



BOARD OF DIRECTORS:

CORPORATE INFORMATION

CS Maroti Jawanjar Executive Chairman
Mr. Sandeep Jawanjal Managing Director
Mr. Shantaram Mahakalkar
Mr. Vishwas Pathak

COMPANY SECRETARY:

CA Atul Sarda
CS Rashmi Mitkary
CA Avishek Addy
Mr. Harishchandra Sukhdeve
Mr. Siva Vadivel Alagan

CHIEF FINANCIAL OFFICER:

CS Deepali Balpande
CA Yogesh Tahalyani

STATUTORY AUDITORS:

M/s Pravin Dhiran & Co. Chartered Accountants

SECRETARIAL AUDITORS:

M/s SPZ & Associates, Company Secretaries

BANKERS:

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

REGISTERED OFFICE:

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

**REGISTRAR & SHARE TRANSFER
AGENT:**

Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to
Ahura Centre, Mahakali Caves Road, Andheri (East)
Mumbai - 400093
Tel: 022-6263 8289
Website: www.bigshareonline.com
Email: vinayak@bigshareonline.com

DEBENTURE TRUSTEE:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17,
R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.
Tel.: 022 - 4080 7000
Website: www.idbitrustee.com

**DEBENTURE TRUSTEE/
PUBLIC DEPOSIT TRUSTEE:**

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No.85,
Bhusari Colony (Right), Kothrud,
Pune - 411038
Website: www.catalysttrustee.com

DIRECTORS' REPORT

Your Directors are glad to present the 32nd Annual Report and the audited accounts of your Company for the financial year ended March 31, 2022 ("FY 2021-2022").

FINANCIAL RESULTS

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

	(₹ in lakhs)	
Particulars	FY 2021-2022	FY 2020-2021
Loans Disbursed during the year	74,155.93	58,538.84
Gross Assets under Management (AUM)	83,197.84	67,180.56
Assets sold under Securitisation	1,235.73	156.07
Gross Income	17,559.90	13,486.19
Profit (before extra-ordinary items)	2,237.41	2,055.66
Net Profit (after Tax)	1,741.97	1,537.67

APPROPRIATION OF PROFITS

The operations of the Company have generated a Net Profit (after tax) of ₹ 1,741.97 lakhs (P.Y.: ₹ 1,537.67 lakhs) for the financial year ended March 31, 2022.

Your Directors propose to appropriate the same as under:

	(₹ in lakhs)	
Particulars	FY 2021-2022	FY 2020-2021
Net Profit (after Tax)	1,741.97	1,537.67
Add: Balance Brought Forward	108.19	(483.97)
Add/(Less): Other Comprehensive Income	(92.14)	0.99
Disposable Profit	1,758.02	1,054.69
Appropriations:		
- Dividend paid during the year including taxes	100.06	46.50
- Transfer to Statutory Reserve (As per Section 45-IC of RBI Act, 1934)	450.00	400.00
- Transfer to General Reserve	1,100.00	500.00
Balance Carried Forward	107.96	108.19

MANAGEMENT DISCUSSION AND ANALYSIS

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

TRANSFER TO RESERVE FUND

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

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

DIVIDEND

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

Your Directors recommend for consideration of the members at the ensuing Annual General Meeting ("AGM"), payment of dividend of ₹ 1.00 per Equity Share for FY 2021-2022. The total dividend payable for FY 2021-2022 is ₹ 1,23,36,846.

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

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

FUNDING RESOURCES

i. Bank Facilities -

As on date, a consortium of bankers comprising of Bank of Maharashtra, IDBI Bank, Punjab National Bank, AU Small Finance Bank Limited and IDFC First Bank Limited are providing CC facilities of ₹ 6,500.00 lakhs. The outstanding balance of CC Limit as on March 31, 2022 is ₹ 4,892.68 lakhs.

ii. Fixed Deposits -

As on March 31, 2022, total fixed deposits amounted to ₹ 15,479.70 lakhs, of which public deposits amounted to ₹ 14,577.91 lakhs. The following table provides the details of the flow of public deposits during FY 2021-2022:

Particulars	₹ in lakhs
Public Deposits at the beginning of the year	10,967.92
Less: Public deposits repaid/renewed during the year	4,213.12
Add: Public Deposits accepted / renewed during the year	7,823.11
Public Deposits at the end of the year	14,577.91

₹ 415.56 lakhs of deposits (from 198 deposit accounts) matured during the year were unclaimed as on March 31, 2022. All these were claimed/renewed subsequently except 2 deposit accounts belonging to same person amounting to ₹ 1.64 lakhs. Periodic reminders are being sent to the depositors for repayment/renewal of deposits.

iii. Term Loans -

Your Company has availed term loans for working capital from various lenders at favourable terms and at a reasonable rate of interest. The outstanding balance of such loans as on March 31, 2022 is ₹ 41,936.56 lakhs. The term loans offer ready availability, their repayments match maturity of receivables offered as security.

iv. Assets Securitised -

During the year your Company raised resources to the extent of ₹ 1,505.82 lakhs through securitization of receivables. The Closing balance of assets securitized as on March 31, 2022 is ₹ 1,235.73 lakhs.

v. Non-Convertible Debentures -

During the year, your Company has issued unlisted Market Linked Non-Convertible Debentures ("NCDs") on private placement basis amounting to ₹ 2,500 lakhs.

The Company has been regular in the payment of principal / interest towards all the outstanding Non-Convertible Debentures. As on March 31, 2022 the total outstanding Secured NCDs stood at ₹ 12,224.08 lakhs.

vi. Equity Infusion through Preferential Allotment -

With the view to strengthen the capital base, your Company raised additional equity funds by offering and allotting shares through preferential allotment on private placement basis as under:

Investors	No. of Equity Shares allotted	Amount received (in ₹)
Maj Invest Financial Inclusion Fund III K/S	19,79,691	85,00,00,128
Amicus Capital Private Equity I LLP	3,18,334	13,66,79,887
Amicus Capital Partners India Fund I	31,023	1,33,20,036
Total	23,29,048	100,00,00,051

With the Equity Shares issued under Preferential Allotment during the year, the paid-up Equity Share Capital of the Company stands increased to ₹ 12,33,68,460 (P.Y.: ₹ 10,00,77,980) comprising of 1,23,36,846 Equity Shares (P.Y.: 1,00,07,798 Equity Shares) of ₹ 10 each.

REVIEW OF OPERATIONS

Financing of two-wheelers continues to be the mainstay product of your Company. Additionally, your Company offers other loan products like personal loans, used car loans and two-wheeler re-financing loans. Your Company has a strong network and presence in rural and semi-urban India which has demonstrated strong growth potential and resilience in spite of multiple macro-economic challenges during the year. Your Company has recorded satisfactory growth in business with a 26.67% increase in disbursement and 30.21% increase in gross income during FY 2021-2022 compared to FY 2020-2021.

BRANCH NETWORK

During FY 2021-2022, your Company had opened 10 new branches - 2 in Maharashtra, 1 in Madhya Pradesh, 3 in Chhattisgarh, 2 in Gujarat and 2 in Karnataka. As on March 31, 2022, the Company had 101 branches and as on date of this report, it stands increased to 114 branches comprising 42 in Maharashtra, 22 in Madhya Pradesh, 21 in Chhattisgarh, 17 in Telangana, 7 in Gujarat and 5 in Karnataka.

Your Company plans to add more branches during the financial year 2022-2023 as it seeks to increase its geographical coverage and expand its customer reach across strategic locations in Central, Western and Southern India.

RESERVE BANK OF INDIA GUIDELINES

Your Company has been following guidelines issued by the Reserve Bank of India ("RBI") including those related to prudential norms for income recognition, asset classification, provisioning of bad and doubtful debts, capital adequacy and concentration of credit and investments. Your Company has a comfortable capital adequacy ratio of 28.84% (as against 15% prescribed by RBI) as on March 31, 2022. Under the regulatory framework of RBI, your Company is classified as **Systemically Important Asset Finance Company-Deposit Taking**.

The Liquidity Coverage Ratio ("LCR") requirement was applicable from December 1, 2020 with the minimum High Quality Liquid Assets ("HQLA") to be held being 50% of the LCR, progressively reaching a level up to 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively. The LCR of the Company was 170.54% against the LCR requirement of 60% as on March 31, 2022.

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

Further, your Company being a deposit taking NBFC is classified as NBFC- Middle Layer as per Framework for Scale Based Regulation for Non-Banking Financial Companies dated October 22, 2021 issued by the RBI.

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. The Company did not enter into any material transaction with related parties under Section 188 of the Companies Act, 2013 ("Act"), during FY 2021-2022. Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as part of this Report vide **Annexure V (i)**. Further, the Company's Policy on Related Party Transactions is attached as part of this report, vide **"Annexure V (ii)"**.

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

CREDIT RATING

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

Schemes	Credit Rating Agency	Rate of Grade
Fixed Deposits Programme	ICRA Ltd.	BBB (Stable)*
Borrowings from Banks/Financial Institutions	ICRA Ltd.	BBB (Stable)
Non-convertible Debentures (NCDs)	ICRA Ltd.	BBB (Stable)
Principal Protected Non-convertible Market Linked Debentures	ICRA Ltd.	PP-MLD BBB (Stable)

* According to the rationale published by ICRA Ltd. on June 02, 2022 on its website www.icra.in, in case of Fixed Deposits Programme, the Credit Rating MA - (Stable) has been migrated to ICRA BBB (Stable). The rationale behind the migration is that in compliance with the circular [SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/594] issued by the Securities and Exchange Board of India (SEBI) on July 16, 2021 and the subsequent circular (SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2022/43) of April 1, 2022, for standardising the rating scales used by credit rating agencies, ICRA has discontinued the medium-term rating scale which was being used to assign ratings to the fixed deposit programmes of entities.

Accordingly, ICRA has migrated the rating currently outstanding for the fixed deposit programme of the Company from the medium-term rating scale to the long-term rating scale. The medium-term rating scale of ICRA was a 14-point scale, while the long-term rating scale is a 20-point scale. The migration of the rating has resulted in a change in the rating symbol; however, this is to be construed only as a recalibration of the rating from one scale to another and not as a reflection of a change in the credit risk of the fixed deposit programme.

LISTING ON STOCK EXCHANGES

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

STATUTORY AUDITORS & AUDITORS' REPORT

RBI issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines"). Pursuant to RBI Guidelines, the Audit Firms completing tenure of three financial years in the NBFC were not eligible to continue to hold office as Statutory Auditors of the NBFC.

Our existing Statutory Auditors, M/s. Pravin Dhiran & Co. (Firm Registration No.: 133656W), Chartered Accountants were appointed as Statutory Auditors of the Company at the 29th Annual General Meeting of the Company for a period of 5 years from the conclusion of that Annual General Meeting till the conclusion of 34th Annual General Meeting.

In compliance with the aforesaid RBI Guidelines, the existing Statutory Auditors of the Company had communicated to the Company their inability to continue to hold office as Statutory Auditors of the Company as they will complete the tenure of 3 years on the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors in its meeting held on August 12, 2022 took note of the said letter received from M/s. Pravin Dhiran & Co. and passed resolution to recommend to the Members of the Company for their approval, the appointment of M/s. Manubhai & Shah LLP (Firm Registration No.: 106041W/W100136), Chartered Accountants, Ahmedabad as the Statutory Auditors of the Company for a period of three years from the conclusion of 32nd AGM of the Company till conclusion of 35th AGM in compliance with the RBI Guidelines.

The Auditors Report on the financial statements of the Company for the year ended March 31, 2022 is self-explanatory.

INTERNAL AUDITORS

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

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

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

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board appointed M/s. SPZ & Associates, Company Secretaries, Nagpur (Firm Unique Identification Number S2015MH305600) ("**Secretarial Auditor**") to conduct Secretarial Audit for FY 2021-2022.

On the recommendation of the Audit Committee meeting dated May 30, 2022, the Board through resolution passed at its meeting held on May 30, 2022 has re-appointed the Secretarial Auditor to conduct Secretarial Audit for FY 2022-2023.

The Secretarial Audit Report for the financial year ended March 31, 2022 in Form MR-3 is attached to this report as "**Annexure II**" and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DIRECTORS

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

During the period under review, the following changes took place in the composition of the Board of Directors of the Company:

(A) Appointment of Non – Executive Directors:

During the period under review, the appointment of following Directors was approved by the Members of the Company:

Sr.No	Name of Director	Designation	Date of Approval of the Members	Remarks
1.	Ms. Rashmi Mitkary (DIN: 08960192)	Non-Executive Independent Director	Annual General Meeting held on September 27, 2021	--
2.	Mr. Avishek Addy (DIN:07973542)	Non-Executive Non-Independent Director, liable to retire by rotation.	Annual General Meeting held on September 27, 2021	Representative Director of private equity investors namely Amicus Capital Private Equity I LLP and Amicus Capital Partners India Fund I.
3.	Mr. Harishchandra Sukhdeve (DIN: 09289094)	Non-Executive Non - Independent Director liable to retire by rotation.	Annual General Meeting held on September 27, 2021	--
4.	Mr. Siva Chidambaram Vadivel Alagan (DIN: 08242283)	Non-Executive Non - Independent Director liable to retire by rotation.	Extra-ordinary General Meeting held on April 18, 2022	Representative Director of private equity investor namely Maj Invest Financial Inclusion Fund III K/S.

Further, first term of Ms. Rashmi Mitkary as Independent Director is coming to an end on November 12, 2022, and therefore the Board of Directors in its meeting held on August 12, 2022, based on the recommendation of the Nomination and Remuneration Committee of the Company, approved her re-appointment as Non-Executive Independent Director for a second term of 2 (Two) years w.e.f. November 13, 2022 subject to approval of members at the ensuing Annual General Meeting of the Company. She holds a valid registration certificate with the database of Independent Directors and has cleared the proficiency test for Independent Directors conducted by the Indian Institute of Corporate Affairs.

(B) Appointment of Executive Directors:

During the period under review, the appointment of Mr. Maroti Jawanjar (DIN: 00379916), Executive Chairman and Mr. Sandeep Jawanjal (DIN: 01490054), Managing Director was approved by the Members of the Company upon such terms and conditions including remuneration at the Annual General Meeting held on September 27, 2021 for a period of 5 (Five) years w.e.f. April 1, 2021.

(C) Resignation of Directors:

Since the date of last report of the Board of Directors, Mr. Dattatraya Prabhakar Dalal (DIN: 00380199) resigned from the Board of Directors of the Company w.e.f. March 9, 2022.

The Board of Directors have placed on record its appreciation for the support and invaluable services of Mr. Dattatraya Prabhakar Dalal.

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

Mr. Shantaram Mahakalkar (DIN No. 00379988), Non-Executive Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for reappointment.

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Sec 149(6) of the Act.

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

KEY MANAGERIAL PERSONNEL

During the period under review, Mr. Sandeep Jawanjal (DIN: 01490054) resigned as the Chief Financial Officer (“CFO”) of the Company w.e.f. closure of business hours of February 28, 2022. He continues to act as the Managing Director of the Company. Subsequently, the Board through resolution passed at its meeting held on March 21, 2022 designated Mr. Yogesh Tahalyani who was working as Senior Manager, Finance as the CFO of the Company w.e.f. the date of the meeting.

PERFORMANCE EVALUATION

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

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

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

REPORT ON CORPORATE GOVERNANCE

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

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

EXIT OFFER SCHEME GIVEN TO IDENTIFIED SHAREHOLDERS OF THE COMPANY

The Company had, between 1990 and 2005, undertaken certain allotments of equity shares of INR 10/- each of the Company (“**Equity Shares**”) to employees of the Company, and friends and relatives of the directors (collectively “**Original Allottees**”), and in terms of which, the total number of allottees would have exceeded the thresholds prescribed under the applicable law (“**Allotments**”).

The Company never intended to make any offer or invitation to the public, and only made an offer to the Original Allottees as aforesaid. However, substantial time has elapsed since the offer and Allotments and consequently the Company is not in possession of all the documents relating to such Allotments. In view of the above, the Company is now unable to categorically demonstrate that the offer would not have resulted in the shares of the Applicant becoming available for subscription or purchase by persons other than those receiving the offer or invitation, even though there was no intention on the part of the Company to do so.

The SEBI had, at its meeting held on November 30, 2015, decided that in cases involving issuance of securities to more than 49 persons but up to 200 persons in a financial year, the companies may avoid penal action if they provide the investors with an option to surrender the securities and get refund amount at a price not less than the amount of subscription money paid along with 15% interest per annum thereon (i.e. an exit offer).

The Board of Directors of your Company *suo moto* decided that though it is arguable that the Allotments were in compliance with the regulatory requirements, as a measure of abundant caution, it was imperative to take appropriate remediation steps in this regard and approved the Exit Offer scheme at its meeting held on August 23, 2021.

Accordingly, an invitation to Offer was given to the 1,107 identified shareholders holding 50,32,263 equity shares of the Company by Mr. Maroti Jawanjar and Mr. Sandeep Jawanjal (“**Purchasers**”) to sell their shares at an exit price of ₹ 50 per equity share during the offer period between September 15, 2021 to November 15, 2021 out of which 2 shareholders accepted the invitation to offer and tendered 3,400 equity shares held by them to the Purchasers.

After, the successful completion of exit offer, the Company has approached the Hon'ble National Company Law Tribunal, Mumbai Bench for compounding of the aforesaid offence voluntarily and the matter is currently awaiting admission. The Company will subsequently approach SEBI for settlement of the said matter.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- 2) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- 3) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- 4) They have prepared the annual accounts on a going concern basis;
- 5) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- 6) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

RISK MANAGEMENT

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

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

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

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

Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date.

Had the Company followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by ₹ 195.40 Lakhs.

INTERNAL FINANCIAL CONTROLS

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

HUMAN RESOURCES AND EMPLOYEES STOCK OPTIONS PLAN:

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

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

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

During the period under review, 22,800 options were vested with the employees to whom stock options were granted under the Plan.

Further, on February 21, 2022 the Board of Directors granted 1,08,000 Stock Options to select employees pursuant to ESOP 2019.

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

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

(a) Conservation of Energy

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

(b) Technology Upgradation:

In terms of Rule 8(3)B of the Companies (Accounts) Rules, 2014, the recent LMS implementation and IT Infra upgradation activities done by the Company have ensured a secured platform to encounter internal and external security threats and a high availability environment, which can drive the process improvements and automation to facilitate instant and real-time approvals of loan applications. The Company had successfully implemented a new cloud-based Loan Origination & Management System (FinnOne Neo), digital solutions to improve the product quality, services provided and the overall customer experience.

Your Company has undertaken multiple initiatives and made significant investments during the year to strengthen its digital infrastructure. The Company has appointed ‘Nucleus Software Exports’ as Technology Partner to implement “Cloud Based Loan Management System”, Technovation IT Consultants & Services to implement “Sophos Advanced Firewall, EDS” for Cyber Security & IT Infra Upgradation, Arotalk Global Pvt Ltd for “Cloud Storage Drive”, “CKYC Solution”, “Genuine Windows, MS365 Licenses”, Freshworks Inc. for “Freshdesk - Cloud-Based CRM Ticketing Tool” and Team Computers for “IceWarp Cloud Based Mailing Solution”.

Your Company understands the new challenges and dynamic business trends that are changing rapidly. Hence, it has been investing significantly in new technologies which will enable the Company to adopt to the dynamic environment, provide the necessary pillars to support the next level of growth thereby benefiting it in the long run.

(c) Foreign Exchange Earning & Outgo:

In terms of Rule 8(3) C of the Companies (Accounts) Rules, 2014, there were no foreign exchange earnings and outgo during the year under review.

CORPORATE SOCIAL RESPONSIBILITY:

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

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

https://www.berarfinance.com/pdf/policies/may22/corporate_social_responsibility_policy.pdf

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

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

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

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

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

SECRETARIAL STANDARDS OF INSTITUTE OF COMPANIES SECRETARIES OF INDIA

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with MCA circulars granting exemptions in view of COVID-19 pandemic.

MAINTENANCE OF COST RECORDS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

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

ANNUAL RETURN

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at https://www.berarfinance.com/pdf/aggm/aggm-22/mgt_7_annual_return_2021_2022.pdf

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of your Company during the FY 2021-2022.

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

OTHER STATUTORY DISCLOSURES

- Information pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under Rule 5(3) of the said Rules, forms part of this report and is annexed to this report as "Annexure VII".

- The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.
- The auditors, i.e., statutory auditors and secretarial auditors have not reported any matter under section 143(12) of the Act, and therefore, no details are required to be disclosed under section 134(3)(ca) of the Act.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principle of any of its debt securities.
- As on March 31, 2022, there is no amount remaining unclaimed in respect of non-convertible debentures.
- Your Company, being an NBFC registered with the RBI, the provisions of Section 185 of the Act are not applicable to the Company.
- No application was made under the Insolvency and Bankruptcy Code, 2016 during the year, therefore there is no requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year.
- Disclosures pursuant to RBI Master Directions, unless provided in the Directors' Report, form part of the notes to the standalone financial statements.

Annexures forming part of this Report:

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

ACKNOWLEDGEMENT

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

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

For and on behalf of Board of Directors

Date: August 12, 2022
Place: Nagpur

M.G. Jawanjar
Chairman

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

The financial year 2021-2022 began with continuation of the COVID-19 pandemic and associated uncertainties. It was deadly resulting in massive loss of life and tragic misery for the people in a big way. The economy suffered heavily as a result of nationwide lockdown and disruption of normal life especially in the first quarter of FY 2021-2022.

However, unlike the previous financial year, the effect of pandemic this time was short-lived. After the first quarter of subdued performance, the Indian economy demonstrated a strong recovery, resulting in GDP growth of 8.7% which is amongst the highest in leading economies. Almost all segments of the economy have stabilised and the whole economy showed robust growth during the year.

Market Scenario

Your Company's primary business is financing 2 - wheelers with focus on semi-urban and rural areas. While India's growth outlook for the year ahead remains bright, driven by private consumption and elevated public spending, there are certain risks which could have an effect on this - the biggest of which is inflation. The ongoing geopolitical crisis has caused supply chain disruptions which has led to higher commodity prices including crude oil. Higher inflation can curtail consumption and unfavourably affect the recovering domestic demand especially in discretionary spend like 2-wheelers. Any effect on demand for 2-wheelers will also have an effect on demand for loans to finance their purchase. Moreover, monetary measures like increasing benchmark interest rates by RBI to curtail inflation will affect demand for loan products as it becomes more expensive for the borrowers.

RBI Policy Measures

The RBI introduced its Resolution Framework-2.0 in May 2021 during the outbreak of the deadly second wave of COVID-19 which gave adversely impacted and vulnerable borrowers flexibility to meet their loan repayment obligations. Simultaneously, the RBI maintained adequate liquidity to support its accommodative stance throughout the year. It resorted to rebalancing liquidity on a dynamic basis without compromising systemic liquidity.

Moreover, the RBI kept its key policy rates including repo rate, reverse repo rate and bank rate unchanged at 4%, 3.35% and 4.25% respectively throughout FY 2021-2022.

Outlook

As we step out of the shadow of the pandemic, the economy is expected to witness a sustained recovery. As the market and customer expectations mature, differentiated customer acquisition and deeper customer engagement throughout the lifecycle will assume importance with technology being a key enabler towards achieving this. Your Company with a diversified product suite with products such as 2 – wheelers loans, car finance, personal loan and loan against property is well positioned to chart a growth path for fiscal 2023 and expects a sustained growth in business and profitability.

Your Company added 10 branches and 155 sales points during FY 2021-2022, thereby increasing its network to 101 branches. With the increase in branch network and sound branch infrastructure, the Company is ready to take advantage of the improved business sentiments.

New business opportunities are expected to gain further momentum as impact of COVID-19 remains low with near complete normalisation of economic activities. Several initiatives taken earlier by the Company to navigate the pandemic should hold it in good stead.

Your Company expects to improve its performance in FY 2022-2023 and sustain its growth trajectory. The approach would be to continue with the growth momentum while balancing risks. With a view to meet its growth plans the Company will continue to tap diverse source of funds including equity, debt and public deposits to maintain an optimal capital structure.

Performance during the Financial Year 2021 - 2022

The performance of the Company during the year was satisfactory, in the backdrop of growing competition, inflation and emergence of COVID-19.

(₹ in Lakhs)

Particulars	FY 2020-2021	FY 2021-2022	% Change
Total Income	13,486.19	17,559.90	+30.21
Total Cost	11,430.53	15,322.49	+34.05
Profit Before Tax	2,055.66	2,237.41	+8.84
Profit after Tax	1,537.67	1,741.97	+13.29
Earnings per Share (Fig. in ₹)			
Basic	16.01	17.28	-
Diluted	15.91	17.18	-

Risks and Concerns

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

Your Company conducts stress tests to assess the resilience of its Balance Sheet. This also helps to provide insights to the management to understand the nature and extent of vulnerabilities, quantify the impact and develop plausible business-as-usual mitigating actions.

The markets have witnessed substantial turbulence in the previous two years. However, as your Company has been fundamentally built on the principle of sound risk management practices, it has successfully weathered this turbulence and continues to remain resilient.

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

Customer Service

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

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

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

Annexure II
Form No. MR- 3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the financial year ended 31st March, 2022

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2022 duly complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchanges Board of India Act, 1992 ("SEBI Act") i.e.
 - The Listing Agreement entered into by the Company with BSE Limited with respect to Non-Convertible Debentures issued by the Company read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the audit period**)
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (**Not Applicable to the Company during the audit period**)

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) - Regulations, 2021; **(Not Applicable to the Company during the audit period)**
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the audit period)**
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the audit period)**
- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not Applicable to the Company during the audit period)**

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

(vii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

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

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

We further report that -

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

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

We further report that there ***are adequate systems and processes*** in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period;

- 1) The Special Resolution is passed through Postal Ballot by way of Remote Electronic Voting (Remote E-Voting) by the Members of the Company on Saturday, 26th June, 2021 for adopting the amended and re-stated Articles of Association of the Company which incorporate the relevant provisions of Second SHA Amendment Agreement dated 20th May, 2021.
- 2) In the Board Meeting held on 29th June, 2021, the Board has approved Annual Financial Statement of the Company for the financial year ended 31st March, 2021.
- 3) In the Board Meeting held on 29th June, 2021, the Board has appointed M/s SPZ & Associates, Company Secretaries (Firm Unique Identification Number- S2015MH305600) as Secretarial Auditors of the Company for financial year 2021-2022.
- 4) In the Board Meeting held on 29th June, 2021 the Board has appointed Mr. Satish Kumar Gupta, official of the Company, having qualification of Chartered Accountant (CA Membership No. 124944) as the “In house” Internal Auditor of the Company.

- 5) In the Board Meeting held on 23rd August 2021, the Board has noted the resignation of Mr. Ashok Ghanshyam Kachore (DIN-00380102), from the directorship of the Company with effect from 8th July 2021.
- 6) In the Board Meeting held on 23rd August 2021, Mr. Harishchandra Namaji Sukhdeve (DIN-09289094) has been appointed as Additional Director in the Company.
- 7) In the Board Meeting held on 23rd August 2021, the Board has adopted the Director's Report for the Financial Year ended on 31st March, 2021.
- 8) In the Board Meeting held on 23rd August 2021, the Board has approved an invitation to offer be made to refund to each of the 1,107 identified shareholders ("**Identified Shareholders**") holding 50,32,263 Equity Shares as on the Record Date of August 20, 2021 (excluding the 8,67,237 Equity Shares held by Mr. Maroti Jawanjar and Mr. Sandeep Jawanjal ("**Purchasers**"), (collectively, the "**Relevant Shares**") at ₹ 45.00 per Equity Share (such amount being not less than the subscription amount and adjusted for amounts already paid either as interest, dividend or otherwise) for inviting the Identified Shareholders for tendering their shares in terms of the Securities and Exchange Board of India Circulars (the "**Exit Price**").
- 9) The Board of Directors approved the revision of Exit Price from ₹ 45 to ₹ 50 vide Circular Resolution No. 1/2021-22 dated 1st September, 2021.
- 10) In the Board Meeting held on 14th September, 2021 the consent of the Board of Directors was accorded to issue and allot 250 (Two Hundred and Fifty) Rated, Secured, Unsubordinated, Redeemable, Taxable, Transferable, Unlisted, Market Linked, Principal Protected, Non-Convertible Debentures denominated in Indian Rupees ("**INR**") each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) in one or more tranches on private placement basis to Northern Arc Income Builder Trust (Series II) with Northern Arc Income Builder Fund (Series II) as its scheme.
- 11) The Board of Directors of the Company vide Circular Resolution No. 2/2021-22 dated 17th September, 2021 approved the allotment of 250 (Two Hundred and Fifty) Rated, Secured, Unsubordinated, Redeemable, Taxable, Transferable, Unlisted, Market Linked, Principal Protected, Non-Convertible Debentures ("**NCDs**") denominated in Indian Rupees each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) comprising of 130 (One Hundred and Thirty) Tranche I NCDs and 120 (One Hundred and Twenty) Tranche II NCDs to Northern Arc Income Builder Trust (Series II) with Northern Arc Income Builder Fund (Series II) as its scheme on private placement basis.
- 12) In the Annual General Meeting held on 27th September, 2021, following resolutions were passed regarding the appointment/ reappointment of Directors of the Company.
 - Re-appointment of Mr. Dattatraya Prabhakar Dalal (DIN-00380199) as Director, who retires by rotation and being eligible offer himself for re-appointment.
 - Appointment of Mr. Maroti Gendaru Jawanjar (DIN-00379916) as Executive Chairman of the Company.
 - Appointment of Mr. Sandeep Marotrao Jawanjal (DIN-01490054) as Managing Director of the Company.
 - Appointment of Ms. Rashmi Mitkary (DIN-08960192) as an Independent Director of the Company.
 - Appointment of Mr. Avishek Addy (DIN-07973542) as a Non- Executive Director of the Company.
 - Appointment of Mr. Harishchandra Namaji Sukhdeve (DIN- 09289094) as a Non-Executive Director of the Company.
- 13) The Ordinary Resolution was passed through Postal Ballot by way of Remote Electronic Voting (Remote E-Voting) by the Members of the Company on Friday, 31st December, 2021 for approving the reclassification of Authorized Share Capital of the Company and thereby alteration of Memorandum of Association of the Company.

- 14) During the period under review, the Company has granted 1,08,000 (One Lakh Eight Thousand) options to the eligible employees under the Berar Employee Stock Option Plan 2019.
- 15) In the Extra-Ordinary General Meeting held on 22nd February, 2022, the Company has passed special resolution to issue 23,29,048 Equity Shares on a preferential basis by way of private placement.
- 16) In the Board Meeting held on 21st March, 2022, the Board has noted the resignation of Mr. Dattatraya Prabhakar Dalal (DIN-00380199), from the directorship of the Company with effect from 9th March 2022.
- 17) In the Board Meeting held on 21st March, 2022, Mr. Siva Chidambaram Vadivel Alagan (DIN-08242283) is appointed as an Additional Director in the Company.
- 18) In the Board Meeting held on 21st March, 2022, the Board has made an allotment of 23,29,048 Equity Shares on a preferential basis by way of private placement.
- 19) In the Board Meeting held on 21st March, 2022, the Board has noted the resignation of Mr. Sandeep Jawanjal, Managing Director, from the post of Chief Financial Officer ("CFO") of the Company with effect from 28th February, 2022.
- 20) In the Board Meeting held on 21st March, 2022, Mr. Yogesh Tahalyani, has been appointed as Chief Financial Officer ("CFO") of the Company with the immediate effect.

This Secretarial Audit Report is being issued on 29th June, 2022.

For SPZ & Associates

Company Secretaries

CS Sunil Zore

Certificate of Practice. No. 11837

Membership Number: 22144

Firm Unique Identification Number- S2015MH305600

Peer Review Certificate Number- 965/2020

ICSI UDIN: A022144D000541234

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

Annexure A to the Secretarial Audit Report

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

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

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

This Letter is being issued on 29th June, 2022.

For SPZ & Associates
Company Secretaries

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

Annexure III

REPORT ON CORPORATE GOVERNANCE

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, legal compliance and academics. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board.

The Composition of the Board as on March 31, 2022 is as follows:

Name of Director	Category	DIN	No of Board Meeting(s) attended during FY 2021-2022	Whether attended AGM held during FY 2021-2022
Mr. Maroti Jawanjar	Promoter and Executive Chairman	00379916	12	Yes
Mr. Sandeep Jawanjal	Promoter and Managing Director	01490054	12	Yes
Mr. Shantaram Mahakalkar	Non-Executive Director	00379988	12	Yes
Mr. Vishwas Pathak	Independent Director	00452917	12	Yes
Mr. Atul Sarda	Independent Director	02161209	12	Yes
Ms. Rashmi Mitkary	Independent Director	08960192	12	Yes
Mr. Avishek Addy	Non- Executive Director	07973542	12	Yes
Mr. Harishchandra Sukhdeve (w.e.f. 23.08.2021)	Non- Executive Director	09289094	7	Yes
Mr. Siva Vadivel Alagan (w.e.f. 21.03.2022)	Non- Executive Director	08242283	1	NA

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.

12 (Twelve) Board Meetings were held during the financial year ended March 31, 2022. The dates of the Board meetings held are as under:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	May 19, 2021	7.	November 25, 2021
2.	May 21, 2021	8.	December 28, 2021
3.	June 29, 2021	9.	January 27, 2022
4.	August 23, 2021	10.	February 14, 2022
5.	September 14, 2021	11.	March 21, 2022
6.	November 13, 2021	12.	March 31, 2022

Except Mr. Avishek Addy and Mr. Siva Vadivel Alagan, none of the other Directors are holding directorship in other companies.

Mr. Avishek Addy holds directorship in the following companies:

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

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

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

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.

During the financial year ended March 31, 2022, the details of sitting fees paid to the Directors are as under:

(Amt.in ₹)

Name of Director	Sitting Fees paid during the year
Mr. Shantaram Mahakalkar	46,000
Mr. Vishwas Pathak	66,000
Mr. Atul Sarda	58,000
Ms. Rashmi Mitkary	44,000
Mr. Ashok Kachore*	10,000
Mr. Dattatraya Dalal**	26,000
Mr. Harishchandra Sukhdeve	22,000

*Ceased to be a Director w.e.f. July 8, 2021 (close of business hours).

** Ceased to be a Director w.e.f. March 9, 2022 (close of business hours).

For the period under review the Company paid ₹ 105.07 lakhs towards remuneration to Mr. Maroti Jawanjar, Executive Chairman and ₹ 88.47 lakhs to Mr. Sandeep Jawanjal, Managing Director.

2) Audit Committee:

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

During the year under review, the Committee met Four (4) times on June 29, 2021, November 13, 2021, February 14, 2022 and March 31, 2022.

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

Name of Director	Designation	Committee Meetings attended during the year
Mr. Atul Sarda	Chairman of the Committee	4
Mr. Vishwas Pathak	Member	4
Mr. Sandeep Jawanjal*	Member	4
Ms. Rashmi Mitkary	Member	4
Mr. Avishek Addy	Member	4
Mr. Siva Vadivel Alagan**	Member	-

* Mr. Sandeep Jawanjal ceased to be member of the Committee w.e.f. March 31, 2022(close of business hours).

** The Board of Directors inducted Mr. Siva Vadivel Alagan as a member of the Committee w.e.f. March 31, 2022.

The Company Secretary acts as Secretary to the Audit Committee.

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

3) Risk Management Committee:

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

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

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

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

During the year under review, the Committee met Three (3) times on June 29, 2021, November 19, 2021 and March 31, 2022.

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

Name of Director	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	3
Mr. Sandeep Jawanjal	Member	3
Mr. Avishek Addy	Member	3
Mr. Siva Vadivel Alagan*	Member	-

* The Board of Directors inducted Mr. Siva Vadivel Alagan as a member of the Committee w.e.f. March 31, 2022.

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

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

4) Asset-Liability Management (ALM) Committee:

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

During the year under review, the Committee met Four (4) times on May 19, 2021, August 23, 2021, November 19, 2021 and March 31, 2022.

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

Name of Directors	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	4
Mr. Sandeep Jawanjal	Member	4
Mr. Avishek Addy	Member	4
Mr. Siva Vadivel Alagan*	Member	-

* The Board of Directors inducted Mr. Siva Vadivel Alagan as a member of the Committee w.e.f. March 31, 2022. The Company Secretary acts as Secretary to the ALM Committee.

5) Nomination and Remuneration Committee:

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

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

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

During the year under review, the Committee met Five (5) times on May 19, 2021, August 20, 2021, February 21, 2022, March 21, 2022 and March 30, 2022.

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

Name of Director	Designation	Committee Meetings attended during the year
Mr. Vishwas Pathak	Chairman of the Committee	5
Mr. Atul Sarda	Member	5
Mr. Avishek Addy	Member	5
Mr. Siva Vadivel Alagan*	Member	-

* The Board of Directors inducted Mr. Siva Vadivel Alagan as a member of the Committee w.e.f. March 31, 2022. The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

6) Information Technology (IT) Strategy Committee:

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

During the year under review, the Committee met two (2) times on September 21, 2021 and March 28, 2022.

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

Name of Director	Designation	Committee Meetings attended during the year
Mr. Atul Sarda	Chairman of the Committee	2
Mr. Sandeep Jawanjal	Member	2
Mr. Amar Helonde	Member	2

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

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

7) Stakeholders Relationship Committee:

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

During the year under review, the Committee met Six (6) times on April 3, 2021, July 7, 2021, August 26, 2021, October 9, 2021, November 29, 2021 and January 11, 2022.

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

Name of Director	Designation	Committee Meetings attended during the year
Mr. Shantaram Mahakalkar	Chairman of the Committee	6
Mr. Ashok Kachore*	Member	2
Mr. Dattatraya Dalal**	Member	6
Mr. Harishchandra Sukhdeve*	Member	4
Mr. Maroti Jawanjar**	Member	0

*Consequent to resignation of Mr. Ashok Kachore, the Board of Directors at its meeting held on August 23, 2021 reconstituted the Committee and appointed Mr. Harishchandra Sukhdeve as a member of the Committee in place of Mr. Ashok Kachore.

**Consequent to resignation of Mr. Dattatraya Dalal, the Board of Directors at its meeting held on March 21, 2022 reconstituted the Committee and appointed Mr. Maroti Jawanjar as a member of the Committee in place of Mr. Dattatraya Dalal.

No complaints were received from the security holders during the year under review.

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

8) Corporate Social Responsibility (CSR) Committee:

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

During the year under review, the Committee met Two (2) times on June 28, 2021 and March 28, 2022.

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

Name of Directors	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	2
Mr. Sandeep Jawanjal	Member	2
Mr. Vishwas Pathak	Member	2
Mr. Siva Vadivel Alagan*	Member	-

* The Board of Directors inducted Mr. Siva Vadivel Alagan as a member of the Committee w.e.f. March 31, 2022.

The Company Secretary acts as Secretary to the CSR Committee.

9) Fund Management Committee:

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

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

During the year under review, the Committee met Nine (9) times on July 30, 2021, August 17, 2021, September 9, 2021, October 18, 2021, November 24, 2021, December 6, 2021, December 30, 2021, February 23, 2022 and March 25, 2022.

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

Name of Director	Designation	Committee Meetings attended during the year
Mr. Maroti Jawanjar	Chairman of the Committee	9
Mr. Sandeep Jawanjal	Member	9
Mr. Vishwas Pathak	Member	9

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

10) Independent Directors Meeting

During the year under review the Independent Directors met on March 30, 2022, *inter alia* to discuss:

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

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

11) General Body Meetings

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

Financial Year	Day	Date	Time	Venue
2020-2021	Monday	September 27, 2021	04.00 P.M	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
2019-2020	Monday	September 28, 2020	11.00 A.M	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
2018-2019	Saturday	September 21, 2019	4.00 P.M.	Arjuna Celebrations, Pande Layout Road, Khamla, Nagpur-440025

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

Sr. No.	Detail of resolutions	Date of passing	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1	To re-appoint Mr. Vishwas Pathak as Independent Director	21.09.2019	45,52,700	2,000	99.96 %	0.04%
2	To re-appoint Mr. Atul Sarda as Independent Director	21.09.2019	45,52,700	2,000	99.96 %	0.04%
3	To increase borrowing limits from ₹ 400 crores to ₹ 2,000 crores under Section 180(1)(c) of Act	21.09.2019	45,44,300	10,200	99.78 %	0.22%
4	To authorize Board to create charge on the assets of the Company under Section 180 (1) (a) of the Act.	21.09.2019	45,44,600	6,000	99.87 %	0.13%
5	To approve the amendment, re-statement and entrenchment of the Articles of Association of the Company.	28.09.2020	56,94,211	0	100 %	0%
6	To authorize the issuance of Tranche 2 Series A Cumulative Compulsorily Convertible Participating Preference Shares.	28.09.2020	56,94,211	0	100 %	0%
7	To approve issuance of Tranche 2 Series A Equity Shares and Tranche 2 Series A CCPS through Private Placement.	28.09.2020	56,94,211	0	100 %	0%
8	Appointment of Mr. Maroti Gendaru Jawanjar (DIN: 00379916) as Executive Chairman of the Company	27.09.2021	66,62,048	0	100%	0%

The Special Resolutions from Sr.No. 1 to 4 were passed through E-voting and Ballot Paper as per the procedure prescribed under Section 108 of the Act read with Companies (Management and Administration) Rules, 2014 under the overall supervision of the Scrutinizer, Mr. Amit K. Rajkotiya, Practicing Company Secretary (CP No. 5162), Nagpur.

The Special Resolutions from Sr. No. 5 to 8 were passed through E-voting and remote E-voting at AGM as per the procedure prescribed under Section 108 of the Act read with Companies (Management and Administration) Rules, 2014 under the overall supervision of the Scrutinizer, Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837), Nagpur.

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

II. Extraordinary General Meeting (EGM):

During the Financial year ended March 31, 2022 the EGM of the shareholders of the Company was held on February 22, 2022 through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

Sr. No.	Detail of resolution	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1.	Issuance of Equity Shares of the Company through Private Placement.	66,40,614	0	100%	0%

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

The Resolution was passed by the shareholders with requisite majority.

III. Postal Ballot:

During the FY 2021-2022, the Company had sought approval of the members through Postal Ballot through remote e-voting only, the details of the same are given below:

Sr. No.	Detail of resolution	Date of passing resolution	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1.	To approve the amendment, re - statement and entrenchment of the Articles of Association of the Company.	26.06.2021	64,40,264	0	100%	0%
2.	Reclassification of Authorised Share Capital of the Company and alteration of Memorandum of Association of the Company.	31.12.2021	65,74,564	0	100%	0%

Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837) Nagpur was appointed as the Scrutinizer for conducting the Postal Ballot process, in a fair and transparent manner.

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

12) Details of Shares transferred to Investor Education and Protection Fund (IEPF) during FY 2021-2022 and unclaimed dividend due dates:

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

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Berar Finance Limited IEPF Account
Opening Balance as on April 01, 2021	8	4,550
Less: Requests received for transfer / delivery during F.Y. 2021-2022 and Shares transferred / delivered during F.Y. 2021-2022	0	0
Add: Transfer of shares to Investor Education and Protection Fund Authority of Ministry of Corporate Affairs during F.Y. 2021-2022	0	0
Balance as on March 31, 2022	8	4,550

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

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

Nature of Dividend	Transferable to IEPF on
Final Dividend 2014-15	October 26, 2022
Final Dividend 2015-16	September 26, 2023
Final Dividend 2016-17	October 2, 2024
Final Dividend 2017-18	October 8, 2025
Final Dividend 2018-19	October 21, 2026
Final Dividend 2019-20	October 28, 2027
Final Dividend 2020-21	October 27, 2028

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

13) Vigil Mechanism/Whistle Blower Policy

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner with highest standard of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil Mechanism and Whistle Blower Policy. The mechanism of reporting under this policy is in place and a copy of the policy is posted on website of the Company. No personnel have been denied access to the Chairman or members of the Audit Committee.

Annexure IV

Annual Report on Corporate Social Responsibility (“CSR”) Activities
[Pursuant to Section 135 of the Companies Act, 2013 and
The Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy ('Policy') was approved at the Board Meeting held on March 07, 2015 and last modification being made on June 29, 2021. The Policy is available on the Company's website at the following link: https://www.berarfinance.com/pdf/policies/may22/corporate_social_responsibility_policy.pdf

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

2. Composition of CSR Committee:

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

*Note: Mr. Siva Vadivel Alagan has been appointed as member of CSR Committee on March 31, 2022.

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

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

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

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

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
NA			

6. Average net profit of the Company as per Section 135(5) of the Companies Act, 2013: ₹ 23,42,56,864/-

7. CSR Expenditure:

Sl. No.	Particular	Amount (in ₹)
(a)	Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013	46,85,137/-
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set-off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b-7c)	46,85,137/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
50,18,342/-	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation-Direct (Yes/No).	Mode of Implementation-Through Implementing Agency
				State	District					Name	CSR Registration number.
NA											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of Implementation-Direct. (Yes/No).	Mode of Implementation-Through Implementing Agency.	
				State.	District.			Name.	CSR registration number.
1.	Reimbursement of medical expenditure of COVID patient Late. Mr. Sanjay Waikar.	Promoting health care	Yes	Maharashtra	Nagpur	2,00,000	Yes	Direct	NA
2.	Contribution to Vishwa Hindu Jankalyan Parishad, Vidarbha	Livelihood enhancement projects	Yes	Maharashtra	Nagpur	5,00,000	No	Vishwa Hindu Jankalyan Parishad, Vidarbha	CSR00012736

3.	Contribution to Jeevoday Education Society	Promoting education, including special education	Yes	Maharashtra	Nagpur	5,00,000	No	Jeevoday Education Society	CSR00019107
4.	Contribution to Central India Institute of Medical Science, Nagpur (CIIMS)	Promoting healthcare	Yes	Maharashtra	Nagpur	5,00,000	No	Central India Institute of Medical Science, Nagpur	CSR00004345
5.	Contribution to Maharogi Sewa Samiti	Promoting health care	Yes	Maharashtra	Gadchiroli	5,00,000	No	Maharogi Sewa Samiti	CSR00000738
6.	Contribution to Dhobi Samaj Vikas Bahuuddeshiya Sanstha.	Livelihood enhancement projects	Yes	Maharashtra	Nagpur	5,00,000	No	Dhobi Samaj Vikas Bahuuddeshiya Sanstha	CSR00004352
7.	Reimbursement of medical expenses of poor needy person Ms. Shubhangi Bhujade.	Promoting health care	Yes	Maharashtra	Nagpur	1,18,342	Yes	Direct	NA
8.	Contribution to Cause to Connect Foundation	Livelihood enhancement projects	Yes	Maharashtra	Located at Pune having projects around Pune Sangli & Kolhapur	2,00,000	No	Cause to Connect Foundation	CSR00000522
9.	Contribution to Home for Aged and Handicapped	Livelihood enhancement projects	Yes	Maharashtra	Nagpur	5,00,000	No	Home for Aged and Handicapped	CSR00017951
10.	Contribution to Amrapali Utkarsh Sangh	Promoting education of poor abandoned children	Yes	Maharashtra	Nagpur	10,00,000	No	Amrapali Utkarsh Sangh	CSR00018461
11.	Contribution to Research and Development Association of India	Promoting education of poor needy children	Yes	Maharashtra	Nagpur	5,00,000	No	Research and Development Association of India	CSR00020161

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 50,18,342/-

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

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	46,85,137/-
(ii)	Total amount spent for the financial year	50,18,342/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,33,205/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	* 3,33,205/-

* The Company does not propose to avail any set-off against the excess amount spent in FY 2021-2022 for succeeding financial years.

9. (a) Details of Unspent CSR amount for the preceding three financial years

Sl No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in ₹).	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of Fund	Amount (in ₹).	Date of transfer.	
NA	NA	Nil	NA	NA	Nil	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No.	Project ID.	Name of Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year. (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project- Completed/ Ongoing.
NA	NA	NA	NA	NA	Nil	Nil	Nil	NA

Note: There was no provision of ongoing projects prior to financial year 2021-2022.

10. Details of creation or acquisition of capital asset acquired through CSR spent in the financial year:

- (a) Date of creation or acquisition of the capital asset(s): **None**
- (b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **NA**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **NA**

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013 - **NA**

Place: Nagpur
Date: August 10, 2022

Sandeep Jawanjal

DIN: 01490054
Managing Director

Maroti Jawanjar

DIN: 00379916
Executive Chairman
cum Chairman of CSR Committee

Annexure V (i)**Form AOC-2**

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

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

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

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

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

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

For and on behalf of Board of Directors

Date: August 12, 2022

Place: Nagpur

**M.G Jawanjar
Chairman**

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

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

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

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

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

Annexure VI**Requirements under the Indian Accounting Standard (Ind AS) 102 - Share-based Payment****Summary of Status of ESOPs Granted**

The position of the existing schemes is summarized as under -

Sr.No.	Particulars	ESOP 2019
I. Details of the ESOP		
1	Date of Shareholder's Approval	07.12.2019
2	Total Number of Options approved	240,000
3	Vesting Requirements	Time based vesting
4	Exercise Price or Pricing formula (Rs.)	Exercise price for the first grant dated December 23, 2019 - ₹95 Exercise price for the second grant dated February 21, 2022 - ₹250
5	Maximum term of Options granted (years)	Maximum terms of the options granted dated December 23, 2019 - 5 years Maximum terms for the options granted dated February 21, 2022 - 4 years
6	Source of shares	Primary issuance
7	Variation in terms of ESOP	Nil
II. Option Movement during the year		
1	No. of Options Outstanding at the beginning of the year	132,000
2	Options Granted during the year	108,000
3	Options Forfeited / lapsed during the year	0
4	Options Vested during the year	22,800
5	Options Exercised during the year	0
6	Total number of shares arising as a result of exercise of options	0
7	Money realised by exercise of options (Rs.)	0
8	Number of options Outstanding at the end of the year	240,000
9	Number of Options exercisable at the end of the year	36,000
III Weighted average exercise price of Options granted during the year whose		
(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	250.00
(c)	Exercise price is less than market price	NIL
Weighted average fair value of options granted during the year whose		
(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	83.04
(c)	Exercise price is less than market price	NIL
The weighted average market price of options exercised during the year		No options Exercised during the year
Remaining Contractual life of options outstanding (Years)		3.26

IV	Employee-wise details of options granted during the financial year 2021-2022 to:	
(i)	Senior managerial personnel :	
	Name	No. of options granted
	Yogesh Tahalyani (Chief Financial Officer)	5,000
(ii)	Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year	
	Name	No. of options granted
	Nil	
(iii)	Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	
	Name	No. of options granted
	Nil	

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

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

The Assumptions used in the model are as follows:

Date of grant		Particulars
1.	Risk Free Interest Rate	5.41%
2.	Expected Life	3.50
3.	Expected Volatility	39.37%
4.	Dividend Yield	0.41%
5.	Price of the underlying share in market at the time of the option grant (Rs.)	245.33

Assumptions:

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

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

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

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

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

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

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	₹17.18
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Annexure VII

Statement of Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, and forming part of the Directors' Report for the year ended March 31, 2022:

Sr. No	Name of the Employee	Designation/ Nature of Employment	Age/ Qualification	Experience (in years)	Remuneration (₹)	Last Employment	Date of Appointment	Equity holding %
1	Mr. Maroti Jawanjar	Executive Chairman, Permanent	70, Company Secretary	32	1,05,07,100	--	01/10/1997	8.29
2	Mr. Sandeep Jawanjar	Managing Director, Permanent	38, B.Com.	16	88,46,700	--	01/08/2006	2.65
3	Mrs. Deepali Balpande	Company Secretary, Permanent	42, Company Secretary	19	20,59,450	--	09/06/2003	0.34
4	Mr. Someshwar Dhonge	Head- Collection, Permanent	35 M.Com., PGDBM	13	14,98,561	V.K Surana & Co.	01/10/2010	--
5	Mr. Sewak Bhisikar	Head Business Development, Permanent	37 MBA (HR & Finance)	12	14,82,428	Sanvijay Rolling & Engineering Limited	05/08/2013	--
6	Mr. Satish Kumar Gupta	Head- Internal Audit Permanent	40, C.A, MBA, M.Com, DISA	16	14,52,763	Cholamandalam Investment and Finance Company Limited	14/06/2021	--
7	Mr. Yogesh Tahalyani	Chief Financial Officer	26, C.A	4	10,59,400	Loksuvidha Finance Limited	22/03/2021	--
8	Mrs. Jyoti Jawanjar	Manager (P.R.), Permanent	64, B.A.	31	10,10,198	--	01/04/1991	2.23
9	Mr. Rajesh Hinge	State Head- CG, Permanent	39, M.A.	16	9,03,574	--	01/06/2006	--
10	Mr. Amar Helonde	Manager (IT) Permanent	41, Diploma in Industrial Electronics	20	8,65,129	Tata Consultancy Services	01/10/2020	--

Notes: i. Remuneration includes Salary and allowances.

ii. None of the above employees are related to any Director or Manager except Mr. Sandeep Jawanjar, Mrs. Jyoti Jawanjar and Mrs. Deepali Balpande who are relatives of Mr. Maroti Jawanjar (Executive Chairman).

PRAVIN DHIRAN & CO.

CHARTERED ACCOUNTANTS

“Manish-Sadan”, Opp. Raman Cycle Industries, Krishna Nagar, Wardha – 442 001

Ph.: (07152) 242724 Fax : 245678 E-mail: pravin_dhiran@rediffmail.com

INDEPENDENT AUDITOR’S REPORT

To the Members,
BERAR FINANCE LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Berar Finance Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics.

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

Emphasis of matter

We draw attention to Note 51 to the financial statements in which the company has opined that due to short term nature of its loans and consideration of enhanced risk factors in its ECL model, additional management overlay is not required due to uncertainties of economic activities caused by the COVID-19 pandemic which has not yet ebbed.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the

financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the Financial Statements section' of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

Key Audit Matter	Auditor's Response
(a) Allowance for expected credit losses ('ECL'): (as described in Note 3.6 of the Ind AS financial statements) As at 31 March 2022, the carrying value of loan assets measured at amortised cost, aggregated ₹ 81,933.84 lakhs (net of allowance for expected credit loss ₹ 1,264.00 lakhs) constituting approximately 79% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost; • Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. (Refer note no. 3.6 and 51 to the financial statements).	Audit Procedures included but were not limited to the following: • Understanding of the internal control environment related to Impairment loss allowance recognition and measurement and testing operating effectiveness of key controls • Assessing the approach of the Company regarding definition of Default, Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and incorporation of forward-looking information for the calculation of ECL. • Checking the reliability of key data inputs and related management controls. • Checking on sample basis the stage classification as at the balance sheet date as per definition of Default as per Board approved policy for ECL provisioning and RBI circulars for classification of loans as NPA issued from time to time. • Validation of ECL Model and its calculation by manual calculation of ECL provision for selected samples. • Assessing the assumptions made by the Company in making accelerated provision considering forward looking information. • For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.

Information Other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director Report, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report but does not include the Financial Statements and our Auditor's Report thereon. These reports are expected to be made available to us after the date of this Auditor's Report.
- Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Other Matter:

- i. As per paragraph 'E' of RBI Circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated 12-Nov-2021, there has been change in the manner of upgradation of loan accounts from NPA to Standard. According to the said circular, the loan account, one classified as NPA, may be upgraded to 'Standard' category only if entire arrears of interest and principal are paid by the borrower as against earlier practice of upgradation upon recovery of overdue beyond 90 days only. RBI has issued clarifications to this circular with regard to implementation of Ind-AS vide circular no. RBI/2021-2022/125 DOR.STR.REC.85/21.04.048/2021-22 dated 15-Feb-2022. As per para 2(v) of the February circular, "the circular does not, in any way, interfere with the extant guidelines on implementation of Ind-AS by NBFCs." Thus, the classification of loan accounts as Stage-1, Stage-2 and Stage-3 shall continue to be governed by Ind-AS 109. The company has made its ECL provision on the basis on Ind-AS 109 classifications depending upon days past due (DPD).
- ii. Our Opinion is not modified in respect of these matters.

Management's responsibility for the financial statements

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

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit on the separate financial statements, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. **(a)** The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;
 - (b)** The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and
 - (c)** Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed with respect to previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
2. As required by Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the said Order.

For PRAVIN DHIRAN & CO.

Chartered Accountants

FRN: 133656W

PRAVIN DHIRAN

Partner

M.No. 115580

UDIN - 22115580ANFWVV2096

Nagpur

Dated: May 30th, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of **Berar Finance Limited** of even date)

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

Opinion

We have audited the internal financial controls over financial reporting of **BERAR FINANCE LIMITED** as at March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 ICAI.

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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 internal financial controls over financial reporting of the Company 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 prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement in 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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 of 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.

For PRAVIN DHIRAN & CO.

Chartered Accountants

FRN: 133656W

PRAVIN DHIRAN

Partner

M.No. 115580

UDIN - 22115580ANFWVV2096

Nagpur

Dated: May 30th, 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under Report on Other Legal and Regulatory Requirements of our report to the members of **Berar Finance Limited** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, were physically verified during the year by the Management, in accordance with a regular programme of verification which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) Based on our examination of the documents provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable.
- (b) As stated in note no. 18, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, by banks or financial institutions on the basis of security of loans (assets) during the year. We have observed differences/reconciliation items in the quarterly returns or statements filed by the Company with such banks or financial institutions as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The differences are primarily due to furnishing of quarterly returns to the banks by the company before giving effect to adjustments as per Ind-AS as stated in note no. 18 of the financials statements of the Company.
- (iii) As explained in note no. 1 to the financial statements, the Company is a Deposit-taking Non-Banking Financial Company (‘NBFC’) registered with the Reserve Bank of India (‘RBI’) and as a part of its business activities is engaged in the business of lending across various types of loans.
During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee/security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees/security and loans and advances:
 - (a) The provisions of paragraph 3(iii)(a) of the Order are not applicable to the Company as its principal business is to give loans;

- (b) In our opinion, having regard to the nature of the Company's business, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest;
- (c) In respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note no. 3.6 to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balance as at 31 March 2022, aggregating ₹ 1,813.56 lakhs were categorised as credit impaired ('Stage 3') and ₹ 3,049.92 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in note no. 7 to the financial statements. Out of loans and advances in the nature of loans with balances as at the year end aggregating ₹ 78,334.37 lakhs, where credit risk has not significantly increased since initial recognition (categorised as 'Stage 1'), certain delinquencies in respect of payment of principal and payment of interest were observed which were regularized or were overdue for less than 30 days. Mostly, repayment of principal and interest is regular in case of loans categorized as Stage-1. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been observed.
- (d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 1069.71 lakhs (out of outstanding amount of ₹ 1,813.56 lakhs). Also, unrealized interest not recognized as per RBI guidelines on such loans is Rs.1367.55 lakhs. Reasonable steps are being taken by the Company for recovery of the principal and interest.
- (e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the Company as its principal business is to give loans.
- (f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company being NBFC registered with RBI, provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues –
 - (a) According to the records of the company, the company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax (GST), Provident Fund, Employees State Insurance, Income-tax, cess and other material statutory dues, as applicable to it, with the appropriate authorities. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

There were no arrears of undisputed statutory dues as stated above, at the end of the financial year which were outstanding for more than six months from the date they become payable.

- (b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on 31 March 2022, on account of dispute are given below:

Name of the Statute	Nature of Disputed Dues	Amount under Dispute	Amount paid*	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	7,45,844	1,49,170	FY 2016-17 or AY 2017-18	Commissioner of Income-tax (Appeals)

* paid under protest

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion, the Company has utilized the money obtained by way of term loans from bank during the year for the purposes for which they were obtained, other than temporary parking in Cash credit account or in the form of a term deposit for a few days, pending utilization towards purpose for which the same are obtained.
- (d) On the basis of the maturity profile of financial assets and financial liabilities provided in the note no. 89 to the standalone financial statements, financial liabilities maturing within the 12 months following the reporting date (i.e. 31 March 2022) are less than expected recoveries from financial assets during that period. Further, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) & (f) The Company does not have any subsidiary, associate or joint venture. As such, clauses (e) and (f) of paragraph 3(ix) of the Order are not applicable to the Company.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable. Further, in our opinion, monies raised by the Company by way of unlisted debt instruments were applied for the purposes for which those were obtained, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (b) The Company has made preferential allotment of equity shares by way of private placement during the year. The Company has complied with the relevant provisions of the Act viz. section 42 and section 62(1)(c) read with relevant rules in connection with the funds raised through preferential allotment and the same have been utilised for the purposes for which they were raised.
- (xi) (a) Based on the audit procedures performed and representations obtained from the management and as disclosed in note-78 to the financial statements, we report that three instances of fraud on the company were noticed and reported by the management to Reserve Bank of India in terms of applicable regulatory provisions. Of this, two instances involving amount of Rs.28.36 lakhs were in respect of fraud committed by employees and one instance involving amount of Rs.5.77 lakhs was in respect of fraud committed by outsider (recovery agent). Out of the three cases, one was reported during the year 2021-22 and rest two were reported before the date of this report since the investigations were ongoing. The nature of fraud in all three cases was short or non-deposit of cash collected and/ or seized vehicle from customers (borrowers) of company. The company has made provision against expected loss due to such frauds. Besides, there are instances reported in Risk

Based Internal Audit Report of the company wherein cash collected from customers was deposited after prodding by internal audit team. The company has treated such instances as late deposit of cash and not classified the same as fraud citing that no loss has occurred to the company.

Further, no material fraud by the company has been noticed or reported during the course of our audit.

- (b) The frauds reported in clause (a) above were individually of amount less than Rs.1 Crore and management has already reported the cases where recovery was not made to the Reserve Bank of India as per regulatory framework. As such, no report under section 143(12) of the Companies Act, 2013 has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report either by us or by secretarial auditor.
- (c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.
- (xii)** The Company is not a Nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii)** In our opinion, the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, etc., as required by the applicable accounting standards.
- (xiv)** (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- (xv)** In our opinion and based on our examination of the records of the company, the company has not entered into non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)** (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ('RBI Act') and it has obtained the registration.
- (b) The Company has conducted the non-banking financial activities with a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.
- (c) The Company is not a Core Investment Company ('CIC') and hence reporting under paragraph 3(xvi) (c) of the Order is not applicable to the Company.
- (d) The Group (as defined under Master Direction DNBR.PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) to which the company belongs does not have any CIC as part of the group.
- (xvii)** The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii)** There has been no resignation of the statutory auditors during the year.
- (xix)** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, along with details provided in Note 89 to the Financial statements which describe the maturity analysis of assets & liabilities other information accompanying the financial

statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a fund specified in schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Further as disclosed in Note 36.1 (Note-II) to the financial statements, unspent amount pertaining to FY 2021 was transferred to Prime Minister National Relief Fund in Jun-2021.
- (b) There is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing CSR project since there is no ongoing project.
- (xxi) The Company does not have any subsidiary, associate or joint venture and is not required to prepare consolidated financial statements. As such, paragraph 3(xxi) of the Order is not applicable to the Company.

For PRAVIN DHIRAN & CO.

Chartered Accountants

FRN: 133656W

PRAVIN DHIRAN

Partner

M.No. 115580

UDIN - 22115580ANFWV2096

Nagpur

Dated: May 30th, 2022

Financial Statements

Balance Sheet as at 31 March 2022

(₹ in Lakhs)

	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	5	9,507.52	9,479.25
(b) Bank Balances other than cash and cash equivalents	6	4,371.89	7,474.86
(c) Loans	7	81,933.84	65,948.35
(d) Investments	8	1,562.29	1,177.09
(e) Other Financial assets	9	3,619.80	2,550.32
Non-financial Assets			
(a) Current Tax assets (Net)	10	-	-
(b) Deferred tax assets (Net)	11	672.69	471.65
(c) Property, Plant and Equipment	12	1,794.81	1,722.16
(d) Capital Work in Progress		21.99	9.00
(e) Other Intangible assets	13	71.85	81.32
(f) Right of use assets	14	271.61	215.29
(g) Other non-financial assets	15	14.40	14.46
Total Assets		1,03,842.69	89,143.75
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	16	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	462.55	425.34
Debt Securities	17	12,224.08	12,066.02
Borrowings (Other than Debt Securities)	18	48,064.97	48,803.49
Deposits	19	15,064.14	11,318.39
Other financial liabilities	20	1,401.56	1,420.80
Non-Financial Liabilities			
Current Tax liabilities (Net)	21	140.66	74.08
Provisions	22	360.26	209.01
Other non-financial liabilities	23	210.28	184.23
EQUITY			
Equity Share capital	24	1,233.68	1,000.78
Other Equity	25	24,680.51	13,641.61
Total Liabilities and Equity		1,03,842.69	89,143.75

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

Statement of Profit and Loss for the year ended 31 March 2022

(₹ in Lakhs)

	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations			
Interest Income	26	15,888.76	12,104.33
Dividend Income	27	0.05	0.47
Fee & Commission Income	28	1,630.48	1,184.61
Net gain on fair value changes	29	8.73	88.13
Other operating Income	30	22.29	107.79
Total Revenue from operations		17,550.31	13,485.33
Other Income	31	9.59	0.86
Total Income		17,559.90	13,486.19
Expenses			
Finance Costs	32	9,021.06	6,752.88
Impairment on financial instruments	33	964.44	1,203.28
Employee Benefits Expenses	34	2,638.91	1,719.40
Depreciation, amortization and impairment	35	237.04	190.55
Other expenses	36	2,461.04	1,564.42
Total Expenses		15,322.49	11,430.53
Profit before tax		2,237.41	2,055.66
Tax Expense:			
- Current Tax	11	715.00	625.00
- Prior period income tax	11	-	-
- Deferred Tax	11	(219.56)	(107.01)
Profit for the year		1,741.97	1,537.67
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(73.61)	1.33
Income tax impact		(18.53)	(0.34)
Other Comprehensive Income for the year		(92.14)	0.99
Total Comprehensive Income for the year (Comprising Profit and other comprehensive income for the year)		1,649.83	1,538.66
Earnings per equity share			
Basic (INR)		17.28	16.01
Diluted (INR)		17.18	15.91

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

Statement of Cash Flows for the year ended 31 March 2022

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities		
Profit before tax	2,237.41	2,055.66
Adjustments for:		
Depreciation and amortisation expense	237.04	190.55
ESOP expense	40.62	48.30
Provision for Defined Benefit Obligation	33.65	25.58
Finance cost	377.45	124.57
Interest Income on Security Deposit	(4.99)	3.65
Amortization impact of Processing fees and commission on Loans	-	(634.08)
Interest income on investment	(86.20)	(73.99)
Net gain on fair value changes in Investment	(2.02)	37.30
Profit on sale of investment	(6.71)	(75.85)
Gain on termination of lease	(4.33)	(0.01)
Income on Mutual Funds	0.24	-
Impairment on financial instruments	964.44	1,203.28
Profit on sale of property, plant and equipment (Net)	(0.19)	(0.14)
Operating profit before working capital changes	3,786.41	2,904.82
Changes in working capital		
Increase/ (decrease) in trade payables	37.21	184.75
Increase/ (decrease) in other financial liabilities	(83.31)	145.37
Increase/ (decrease) in provisions and other liabilities	70.04	(119.10)
(Increase)/ decrease in other financial assets	(1,070.46)	(716.26)
(Increase)/ decrease in Loans	(16,949.93)	(20,505.52)
(Increase)/ decrease in other assets	0.06	(6.03)
Cash generated from/(used in) operations	(14,209.98)	(18,111.97)
Income tax paid	(648.42)	(513.61)
Net cash used in operating activities (A)	(14,858.40)	(18,625.58)
B. Cash flow from Investing activities		
Payment for property, plant and equipment, intangible assets and Capital Work-in-progress	(191.83)	(131.84)
Change in Other Bank balances not available for Immediate use	3,102.97	(6,759.20)
Proceeds from sale of property plant and equipment	0.34	0.19
Purchase of investment	(400.42)	(331.80)
Proceeds from sale of Investments	20.55	146.11
Interest received	90.00	69.67
Net cash used in investing activities (B)	2,621.61	(7,006.87)
C. Cash flow from Financing activities		
Proceeds from Bank & Financial Institution Borrowing (Net of Repayments)	(740.79)	15,352.61
Debt Securities issued	123.80	12,165.85
Deposits taken (Net of Repayments)	3,745.75	2,630.72

Capital raised	232.90	34.12
Premium received on issue of shares	9,767.10	1,965.89
Expenses related to Issue of Shares	(318.59)	-
Dividend Paid	(100.06)	(46.51)
Repayment of lease liabilities	(139.01)	(93.88)
Net cash used generated from financing activities (C)	12,571.10	32,008.80
Net increase in cash and cash equivalents (A+B+C)	334.31	6,376.35
Cash and cash equivalents at the beginning of the year	4,280.54	(2,095.81)
Cash and cash equivalents at the end of the year	4,614.84	4,280.54

Notes:

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

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Balances with banks		
In current accounts	3,968.60	7,610.80
In fixed deposits (with original maturity less than 3 months)	5,495.88	1,754.60
Cash Credit from Banks	(4,892.68)	(5,198.71)
Cash in Hand	43.04	113.85
	4,614.84	4,280.54

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

Statement of Changes in Equity for the year ended 31 March 2022

A. Equity Share Capital

(1) Current reporting period

(₹ in Lakhs)

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

(2) Previous reporting period

(₹ in Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
911.11	-	911.11	89.67	1,000.78

B. Other Equity

(1) Current reporting period

(₹ in Lakhs)

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

(2) Previous reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	Statutory Reserve	Securities Premium	General Reserve	Employee stock options plan	Retained Earnings	Total
Balance at the beginning of the previous reporting period	2,412.95	2,709.55	5,482.65	14.09	(483.96)	10,135.28
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	2,412.95	2,709.55	5,482.65	14.09	(483.96)	10,135.28
Profit for the year	-	-	-	-	1,537.67	1,537.67
Other comprehensive income for the year	-	-	-	-	0.99	0.99
Total comprehensive income for the year	2,412.95	2,709.55	5,482.65	14.09	1,054.70	11,673.94
Dividend Paid including taxes on dividend	-	-	-	-	(46.50)	(46.50)
Transfers to Statutory reserves	400.00	-	-	-	(400.00)	-
Transfers to General reserves	-	-	500.00	-	(500.00)	-
Any other change:						
Premium on issue of Shares	-	1,965.89	-	-	-	1,965.89
Share based payment expense	-	-	-	48.28	-	48.28
Balance at the end of the previous reporting period	2,812.95	4,675.44	5,982.65	62.38	108.20	13,641.61

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**1 Corporate Information**

The Company is a registered non-banking finance company engaged in the business of providing finance. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) with effect from 24 November 1998, with Registration No. 13.01109. The Company primarily deals in the financing of two-wheelers, used car finance, and personal loan etc. The Company is a systemically important NBFC as per Reserve Bank of India. The company was re-classified from Asset Finance Company to Investment & Credit Company (NBFC-ICC) as per RBI notification no. 097/03.10.001/2018-19 dated 22-Feb-2019. The Company is having its head office at Nagpur and currently having 101 branches as on 31 March 2022. The financial statements of the Company for the year ended March 31, 2022 were approved in accordance with the resolution of the Board of Directors on May 30, 2022.

2 Basis of Preparation**2.1 Statement of compliance**

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

2.2 Basis of preparation

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

2.3 Functional and presentation currency

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

2.4 Use of estimates, judgements and assumptions

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

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

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

i) Fair value of financial instruments

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

ii) Effective interest rate ('EIR') method

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

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

iii) Impairment of financial asset

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

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

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

iv) Provisions and other contingent liabilities

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

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

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates. For further details on provisions and other contingencies refer note 38.

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

2.5 Presentation of the financial statements

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

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

3 Significant Accounting Policies

3.1 Revenue recognition

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

A Interest and dividend income

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

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

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

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

B Other Financial Charges

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

C Net gain or fair value change

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

D Other operational revenue

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

3.2 Financial instrument - initial recognition**A Date of recognition**

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

B Initial measurement of financial instruments

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

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

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

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

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

Solely payments of principal and interest (SPPI) test

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

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

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

contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

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

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

ii) Financial assets measured at FVOCI

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

iii) Financial assets measured at FVTPL

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

B Financial liabilities

i) Initial recognition and measurement

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

ii) Borrowings

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2022 and 31 March 2021.

3.5 Derecognition of financial assets and liabilities

i) Financial assets

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

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

B Derecognition of financial assets other than due to substantial modification

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

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

ii) **Financial liabilities**

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

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

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

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

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

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

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

B. Calculation of ECLs

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

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

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

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

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

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

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

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

C. Forward looking information

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

3.7 Write-offs

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

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

prices such as interest rates and yield curves, implied volatilities, and credit spreads; and market-corroborated inputs.

- **Level 3** financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 I) Recognition of other expense

A. Borrowing costs

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

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

3.10 Cash and cash equivalents

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

3.11 Property, plant and equipment

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

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

The estimated useful lives are, as follows:

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

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

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

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

3.12 Intangible assets

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

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

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

The estimated useful life is as follows:

- i) Computer Software - 5 years

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

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

3.14 Leases

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

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

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

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

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

3.15 Retirement and other employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

Short-term employee benefits

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

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

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

C. Contingent asset

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

3.17 Taxes**A. Current Tax**

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

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

B. Deferred Tax

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

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

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

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

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

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

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

3.18 Earnings per share

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

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

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

3.19 Dividends on ordinary shares

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

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

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

3.20 Cash flow statement

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

4 Standards (including amendments) issued but not yet effective

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

4 A Ind AS 101 - First time adoption of Ind AS

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- (i) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, intangible assets and investment property as at March 31, 2019 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment, intangible assets and investment property as on April 01, 2019.
- (ii) On transition to Ind AS, the Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2019.
- (iii) On transition to Ind AS, the Company has applied the impairment requirements of Ind AS 109 retrospectively. However, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

5 Cash and cash equivalents

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Cash on hand	43.04	113.85
Balances with banks		
In current accounts	3,968.60	7,610.80
In fixed deposits (with original maturity less than 3 months)	5,495.88	1,754.60
Total	9,507.52	9,479.25

6 Bank Balances other than cash and cash equivalents

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Fixed Deposits (Including accrued Interest)	4,120.01	7,330.28
Balances with banks to the extent held as margin money or security against the borrowings	251.18	143.04
Earmarked balances with banks (Unpaid dividend)	0.70	1.54
Total	4,371.89	7,474.86

7 Loans

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
<u>Loans measured at Amortised Cost</u>		
i) <u>Terms loans</u>		
Loans (Refer Note 48)	83,197.84	67,180.56
Total (A) Gross	83,197.84	67,180.56
Less: Impairment loss allowance (Refer Note 48)	(1,264.00)	(1,232.21)
Total (A) Net	81,933.84	65,948.35

Details of loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties that are repayable on demand or without specifying any terms or period of repayment as at 31 March 2022 are as follows:

(₹ in Lakhs)

Type of borrower	Amount of loan or advance in the nature of loan outstanding	% to the total loans and advances in the nature of loans
Promoter	3.64	0.004%
Director	-	-
KMPs	-	-
Related parties	-	-

Details of loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties that are repayable on demand or without specifying any terms or period of repayment as at 31 March 2021 are as follows:

(₹ in Lakhs)

Type of borrower	Amount of loan or advance in the nature of loan outstanding	% to the total loans and advances in the nature of loans
Promoter	-	-
Director	-	-
KMPs	-	-
Related parties	7.04	0.01%

8 Investments

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
i) Investments measured at amortised cost (Refer Note I)		
Investments in Government Securities (Quoted)	1,442.84	1,054.52
ii) Investments measured at fair value through Profit or Loss (Refer Note II)		
Investments in Equity Instruments (Quoted)	14.78	13.45
Investments in Mutual funds (Quoted)	-	5.15
<u>Other Investment</u>		
Investment in alternative investment fund units	104.67	103.97
Total - Gross (A)	1,562.29	1,177.09
(i) Investments outside India	-	-
(ii) Investments in India	1,562.29	1,177.09
Total (B)	1,562.29	1,177.09
Less: Allowance for Impairment loss (C)	-	-
Total - Net C= (A)-(B)	1,562.29	1,177.09

A

Details of investments -
Note I - Investments in government securities measured at amortised cost
(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Investments measured at amortised cost (Quoted)		
7.80% GOI BONDS 2021	-	5.18
8.28% GOI BONDS 2027	4.85	4.82
8.03% GOI BONDS 2024	10.04	9.97
8.23% GOI BONDS 2027	6.06	6.07
8.30% GOI BONDS 2023	11.16	11.09
7.94% GOI BONDS 2021	-	10.26
8.26% GOI BONDS 2027	10.04	10.03
8.26% GOI BONDS 2027	5.08	5.08
8.83% GOI BONDS 2041	5.76	5.76
8.24% GOI BONDS 2027	5.03	5.03
8.83% GOI BONDS 2023	20.85	20.98
8.24% GOI BONDS 2027	9.97	9.95
8.35% GOI BONDS 2022	92.84	92.87
8.15% GOI BONDS 2026	92.60	92.62
8.26% GOI BONDS 2027	35.71	35.75
7.88% GOI BONDS 2030	20.00	19.99
7.16% GOI BONDS 2023	86.26	85.51
7.88% GOI BONDS 2030	36.54	36.68
7.88% GOI BONDS 2030	24.69	24.66
7.59% GOI BONDS 2029	45.29	45.49
7.88% GOI BONDS 2030	58.28	58.12
7.40% GOI BONDS 2035	9.33	9.30
7.88% GOI BONDS 2030	15.21	15.22
7.40% GOI BONDS 2035	76.75	76.82
7.73% GOI BONDS 2034	16.26	16.31
7.50% GOI BONDS 2034	12.51	12.53
7.40% GOI BONDS 2035	74.65	74.57
7.50% GOI BONDS 2034	18.23	18.28
7.40% GOI BONDS 2035	32.32	32.42
7.50% GOI BONDS 2034	24.99	25.10
6.22% GOI BONDS 2035	24.64	24.62
6.22% GOI BONDS 2035	153.44	153.44
6.22% GOI BONDS 2035	24.33	-
6.64% GOI BONDS 2035	49.96	-
6.22% GOI BONDS 2035	48.12	-
6.64% GOI BONDS 2035	141.15	-
6.83% GOI BONDS 2039	139.90	-
Total	1,442.84	1,054.52

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

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Investments measured at Fair Value through Profit or Loss		
i) Investments in Equity Instruments (Quoted)		
Sundaram Finance Ltd 100 (31 March 2021: 100)	1.94	2.58
Bajaj Finance Ltd. 100 (31 March 2021: 100)	7.26	5.15
HDFC LTD 100 (31 March 2021: 100)	2.39	2.50
KOTAK MAHINDRA BANK LTD 100 (31 March 2021: 100)	1.75	1.75
YES BANK LTD 1,500 (31 March 2021: 1,500)	0.19	0.24
AU SMALL FINANCE BANK LTD. 100 (31 March 2021: 100)	1.25	1.23
	14.78	13.45
ii) Investments in Mutual funds (Quoted)		
Sundaram Long Term Tax Advantage Fund Series III - Regular Idcw Nil (31 March 2021: 50,700 units)	-	5.15
Sundaram Short Term Debt Fund - Regular Growth Nil (31 March 2021: 6.559 units)	-	0.00
	-	5.15
iii) Other investments		
<u>Investment in Alternative Investment fund</u>		
Northern Arc Money Market Alpha Fund: 1,10,099.27 units (31 March 2021: 1,03,977.78 units)	104.67	103.98
	104.67	103.98
Total (i+ii+iii)	119.45	122.57

9 Other Financial assets

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Security deposits		
Premises	50.71	44.24
Others	19.19	55.83
Advances to employees	2.23	2.39
	72.13	102.46
Advances to dealers	2,291.76	1,803.78
Receivable from recovery agent	1,174.88	595.46
Others	148.93	48.62
Less: Impairment loss allowance	(67.90)	-
	3,547.67	2,447.86
Total	3,619.80	2,550.32

10 Current tax assets (net)

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Advance income tax (Net of provision for tax)	-	-
Total	-	-

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

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
(A) Deferred tax relates to the following:		
Deferred tax assets		
- on financial assets measured at amortised cost	418.98	302.49
- on expected credit loss provision on loans	335.21	257.96
- on lease as per Ind AS 116	5.41	3.49
- on ESOP	6.28	3.34
- on gratuity	58.50	33.16
- on leave encashment	32.17	19.45
- on Provision for bad debts	-	-
Total Deferred tax assets (A)	856.55	619.89
Deferred tax liabilities		
- On difference between written down value of fixed assets as per books of accounts and income tax	28.96	26.22
- On investments measured at FVTPL	0.49	0.01
- On financial assets measured at amortised cost	1.76	-
- On financial liabilities measured at amortised cost	96.19	122.01
- ECL provision claimed	56.46	-
Total Deferred tax liabilities (B)	183.86	148.24
Deferred tax asset / (liability), net (A-B)	672.69	471.65

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

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance as of 1 April	471.65	364.98
Deferred tax assets/(liabilities) recognized in Statement of Profit and Loss	219.56	107.01
Deferred tax assets/(liabilities) recognized in OCI	(18.53)	(0.34)
Closing balance	672.68	471.65

(C) Income tax expense recognised in profit and loss

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
- Current tax	715.00	625.00
- Prior period income tax		
- Deferred tax charge / (income)	(219.56)	(107.01)
Total	495.44	517.99

(D) Income tax expense recognised in other comprehensive income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net loss/(gain) on remeasurements of defined benefit plans	(18.53)	(0.34)
Total	(18.53)	(0.34)

(E) Major Components of tax expense/(income) :

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Statement of Profit and Loss:		
a) Profit & Loss Section		
i) <u>Current Tax</u>		
Current Tax expense for the year	715.00	625.00
Tax expense for the earlier years	-	-
	715.00	625.00
ii) <u>Deferred Tax</u>		
Tax expense on origination and reversal of temporary differences	(219.56)	(107.01)
	(219.56)	(107.01)
Income tax expense reported in the statement of profit or loss [(i)+(ii)]	495.44	517.99
Other Comprehensive Income (OCI) Section:		
i) <u>Items that will not be reclassified to profit or loss in subsequent years:</u>		
Current tax expense/(income):		
Deferred tax expense/(income):	(18.53)	(0.34)
	(18.53)	(0.34)
ii) <u>Items that will be reclassified to profit or loss in subsequent years:</u>	-	-
Income tax expenses reported in the other comprehensive income [i+ii]	(18.53)	(0.34)

(F) Reconciliation of tax charge

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	2,237.41	2,055.66
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expenses	563.11	517.37
Tax effects of:		
- Disallowed expense	164.66	148.21
- Excess Provision Made	59.50	11.77
- Other	-	(0.99)
- Tax at different rate	(0.14)	(17.65)
- Deductions under chapter VIA	(72.13)	(33.71)
- Adjustments related to tax of Prior Years	-	-
- Impact of Deferred Tax Adjustments	(219.56)	(105.34)
- Effect on Deferred Tax due to change in Tax Rates *	-	(1.67)
Tax expense recognised in Statement of Profit and Loss	495.44	517.99

(G) Computing Corporate Tax Rate Applicable to the Company

	Year ended 31 March 2022	Year ended 31 March 2021
Basic Tax Rate *	22%	22%
Add: Surcharge	10%	10%
Add: Cess	4%	4%
Corporate Tax Rate Applicable	25.17%	25.17%

* In the financial year ended March 31, 2021, the Taxation Laws (Amendment) Ordinance 2019, had inserted section 115BAA in the Income Tax Act, 1961, providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The Company had elected to apply the concessional tax rate and accordingly, the Company has recognized the provision for income tax for the years ended March 31, 2022 and March 31, 2021.

12 A. Property, plant and equipment

(₹ in Lakhs)

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

(₹ in Lakhs)

	Gross block			Accumulated depreciation and impairment					Net block	
	As at 31 March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2020	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2021	As at 31 March 2020
Owned assets										
Land-Freehold	1,181.08	-	-	1,181.08	-	-	-	-	1,181.08	1,181.08
Buildings	264.35	-	-	264.35	4.30	4.51	-	-	255.54	260.05
Office Equipments	70.21	22.88	1.12	91.97	16.25	16.91	1.07	-	59.88	53.96
Computers	58.12	44.86	-	102.98	17.03	21.20	-	-	64.75	41.09
Generator	0.18	13.85	-	14.03	-	0.53	-	-	13.50	0.18
Furniture & Fixtures	91.54	21.79	-	113.33	9.56	11.36	-	-	92.41	81.98
Vehicles	39.11	-	-	39.11	4.16	5.13	-	-	29.82	34.95
Printer	6.14	3.76	-	9.90	1.13	1.51	-	-	7.25	5.01
Server	3.74	-	-	3.74	1.37	1.38	-	-	0.99	2.36
Electrical Fitting	20.68	-	-	20.68	1.58	2.17	-	-	16.93	19.10
Total	1,735.15	107.15	1.12	1,841.17	55.38	64.70	1.07	-	1,722.16	1,679.77

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

(b) The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

(c) * Refer note 4A of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

B. Capital work in progress (CWIP)**CWIP ageing schedule as at 31 March 2022**

(₹ in Lakhs)

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

CWIP ageing schedule as at 31 March 2021

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.00	-	-	-	9.00
Projects temporarily suspended	-	-	-	-	-

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

13 Other Intangible assets

(₹ in Lakhs)

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

(₹ in Lakhs)

	Gross block			Accumulated amortisation and impairment			Net block	
	As at 31 March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2020
Computer Software	118.77	15.71	-	134.48	43.02	-	-	108.63
Total	118.77	15.71	0.00	134.48	43.02	-	-	108.63

14 Right of use assets

(₹ in Lakhs)

	Amount
Carrying amount as at 31 March 2020	110.08
Addition	188.07
Adjustments/deletion	(0.03)
Depreciation for the year	(82.83)
Carrying amount as at 31 March 2021	215.29
Addition	203.53
Adjustments/deletion	(25.68)
Depreciation for the year	(121.53)
Carrying amount as at 31 March 2022	271.61

15 Other Non Financial Assets

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Advances to creditors for capital goods	-	0.66
Stamps in Hands	14.40	13.80
Total	14.40	14.46

16 Trade Payables

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	462.55	425.34
Total	462.55	425.34

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

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

	As At 31 March 2022	As At 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	-	-
- Interest	-	-
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-

- The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	-	-
Total	-	-

16.2 Trade Payables ageing

a) Trade payables ageing schedule as at 31 March 2022

(₹ in Lakhs)

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

b) Trade payables ageing schedule as at 31 March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1. MSME	-	-	-	-	-
2. Others	276.06	-	-	-	276.06
3. Disputed dues - MSME	-	-	-	-	-
4. Disputed dues - Others	-	-	-	-	-
5. Unbilled trade payables, if any	149.28	-	-	-	149.28

17 Debt Securities

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
At Amortised cost :		
Secured		
Non Convertible Debentures	12,224.08	12,066.02
Total	12,224.08	12,066.02

17.1 Disclosure on Debt Securities issued on private placement basis.
Issue of secured redeemable non convertible debentures as on March 31, 2022

(₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31 March 2022
13.18% Listed Non Convertible Debentures*	1.00	24-Feb-21	24-Feb-24	Redeemable at par at the end of 36 Months from the date of allotment.	1,145.63
13.91% Listed Non Convertible Debentures*	10.00	24-Mar-21	05-Feb-25	Redeemable at par at the end of 46 Months 12 days from the date of allotment.	3,399.01
12.50% Unlisted Non Convertible Debentures	10.00	22-Jun-20	22-Jun-23	Redeemable at par at the end of 36 Months from the date of allotment.	998.05
14.00% Unlisted Non Convertible Debentures	10.00	11-Sep-20	11-Sep-23	Redeemable at par at the end of 36 Months from the date of allotment.	990.56
13.75% Unlisted Non Convertible Debentures	10.00	18-Nov-20	30-Mar-23	Redeemable at par at the end of 29 Months from the date of allotment.	1,489.12
13.75% Unlisted Non Convertible Debentures	1.00	23-Dec-20	23-Dec-23	Redeemable at par at the end of 36 Months from the date of allotment.	1,486.25
13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	31-Oct-24	Redeemable at par at the end of 38 Months from the date of allotment.	1,411.93
13.63% Unlisted Non Convertible Debentures	10.00	17-Sep-21	30-Nov-24	Redeemable at par at the end of 39 Months from the date of allotment.	1,303.53
Total					12,224.08

Issue of secured redeemable non convertible debentures as on March 31, 2021

(₹ in Lakhs)

Particulars	Face Value per Debenture	Date of Allotment	Date of full and final Redemption	Redeemable Terms	As at 31 March 2021
13.18% Listed Non Convertible Debentures*	1.00	24-Feb-21	24-Feb-24	Redeemable at par at the end of 36 Months from the date of allotment.	1,738.40
15.00% Listed Non- Convertible Debentures*	10.00	24-Mar-21	05-Feb-25	Redeemable at par at the end of 46 Months 12 days from the date of allotment.	3,395.42
12.50% Unlisted Non Convertible Debentures	10.00	22-Jun-20	22-Jun-23	Redeemable at par at the end of 36 Months from the date of allotment.	994.50
12.75% Unlisted Non Convertible Debentures	10.00	29-Jul-20	28-Jul-21	Redeemable at par at the end of 364 days from the date of allotment.	997.11

13.00% Unlisted Non Convertible Debentures	10.00	30-Jul-20	02-Aug-21	Redeemable at par at the end of 1 Year 3 days from the date of allotment.	999.12
14.00% Unlisted Non Convertible Debentures	10.00	11-Sep-20	11-Sep-23	Redeemable at par at the end of 36 Months from the date of allotment.	984.87
13.75% Unlisted Non Convertible Debentures	10.00	18-Nov-20	30-Mar-23	Redeemable at par at the end of 29 Months from the date of allotment.	1,480.21
13.75% Unlisted Non Convertible Debentures	1.00	23-Dec-20	23-Dec-23	Redeemable at par at the end of 36 Months from the date of allotment.	1,476.39
Total					12,066.02

Nature of Security:

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

* The NCDs are listed on BSE Ltd.

Secured redeemable non convertible debentures:

During the year, the Company has raised ₹ 2,500 lakhs issue of NCD's (31 March 2021: ₹ 12,200 lakhs). The Company has utilised ₹ 2,500 lakhs (31 March 2021: ₹ 7,000 lakhs) for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. Total unutilised balance amount of ₹ Nil (31 March 2021: ₹ 5,200 lakhs) is in form of Fixed Deposits with Banks.

18 Borrowings (Other than Debt Securities)

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
<u>At Amortised cost :</u>		
a) Term loans		
<u>i) Secured</u>		
Term Loan from Banks	18,522.89	18,237.40
Term Loan from Financial Institutions	23,413.67	25,211.31
Associated liabilities in respect of securitization transactions	1,235.73	156.07
b) Loans repayable on demand		
<u>i) Secured</u>		
Cash Credit from Banks	4,892.68	5,198.71
Total	48,064.97	48,803.49

18A Disclosure for Borrowings
Term loans from bank as on March 31, 2022 : Secured
(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31 March 2022	As at 31 March 2021
Monthly	Upto 5 Years	10.01%-11.00%	652.02	975.47
Monthly	Upto 5 Years	11.01%-12.00%	7,300.35	4,570.76
Monthly	Upto 5 Years	12.01%-13.00%	4,998.22	1,211.29
Monthly	Upto 5 Years	13.01%-14.00%	4,380.45	9,448.87
Monthly	Above 5 Years	12.01%-13.00%	1,191.85	2,031.01
Total			18,522.89	18,237.40

Details of Securities Given

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

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

Term loans from Financial Institutions as on March 31, 2022 : Secured
(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	As at 31 March 2022	As at 31 March 2021
Monthly	Upto 5 Years	10.01%-11.00%	1,348.00	-
Monthly	Upto 5 Years	11.01%-12.00%	2,806.14	3,946.25
Monthly	Upto 5 Years	12.01%-13.00%	5,127.56	2,533.49
Monthly	Upto 5 Years	13.01%-14.00%	14,131.97	18,324.68
Quarterly	Upto 5 Years	12.01%-13.00%	-	406.89
Total			23,413.67	25,211.31

Details of Securities Given

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

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

Repayment Term	Tenure	Interest Range	As at 31 March 2022	As at 31 March 2021
Bank overdraft/Cash Credit	Bullet	11.01%-12.00%	4,892.68	5,198.71
Total			4,892.68	5,198.71

Details of Securities Given

Loan repayable on demand from bank is secured by:

- First charge on Hypothecation loan receivables present and future, ranking pari passu, excluding assets which are specifically charged to others lenders.
- Equitable mortgage of Office premises situated at Amravati, Akola, Chandrapur, Chhindwara, Raipur and Nagpur office 3rd Floor.

- Hypothecation of furniture/Fixture/Computers/Equipments in the above office premises.
- Personal guarantees of Mr. M.G.Jawanjar, Mrs Jyoti Jawanjar and Mr. S.M.Jawanjal.

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

19 Deposits

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
At Amortised cost :		
Deposits (Unsecured)		
- Public deposits	14,990.24	11,249.22
- Inter corporate deposits	73.90	69.17
Total	15,064.14	11,318.39

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

(₹ in Lakhs)

Rate of Interest	As at 31 March 2022		
	Upto 1 Year	1-3 Years	Total
8.50%	753.84	-	753.84
8.75%	941.66	168.09	1,109.75
9.00%	842.93	675.31	1,518.24
9.25%	1,586.39	519.67	2,106.06
9.50%	1,298.42	2,590.70	3,889.12
9.75%	796.57	2,012.79	2,809.36
10.00%	1,388.69	916.16	2,304.85
10.50%	-	914.58	914.58
Total	7,608.50	7,797.30	15,405.80

(₹ in Lakhs)

Rate of Interest	As at 31 March 2021		
	Upto 1 Year	1-3 Years	Total
9.00%	1,566.62	-	1,566.62
9.25%	2,138.06	218.45	2,356.51
9.50%	719.59	1,929.43	2,649.02
9.75%	594.60	2,140.82	2,735.42
10.00%	432.26	1,308.13	1,740.39
10.50%	-	860.81	860.81
Total	5,451.13	6,457.64	11,908.77

20 Other Financial liabilities

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Employee benefits payable	299.82	207.53
Unclaimed Dividend	1.19	1.54
Other expenses payable	41.26	43.52
Security deposits	330.49	256.08
Unclaimed matured deposits (Refer note 19.1)	415.56	659.55
Lease liability (Refer note 20.1)	285.96	221.89
Other credit balances	27.28	30.69
Total	1,401.56	1,420.80

20.1 Movement of lease liabilities

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening Balance	221.89	111.97
Additions	199.28	183.15
Interest expenses	34.90	20.64
Payments	(139.01)	(93.87)
Deletions	(31.10)	-
Total	285.96	221.89

21 Current tax liabilities (net)

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Current income tax payable for 31 March 2022, net of advance tax of INR 503.29 lakhs and TDS receivable of INR 31.18 lakhs (31 March 2021: net of advance tax INR 500 lakhs and TDS receivable INR 50.91 lakhs)	140.66	74.08
Total	140.66	74.08

22 Provisions

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Provision for employee benefits		
Provision for gratuity (Refer Note 40)	232.45	131.75
Provision for compensated absences (Refer Note 40)	127.81	77.26
Total	360.26	209.01

23 Other Non Financial liabilities

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Statutory dues payable	210.28	184.23
Total	210.28	184.23

24 Equity share capital

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Authorized		
1,45,00,000 (31 March 2021: 1,25,00,000) Equity shares of INR 10/- each.	1,450.00	1,250.00
5,00,000 (31 March 2021: 25,00,000) 0.1% Cumulative Compulsorily Convertible Participating Preference shares of INR 10/- each.	50.00	250.00
	1,500.00	1,500.00
Issued, Subscribed and Paid up		
1,23,36,846 (31 March 2021: 1,00,07,798) Equity shares of INR 10/- each.	1,233.68	1,000.78
Total	1,233.68	1,000.78

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

(₹ in Lakhs)

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	100.08	1,000.78	91.11	911.11
Add: Issued during the year - Private Placement	23.29	232.90	5.72	57.14
Add: On account of conversion of 0.1% Cumulative Compulsorily Convertible Participating Preference shares	-	-	3.25	32.53
Outstanding at the end of the year	123.37	1,233.68	100.08	1,000.78

(b) Reconciliation of 0.1% Cumulative Compulsorily Convertible Participating Preference shares outstanding at the beginning and at the end of the year

(₹ in Lakhs)

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	-	-	5.56	55.56
Add: Issued during the year - Private Placement	-	-	-	-
Add: Preference shares issued during the year through Private Placement	-	-	3.81	38.10
Less: Preference shares converted into equity shares during the year	-	-	(9.37)	(93.66)
Outstanding at the end of the year	-	-	-	-

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

On October 27, 2020, the Company had allotted fully paid up 5,71,428 Equity Shares and 3,80,953 0.1% Cumulative Compulsorily Convertible Participating Preference Shares ("CCPS") of face value of ₹10/- each to the eligible equity shareholders at an issue price of ₹210/- per shares (including premium of ₹200/- per equity shares and CCPS) in the preference issue.

(c) Rights, preferences and restrictions attached to shares

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

In accordance with the Investor Agreement, on 30 March 2021, 5,55,556 Tranche 1 Series A CCPS of INR 10/- each were converted into 1,89,942 equity shares of INR 10/- each at a premium of INR 516.47 per share and 3,80,953 Tranche 2 Series A CCPS of INR 10/- each were converted into 1,35,317 equity shares of INR 10/- each at a premium of INR 581.20 per share.

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

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
i) M/s Avino Capcons Pvt Ltd	14.88	12.06%	14.88	14.87%
ii) Mr.Maroti Jawanjar	10.23	8.29%	10.21	10.20%
iii) Mr.Maroti Jawanjar (HUF)	8.69	7.04%	8.69	8.68%
iv) Amicus Capital Private Equity I LLP	21.28	17.25%	18.10	18.08%
v) Maj Invest Financial Inclusion Fund III K/S	19.80	16.05%	-	0.00%
Total	74.88	60.69%	51.88	51.83%

(e) Shareholding of Promoters

Name of the Promoter	As at 31 March 2022		As at 31 March 2021		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
Maroti Jawanjar	10.23	8.29%	10.21	10.20%	-1.91%
Sandeep Jawanjal	3.26	2.64%	3.23	3.22%	-0.58%
Maroti Jawanjar (HUF)	8.69	7.04%	8.69	8.68%	-1.64%
Jyoti Jawanjar	2.74	2.22%	2.74	2.74%	-0.52%
Avino Capcons Pvt Ltd	14.88	12.07%	14.88	14.87%	-2.80%
Bakul Jawanjal	1.01	0.82%	1.01	1.01%	-0.19%
Radhemohan Jawanjal	0.01	0.01%	0.01	0.01%	0.00%
Sandeep Jawanjal(HUF)	1.18	0.96%	1.18	1.18%	-0.22%

25 Other equity

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Retained earnings	107.96	108.19
General Reserve	7,082.65	5,982.65
Securities Premium	14,123.93	4,675.44
Employee stock options plan	103.02	62.38
Statutory Reserve	3,262.95	2,812.95
Total	24,680.51	13,641.61

(A) Retained earnings

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance	108.19	(483.97)
Add: Net profit for the year	1,741.97	1,537.67
Add/(Less): Other comprehensive income	(92.14)	0.99
Appropriations:		
Less: Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(450.00)	(400.00)
Less: Dividend Paid including taxes on dividend		
Dividend Paid during the year	(100.06)	(46.50)
Dividend Distribution Tax	-	-
Less: Transfer to General Reserve	(1,100.00)	(500.00)
Closing balance	107.96	108.19

(B) General Reserve

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance	5,982.65	5,482.65
Add: Transferred during the year	1,100.00	500.00
Closing balance	7,082.65	5,982.65

(C) Securities Premium

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance	4,675.44	2,709.55
Add: Premium on issue of Equity Shares	9,767.10	1,965.89
Less: Expenses related to Issue of Shares (Private Placement)	(318.60)	
Closing balance	14,123.94	4,675.44

(D) Share option outstanding

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance	62.38	14.09
Add: Share based payment expense	40.64	48.29
Closing balance	103.02	62.38

(E) Statutory Reserve

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Opening balance	2,812.95	2,412.95
Add: Transferred during the year	450.00	400.00
Closing balance	3,262.95	2,812.95

Description of the nature and purpose of Other Equity :

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

The Company has transferred 25% of the profit after tax (as against 20%) required to the statutory reserves in accordance to the provision of Section 45-IC Reserve Bank of India Act, 1934.

26 Interest Income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on financial assets measured at amortised cost:		
- Interest on loans	15,558.93	11,856.94
- Interest on fixed deposits with banks	238.64	169.75
- Interest income from investments;	86.20	73.99
- Interest on security deposits	4.99	3.65
Total	15,888.76	12,104.33

27 Dividend Income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Dividend received	0.05	0.47
Total	0.05	0.47

28 Fee & Commission Income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Fee & Commission Income	1,630.48	1,184.61
Total	1,630.48	1,184.61

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

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net gain/ (loss) on financial instruments designated at fair value through profit or loss	8.73	88.13
Total Net gain/(loss) on fair value changes (A)	8.73	88.13
Fair Value changes:		
-Realised	6.71	75.85
-Unrealised	2.02	12.28
Total Net gain/(loss) on fair value changes (B) to tally with (A)	8.73	88.13

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

30 Other operating Income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Securitisation fees	22.29	107.79
Total	22.29	107.79

31 Other Income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit on sale of assets	0.19	0.14
Gain on derecognition of leased asset	0.05	-
Gain on termination of lease	5.80	-
Miscellaneous income	3.55	0.72
Total	9.59	0.86

32 Finance Costs

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
On Financial liabilities measured at Amortised Cost		
Interest on deposits	1,293.95	965.69
Interest on borrowings	6,034.71	5,072.05
Interest on debt securities	1,558.16	589.48
Interest on lease liabilities	34.89	20.64
Bank charges	99.35	105.02
Total	9,021.06	6,752.88

33 Impairment on financial instruments

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Financial assets measured at amortised cost		
Loans	964.44	1,203.28
Total	964.44	1,203.28

34 Employee Benefits Expenses

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	2,215.51	1,425.32
Contribution to provident and other funds	143.83	78.97
Gratuity expenses (Refer Note 40)	33.65	25.58
Compensated absences expenses	68.07	20.27
Staff welfare expenses	18.58	29.96
Share based payment to employees	40.62	48.30
Commission to Managerial persons	118.65	91.00
Total	2,638.91	1,719.40

35 Depreciation and amortization expense

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property plant & equipments	87.71	64.70
Depreciation on right to use assets	121.53	82.83
Amortization of intangible assets	27.80	43.02
Total	237.04	190.55

36 Other expenses

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Rent expenses	80.33	51.06
Rates and taxes	4.68	5.91
Goods & Service Tax	468.95	211.88
Conveyance & Travelling	176.66	85.79
Directors sitting fees	2.72	2.24
Legal and Professional charges	214.35	158.92
Advertisement Expenses	23.24	19.77
Marketing Commission	795.98	599.91
Courier & Postage Charges	77.85	47.44
Computer Charges	124.70	48.58
Electricity expenses	44.09	30.68
Office Car Expenses	0.77	0.67
Printing & Stationery	107.77	78.33
Telecom Charges	76.29	55.85
Office Expenses	114.47	60.67
Office Building Maintenances	5.27	4.79
Statutory Auditors remuneration (Note I)	2.90	2.90
CSR Contribution (Note II)	51.18	41.11
Misc Expenses	88.84	57.92
Total	2,461.04	1,564.42

Note I – Payments to Auditors

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees	2.00	2.00
Taxation matters	0.75	0.75
Other Attest Services	0.15	0.15
Total	2.90	2.90

Note II - Corporate Social Responsibility (CSR) :

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

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Amount required to be spent by the Company during the year	46.85	41.96
Amount of expenditure incurred	50.18	41.11
Shortfall at the end of the year*	-	0.85

The breakup of expenditure incurred on Corporate Social Responsibility activities:

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	50.18	41.11
- Paid in cash	50.18	41.11
- Yet to be paid in cash	-	-
Total	50.18	41.11

*There was a shortfall of Nil (31 March 2021: INR 84,823) required to be paid by the Company as per section 135(5) of the Act. In computation of eligible profit of CSR calculation for financial year 2020-21, certain allowances were not noticed and hence not included in the initial calculation of eligible profit for CSR calculation. Accordingly, the Company transferred INR 1 lakh on 21 June 2021 to the Prime Minister's National Relief Fund as specified in Schedule VII of Companies Act, 2013 to comply with provisions of second provision to Sec 135 (5) of the Companies Act, 2013.

CSR activities include promoting health care, undertaking livelihood enhancement projects, promoting education, including special education, eradicating hunger, poverty and malnutrition which are specified under Schedule VII of Companies Act, 2013. The Company has neither made any CSR Contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended 31 March 2022 and 31 March 2021.

37 Earnings per share

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (loss) attributable to ordinary equity holders	1,741.97	1,537.67
Less: Dividend attributable to preference shareholders (including tax thereon, if any)	-	-
Profit / (loss) attributable to ordinary equity holders	1,741.97	1,537.67
Weighted average number of equity shares for basic EPS	100.79	96.03
Weighted average number of equity shares for diluted EPS	101.41	96.65
Face Value per share	-	-
Basic earnings/(loss) per share (INR)	17.28	16.01
Diluted earnings/(loss) per share (INR)	17.18	15.91

38 Contingent liabilities

The Company is contesting the demand to the tune of ₹ 7.46 lakhs (31 March 2021: ₹ 7.46 lakhs) in respect of income tax matter relating to Assessment Year 2017-18 before the Commissioner of Income Tax (Appeals). Based on interpretation of the relevant provisions of the Income Tax Act, the company has been legally advised that the impugned demand is likely to be deleted and accordingly no provision is considered necessary.

39 Capital Commitments

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

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

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

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to Provident, ESIC and labour welfare fund (Refer Note 34)	143.83	78.97
Total	143.83	78.97

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

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

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

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

Basis of Assumptions

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

Discount rate

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

Mortality/ disability

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

Employee turnover/withdrawal rate

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

Salary escalation rate

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

i) Principal assumptions used for the purposes of the actuarial valuations

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
<u>Economic Assumptions</u>		
Discount rate (per annum)	7.10%	6.75%
Salary Escalation rate	6.00%	6.00%
<u>Demographic Assumptions</u>		
Mortality	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012-14)	Indian Assured Lives Ultimate Mortality Rates (2012-14) (IALM 2012- 14)
Employee turnover/Withdrawal rate	1% at all ages	1% at all ages
Retirement age	58 Years	58 Years

ii) Amount recognized in the Balance Sheet:

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Present value of unfunded obligation as at the end of the year	232.45	131.75
Net liability recognized in Balance Sheet (Refer Note 22)	232.45	131.75
Current obligation	54.58	42.10
Non-current obligation	177.87	89.65

iii) Changes in the present value of defined benefit obligation

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Present value of obligation at the beginning of the year	131.75	111.24
Interest cost	8.89	7.51
Current service cost	24.77	18.07
Past service cost	-	-
Benefits paid	(6.57)	(3.74)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(11.53)	-
Actuarial (gain)/ loss on obligations - Due to experience adjustments	85.14	(1.33)
Present value of obligation at the end of the year	232.45	131.75

iv) Expense recognized in the Statement of Profit and Loss

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	24.77	18.07
Net Interest cost	8.89	7.51
Past service cost	-	-
Total expenses recognized in the Statement Profit and Loss (Refer Note 34)	33.66	25.58

v) Expense recognized in Other comprehensive income

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Remeasurements due to-		
- Effect of change in financial assumptions	(11.53)	-
- Effect of experience adjustments	85.14	(1.33)
Net actuarial (gains) / losses recognised in OCI	73.61	(1.33)

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

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate		
1% increase	(203.86)	(14.66)
1% decrease	267.86	18.19
Salary Escalation rate		
1% increase	267.89	18.14
1% decrease	(203.35)	(14.88)

vii) Maturity profile of defined benefit obligation

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Within next 12 months	54.58	40.92
Between 2 and 5 years	13.18	5.24
Between 6 and 10 years	22.10	10.71
Beyond 10 years	692.58	330.97
Total expected payments	782.44	387.84

41 Leases

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

The changes in the carrying value of right of use assets for the years ended 31 March 2022 and 31 March 2021 has been disclosed in Note 14.

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

The movement in lease liabilities has been disclosed in Note 20.1

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

	(₹ in Lakhs)	
	As At 31 March 2022	As At 31 March 2021
Less than one year	106.69	62.67
More than one year	179.27	159.22
Total	285.96	221.89

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

Short term leases:

Rental expense incurred and paid for short term leases during the year was ₹ 80.33 lakhs (31 March 2021: ₹ 51.06 lakhs).

42 Related Party Disclosures:

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

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

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

(b) Key Management Personnel

- 1) M.G.Jawanjar
- 2) S.M. Jawanjal
- 3) D.R. Balpande
- 4) Shantaram Mahakalkar
- 5) Dattatraya Dalal
- 6) Ashok Kachore
- 7) Vishwas Pathak
- 8) Atul Sarda
- 9) Rashmi Mitkary
- 10) Avishek Addy
- 11) Harishchandra Sukhdeve
- 12) Siva Vadivel Alagan
- 13) Y.M. Tahalyani

(c) Relatives of Key Management Personnel

- 1) Jyoti Jawanjar
- 2) Ravindra Balpande
- 3) Vaishali Charde
- 4) Bakul Jawanjal
- 5) Arjun Jawanjal
- 6) Radhemohan Jawanjal
- 7) Purushottam Mahakalkar
- 8) Mansaram Mahakalkar
- 9) Aadya Dalal
- 10) Girish Dalal
- 11) Sayali Pimple Dalal
- 12) Prathamesh Dalal
- 13) Suhasini Dalal
- 14) Roshani Tupkari
- 15) Meenakshi Kachore
- 16) Narendra Kachore
- 17) Pritam Kachore
- 18) Ravindra Kachore
- 19) Rekha Kachore
- 20) Meena Tiple
- 21) Priti Padole
- 22) Anuradha Pathak
- 23) Viveknand Pathak
- 24) Wasudha Pathak
- 25) Meena Pidadi
- 26) Hemant Charde
- 27) Samruddhi Charde
- 28) Mangala Mahakalkar

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

	Year ended 31 March 2022	Year ended 31 March 2021
I) Key Management Personnel		
<u>Remuneration*</u>		
M.G. Jawanjar	109.21	86.65
S.M. Jawanjal	85.91	72.81
D.R. Balpande	23.49	15.87
Y.M. Tahalyani	10.59	-
<u>Interest on Deposit</u>		
M.G. Jawanjar	2.16	2.19
S.M. Jawanjal	7.14	5.61
D.R. Balpande	1.49	1.12
Ashok Kachore	8.04	7.23
Vishwas Pathak	1.97	1.73
Rashmi Mitkary	0.13	0.12
<u>Deposit Repaid</u>		
M.G. Jawanjar	11.09	11.63
S.M. Jawanjal	46.37	7.95
D.R. Balpande	5.17	11.31
Dattatraya Dalal	-	23.00
Ashok Kachore	49.08	39.19
Vishwas Pathak	4.78	18.14
Rashmi Mitkary	0.71	0.63
<u>Loans Granted</u>		
S.M. Jawanjal	7.21	16.10
D.R. Balpande	-	2.79
<u>Equity Dividend</u>		
M.G. Jawanjar	10.21	5.11
S.M. Jawanjal	3.23	1.61
D.R. Balpande	0.42	0.21
Shantaram Mahakalkar	0.30	0.15
Dattatraya Dalal	1.14	0.57
Ashok Kachore	0.24	0.12
Vishwas Pathak	0.28	0.14

<u>Interest on Loans</u>		
S.M. Jawanjal	0.12	0.59
D.R. Balpande	-	0.02
<u>Repayment of Loans</u>		
S.M. Jawanjal	3.70	30.39
D.R. Balpande	-	2.81
<u>Deposits Accepted</u>		
M.G. Jawanjar	11.00	20.00
S.M. Jawanjal	39.08	25.50
D.R. Balpande	13.50	9.59
Dattatraya Dalal	9.00	53.50
Ashok Kachore	69.70	49.93
Vishwas Pathak	4.58	18.00
Rashmi Mitkary	0.70	0.62
II) Relatives of Key Management Personnel		
<u>Remuneration</u>		
Jyoti Jawanjar	13.00	10.70
<u>Interest on Deposit</u>		
Jyoti Jawanjar	1.35	0.63
Ravindra Balpande	0.37	0.15
Vaishali Charde	5.05	2.51
Hemant Charde	1.29	0.85
Samruddhi Charde	0.02	-
Bakul Jawanjal	2.15	1.61
Arjun Jawanjal	0.15	0.13
Radhemohan Jawanjal	0.29	0.24
Purushottam Mahakalkar	0.77	0.42
Mansaram Mahakalkar	0.49	0.49
Dattatraya Dalal	6.37	3.59
Aadya Dalal	0.27	0.19
Girish Dalal	1.35	1.20
Sayali Pimple Dalal	0.47	0.43
Prathamesh Dalal	2.22	1.89
Suhasini Dalal	6.92	0.49
Roshani Tupkari	0.86	0.66
Meenakshi Kachore	1.78	0.81

Narendra Kachore	1.35	2.10
Pritam Kachore	0.40	0.85
Ravindra Kachore	1.39	1.22
Rekha Kachore	5.95	5.53
Meena Tiple	-	0.06
Priti Padole	0.61	0.04
Anuradha Pathak	0.27	0.24
Viveknand Pathak	0.02	0.02
Wasudha Pathak	0.02	0.01
Meena Pidadi	1.22	1.09
Mangala Mahakalkar	0.35	-
<u>Deposit Repaid</u>		
Jyoti Jawanjar	0.13	0.05
Ravindra Balpande	0.04	0.99
Vaishali Charde	30.93	17.19
Hemant Charde	0.13	7.48
Bakul Jawanjal	6.00	10.50
Arjun Jawanjal	1.32	0.01
Radhemohan Jawanjal	0.03	0.81
Purushottam Mahakalkar	6.22	5.83
Aadya Dalal	0.67	1.16
Girish Dalal	-	12.67
Sayali Pimple Dalal	2.75	1.30
Prathamesh Dalal	0.22	15.71
Suhasini Dalal	20.17	42.19
Roshani Tupkari	-	6.64
Meenakshi Kachore	1.72	4.94
Narendra Kachore	24.39	20.41
Pritam Kachore	4.12	5.62
Ravindra Kachore	13.00	0.10
Rekha Kachore	41.38	21.54
Meena Tiple	-	1.38
Priti Padole	0.06	0.00
Anuradha Pathak	0.25	2.71
Viveknand Pathak	0.23	-
Wasudha Pathak	-	0.17
Meena Pidadi	12.64	3.26
Mangala Mahakalkar	0.04	-

<u>Loans Granted</u>		
Ravindra Kachore	-	7.00
Meena Tiple	-	0.20
<u>Equity Dividend</u>		
Jyoti Jawanjar	2.75	1.37
Ravindra Balpande	0.03	0.02
Vaishali Charde	0.27	0.13
Hemant Charde	0.08	0.04
Samruddhi Charde	0.04	0.02
Bakul Jawanjal	1.01	0.51
Radhemohan Jawanjal	0.01	0.01
Purushottam Mahakalkar	0.03	0.02
Mansaram Mahakalkar	0.14	0.07
Roshani Tupkari	0.07	0.04
Narendra Kachore	1.98	0.99
Ravindra Kachore	2.33	1.17
Meena Pidadi	0.02	0.01
Mangala Mahakalkar	0.14	0.07
<u>Interest on Loans</u>		
Ravindra Kachore	0.34	0.04
Meena Tiple	-	0.00
<u>Repayment of Loans Granted</u>		
Meena Tiple	-	0.20
Ravindra Kachore	7.38	-
<u>Deposits Accepted</u>		
Jyoti Jawanjar	10.00	11.00
Ravindra Balpande	2.25	2.50
Vaishali Charde	58.13	37.98
Hemant Charde	6.50	8.00
Samruddhi Charde	0.50	-
Bakul Jawanjal	10.71	14.00
Arjun Jawanjal	1.30	-
Radhemohan Jawanjal	-	1.29
Purushottam Mahakalkar	6.22	5.83
Aadya Dalal	1.45	1.65
Girish Dalal	-	12.67
Sayali Pimple Dalal	2.75	1.30
Prathamesh Dalal	3.50	16.06

Suhasini Dalal	22.89	47.19
Roshani Tupkari	-	8.04
Meenakshi Kachore	1.55	15.92
Narendra Kachore	37.93	20.24
Pritam Kachore	4.08	-
Ravindra Kachore	10.48	3.00
Rekha Kachore	40.78	21.09
Meena Tiple	-	13.88
Priti Padole	-	6.00
Anuradha Pathak	0.25	2.71
Viveknand Pathak	0.23	-
Wasudha Pathak	-	0.17
Meena Pidadi	12.43	3.87
Mangala Mahakalkar	20.00	-
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Interest on Deposit</u>		
M.G. Jawanjar (HUF)	1.09	0.41
S.M. Jawanjal (HUF)	0.47	0.36
<u>Deposit Repayment</u>		
M.G. Jawanjar (HUF)	0.11	0.03
S.M. Jawanjal (HUF)	0.05	1.65
<u>Equity Dividend</u>		
Avino Capcons Private Ltd.	14.88	7.44
M.G. Jawanjar (HUF)	8.69	4.34
S.M. Jawanjal (HUF)	1.18	0.59
<u>Interest on Loan</u>		
Avino Capcons Private Ltd.	-	0.53
<u>Repayment of Loans Granted</u>		
Avino Capcons Private Ltd.	-	23.95
<u>Deposit Accepted</u>		
M.G. Jawanjar (HUF)	10.00	8.00
S.M. Jawanjal (HUF)	1.00	2.12

(C) Amount due to/from related parties

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
I) Key Management Personnel		
<u>Amount receivable for Loans Granted</u>		
S.M. Jawanjal	3.64	-
<u>Amount payable for Deposits Accepted</u>		
M.G. Jawanjar	23.09	21.02
S.M. Jawanjal	75.02	75.17
D.R. Balpande	18.95	9.14
Dattatraya Dalal	70.00	61.00
Ashok Kachore	113.08	84.42
Vishwas Pathak	21.60	19.82
Rashmi Mitkary	1.47	1.35
II) Relatives of Key Management Personnel		
<u>Amount receivable for Loans Granted</u>		
Ravindra Kachore	-	7.04
<u>Amount payable for Deposits Accepted</u>		
Jyoti Jawanjar	22.80	11.58
Ravindra Balpande	5.17	2.59
Vaishali Charde	71.81	39.55
Bakul Jawanjal	26.19	19.34
Arjun Jawanjal	1.55	1.42
Radhemohan Jawanjal	3.05	2.79
Purushottam Mahakalkar	6.85	6.08
Mansaram Mahakalkar	5.00	5.00
Aadya Dalal	3.32	2.28
Girish Dalal	14.73	13.37
Sayali Pimple Dalal	5.14	4.67
Prathamesh Dalal	25.67	20.17
Suhasini Dalal	79.50	69.86
Roshani Tupkari	9.34	8.48
Meenakshi Kachore	18.16	16.56
Narendra Kachore	38.30	23.42
Pritam Kachore	4.40	4.04
Ravindra Kachore	14.12	15.25
Rekha Kachore	65.58	60.22
Meena Tiple	13.93	13.93

Priti Padole	6.59	6.04
Anuradha Pathak	3.02	2.75
Viveknand Pathak	0.25	0.23
Wasudha Pathak	0.18	0.17
Meena Pidadi	13.51	12.50
Hemant Charde	15.91	8.25
Samruddhi Charde	0.52	-
Mangala Mahakalkar	20.32	-
III) Enterprises on which Relative of Key Managerial Personnel can exercise significant influence		
<u>Amount payable for Deposits Accepted</u>		
M.G. Jawanjar (HUF)	19.36	8.38
S.M. Jawanjal (HUF)	5.59	4.16

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

43 Operating Segment

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

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

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2022 or 31 March 2021.

44 Employee stock option scheme

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

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

- (b) **Summary of option granted under the scheme**

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	1.32	1.32
Granted during the year	1.08	-
Exercised during the year	-	-
Forfeited / Lapsed during the year	-	-
Closing balance	2.40	1.32
Vested and exercisable	0.36	0.13

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

(₹ in Lakhs)

Grant date	Expiry date	Exercise price	Share options as at 31 March 2022	Share options as at 31 March 2021
23 Dec 19	22 Dec 24	95.00	1.32	1.32
21 Feb 22	21 Feb 26	250.00	1.08	-
Total			2.40	1.32
Weighted average remaining contractual life of options outstanding at the end of year			3.90	3.73

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

(e) Expense arising from share based payment transaction

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Gross expense arising from share based payments	40.64	48.29
Less: Options granted to employees of subsidiaries recognised as deemed investment in subsidiaries	-	-
Less: Options granted to employees of subsidiaries on reimbursement basis over the vesting period	-	-
Employee share based payment expense recognised in statement of profit and loss (Refer Note 34)	40.64	48.29

45 Changes in Liability Arising from Financing Activities

(₹ in Lakhs)

Particulars	1st April 2021	Cash Flows	Exchange Differences	Others	31st March 2022
Borrowings	43,604.78	(740.79)	-	308.30	43,172.29
Debt Securities	12,165.85	123.80	-	(65.57)	12,224.07
Deposits Taken	11,318.39	3,745.75	-	-	15,064.14

(₹ in Lakhs)

Particulars	1st April 2020	Cash Flows	Exchange Differences	Others	31st March 2021
Borrowings	28,048.41	15,352.61	-	203.76	43,604.78
Debt Securities	-	12,165.85	-	-	12,165.85
Deposits Taken	8,687.67	2,630.72	-	-	11,318.39

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

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

(₹ in Lakhs)

	FVOCI	FVTPL	Amortised cost
As at 31 March 2022			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents			9,507.52
Bank Balances other than cash and cash equivalents			4,371.89
Loans			81,933.84
Investments		119.45	1,442.84
Other Financial assets			3,619.80
Financial liabilities			
Trade Payables			462.55
Debt Securities			12,224.08
Borrowings (Other than Debt Securities)			48,064.97
Deposits			15,064.14
Other financial liabilities			1,401.56

(₹ in Lakhs)

	FVOCI	FVTPL	Amortised cost
As at 31 March 2021			
Financial Assets (other than investment in subsidiaries)			
Cash and cash equivalents			9,479.25
Bank Balances other than cash and cash equivalents			7,474.86
Loans			65,948.35
Investments		122.57	1,054.52
Other Financial assets			2,550.32
Financial liabilities			
Trade Payables			425.34
Debt Securities			12,066.02
Borrowings (Other than Debt Securities)			48,803.49
Deposits			11,318.39
Other financial liabilities			1,420.80

47 Fair value hierarchy

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

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

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

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
As at 31 March 2022				
Financial assets				
<u>Financial assets measured at fair value through profit or loss</u>				
Investment in equity instruments and Alternative Investment Fund	119.45	-	-	119.45
Total Financial Assets	119.45	-	-	119.45
As at 31 March 2021				
Financial assets				
<u>Financial assets measured at fair value through profit or loss</u>				
Investment in equity instruments, mutual funds and Alternative Investment Fund	122.57	-	-	122.57
Total Financial Assets	122.57	-	-	122.57

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

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

48 Financial risk management objectives

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

(A) Market risk

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

(i) Interest rate risk

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

(ii) Foreign currency risk

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

(B) Credit risk

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

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

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

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

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

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

Computation of allowance for impairment losses:

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

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

In the current year, the provision as per IRACP has been done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 wherein the borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as Non-Performing Asset shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset shall reflect the asset classification status of an account at the day-end of that calendar date.

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

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

In the previous year, in accordance with the Board approved moratorium policy read with the RBI guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 related to "Covid-19 Regulatory Package", the Company had granted moratorium up to five months for payment of installment falling due between April 1, 2020 and August 31, 2020 to selected borrowers in accordance with the Company's policy approved by the Board. The Company continued to recognize interest income during the moratorium period and in absence of other credit indicators, granting of moratorium period did not result in accounts becoming past due thereby automatically triggering stage 2 or stage 3 classification criteria as per IND AS 109. For all such accounts where moratorium is granted pursuant to the above RBI guidelines, the asset classification remained stand still during the moratorium period.

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

Other financial assets mainly includes deposit and advances given, and receivables from recovery agents. Loans, being a primary part of our operations, represent vehicle loans given to various parties for purchasing motor vehicles. Based on assessment carried by the Company, the majority receivables under this category is classified as "Stage 1" while provision has been created at INR 6.79 million on

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

(C) Liquidity risk

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

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

(₹ in Lakhs)

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

(₹ in Lakhs)

	Within 12 Months	Beyond 12 Months	Total
31 March 2021			
Trade payables	425.34	-	425.34
Debt Securities	4,034.92	11,583.66	15,618.58
Borrowings	31,907.15	23,513.44	55,420.59
Deposits (Including Unclaimed Deposits)	5,608.89	7,540.73	13,149.62
Other financial liabilities	761.25	256.08	1,017.33
	42,737.55	42,893.91	85,631.46

49 Maturity analysis of assets and liabilities

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

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

(₹ in Lakhs)

	As at 31 March 2022		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	9,507.52	-	9,507.52
Bank Balances other than cash and cash equivalents	3,552.02	819.87	4,371.89
Loans	43,586.89	38,346.95	81,933.84
Investments	92.84	1,469.45	1,562.29
Other Financial assets	3,619.80	-	3,619.80
Deferred tax assets (Net)	-	672.69	672.69
Property, Plant and Equipment	-	1,794.81	1,794.81
Capital Work in Progress	-	21.99	21.99
Intangible assets	-	71.85	71.85
Right to use assets	-	271.61	271.61
Non-financial assets	14.40	-	14.40
Total Assets	60,373.47	43,469.22	1,03,842.69
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	462.55	-	462.55
Debt Securities	4,280.00	7,944.08	12,224.08
Borrowings (Other than Debt Securities)	29,799.57	18,265.40	48,064.97
Deposits	7,266.85	7,797.29	15,064.14
Other Financial liabilities	757.84	643.72	1,401.56
Tax liabilities (Net)	140.66	-	140.66
Provisions	360.26	-	360.26
Non-financial liabilities	210.28	-	210.28
Total Liabilities	43,278.01	34,650.49	77,928.50

Maturity analysis of assets and liabilities as at 31st March 2021
(₹ in Lakhs)

	As at 31 March 2021		
	Within 12 Months	After 12 Months	Total
Assets			
Cash and cash equivalents	9,479.25	-	9,479.25
Bank Balances other than cash and cash equivalents	6,913.48	561.38	7,474.86
Loans	34,320.97	31,627.38	65,948.35
Investments	15.44	1,161.65	1,177.09
Other Financial assets	2,401.64	148.68	2,550.32
Deferred tax assets (Net)	-	471.65	471.65
Property, Plant and Equipment	-	1,722.16	1,722.16
Capital Work in Progress	-	9.00	9.00
Intangible assets	-	81.32	81.32
Right to use assets	215.29	-	215.29
Non-financial assets	14.46	-	14.46
Total Assets	53,360.53	35,783.22	89,143.75
Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-		-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	425.34		425.34
Debt Securities	2,516.01	9,550.01	12,066.02
Borrowings (Other than Debt Securities)	28,916.61	19,886.88	48,803.49
Deposits	4,860.74	6,457.65	11,318.39
Other Financial liabilities	912.14	508.66	1,420.80
Tax liabilities (Net)	74.08	-	74.08
Provisions	-	209.01	209.01
Non-financial liabilities	184.23	-	184.23
Total Liabilities	37,889.15	36,612.21	74,501.36

50 Capital management

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

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

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

The company strategically manages its funds by :-

- 1) Maintaining diversity of sources of funding and spreading the maturity across periods in order to minimize the liquidity risk.
- 2) Minimizing or wherever possible, eliminating exposure to market rate risks like foreign exchange risk, interest rate risk and commodity price risk, thereby minimizing the impact of market volatility on earnings.
- 3) Analyzing the changes in macro economic factors affecting business environment and re-organizing its capital structure accordingly to adapt to the ever changing dynamics of business environment
- 4) By continuously monitoring and adjusting overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives.

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

(₹ in Lakhs)

	As At 31 March 2022	As At 31 March 2021
Gross Debt	75,768.75	72,847.45
<u>Less: Liquid Assets</u>	(9,507.52)	(9,479.25)
Net Debt	66,261.23	63,368.20
Equity	25,914.20	14,642.39
Net Gearing Ratio	2.56	4.33

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

- 51** The country faced the second wave of COVID-19 in the April-June 2021 quarter. It led to higher levels of infections and fatality causing severe toll on life. Fortunately, the curtailment actions by the government were more localised and well calibrated at city and specific zone levels enabling continuity and minimal disruption to economic activity throughout the country. Though this caused a marginal uptick in instalment default rate and compression in debt management efficiencies for a period of three months, the revival was quick and strong. As a result, unlike the first wave, the impact on the portfolio and loan losses was not as severe for the Company. Adequate internal process in debt management services in FY2021 has helped in curtailing the impact on the portfolio amidst the second wave as well. The third wave which started in mid-December 2021 had no significant impact on risk metrics both for new business and the overall portfolio. The risk of a fourth wave remains but confidence and optimism seem to have been re-established among the general population. Also, due to adequate vaccination coverage and development of natural herd immunity, wide scale economic impact in near future may not occur. As the average tenure of loans sanctioned by the company is around 24 months, most of the loans sanctioned before the COVID-19 pandemic have either been closed or adequately provided for while computing ECL provision. Further, while granting new loans during the COVID-19 pandemic, the company has taken more agile and calibrated approach and has closely monitored the credit risk involved due to impact of the pandemic on economic activities. The management is of view that the ECL model used by the company adequately provides for the enhanced credit risks associated with the disruptions to economic activities that may be caused by COVID-19 pandemic. As such, no additional management overlay is required in FY 2022 and the earlier overlay made in FY 2021 need not be continued since the enhanced risks are already considered in ECL model. As such, management overlay of Rs.193.99 Lakhs created during FY 2021 in view of COVID-19 uncertainties has been reversed in FY 2022.

52 Analytical Ratios

Particulars	As at March 31, 2022	As at March 31, 2021	% Variance	Reasons for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)				
Tier I CRAR	28.51%	19.56%	45.76%	The company has infused equity in the FY 2022 due to which the Tier 1 capital has increased significantly.
Tier II CRAR	0.33%	0.90%	-63.33%	The management has not provided any management overlay in FY 2022 considering most of the loans sanctioned before the COVID-19 pandemic have either been closed or adequately provided for while computing ECL provision.
Liquidity Coverage Ratio	170.54%	449.87%	-62.09%	The company has improvised their debt and cash management system in the current FY. In FY 21 the company has maintained higher liquidity due to covid scenario.

53 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

54 Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

55 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

56 Expenditure in foreign currency (accrual basis)

(₹ in Crores)

	As At 31 March 2022	As At 31 March 2021
Share Issue Expenses*	0.30	0.00

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

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

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities and bank deposits with Nationalised banks to the extent of ₹2185.23 Lakhs (March 31, 2021: ₹1607.86 Lakhs) in favour of trustees representing the public deposit holders of the Company.

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

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

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

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

61 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

62 Compliance with approved Scheme(s) of Arrangements

The Company has not approved any scheme of arrangements in the financial years ended March 31, 2022 and March 31, 2021

63 Utilisation of Borrowed funds and share premium

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

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

64 Undisclosed income

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

65 Change in the process of NPA Classification.

Pursuant to RBI circular RBI/2021-22/125 DO R/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. Had the Company followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by ₹ 195.40 Lakhs.

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

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

67 Relationship with Struck off Companies

The Company has not done any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

68 Previous year comparatives

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

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

Particulars		As at March 31, 2022			As at March 31, 2021		
		Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	78,334.36	361.72	77,972.64	60,985.98	361.51	60,624.47
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	3,049.92	224.35	2,825.57	4,510.56	336.01	4,174.55
	Financial assets for which credit risk has increased significantly and credit-impaired	1,813.56	677.93	1,135.63	1,684.02	534.69	1,149.33
Total		83,197.84	1,264.00	81,933.84	67,180.56	1,232.21	65,948.35

(b) Reconciliation of loss allowance provision - Loans:**(₹ in Lakhs)**

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2020	96.98	181.80	387.39	666.16
New assets originated or purchased	176.60	161.59	107.62	445.81
Amount written off	(469.08)	(35.06)	(171.90)	(676.03)
Transfers to Stage 1	104.43	(80.60)	(23.83)	-
Transfers to Stage 2	(6.34)	12.10	(5.75)	-
Transfers to Stage 3	(4.65)	(30.60)	35.25	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	463.57	126.77	205.93	796.27
ECL as on March 31, 2021	361.51	336.01	534.69	1,232.21
New assets originated or purchased	253.53	116.48	94.32	464.34
Amount written off	(393.88)	(127.45)	(387.09)	(908.43)
Transfers to Stage 1	188.91	(107.83)	(81.08)	-
Transfers to Stage 2	(17.68)	24.45	(6.78)	-
Transfers to Stage 3	(18.03)	(57.81)	75.84	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(12.66)	40.50	448.03	475.88
ECL as on March 31, 2022	361.72	224.35	677.94	1,264.00

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2020	41,885.01	3,582.22	1,210.97	46,678.20
New assets originated or purchased	45,391.36	2,783.21	344.91	48,519.49
Amount written off	(469.08)	(35.06)	(171.90)	(676.03)
Transfers to Stage 1	1,719.19	(1,643.37)	(75.82)	-
Transfers to Stage 2	(2,204.80)	2,222.64	(17.84)	(0.00)
Transfers to Stage 3	(1,258.01)	(572.22)	1,830.22	-
Net Recovery	(24,077.70)	(1,826.87)	(1,436.52)	(27,341.09)
Gross carrying amount as on March 31, 2021	60,985.98	4,510.56	1,684.03	67,180.56
New assets originated or purchased	57,509.83	1,595.93	249.30	59,355.07
Amount written off	(393.88)	(127.45)	(387.09)	(908.43)
Transfers to Stage 1	1,914.85	(1,659.25)	(255.60)	-
Transfers to Stage 2	(2,339.94)	2,361.35	(21.41)	0.00
Transfers to Stage 3	(1,281.83)	(691.64)	1,973.48	-
Net Recovery	(38,060.64)	(2,939.57)	(1,429.15)	(42,429.36)
Gross carrying amount as on March 31, 2022	78,334.36	3,049.92	1,813.56	83,197.84

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

	For the year ended March 31, 2022			For the year ended March 31, 2021		
Asset Classification as per IND AS 109	Gross carrying amount as per IndAS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount	Gross carrying amount as per IndAS	Loss allowances (Provisions) as required under IndAS 109	Net carrying amount
Stage-1	78,334.36	361.72	77,972.64	60,985.98	361.51	60,624.47
Stage-2	3,049.92	224.35	2,825.57	4,510.56	336.01	4,174.55
Stage-3	1,813.56	677.93	1,135.63	1,684.02	534.69	1,149.33
Total	83,197.84	1,264.00	81,933.84	67,180.56	1,232.21	65,948.35

(e) Asset classification as per RBI norms:
(₹ in Lakhs)

Asset Classification as per RBI norms	Provisions required as per IRACP norms (For the year ended March 31, 2022)	Provisions required as per IRACP norms) For the year ended March 31, 2021)
Performing assets		
Standard	341.26	279.19
Subtotal	341.26	279.19
Non-Performing Assets (NPA)		
Substandard	221.83	162.43
Doubtful - 1	101.68	23.43
Doubtful - 2	14.56	1.15
Doubtful - 3	8.26	5.05
Subtotal	346.33	192.06
Loss Asset	-	-
Total	687.59	471.25

69. Liquidity Coverage Ratio Disclosure

Disclosure as per circular No.RBI/2019-20/88 DOR.NBFC(PD)CC. No.102/03.10.001/2019-20 dated November 04,2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio(LCR)" Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2022, December 31,2021, September 30,2021 and June 30,2021.

(₹ in Crores)

Particular		31-Mar-22		31-Dec-21		30-Sep-21		30-Jun-21	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	**Total High Quality Liquid Assets (HQLA)	24.14	21.49	29.04	26.62	32.45	30.19	31.85	29.68
	Cash Outflow								
2	Deposits (for deposit taking companies)	8.51	9.79	2.19	2.52	1.53	1.76	4.38	5.03

3	Unsecured wholesale funding	0.31	0.35	0.06	0.07	0.30	0.34	0.55	0.63
4	Secured wholesale funding	29.30	33.69	25.69	29.55	24.41	28.07	31.01	35.66
5	Additional requirements, of which	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(i) Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Outflow related to loss of funding on debt product	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding obligations	5.72	6.57	6.00	6.90	6.23	7.16	4.14	4.77
7	Other contingent funding obligations	0.00	0.00	0.07	0.08	0.07	0.08	0.07	0.08
8	TOTAL CASH OUTFLOW	43.83	50.41	34.01	39.11	32.53	37.41	40.15	46.17
	Cash Inflows								
9	Secured lending	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Inflow from fully performing exposures	61.16	45.87	66.94	50.20	59.78	44.83	56.15	42.12
11	Other cash inflow	0.59	0.45	0.13	0.10	0.25	0.19	0.26	0.19
12	TOTAL CASH INFLOWS	61.75	46.32	67.07	50.30	60.03	45.02	56.41	42.31
13	TOTAL HQLA		21.49		26.62		30.19		29.68
14	TOTAL NET CASH OUTFLOWS		12.60		9.79		9.35		11.54
15	LIQUIDITY COVERAGE RATIO (%)		170.54		271.92		322.93		257.18

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

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

The figures pertaining to December 31, 2021 , September 30, 2021 and June 30, 2021 are unaudited and are as represented by the management, which have been relied upon by the auditors.

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

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

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

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

**The LCR is calculated by dividing the company's stock of HQLA by its total net cash outflows over a 30-day stress period. "High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately

converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total Net cash outflows is defined as total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow.

The average LCR for the quarter ended June 30, 2021, September 30, 2021, and December 31, 2021 is computed as simple averages of monthly observations over the previous quarter. The average LCR for the quarter ended March 31, 2022 is computed as simple averages of daily observations over the previous quarter.

The average LCR for the quarter ended March 31, 2022 is 128% which is well above the RBI regulatory requirement.

70 Liquidity Risk

Public Disclosure on Liquidity Risk for the quarter ended March 2022 pursuant to RBI circular dated 4th November 2019 on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies

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

Sr. No.	Number of Significant counter parties	Amount (₹ in Crores)	% of total Deposits *	% of Total Liabilities
1	22	529.49	-	67.95%

* None of the Depositors hold more than 1% of the Total deposits

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

Particulars	As at March 31, 2022
Total amount of Top 20 Large Deposits	21.43
% of amount of Top 20 Large Deposits to Total Deposits	13.84%

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

Particulars	As at March 31, 2022
Total amount of Top 10 Borrowings	392.43
% of amount of Top 10 Borrowings to Total Borrowings	66.02%

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

Sl. No.	Name of the Instrument/product	Amount	% of Total Liabilities
1	Non-Convertible Debentures	122.24	15.69%
2	Term loan	468.04	60.06%
3	Public Deposits	118.48	15.20%
4	Commercial paper	0.00	0.00%
5	Other Bank Borrowings	48.93	6.28%

(v) Stock Ratios:

Sl. No.	Name of the Instrument / Product	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	0.00	0.00	0.00
2	Non-Convertible Debentures (original maturity < 1 year)	0.00	0.00	0.00
3	Other Short- term Liabilities	61.58	59.87	44.36

(vi) Institutional setup for Liquidity Risk management

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

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

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

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

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

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

Notes:

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

71 Customers Complaints

a.	No of Complaints pending at the beginning of the year	NIL
b.	No. of Complaints received during the year	162
c.	No. of Complaints redressed during the year	162
d.	No. of Complaints pending at the end of the year	0

72 Details of Registration with Financials Regulators

Sr.No	Regulator	Registration No.
a.	Ministry of Company Affairs	U65929MH1990PLC057829
b.	Reserve Bank of India	13.01109

73 Rating assigned by Credit Rating Agencies

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

74 Concentration of Deposits, Advances, Exposures and Stage III Assets
a. Concentration of Deposits (₹ in Crores)

Particulars	Amount
Total Deposits of Twenty Largest Depositors	21.43
Percentage of Deposits of Twenty largest depositors to Total Deposits	13.84%

b. Concentration of Advances (₹ in Crores)

Particulars	Amount
Total Advances of Twenty Largest borrowers	1.45
Percentage of Advances of Twenty largest borrowers to Total Advances	0.17%

c. Concentration of Exposures (₹ in Crores)

Particulars	Amount
Total Exposure of Twenty Largest borrowers	1.45
Percentage of Exposure of Twenty largest borrowers to Total Exposure	0.17%

d. Concentration of NPAs (₹ in Crores)

Particulars	Amount
Total Exposure of Top Four NPAs	0.36

75 Movements of NPAs
(₹ in Crores)

Particulars		31.03.2022	31.03.2021
i)	Net NPAs to Net Advances (%)	2.23%	1.74%
ii)	Movements of NPAs (Gross)		
	a. Opening Balances	16.84	12.11
	b. Addition during the year	21.11	14.85
	c. Reduction during the year	12.40	10.12
	d. Closing Balance	25.55	16.84
iii)	Movements of Net NPAs		
	a. Opening Balances	11.49	8.24
	b. Addition during the year	15.43	10.14
	c. Reduction during the year	8.62	6.88
	d. Closing Balance	18.30	11.49
iv)	Movements of ECL on NPAs		
	a. Opening Balances	5.35	3.87
	b. Provision made during the year	1.91	1.47
	c. Write-off/ Write back of excess provision		
	d. Closing Balance	7.25	5.35

76 NPAs as a percentage to Advances in the respective segments

Sr. No.	Sector	As At 31.03.2022	As At 31.03.2021
a.	Agriculture & Allied activities	3.78%	2.54%
b.	MSME	0.00%	0.00%
c.	Corporate Borrowers	0.00%	0.00%
d.	Services	0.00%	0.00%
e.	Unsecured personal loans	7.56%	4.48%
f.	Auto loans	2.99%	2.48%
g.	Other personal loans	0.00%	0.00%

77 Provisions and Contingencies

(₹ in Crores)

Break up of Provisions and Contingencies shows under the head Expenditure in Profit and Loss Accounts	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Impairment Loss Allowances on Loans	8.97	12.03
Impairment Loss Allowances on Other Financial Assets	0.68	-
Provision for Income Tax (excluding deferred tax)	7.15	6.25

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

Instances of fraud for the year ended March 31, 2022

(₹ in Crores)

No of Cases*	Nature of Fraud^	Amount of Fraud	Recovery*	Write off
2	Fraud committed by employees	0.28	-.00	-.00
1	Fraud committed by borrowers and outsiders	0.06	-.00	-.00

*Out of the above cases, Only one was reported to RBI during the financial year 2021-22 and the for the remaining two cases, the investigations were on going and final amount was brought to the knowledge of management in the month of May 2022 and were reported to RBI Immediately thereafter. The management had therefore made adhoc provision as on 31st March 2022 in respect of these frauds.

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

Instances of fraud for the year ended March 31, 2021

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 financial year.

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

80 Registrations obtained from Other Financial Sector Regulators

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

81 Penalties Imposed by RBI and Other Regulators

No Penalties have been levied by RBI during the financial Year 2021-22. However penalty of Rs.1.00 Lakh has been imposed by the SEBI under section 15A(b) of the SEBI Act, 1992 for failure on the part of the Company to timely comply with the provision of regulation 52(1) of SEBI LODR regulations,2015.

82 Derivatives

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

83 Investments

(₹ in Crores)			
Particulars		As at 31 March 2022	As at 31 March 2021
1.	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	15.62	11.77
	(b) Outside India	0	0
	(ii) Provision for Depreciation		
	(a) In India	0	0
	(b) Outside India	0	0
	(iii) Net Value of Investments		
	(a) In India	15.62	11.77
	(b) Outside India	0	0
2.	Movement of Provision held towards depreciation on Investments		
	(i) Opening Balances	0	0
	(ii) Add: Provision made during the year	0	0
	(iii) Less: Write off/Write-back of excess provision during the year	0	0
	(iv) Closing Balances	0	0

84 Disclosures relating to Securitisation

(₹ in Crores)

	As at 31 March 2022	As at 31 March 2021
No of SPVs sponsored by the NBFC for securitisation transactions	1	1
Total amount of securitised assets as per books of the SPVs sponsored	15.06	1.49
Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet	1.81	1.00
Off-balance sheet exposures		
First loss		
Others		
On-balance sheet exposures		
First loss (In the form of Fixed Deposit)	1.36	1.00
Others (over-collateralisation)	0.45	-
Amount of exposures to securitisation transactions other than MRR		
Off-balance sheet exposures		
Exposure to Own Securitisations		
First loss	-	-
Others	-	-
Exposure to third party Securitisations		
First loss	-	-
Others	-	-
On-balance sheet exposures		
Exposure to Own Securitisations		
First loss	-	-
Others	-	-
Exposure to third party Securitisations		
First loss	-	-
Others	-	-
Sale consideration received for the securitised assets	15.06	-
Gain/loss on sale on account of securitisation		
Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	15.06	-
Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc.		

Credit enhancement (12%)		
(a) Amount paid	1.81	-
(b) Repayment Received	3.39	1.81
(c) Outstanding Amount	1.81	3.39
Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	Nil	Nil
Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

85 Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM(PK)-2008 dated 1 August 2008

Capital Adequacy Ratio

Particulars	31.03.2022	31.03.2021
Capital Ratio		
CRAR - Tier I Capital (%)	28.51%	19.56%
CRAR - Tier II Capital (%)	0.33%	0.90%
Total Capital (%)	28.84%	20.46%

86 The Company has no Exposure to Real Estate Sector in the current year and previous year.

87 Exposure to Capital Market (₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Direct Investment in equity shares, convertible bonds, convertible debentures and unit of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	1.19	1.23

88 The Company has given unsecured loan of ₹ 4,81,83,299 as a personal loans to the borrowers Personal loans are partly secured by assignment/pledge of life insurances policies, shares and other securities or are unsecured

89 Asset Liability Management Maturity Pattern of certain items of Assets & Liabilities

(₹ in Crores)

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years upto 5 Years	Over 5 Years	Total
Deposits	7.20	2.47	8.32	4.87	6.21	11.75	36.00	67.62	10.36	0.00	154.80
Advances (Net of Provision)	7.26	17.26	24.52	36.93	35.02	93.95	220.94	366.63	16.83	0.00	819.34
Investments	0.00	0.00	0.00	0.93	0.00	0.00	0.00	2.48	1.13	11.08	15.62
Borrowing	8.19	1.27	13.16	22.24	23.12	65.65	207.17	238.25	23.84	0.00	602.89

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2022

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

(₹ in Lakhs)

	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	12,224.08	0.00
	Unsecured	0.00	0.00
	(other than falling within the meaning of public deposits)		
	(b) Deferred credits	0.00	0.00
	(c) Term Loans	43,172.29	--
	(d) Inter-corporate loans and borrowing	73.90	0.00
	(e) Commercial Paper	0.00	0.00
	(f) Public deposits (Including deposits from directors and their relatives)	15,405.80	415.56
	(h) Cash Credit & Working Capital		
	Demand Loan	4,892.68	--
	Total	75,768.75	415.56
(2)	Break-up of (1)(f) above(outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of unsecured debentures	0.00	0.00
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	0.00	0.00
	(c) Other Public Deposits	15,405.80	415.56

(₹ in Lakhs)

No.	Particulars	Amount Outstanding
	Assets :	
3	Break-up of loans and advances including bills receivables [other than those included in (4) below]	
	(a) Secured	56.70
	(b) Unsecured	0.00
4	Break-up of leased assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	0.00
	(b) Operating lease	0.00
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	0.00
	(b) Repossessed assets	0.00
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	0.00
	(b) Loans other than (a) above	83141.14
5	Break-up of Investments :	
	Current Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	92.84
	(v) Others (please specify)	
	Investment in Alternative Instrument Fund	104.67
	2. Unquoted :	
	(i) Shares : (a) Equity	0.00
	(b) Preference	0.00
	(ii) Debentures and bonds	0.00
	(iii) Units of mutual funds	0.00
	(iv) Government securities	0.00
	(v) Others (please specify)	0.00

Long Term Investments :		
1. Quoted :		
(i) Shares : (a) Equity		14.78
(b) Preference		0.00
(ii) Debentures and bonds		0.00
(iii) Units of mutual funds		0.00
(iv) Government securities		1,350.00
(v) Others (please specify)		0.00
2. Unquoted :		
(i) Shares : (a) Equity		0.00
(b) Preference		0.00
(ii) Debentures and bonds		0.00
(iii) Units of mutual funds		0.00
(iv) Government securities		0.00
(v) Others (please specify)		0.00

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

(₹ in Lakhs)

	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	(a) Subsidiaries	0	0	0
	(b) Companies in the same group	0	0	0
	(c) Other related parties	0	0.00	0.00
(ii)	Other than related parties	83,197.84	481.83	83,679.67
	Total	83,197.84	481.83	83,679.67

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

(₹ in Lakhs)

	Category	Market Value/Breakup or fair value of NAV	Book Value (Net of Provisions)
(i)	Related parties		
	(a) Subsidiaries	0	0
	(b) Companies in the same group	0	0
	(c) Other related parties	0	0
(ii)	Other than related parties	1562.29	1562.29
	Total	1562.29	1562.29

(8) Other information

		(₹ in Lakhs)
	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	0
	(b) Other than related parties	2555.40
(ii)	Net Non-Performing Assets	
	(a) Related parties	0
	(b) Other than related parties	1829.92
(iii)	Assets acquired in satisfaction of debt	0

As per our Report of even date attached

On Behalf of Board of Directors

For Pravin Dhiran & Co.
Chartered Accountants
FRN: 133656W

M.G.Jawanjar
Executive Chairman
DIN: 00379916

S.M.Jawanjal
Managing Director
DIN: 01490054

Pravin Dhiran
M.No 115580

Y.M. Tahalyani
Chief Financial Officer

D.R.Balpande
Company Secretary

Place : Nagpur
Date: 30/05/2022

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

YEAR	PAID-UP CAPITAL	NET WORTH	TOTAL ASSETS	PROFIT BEFORE TAX	PROFIT AFTER TAX	DIVIDEND	
						Rate%	AMOUNT
1990-91	1.44	1.50	3.03	0.06	0.06	--	--
1994-95	20.75	38.14	74.88	6.45	5.80	26.00%	4.07
1995-96	26.00	44.40	124.95	8.07	6.09	20.00%	5.04
1996-97	30.00	48.94	174.86	11.16	5.15	14.00%	3.72
1997-98	30.00	52.72	224.24	19.15	10.00	16.00%	4.80
1998-99	30.00	59.80	223.71	20.22	12.97	16.00%	4.80
1999-00	30.00	61.41	247.47	16.47	8.55	16.00%	4.80
2000-01	36.00	70.22	280.79	17.78	9.15	16.00%	4.92
2001-02	50.00	109.28	374.83	31.84	22.74	17.00%	7.70
2002-03	80.00	187.27	748.88	55.55	34.57	18.00%	14.40
2003-04	102.55	256.21	865.80	81.84	52.70	18.00%	15.55
2004-05	102.55	307.02	1,155.50	112.80	75.73	20.00%	20.51
2005-06	163.50	452.20	1,392.69	126.43	83.88	22.00%	26.04
2006-07	310.00	715.98	1,956.10	153.81	101.36	22.50%	44.64
2007-08	* 620.00	780.25	2,619.22	228.63	153.54	* 12.50%	90.67
2008-09	700.00	978.58	3,486.60	336.82	218.98	13.00%	100.66
2009-10	700.00	1,119.71	4,100.69	379.84	247.60	13.00%	106.47
2010-11	700.00	1,361.79	5,206.99	545.56	355.98	14.00%	113.90
2011-12	750.00	1,695.14	6,377.90	601.90	399.37	14.00%	116.01
2012-13	800.00	2,099.90	9,076.85	732.20	492.46	15.00%	137.70
2013-14	800.00	2,534.23	11,125.49	863.19	574.74	15.00%	140.39
2014-15	800.00	3,091.63	14,788.92	1,053.41	677.75	12.50%	120.35
2015-16	800.00	3,818.09	19,770.39	1,246.93	822.74	10.00%	96.29
2016-17	800.00	4,713.26	26,660.71	1,532.62	991.47	10.00%	96.29
2017-18	800.00	5,950.92	32,937.95	1,768.79	1,237.65	10.00%	96.44
2018-19	800.00	7,326.43	41,796.85	2,077.27	1,471.95	10.00%	96.44
2019-20	966.67	11,808.65	55,274.97	2,258.44	1,691.27	5.00%	46.50
2020-21	1,000.78	14,642.40	89,143.75	2,055.66	1,537.66	10.00%	100.07
2021-22	1,233.68	25,914.20	1,03,842.69	2,237.41	1,741.97	10.00%	123.36

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

MISSION

Partnering To Prosper

COMMITMENT

Close To The People

VISION

Miles To Go

BRANCHES

MAHARASHTRA - Ahmednagar, Akola, Amravati, Aurangabad, Baramati, Bhandara, Bhusawal, Brahmapuri, Buldhana, Chalisgaon, Chandrapur, Dhule, Gadchiroli, Gondia, Hingoli, Jalgaon, Karad, Katol, Khamgaon, Kolhapur, Kudal, Latur, Manmad, Nanded, Nandurbar, Nashik, Osmanabad, Pandharpur, Paratwada, Parbhani, Pune, Pusad, Ratnagiri, Sangli, Satara, Solapur, Udgir, Wagholi, Wani, Wardha, Washim & Yavatmal.

MADHYA PRADESH - Betul, Bhopal, Burhanpur, Chhatarpur, Chhindwara, Damoh, Dewas, Dhar, Harda, Hoshangabad, Indore, Katni, Mandla, Narsinghpur, Rewa, Sagar, Satna, Sehore, Seoni, Shahdol, Sidhi & Vidisha.

CHHATTISGARH - Ambikapur, Balodabazar, Bemetara, Bilaspur, Dallirajhara, Dhamtari, Dongargarh, Durg, Gariyaband, Jagdalpur, Janjgir, Kanker, Kawardha, Kondagaon, Korba, Mahasamund, Raigarh, Raipur, Rajim, Rajnandgaon & Saraipali.

GUJARAT - Amreli, Bardoli, Botad, Junagadh, Navsari, Surat & Vyara.

KARNATAKA - Belgavi, Bidar, Kalaburagi, Raichur & Vijayapur.

TELANGANA - Adilabad, Jagtial, Jangaon, Kamareddy, Karimnagar, Khammam, Kothagudem, Mahabubnagar, Mancherial, Miriyalaguda, Nalgonda, Nirmal, Nizamabad, Sangareddy, Siddipeth, Suryapet & Warangal.



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