting open. I would like to highlight certain points here.

The joining of this meeting opened 15 minutes before the scheduled time of commencement of the meeting, which is 11:00 AM and it will remain open for another 15 minutes after end of the meeting. Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with the good speed to avoid any disturbance during the meeting. The participant connecting from mobile device or tablet, through laptops connecting via mobile hotspot may experience audio, visual loss due to fluctuations in the respective network. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any kind of aforesaid issues. As mentioned in the notice, the facility of participation at the AGM through video conferencing or other audiovisual means has been made available to 1000 members on first come first serve basis, except for large shareholders, promoters, institutional investors, Directors, key managerial personnel, the Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee as well as who are allowed to attend the AGM without any restriction on account of first come first serve basis. All the members who have joined the meeting through VC or other audio visual means have been placed on mute mode by host by default to avoid disturbance arising from background noise and seamless watch smooth and seamless conduct of the meeting. Subsequent to the MCA circular dated 8th April 2020, issued by Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Board of corporate is entitled to appoint the authorized representative to attend the AGM through VC other audio, video means and participate and cast their vote through e-voting, the registered office of the company situated at Nagpur shall be deemed venue for this AGM and proceedings of this AGM shall be deemed to be made at Avinisha Tower, Mehadia Square, Dhantoli, Nagpur which is registered office of the company.



The proceedings of this meeting are being recorded for compliance purposes only. In accordance with the provisions of the Companies Act 2013. Members have been provided facility to exercise their right to vote by electronic means, both through remote e-voting, as well as e-voting during the AGM. E-voting facility was made available to all the shareholders who were equity shareholders, who are shareholders of the company as on that of date that is 21st September 2020. And they are entitled to vote during the period commencing from 9:00 AM on Thursday 24th September 2020 till 5:00 PM on Sunday, September 27th, 2020. E-voting has been blocked on September 27th 2020 at 5:00 PM.

Member joining the meeting through video conferencing, may not already cast their vote by remote e-voting may vote through insta-poll e-voting facility on the AGM portal. The members who have cast their vote by remote e-voting prior to the AGM shall not be entitled to cast their vote again. The Board of Directors had appointed Mr. Sunil Purushottam Zore a practicing Company Secretary as a scrutinizer for conducting the e-voting process in a fair and transparent manner. Based on the report of scrutinizer, the combined result of remote e-voting and e-voting done at the meeting today will be announced and displayed on the website of the company and will also be submitted to the BSE Limited as per the requirement under the SEBI listing regulations applicable to the debt listed entity.

We have received request from four members for registration as a speaker shareholder in today's AGM. All those shareholder have been provided specifically to login to the meeting and we shall be allowing them to speak once the Chairman directs the same. Non-registered shareholders as a speaker, who are not attending this AGM through VC today are also invited to express their views and raise questions if they have any in the chat box provided. The Chairman would be responding to such query at the end of the meeting. With this, I now hand over the proceedings to the chairman thank you.

Maroti Jawanjar: Good morning shareholders and invitees. I welcome you all to the 30th Annual General Meeting of the company. I would like to mention that in the massive outbreak of COVID-19 pandemic, social distancing is a norm to be followed and therefore, this AGM has been conveyed through video conferencing or other audio visual means in compliance with the directions of Ministry of Company Affairs, which exempt physical attendance of the members at the AGM venue. As a requisite quorum is present I call meeting to order.

The **notice conveying** this meeting and the accounts and Directors reports have already been emailed to all the shareholders and I take them as read. I welcome other colleagues on the board of your company to the 30th Annual General Meeting. I now request your Directors to introduce themselves. Director Mr. Shantaram Mahakalkar, kindly introduce yourself.

Deepali Balpande: Mr. Shantaram Mahakalkar sir, are you there?

Maroti Jawanjar: Next Mr. Vishwas Pathak, kindly introduce yourself.

Deepali Balpande: Pathak sir please introduce yourself.

Vishwas Pathak: Good morning, I am Vishwas Bhaskarrao Pathak, Independent Director attending 30th general meeting Berar Finance. I am a Nomination & Remuneration Committee member. Thanks.

Maroti Jawanjar: Thank you. Next Mr. Ashok Kachore, please introduce yourself.

Ashok Kachore: Good morning, I am Ashok Kachore, Non-Executive Director on the Board of Berar Finance Limited. I am attending this 30th AGM from Nagpur today.

Dattatraya Dalal: Good morning everybody, I am Dattatraya Prabhakar Dalal as Non- Executive Director on the Board of Berar Finance Limited. I am attending the 30th AGM from Nagpur today.

Maroti Jawanjar: Thank you. Next Mr. Atul Sarda, please introduce yourself.

Atul Sarda: Chartered Accountant, I am Independent Director of Berar Finance Limited and I am attending the 30th Annual General Meeting from Nagpur today. Thank you.

Maroti Jawanjar: Thank you. Next Mr. Mahesh Parasuraman, please introduce yourself.



Mahesh Parasuraman: Hi, this is Mahesh Parasuraman, Nomine Director attending the AGM of Berar Finance from my office in Bangalore.

Sandeep Jawanjal: Good morning everyone, I am Sandeep Jawanjal, Executive Director of Berar Finance Limited. I am attending 30th Annual General Meeting of the company from Nagpur Head Office. Thank you.

Shantaram Mahakalkar: Good morning. I am Shantaram Krishnarao Mahakalkar, I am Non-Executive Director on the Board of Berar Finance Limited. I am attending the 30th AGM from Nagpur. I am on the Stakeholder Relationship Committee.

Maroti Jawanjar: I wish to inform you that Mr. Pravin Dhiran , Partner Pravin Dhiran and Company, Statutory Auditor and Mr. Sunil Zore, Secretarial Auditor of the company have also joined us today through video conferencing.

Thank you very much everyone.

Last financial year was good, but we have started current financial year with never thought issue of pandemic. COVID-19 pandemic resulted in lockdown to control the spread of virus. Lockdown resulted in the closure of entire economy for almost 45 to 60 days impacting income of masses badly. With the opening of economy gradually things are getting back in shape and how much time it will take to bounce back depends on several factors related to COVID-19 likewise, like vaccine availability.

Against this backdrop, your company demonstrated good performance, disbursement increased by 26.88%. Gross income increased by 27.5% and net profit after tax by 14.9%. The company brought in private equity investors namely Amicus Capital partners of Bangalore. With a targeted funding of Rs.50 crores. Amicus Capital is a private equity firm that invest in high growth middle market companies in India, with funds under management US \$88 million, backed by marquee key investors including global institutions, large family offices, entrepreneurs and business leaders. They have a successful record of partnering with entrepreneurs to catalyze growth. This, combined with the in-depth industry knowledge and sector expertise enables them to create significant value in their investments and generate superior returns. The company hopes to greatly benefit from their partnership in the company's management.

The current year started with total lockdown, impacting business resulting in lower disbursements in April, May. But with the unlocking process started, the business has raised to normalcy and the performance was considerably improved in second quarter. The disbursement from June till August has significantly, has shown significant increase of 46% year-on-year basis. Collection has also started improving, company has given moratorium to customers from April 20th to August 20th as per RBI directions. From moratorium, the collection team is in improper coordination with the customers, this helping a lot in improving the collection numbers. Your company's liquidity position is quite comfortable and the company is ready to en-cash the opportunity of opening the market.

Company on the basis of good financial performance is being able to get associated with 9 banks and 12 non-banking finance companies for debt or debt capital implying strong market standing. We thank all of them for their continuous trust. Keeping in mind the importance of conserving resources, the board recommended the dividend of Rs.0.5 per share. I hope the shareholders would appreciate the decision of the board. We remain cautiously optimistic and very hopeful that the company will show good performance. We are focusing on priorities of safety, liquidity stability and continuity. I'm happy to inform you that, not a single employee has been terminated because of the fear of COVID. Before I conclude, I would like to express my gratitude to all employees, the board and all stakeholders for their support, continuous guidance and cooperation throughout the journey. I now request Company Secretary to brief outline the business to be transacted at the meeting as per notice, Deepali Balpande.

Deepali Balpande: Thank you sir. The notice of 30th Annual General Meeting at annual report containing the audited financial statement for the year ended 31st March, 2020 Board and Auditor's report have been send by electronic mode to those members whose email addresses are registered with the company or depositories. These documents are also being made available on the company's website. Considering the above, the notice has been taken as read. The register of Director Shareholding, register of contracts, copies of annual financial statement, et cetera are also available for inspection to the members through electronic mode. The members seeking to inspect the document can send an email to my email id deepali.balpande@berarfinance.com.

Pravin Dhiran & Company Statutory Auditors have submitted their report for the financial statement for the year ended 31st March 2020. The auditor's report does not contain any qualifications or modified opinion or adverse remarks. There being no qualification the entire report is not required to be read in this meeting and the auditor's report is being taken as read. In terms of the notice of the 30th Annual General Meeting, the following items of the



business are to be considered at this meeting. Now, I will read out item one-by-one and Mr. Maroti Jawanjar, Chairman will explain the same.

First is ordinary business first adoption of audited financial statement for the year ended 31st March 2020 and Directors and Auditors Report there on. Mr. Maroti Jawanjar sir, please explain the same.

Maroti Jawanjar: The audited accounts are in your hands. The gross income of the company increase from 89 crores to 114 crores during the year. Profit before extraordinary items increased from 20.77 crore to 23.73 crores. Net profit after tax increased from 14.71 crore to 16.91 crores. As earning per share has increased from 18.4 to 20.81. The balance sheet size which was 417.96 crore last year has increased to 552.75 crore this year. Overall the performance of the company is good. There was GST liability last year which was fully repaid under the Sabka Vikas scheme and there is no liability of GST there is one small liability of more liability of income tax. That is, the company has preferred appeal against that and we are 100% sure that the results will go in favor of the company because on similar grounds the company has won the cases. There are no adverse reports or observations of the statutory auditors and therefore, if the shareholders have any problem they can raise that and I will try to answer them. Now, Company Secretary second item.

Deepali Balpande: Second item is regarding declaration of final dividend at the rate of Rs.0.50 per share for the financial year 2019-20. Mr. Jawanjar sir.

Maroti Jawanjar: Last year we paid a dividend of Rs.1 per share. This year, the profits are good compared to last year, but reviewing of conserving the resources will thought it better to reduce the dividend to 0.5%. You all are aware that the Reserve Bank of India had directed all the banks not to declare dividend after 31st March keeping in view the threat of COVID-19. Falling in the line we also thought it advisable to pay to declare LSR dividend of Rs.0.5. I hope the shareholders will understand, appreciate our way of thinking and they will support the resolution. Point number three.

Deepali Balpande: Point number three, regarding reappointment of Mr. Shantaram Krishnarao Mahakalkar as a Director who retires by rotation and being eligible offer himself for reappointment. Mr. Chairman sir.

Maroti Jawanjar: I may tell you that Shantaram Mahakalkar is one of the founding Directors who promoted the company and he is one of them. His performance, his co-operation, his advice is very valuable throughout the journey of the company. And therefore, I request shareholders to vote positively consider the appointment and vote positively. Fourth item?

Deepali Balpande: Following are the 4, 5, 6, 7 are special business. Fourth item is regarding offering the amendment restatement and enrichment of articles of association of the company, Mr. Jawanjar sir.

Maroti Jawanjar: As you are aware masers were united private equity investors bring us capital and as per their requirement certain clauses of articles of association are being amended in-line with the shareholders agreement. This amendments have been given effect to safeguard the interest of the investors and those amendments are also in the interest of the company. They are not going to harm any way, out of the country they are going to support the endeavor of the company. Therefore, I request shareholder to support this resolution.

Deepali Balpande: Resolution number five regarding regularization of appointment of Mr. Mahesh Parasuraman additional Director as a Director liable to retirement by rotation Mr. Jawanjar sir.

Maroti Jawanjar: As per shareholders agreement with the private equity investors, they have right to nominate their representative on the board of the company and accordingly because capital partners have recommended appointment of Mr. Mahesh Parasuraman, as a Director in the company. He was appointed as an additional Director and holds office as such up to this Annual General Meeting and therefore his appointment has to be considered in the interest of the company. I request all shareholder to support this resolution.

Deepali Balpande: Thank you, sir. In the following item number six, Mr. Maroti Jawanjar sir present Chairman is interested. So, he will vacate the chair, I request Mr. Maroti Jawanjar sir to vacate the chair and announce the name of the chairman for this item.

Maroti Jawanjar: I am being interest vacate the chair for this particular resolution number six. And I request Mr. Atul Sarda to procure as a chairman for this item number six. Mr. Atul Sarda.



Atul Sarda: Thank you Jawanjar sir. I Atul Sarda, Independent Director proposed the revision in the terms and conditions of appointment of Mr. Sandeep Jawanjar, Executive Director of the company. Private equity investors, Amicus Capital Partners have suggested a revision in the terms and conditions of employment agreement dated 21st March 2016 as per the SSE and SHA executed with them. The brief details are already provided in the notice of the AGM. I request all the shareholders to vote positively for the resolution. I now vacate the chair and request Mr. Maroti Jawanjar to resume the Chair.

Maroti Jawanjar: Thank you Atul Sarda. Seven number?

Deepali Balpande: Regarding item number seven is regarding authorization for issuance of trench to series A cumulative compulsory convertible participating preference shares. Mr. Jawanjar sir.

Maroti Jawanjar: Masers, the private equity investors are putting their money two tranches, the first trench of 30 crore have already been put in the month of February. Now, the second transfer investment in the form of equity shares and compulsorily convertible participating shares are being now second trench is now to they are putting in the month of October, first week of October. This resolution is enabling company to accept this authorized issuance of equity shares and preference shares to them, the total amount involved in this tranche is of Rs.20 crores. The investors are the same, Amicus Capital Private Equity 1 LLP and Amicus Capital Partners India Fund 1. Last time they invested 30 crores, now they are investing 20 crores, total investment will be 50 crores. I request shareholders to support this resolution. Item number eight.

Deepali Balpande: Sir item number seven is regarding authorizations for issuance CCPS and item number eight is regarding issuance of trench two series equity shares and trench two series CCPS through private placement. Mr. Jawanjar sir.

Maroti Jawanjar: Item number seven and item number eight are one and the same. One resolution is the authorization for issue and second is confirmation of the issuance of the shares to the private equity investors. Then, Deepali Balpande.

Deepali Balpande: Now, all the items of agenda are over. Now before starting question and answers. I request the speaker shareholder to kindly turn on your video when your name is announced, unmute yourself and proceed to ask question. Please mention your name, folio number and location from where you are calling. Thank you. I now request Chairman to take our question answer session for the meeting. Mr. Maroti Jawanjar sir.

Maroti Jawanjar: I will now call out names of shareholders who have registered to ask question and answer. I will attempt to answer all of them once all shareholders have spoken. I am going to invite speaking shareholders number one Mr. Ramanuj Asawa, yes Mr. Ramanuj.

Deepali Balpande: Asawa sir.

Maroti Jawanjar: Asawa are you there?

Ramanuj Asawa: I propose.

Maroti Jawanjar: There are any issues on the business to be transacted at the meeting, some queries?

Ramanuj Asawa: No sir.

Maroti Jawanjar: Thank you. Next speaker is Mr. Bankim Shah. I invite Mr. Bankim Shah to join the session and raise their questions and queries, Mr. Bankim Shah. Not there, Mr. Bankim Shah. Next speaker, Mr. K S Ramasubramanian, I request you to join the meeting and express your questions, queries pertaining to the item to be transacted at the meeting. Mr. Ramasubramanian?

Deepali Balpande: Sir please unmute your mic, your mic is mute.

K S Ramsbubramanian: Can you hear me now.

Maroti Jawanjar: Yes.



K S Ramasubramanian: Good morning respected Chairman, the Directors, the Senior Executives and all the members present in the meeting, I am in favor and proposing for all the resolution that is passed. And, I really am happy to be part of the AGM and my association with the company is more than 30 years because I knew Jawanjar sir quite earlier itself when he was conceiving the idea of Berar Finance. I am very happy to see that the company has come to this level and I wish the company all the success and all the best and as a shareholder and as a well-wisher, I'm happy about the performance of the company and the way the company is taking forward all the best to you sir.

Maroti Jawanjar: Next, I invite Mr. Nitin Narke. Mr. Nitin Narke?

Deepali Balpande: Sir actually, he has some important work so, he will not be joining us today. But is any Director wish to express their views at this meeting. Mr. Sandeep Jawanjar sir, you wish to express your views at this meeting. Mr. Sandeep Jawanjar sir?

Sandeep Jawanjar: Yes, Deepali thanks. Good morning, everyone. As we all are aware that this is the meeting for approval of the audited financials for the year 2020. As explained by Mr. Chairman, the financial year was very good and from 1st April, as we all know that we are facing one of the unforeseen thing of COVID-19 because of which the income of the masses gets impacted. But in spite of this, the performance of the Berar Finance Limited from June onwards is quite well. The disbursement has increased by almost 46% to 48% and the collection from June to August, with the comparison of last year also shown the increase of around 6% to 8%. And, personally I am very confident that by March 21, the company would be able to make up the loss and disbursement for the month of April and May. And we also expect that the current financial year would also be closed at a higher profitability and better quality of the asset. Having said that, I conclude my speech and I thank you all the shareholders, Directors for continuous trust on me. Thanks a lot.

Deepali Balpande: Mr. Mahesh Parasuraman sir, would you like to express your views at this meeting. Mr. Mahesh Parasuraman, sir?

Mahesh Parasuraman: Yes, thank you for having me over the AGM. We are quite excited to partner with Berar Finance, we think that the company has a great future. We remain committed stakeholders and partners in Berar's progress, we look forward to working closely with all the management, Directors and the shareholders in making sure that we can grow the company and create wealth for all of us in the years to come.

Deepali Balpande: Thank you sir.

Maroti Jawanjar: I want to thank all the members for their queries and views. All the items of business as per notice of the 30th Annual General Meeting have been taken up. I now declare the proceedings of the Annual General Meeting as completed. As mentioned earlier, the insta poll e-voting facility will continue to be available for 15 minutes after the meeting for those members who have not voted through remote e-voting. On behalf of Board of Directors and management of Berar, I convey our sincere thanks to all the members for attending and participating at this meeting. Please stay healthy, and stay safe and take care of yourself. Thank you everyone, have a good day. Thank you.

Deepali Balpande: Thank you all the shareholders, Directors, invitees, and panelist for attending the 30th Annual General Meeting of Berar Finance Limited. I hereby conclude this meeting. Thank you very much.

Maroti Jawanjar: Meeting concluded. Thank you.

Moderator: With your permission, we are concluding the meeting.

Deepali Balpande: Yes, ma'am.