



30th Annual Report 2019-2020



Board of Directors

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

Company Secretary

CS (Mrs.) Deepali Balpande

Bankers

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

Public Deposit Trustee

Catalyst Trusteeship Ltd. Pune

Auditors

M/s Pravin Dhiran & Co.
Chartered Accountants

Regd. Office

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

CIN No.

U65929MH1990PLC057829

PAN No.

AAACB5861B

GSTIN

27AAACB5861B1Z0

Website

www.berarfinance.com

BRANCHES

Maharashtra -	Akola, Amravati, Aurangabad, Ahemadnagar, Buldhana, Bhandara, Bhusawal, Chandrapur, Chalisgaon, Dhule, Gadchiroli, Gondia, Hingoli, Jalgaon, Khamgaon, Katol, Kolhapur, Latur, Manmad, Nashik, Nanded, Nandurbar, Parbhani, Paratwada, Pune, Puasd, Ratnagiri, Satara, Solapur, Sangli, Washim, Wardha, Yavatmal
Madhyapradesh -	Bhopal, Betul, Chhindwara, Dewas, Hoshangabad, Indore, Narsinghpur, Seoni, Vidisha
Chhattisgarh -	Bilaspur, Balodabazar, Durg, Dallirajra, Dhamtari, Kawardha, Korba, Mahasamund, Raipur, Rajnandgaon, Saraipali
Telangana -	Adilabad, Karimnagar, Kamareddy, Mancherial, Nizamabad, Nirmal, Sangareddy, Warangal
Karnatka -	Belgavi, Kalaburagi
Gujarat -	Bardoli, Navsari, Surat, Vyara

DIRECTORS' REPORT

Your Directors are glad to present the 30th Annual Report and the audited accounts of your Company for the financial year ended 31.03.2020 ("F.Y.2019-20").

FINANCIAL RESULTS

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

	(₹ in lacs)	
Particulars	<u>2019-20</u>	<u>2018-19</u>
Amount Disbursed during the year	43,670.39	34,416.82
Gross Receivables under Management (AUM)	47,619.59	36,841.13
Receivables sold under Securitisation	1,497.05	956.10
Gross Income	11,419.20	8,956.08
Profit (before extra-ordinary items)	2,373.51	2,077.27
Net Profit (after Tax)	<u>1,691.27</u>	<u>1,471.95</u>

APPROPRIATION OF PROFITS

The operations have generated a Net Profit (after tax) of ₹1,691.27 lacs (P.Y: ₹ 1,471.95 lacs) for the financial year ended March 31, 2020.

Your Directors propose to appropriate the same as under:

	(₹ in lacs)	
Particulars	<u>2019-20</u>	<u>2018-19</u>
Net Profit (after Tax)	1,691.27	1,471.95
Add: Balance Brought Forward	<u>153.83</u>	<u>149.12</u>
Disposable Profit	1,845.10	1,621.07
<u>Appropriations:</u>		
- Dividend paid during the year	80.00	80.00
- Dividend Distribution Tax	16.44	16.44
- Transfer to Statutory Reserve	423.00	370.80
- Transfer to General Reserve	1,100.00	1,000.00
Balance Carried Forward	<u>225.66</u>	<u>153.83</u>

DIVIDEND

Your directors recommend a dividend of ₹ 0.50 per Equity Share as against ₹ 1.00 per Equity Share in the previous financial year. The reason behind the move is the conservative call taken by the Company having regard to the current COVID-19 situation. Though profits of the Company have increased, it has been decided to conserve cash and increase the reserves that can be used for business expansion and as a buffer against any crisis.

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 and IDFC First Bank are providing CC facility of ₹ 65.00 Crores. IDFC First Bank joined the consortium with initial exposure of ₹ 10.00 Crores during the year.

- ii. Fixed Deposits- As on 31.03.2020 total fixed deposits amounted to ₹ 9,252.18 lacs, of which public deposits amounted to ₹ 8,558.53 lacs. The following table provides the details of the flow of public deposits during F.Y2019-20:

Particulars	₹ in lacs
Public Deposits at the beginning of the year	7,075.99
Less: Public deposits repaid / renewed during the year	3,458.28
Add: Public Deposits accepted / renewed during the year	4,940.82
Public Deposits at the end of the year	8,558.53

₹ 564.51 lacs of deposits (from 282 deposit accounts) matured during the year were unclaimed as on 31.03.2020. Of these 37 deposit accounts totalling to ₹ 66.50 lacs are still unclaimed on the date of this report. Periodic reminders are being sent to the depositors for repayment/renewal of deposits.

- iii. Terms Loans- Your Company has availed term loans for working capital from various lenders at favourable terms and at reasonable rate of interest. The outstanding balance of such loans as on March 31, 2020 is ₹26,829 lacs. The term loans offer ready availability, their repayments match maturity of receivables offered as security and has retained its position as the main source of funding during the year.
- iv. Term loan for office premises - The Company acquired in 2017 the 1st and 2nd floors of Avinisha Tower, Dhantoli, Nagpur admeasuring about 8,100 square feet for accommodating the growing needs of the business. The Company took term loan of ₹ 750 lacs from Bank of Maharashtra for the said purpose. The outstanding balance of such loans as on March 31, 2020 is ₹ 303.32 lacs.
- v. Assets Securitised-During the year, the Company raised resources to the extent of ₹ 1,754.11 lacs through securitization of receivables.
- vi. Share Capital by Preferential Allotment: With the view to strengthen the capital base, your Company raised the capital by offering and allotting shares on preferential basis as under:

Investors	No. of equity shares allotted	Amount received (in ₹) (A)	No. of CCPS*	Amount received (in ₹) (B)	Total amount (in ₹) (A)+(B)
Amicus Capital Private Equity I LLP	9,97,778	17,96,00,040	4,98,889	8,98,00,020	26,94,00,060
Amicus Capital Partners India Fund I	1,13,333	2,03,99,940	56,667	1,02,00,060	3,06,00,000
Total	11,11,111	19,99,99,980	5,55,556	10,00,00,080	30,00,00,060

(*CCPS means Cumulative Compulsorily Convertible Participating Preference Shares)

POSTPONMENT OF EXTRA-ORDINARY GENERAL MEETING

The 1/F.Y. 2020-2021 Extra-Ordinary General meeting (“EGM”) scheduled to be held on April 13, 2020 was postponed following the Government guidance against public gathering on account of COVID-19 and same was intimated to the members of the Company on April 8, 2020 through notification in the newspapers viz. Times of India & Maharashtra Times. The EGM was conveyed for approval of the following three items namely;

- To approve the amendment, re-statement and entrenchment of the Articles of Association of the Company;
- To regularize the appointment of Mr. Mahesh Parasuraman (DIN:00233782), Additional Director as a director liable to retire by rotation; and
- To revise the terms and conditions of the employment agreement of Mr. Sandeep Jawanjali (DIN : 01490054), Executive Director of the Company.

Now these items will be considered at the ensuing 30th Annual General Meeting of the Company.

REVIEW OF OPERATIONS

Financing of two-wheelers continues to be the mainstay product of your Company. With a view to broadbase the business, your Company ventured into other loan products like financing agri-equipment, office equipment, commercial vehicles, cars and personal loans during the year. Your Company has a strong network and presence in rural and semi-urban India which has demonstrated strong growth potential. Your Company has recorded satisfactory growth in business with a 26.88% increase in disbursement and 27.50% increase in gross income during F.Y 2019-20.

BRANCH NETWORK

Your Company plans to reach customers through expansion of its branch network across strategic locations in Central, Western and Southern India. During F.Y 2019-20, your Company opened new branches at Dhamatari, Belgavi, Seoni, Dewas, Balodabazar, Kamareddy, Bardoli, Narsighpur, Vidhisha, Ratnagiri, Vyara, Navsari, Saraipali, Nirmal, Manmad. During the current financial year upto the date of this report, the Company has also opened new branches at Nadurbar in Maharashtra.

At present, your Company has a total network of 67 branches, comprising 33 in Maharashtra, 9 in Madhya Pradesh, 11 in Chhattisgarh, 8 in Telangana, 4 in Gujarat and 2 in Karnataka.

Your Company plans to add few more branches during the financial year 2020-2021.

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 23.83% (as against 15% prescribed by RBI) as on 31.03.2020. Under the new regulatory framework of RBI, your Company is classified as **Systemically Important Asset Finance Company- Deposit Taking**.

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

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 F.Y. 2019-20. 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 IV(i). Further, the Company’s Policy on Related Party Transactions is attached as part of this report, vide Annexure IV(ii).

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

CREDIT RATING

Your Company’s cash credit facilities, public deposits schemes and NCDs have received credit rating as under:

Schemes	Credit Rating Agency	Rate of Grade
Fixed Deposits	BY ICRA Ltd.	MA-(Stable) Investment Grade
Cash Credit Facility	BY ICRA Ltd.	BBB (Stable) Investment Grade
Non-convertible Debentures(NCDs)	BY ICRA Ltd.	BBB (Stable) Investment Grade

STATUTORY AUDITORS & AUDITORS’ REPORT

Chartered Accountants M/s .Pravin Dhiran & Co. (Firm Registration No.: 133656W) have been 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 at such remuneration and out of pocket expenses, as may be mutually agreed between Board of Directors of the Company and the Statutory Auditors.

REPORTING OF FRAUD BY THE AUDITORS

The Auditors did not report any fraud during the year.

INTERNAL AUDITORS

M/s. Somalwar Sahasrabudhe and Associates, (Firm Registration No.135726W) Chartered Accountants, perform the duties of Internal Auditors of the Company. The Audit Committee regularly reviews their reports including the audit findings as well as adequacy and effectiveness of the internal control measures.

SECRETARIAL AUDITORS

The Board of Directors of the Company on 9th June 2020 have appointed M/s. SPZ & Associates, Company Secretaries (Firm Registration Number S2015MH305600) as Secretarial Auditors of the Company for F.Y. 2020-21.

DIRECTORS

Mr. Shantaram Krishnarao Mahakalkar (DIN No. 00379988), Non-Executive Director, retires by rotation and being eligible offers himself for reappointment.

The private equity investors namely Amicus Capital Private Equity I LLP and Amicus Capital Partners India Fund I had nominated Mr. Mahesh Parasuraman (DIN:00233782) as their representative Director on the Board and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 20th February, 2020 appointed Mr. Mahesh Parasuraman as an Additional Director of the Company liable to retire by rotation. He shall hold office as an Additional Director upto the date of ensuing 30th Annual General Meeting of the Company. The Nomination and Remuneration Committee of the Company has recommended his appointment as a Non-Executive Non-Independent Director of the Company liable to retire by rotation.

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 and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164(2) of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) 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, if any;
- 2) The Directors 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) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) The Directors have prepared the annual accounts on a going concern basis;
- 5) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- 6) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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. 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 carefully managing these risks. The Audit Committee, Risk Management Committee and Assets Liability Management Committee review and monitor these risks at periodic intervals.

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

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

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

INTERNAL FINANCIAL CONTROLS

The internal financial controls of the Company are commensurate with its size, scale and complexities of its operations. The Company has robust policies and procedure which *interalia*, ensure integrity in conducting business, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The internal financial control with reference to the financial statements were tested and reported adequate and operating effectively.

HUMAN RESOURCES

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.

During the F.Y 2019-20, the Board of Directors granted the Employee Stock Options to select employees pursuant to "Berar Finance Limited Employee Stock Option Scheme, 2019" the details of which are attached to the Board Report as AnnexureVI.

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 work place, to protect women employees and enable them to report sexual harassment at the workplace in line with the requirements of 'The Sexual Harassment of Women at the Workplace(Prevention,Prohibition & Redressal) Act,2013. An Internal Complaints Committee ("ICC") headed by a women employee has also been constituted for the purpose. All employees (including permanent, contractual,temporary,trainees) are covered under this policy. No complaints of sexual harassment were received during F.Y 2019-20.

The Company has complied with provisions relating to constitution of internal complaints committee under The Sexual Harassment of Women at the Workplace(Prevention,Prohibition & Redressal)Act,2013.

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).

MAINTENANCE OF COST RECORDS

The provision 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.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and subsection (3) of Section 92 of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2020 in Form No. MGT-9, is appended as Annexure V and forms part of this Report. The Annual Return of the Company as at 31st March 2020 has been placed on the website of the Company and can be accessed at https://www.berarfinance.com/AGM_2020.

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 PARTICULARS

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

Your Company, being an NBFC registered with the RBI, the provisions of Section 185 of the Act are not applicable to the Company.

Annexures forming part of this Report:

1. Management Discussion and Analysis: Annexure I
2. Report on Corporate Governance: Annexure II
3. Report on CSR Activities: Annexure III
4. Form AOC-2: Annexure IV(i)
5. Related party Transaction Policy: Annexure IV(ii)
6. Annual Return (Sec. 92(3) of Act): Annexure V
7. Disclosure under Employee Stock Option Plan: Annexure VI

ACKNOWLEDGEMENT

The Board of Directors takes the opportunity to express its sincere appreciation for the support and co-operation from its members, depositors, banks, financial institutions and the regulator- RBI.

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.

Nagpur
27.07.2020

For and on behalf of
the Board of Directors

M.G.Jawanjar
Chairman

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

F.Y.2019-2020 was a challenging year for the economy in general and financial services industry in particular. While the economy was recovering from the effects of demonetisation and implementation of GST, it witnessed a slowdown with the GDP growth reducing from 5.2% in April-June 2019 to 3.1% in January-March 2020 coupled with the liquidity challenges in the NBFC sector. As a result, the financial services industry whose prospects are very closely linked to the economic growth faced multiple challenges including concerns on liquidity and asset quality. However, the Company was able to navigate these challenges effectively and recorded strong growth in its loan-book without compromising on asset quality during F.Y 2019-20 which is indicative of the fundamental strength of its business model.

Market Scenario

Your Company's operations is primarily focused on Central India. This part of India is characterised by rich natural resources, rural population with agriculture and agri-based industries being an important source of employment and livelihood. As a result, demand for products like two-wheelers and cars in these geographies are indirectly related to the performance of the agriculture sector.

The demand for vehicles in the first half of the financial year was encouraging but towards the second half of the financial year there was a general decline in all segments of auto-sales, mainly due to impending switchover to the BS-VI norms from April 2020 as well as general economic slowdown. Demand in the last few weeks of F.Y 2019-20 was also impacted by the nationwide lockdown owing to COVID-19.

Your Company's primary business is financing two-wheelers with focus on semi-urban and rural areas. These regions have witnessed significant economic development in the past few years driven by the factors like diversification and increase of income from alternative sources (e.g. dairy farming, agro-industries), increased Governments pending on infrastructure projects etc. These factors provided employment to the people that helped improve their standard of living and consequently demand for various products including two-wheelers, cars, commercial vehicles, consumer durables, agri-equipment. The demand has been further boosted by availability of credit from organized players like NBFCs.

Outlook

While the long-term outlook remains positive, the near-medium term outlook is expected to be challenging given the current COVID-19 situation across the country and its effect on economy. Growth prospects will depend on multiple factors, including how the COVID-19 pandemic evolves across the country. Implementation of fiscal and monetary policy support, the liquidity support granted by the RBI is yet to show any impact given that several areas across the country continue to be impacted by intermittent lock-down. However, the Company's prospects are not expected to be less impacted given that rural India has been relatively less affected by the pandemic. A bountiful rabi harvest followed by efficient procurement, the recent increase in Minimum Support Prices ("MSP") of crops and the prospect of normal monsoon augur well for the agriculture sector and should lead to growth in sales of vehicles and farm equipments which will benefit the Company.

Your Company has broad-based its product portfolio to take advantage of the growing demand for such products is offering products like agri-finance, consumer finance, car finance and personal loans. Your Company expects a sustained growth in business and profitability with such a diversified portfolio.

Berar Finance Limited expects to maintain its performance in F.Y. 2020-2021 and sustain its growth trajectory. The approach would be to continue with the growth momentum while balancing risk. The management believes that the Company is in a strong position to meet the increased demand of funds caused by inability of public sector banks to lend owing to asset quality challenges and liquidity challenges faced by smaller and unorganized financiers.

Performance During the Financial Year 2019-2020

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

(₹ in Lacs)

Particulars	2018-19	2019-2020	Change %
Total Income	8,956.08	11,419.20	+27.50
Total Cost	6,878.81	9,045.69	+31.50
Profit Before Tax	2,077.27	2,373.51	+14.26
Profit after Tax	1,471.95	1,691.27	+14.90
Earnings per Share (Fig in ₹)			
Basic	18.40	20.81	-
Diluted	18.40	20.61	-

Risks and Concerns

The Company has a policy to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with business. The Company has to manage various risk including credit risk, liquidity risk, interest rate risk and operational risk. The Company is aware of multiple risks and keeps a constant vigil to manage the same to its advantage. Your Company has built a robust risk management framework over the years.

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 Assets 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 easy availability of funds at lower cost for its growing business. Your Company does not perceive any threat to the business growth with profits.

Customer Service

Your Company continues to remain customer focused. Once a Berar customer- always a Berar customer is a key motto of the Company. Customer data and status is available online at all branches. Accepting that time has value, the Company provides prompt services while sanctioning/dispersing loans as well as post-disbursement services. Customers enquiries and complaints are attended instantly. Secondly 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 attend customers complaints urgently. Even during the pandemic and consequent lockdown, the customer connect was maintained while the entire staff was working from home. In line with the policy announced by Reserve Bank of India the Company granted moratorium to the performing customers in respect of installments upto 31st August 2020.

Annexure II **REPORT ON CORPORATE GOVERNANCE**

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

1) Board of Directors

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

The Composition of the Board as on 31st March 2020 is as follows:

Name of Director	Category	DIN	No of Board Meeting(s) Attended during 2019-20	Whether attended AGM held during 2019-20
Mr.Maroti Jawanjar	Promoter	00379916	8	Yes
Mr.Shantaram Mahakalkar	Non-Executive Director	00379988	7	Yes
Mr.Ashok Kachore	Non-Executive Director	00380102	5	Yes
Mr.Dattatraya Dalal	Non- Executive Director	00380199	7	Yes
Mr.Vishwas Pathak	Independent Director	00452917	8	Yes
Mr.Atul Sarda	Independent Director	02161209	6	Yes
Mr.Sandeep Jawanjal	Promoter	01490054	7	Yes
Mr.Mahesh Parasuraman*	Non-Executive Director	00233782	0	No

*Mr.Mahesh Parasuraman was appointed as an additional director at last board meeting of F.Y. 2019-20 held on 20.02.2020.

Board Meeting

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

During the year under review, meetings of the Board of Directors were held as follows:

Date	
1. 11.05.2019	5. 23.11.2019
2. 28.06.2019	6. 19.12.2019
3. 31.08.2019	7. 23.12.2019
4. 12.10.2019	8. 20.02.2020

Except Mr.Mahesh Parasuraman, none of the other Directors is holding directorship in other companies.

Mr.Mahesh Parasuraman holds directorship in the following companies:

1. Capital Small Finance Bank Limited;
2. AAUM Investment Advisers Private Limited;
3. Wonderchef Home Appliances Private Limited;
4. D2C Insurance Broking Private Limited; and
5. D2C Consulting 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. Details of sittings fees paid are as under:

	₹		₹
Mr.Shantaram Mahakalkar	24,000	Mr.Ashok Kachore	8,000
Mr.Vishwas Pathak	38,000	Mr.Atul Sarda	28,000
Mr.Dattatraya Dalal	20,000		

During the year under review the Company paid ₹161.99 lacs towards remuneration to Mr. Maroti Jawanjar, Managing Director and Mr. Sandeep Jawanjal, Executive Director.

(Details provided in note no. 22.19 of notes to the financial statements).

2) Audit Committee

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

For F.Y. 2019-20, the Audit Committee meetings were held on 26.06.2019, 12.10.2019, 13.01.2020 and 20.03.2020. Mr. Atul Sarada & Mr. Vishwas Pathak have attended all the aforesaid committee meetings. Mr. Sandeep Jawanjal was absent on committee meeting dated 12.10.2019. The Statutory Auditors of the Company were invited to the above meetings.

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

3) Risk Management and ALM committee

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

For F.Y. 2019-20, the ALM committee meetings and Risk Management Committee meetings were held on 28.06.2019, 14.10.2019, 13.01.2020, 20.03.2020. All the members have attended the aforesaid meetings except Mr. Shantaram Mahakalkar who was absent on 14.10.2019 for both the committee meetings.

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 performed by executive management.
2. Reviewing the policy and framework in line with legal requirement and RBI guidelines.
3. Reviewing risk and evaluate treatment including mitigation action.
4. Defining framework for identification, 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.

4) Nomination and Remuneration Committee

The Committee was constituted in pursuance of section 178 of the Act. As on date the Committee consists of the following members:

<u>Name of Directors</u>	<u>Designation</u>
Mr. Vishwas Pathak	Chairman
Mr. Atul Sarada	Member
Mr. Dattatraya Dalal	Member

For F.Y. 2019-20, the Committee meetings were held on 26.06.2019 and 12.10.2019, 23.12.2019, 20.02.2020 and 20.03.2020. All the members have attended the aforesaid meetings except Mr. Dattatraya Dalal who was absent for the meeting on 12.10.2019.

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

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

5) Stakeholders Relationship Committee

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

<u>Name of Directors</u>	<u>Designation</u>
Mr.Shantaram Mahakalkar	Chairman
Mr.Ashok Kachore	Member
Mr.Dattatraya Dalal	Member

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

For F.Y. 2019-20, the Committee had only one meeting which was held on 20.03.2020. All the Committee members have attended the meeting.

The Company Secretary is the Secretary of the Committee. No complaints were received during the year from shareholders and depositors.

6) Corporate Social Responsibility (CSR) Committee

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

<u>Name of Directors</u>	<u>Designation</u>
Mr.Maroti Jawanjar	Chairman
Mr. SandeepJawanjal	Member
Mr.Vishwas Pathak	Member

For F.Y. 2019-20, the Committee meetings were held on 23.12.2019 and 20.03.2020. All the committee members have attended the aforesaid meetings.

7) Fund Management Committee Meeting

During the financial year 2019-2020, the Board of Directors of the Company had constituted committee named as Fund Management Committee to delegate borrowing powers under Sec 179(3)(d) of the Act. The main function of the Committee is to avail the borrowing facility (fund based or non-fund based) upto Rs. 500 Crore during a financial year which includes various credit facilities by way of overdrafts, cash credits, term loan, opening of letter of credit, issuing of 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 lender and Company.

The Committee comprises following members of the Board namely:

<u>Name of Directors</u>	<u>Designation</u>
Mr.Maroti Jawanjar	Chairman
Mr.Sandeep Jawanjal	Member
Mr.Vishwas Pathak	Member

Delegation of borrowing powers to this committee is on yearly basis. At present the Committee has borrowing powers upto ₹500 Crore.

For F.Y. 2019-20, the Committee met on 30.12.2019 and 06.03.2020. All the committee members have attended the aforesaid meetings.

8) Independent Directors Meeting

During the year under review the Independent Directors met on 20.03.2020, *interalia* to discuss:

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

All the Independent Directors were present at the meeting.

9) General Body Meetings

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

Financial Year	Day	Date	Time	Place
2018-2019	Saturday	21.09.2019	4.00 P.M.	Arjuna Celebrations, Pande Layout, Khamla, Nagpur-440025
2017-2018	Saturday	08.09.2018	4.00 P.M.	Arjuna Celebrations, Pande Layout, Khamla, Nagpur-440025
2016-2017	Saturday	02.09.2017	4.00 P.M.	Celebration Centre, N. Ambazari Road, Nagpur-440010

The particulars of Extra-Ordinary General Meeting (EGM) are as under:

Day	Date	Time	Place
Monday	03.02.2020	3.00 P.M	Arjuna Celebrations, Pande Layout, Khamla, Nagpur-440025

Details of the Special Resolutions passed at the AGM, EGM and Postal Ballot held during the last three years:

Sr. no	Detail of resolution	Date of passing	No. of votes in favour	No. of votes against	% of votes in favour	% of votes in against
1.	To give approval for making investments, loans, giving guarantee or providing security under section 186 of the Act upto ₹1,000 cr.	08.09.2018	43,11,742	1,700	99.96 %	0.04%
2.	To re-appoint Mr. Vishwas Pathak as Independent director	21.09.2019	45,52,700	2,000	99.96 %	0.04%
3.	To re-appoint Mr. Atul Sarada as Independent director	21.09.2019	45,52,700	2,000	99.96 %	0.04%
4.	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%
5.	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%
6.	To Approve 'Berar Employee Stock Option Plan 2019'*	07.12.2019	42,77,100	3,800	99.92%	0.08%
7.	To insert clause 4A after clause 4 in the Articles of Association of the Company thereby authorizing the Company to alter its Authorized Share Capital.	03.02.2020	47,98,240	0	100 %	0%

8.	To accord authority to the Company to issue preference shares by inserting clause 4B after proposed clause 4A in the Articles of Association of the Company thereby undertake the consequent amendment to the Articles of Association of the Company;	03.02.2020	47,98,240	0	100 %	0%
9.	To authorize the issuance of the Tranche 1 Series A CCPS to the "Investors"(Amicus Capital Private Equity I LLP ("ACPE") and Amicus Capital Partners India Fund I ("ACPIF" and together with ACPE, the "Investors").	03.02.2020	47,98,240	0	100 %	0%
10.	To authorise the issuance of Tranche 1 Series A Equity Shares and Tranche 1 Series A CCPS through Private Placement.	03.02.2020	47,98,240	0	100 %	0%
11.	To remove clause no.13 of the Articles of Association of the Company requiring a director to hold qualification shares.	03.02.2020	47,98,240	0	100 %	0%

*The Special Resolution was passed through postal ballot and e-voting.

The Special Resolutions from Sr.no.1 to 6 were passed through E-voting and Ballot Paper/ Postal Ballot as per the procedure prescribed under Section 110 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.7 to 11 were passed through E-voting and Ballot Paper as per the procedure prescribed under Section 110 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.

10) Details of Shares transferred to Investor Education and Protection Fund(IEPF) during F.Y.2019-20 and unclaimed dividend due dates:

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

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Berar Finance Limited IEPF Account
Opening Balance as on 1 st April 2019	5	2,800
Less: Requests received for transfer / delivery during 2019-20 and Shares transferred / delivered during 2019-20	0	0
Add:Transfer of shares to Investor Education and Protection Fund Authority of Ministry of Corporate Affairs during 2019-20(Shares transferred on 2 5.09.2019)	3	1,750
Balance as on 31 st March 2020	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 2012-13	2 nd September, 2020
Final Dividend 2013-14	22 nd September, 2021
Final Dividend 2014-15	26 th October, 2022
Final Dividend 2015-16	26 th September, 2023
Final Dividend 2016-17	2 nd October, 2024
Final Dividend 2017-18	8 th October, 2025
Final Dividend 2018-19	21 st October, 2026

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 Agents immediately.

11) 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 Whistleblower 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 III REPORT ON CSR ACTIVITIES

1.A Brief Outline of Company's CSR Policy

The Company's CSR Policy was approved at the Board Meeting held on 05.03.2015. The said policy is available on the Company's website www.berarfinance.com.

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

The five major areas in which the Company plans to work shall include Education, Healthcare, Environmental Sustainability, Poverty Alleviation and Promoting Sports. The objectives of the Company for the above activities shall be as follows:

- i. Education- Our endeavour is to spark the desire for learning and enlighten minds. We may undertake to fulfill this objective by way of providing quality education initiatives or by financial assistance to the poor and needy students, education assistance to mentally handicapped children, assistance to undertake or to impart vocational training, adult education programs, girl education, other related infrastructure etc.
- ii. Health Care- Our goal is to render quality healthcare facilities which we may provide by way of undertaking preventive healthcare programs including but not limited to settings various camps and related infrastructure services, providing of sanitation and making available safe drinking water, direct assistance to critically ill patients etc.
- iii. Environmental Sustainability -For addressing this objective, we may undertake afforestation, planting of trees, maintain public garden, playground cleanliness and such other similar programmes or activities focused towards maintaining ecological balance, quality of soil, air and water, conservation of natural resources etc.
- iv. Poverty alleviation and livelihood enhancement projects/women empowerment -To help poor people to help them to earn their livelihood thereby helping them to come out of poverty line. This also includes activities

to boost women empowerment. This will be through providing income earning assets like sewing machines, pressing machine, washing machines etc.

- v. Promoting Sports - This includes providing financial assistance for organizing sports events, reimbursing the cost incurred by financially poor /needy sports boys/girls for playing any sport.

2. Composition of the CSR Committee

The following are the members of the CSR Committee of the Company:

<u>Name</u>	<u>Designation</u>
Mr.Maroti Jawanjar	Chairman
Mr.Sandeep Jawanjal	Member
Mr.Vishwas Pathak	Member

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

Profits for past 3 years (₹ in lacs)

2018-2019	2,077.27	Average Net Profit (₹1,792.90 lacs)
2017-2018	1,768.80	
2016-2017	1,532.62	

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

The Company is required to spend ₹35.86 lacs. During the financial year, the Company had spent ₹35.88 lacs.

5. Details of CSR Spend

Details of CSR spend during F.Y. 2019-20.

Sr. No.	Implementing Agency	Activities identified	Location of project	Amount spent(in ₹)
1	Shri. Sant Jagnade Maharaj Bahu Udhyaishiya Shikshan Santha, Nagpur	Providing educational help to poor needy children and financial assistance to abandoned children.	Nagpur	5,51,000
2	Rotary Club of Nagpur South East.	Creating health awareness in rural and tribal women.	Nagpur	51,000
3	Sarakshi Netralaya	Financial assistance to critically ill and needy patient Ms.Shobha Pathak for treatment of eye disease	Nagpur	50,000
4	Vishwa Hindu Jankalyan Parishad	Upliftment of poor tribal people of Udasa and Devlapar villages of Nagpur District.	Nagpur	5,00,000
5	Anjani Eye Hospital	Financial assistance to critically ill and needy patient,Mr. Purab Kumbhare for treatment of eye disease	Nagpur	80,000
6	Suwarna Mahotsav Ayojana Samittee (Constituted by Vidhyarthi Uvak Krida Mandal)	Encouraging various sport activities and conducting Indian games and Athletics.	Nagpur	50,000
7	Uday Mahila Seva Santha	Promoting and encouraging sports activity by giving financial assistance.	Umred (District:Nagpur)	39,125
8	Tidake Mahavidyalay	Promoting heath care& Sports.	Nagpur	91,475

9	Silaigram	Women empowerment Providing sewing machines for earning livelihood.	Wardha	75,160
10	Amrapali Utkarsh Sangha	Promote education of poor abandoned children	Nagpur	3,00,000
11	Central India Institute of Medical Science(CIIMS)	Quality health care facilities to needy poor.	Nagpur	4,00,000
12	Sandhya Sanwardhan Santha	Promote special education to mentally challenged children	Nagpur	4,00,000
13	Jeevoday Education Society	Imparting education to mentally challenged children	Nagpur	4,00,000
14	Maharogi Sewa Samiti	Upliftment of tribal people of Hemalkasa by eradicating hunger, poverty and malnutrition.	Warora District: Chandrapur	4,00,000
15	Cause to Connect Foundation	Promote the upliftment and livelihood of disadvantaged and underprivileged rural youth across India	Pune	1,00,000
16	Sure Tech hospital	Financial assistance to the poor patient Mr. Prashant Nagdeote for critical health treatment.	Nagpur	1,00,000
		Total		35,87,760

Annexure IV(i) Form AOC-2

(Pursuant to clause (h) of sub-section(3) of Section 134 of the Act and Rule8(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.

Nagpur
27.07.2020

M.G.Jawanjar
Chairman

Annexure IV(ii) Policy on Related Party Transactions

(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 Act and Rules framed thereunder 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.

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on the financial year ended on 31.03.2020

Annexure V

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	U65929MH1990PLC057829
2	Registration Date	22-08-1990
3	Name of the Company	BERAR FINANCE LIMITED
4	Category/Sub-category of the Company	PUBLIC COMPANY / LIMITED BY SHARES / NBFC
5	Address of the Registered office & contact details	AVINISHA TOWER, MEHADIA CHOWK, DHANTOLI, NAGPUR-440012 PH. NO.0712-6663999 www.berarfinance.com Email : info@berarfinance.com
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED 1ST FLOOR, BHARAT TIN WORKS BUILDING, OPP. VASANT OASIS, MAKWANA ROAD, MAROL, ANDHERI (EAST), MUMBAI 400059

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NBFC ENGAGED IN ASSET FINANCING & OTHER FINANCIAL SERVICES	64920	100
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	27,03,316	27,03,316	33.79%	27,07,316	-	27,07,316	29.71%	0.15%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	14,88,484	14,88,484	18.61%	14,88,484	-	14,88,484	16.34%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	41,91,800	41,91,800	52.40%	41,95,800	-	41,95,800	46.05%	0.10%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	41,91,800	41,91,800	52.40%	41,95,800	-	41,95,800	46.05%	0.10%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FII's	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
-Institutional Investors	-	-	-	0.00%	11,11,111	-	11,11,111	12.20%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	11,11,111	-	11,11,111	12.20%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	3,450	3,450	0.04%	750	2,300	3,050	0.03%	-11.59%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh		17,85,085	17,85,085	22.31%	67,250	16,98,485	17,65,735	19.38%	-1.08%

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	20,16,865	20,16,865	25.21%	9,26,516	11,04,349	20,30,865	22.29%	0.69%
c) Others (specify)									
Investor Education & Protection Fund. No votion right in respect of these shares	2,800	-	2,800	0.04%	4,550	-	4,550	0.05%	62.50%
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	2,800	38,05,400	38,08,200	47.60%	9,99,066	28,05,134	38,04,200	41.75%	-0.11%
Total Public (B)	2,800	38,05,400	38,08,200	47.60%	21,10,177	28,05,134	49,15,311	53.95%	29.07%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	2,800	79,97,200	80,00,000	100.00%	63,05,977	28,05,134	91,11,111	100.00%	29.17%

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumb ered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumb ered to total shares	
1	MAROTI JAWANJAR	10,21,194	12.76%		10,21,194	11.21%		0.00%
2	JYOTI JAWANJAR	2,74,550	3.43%		2,74,550	3.01%		0.00%
3	SANDEEP JAWANJAL	3,22,518	4.03%		3,22,518	3.54%		0.00%
4	BAKUL JAWANJAL	1,01,000	1.26%		1,01,000	1.11%		0.00%
5	RADHEMOHAN JAWANJAL	1,400	0.02%		1,400	0.02%		0.00%
6	MAROTI JAWANJAR(HUF)	8,66,954	10.84%		8,68,954	9.54%		0.23%
7	SANDEEP JAWANJAL(HUF)	1,15,700	1.45%		1,17,700	1.29%		1.73%
8	AVINO CAPCONS PVT. LTD.	14,88,484	18.61%		14,88,484	16.34%		0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	MAROTI JAWANJAR						
	At the beginning of the year			10,21,194	12.76%	10,21,194	11.21%
	Changes during the year				0.00%	10,21,194	11.21%
					0.00%	10,21,194	11.21%
	At the end of the year					10,21,194	11.21%
2	JYOTI JAWANJAR						
	At the beginning of the year			2,74,550	3.43%	2,74,550	3.01%
	Changes during the year			-	0.00%	2,74,550	3.01%
	At the end of the year					2,74,550	3.01%
3	SANDEEP JAWANJAL						
	At the beginning of the year			3,22,518	4.03%	3,22,518	3.54%
	Changes during the year				0.00%	3,22,518	3.54%
	At the end of the year					3,22,518	3.54%
4	BAKUL JAWANJAL						
	At the beginning of the year			1,01,000	1.26%	1,01,000	1.11%
	Changes during the year			-	0.00%	1,01,000	1.11%
	At the end of the year					1,01,000	1.11%
5	RADHEMOHAN JAWANJAL						
	At the beginning of the year			1,400	0.02%	1,400	0.02%
	Changes during the year				0.00%	1,400	0.02%
	At the end of the year					1,400	0.02%
6	MAROTI JAWANJAR(HUF)						
	At the beginning of the year			8,66,954	10.84%	8,66,954	9.52%
	Changes during the year	26.07.2019	Transfer	2,000	0.03%	8,68,954	9.54%
	At the end of the year					8,68,954	9.54%
7	SANDEEP JAWANJAL(HUF)						
	At the beginning of the year			1,15,700	1.45%	1,15,700	1.27%
	Changes during the year	20.12.2019	Transfer	2,000	0.03%	1,17,700	1.29%
	At the end of the year					1,17,700	1.29%
8	AVINO CAPCONS PVT.LTD.						
	At the beginning of the year			14,88,484	18.61%	14,88,484	16.34%
	Changes during the year				0.00%	14,88,484	16.34%
	At the end of the year					14,88,484	16.34%

(iv) Shareholding Pattern of top ten Shareholders*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	AMICUS CAPITAL PRIVATE EQUITY I LLP						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	20.02.2020	Allot	9,97,778	10.95%	9,97,778	10.95%
	At the end of the year					9,97,778	10.95%
2	RAVINDRA KACHORE						
	At the beginning of the year			2,33,484	2.92%	2,33,484	2.56%
	Changes during the year			-	0.00%	2,33,484	2.56%
	At the end of the year					2,33,484	2.56%
3	NARENDRA KACHORE						
	At the beginning of the year			1,98,482	2.48%	1,98,482	2.18%
	Changes during the year			-	0.00%	1,98,482	2.18%
	At the end of the year					1,98,482	2.18%
4	AMICUS CAPITAL PARTNERS INDIA FUND I						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	20.02.2020	Allot	1,13,333	1.24%	1,13,333	1.24%
	At the end of the year					1,13,333	1.24%
5	AJAY KUMAR PATNI						
	At the beginning of the year			1,00,000	1.25%	1,00,000	1.10%
	Changes during the year			-	0.00%	1,00,000	1.10%
	At the end of the year					1,00,000	1.10%
6	KIDILE PRAKASH						
	At the beginning of the year			62,650	0.78%	62,650	0.69%
	Changes during the year			-	0.00%	62,650	0.69%
	At the end of the year					62,650	0.69%
7	PARAS MUTHA						
	At the beginning of the year			50,000	0.63%	50,000	0.55%
	Changes during the year			-	0.00%	50,000	0.55%
	At the end of the year					50,000	0.55%
8	CHANDAN MUTHA						
	At the beginning of the year			50,000	0.63%	50,000	0.55%
	Changes during the year			-	0.00%	50,000	0.55%
	At the end of the year					50,000	0.55%

9	AGRAWAL VIDUSHI						
	At the beginning of the year			48,500	0.61%	48,500	0.53%
	Changes during the year			-	0.00%	48,500	0.53%
	At the end of the year					48,500	0.53%
10	AGRAWAL CHANDA						
	At the beginning of the year			43,000	0.54%	43,000	0.47%
	Changes during the year			-	0.00%	43,000	0.47%
	At the end of the year					43,000	0.47%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	MAROTI JAWANJAR						
	At the beginning of the year			10,21,194	12.76%	10,21,194	11.21%
	Changes during the year				0.00%	10,21,194	11.21%
	At the end of the year					10,21,194	11.21%
2	SHANTARAM MAHAKALKAR						
	At the beginning of the year			29,900	0.37%	29,900	0.33%
	Changes during the year			-	0.00%	29,900	0.33%
	At the end of the year					29,900	0.33%
3	VISHWAS PATHAK						
	At the beginning of the year			27,600	0.35%	27,600	0.30%
	Changes during the year				0.00%	27,600	0.30%
	At the end of the year					27,600	0.30%
4	ASHOK KACHORE						
	At the beginning of the year			24,034	0.30%	24,034	0.26%
	Changes during the year			-	0.00%	24,034	0.26%
	At the end of the year					24,034	0.26%
5	DATTATRAYA DALAL						
	At the beginning of the year			1,13,816	1.42%	1,13,816	1.25%
	Changes during the year				0.00%	1,13,816	1.25%
	At the end of the year					1,13,816	1.25%

6	ATUL SARDA						
	At the beginning of the year			13,200	0.17%	13,200	0.14%
	Changes during the year			-	0.00%	13,200	0.14%
	At the end of the year					13,200	0.14%
7	SANDEEP JAWANJAL						
	At the beginning of the year			3,22,518	4.03%	3,22,518	3.54%
	Changes during the year				0.00%	3,22,518	3.54%
	At the end of the year					3,22,518	3.54%
8	MAHESH PARASURAMAN						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year				0.00%	-	0.00%
	At the end of the year					-	0.00%
9	DEEPALI BALPANDE						
	At the beginning of the year			41,900	0.52%	41,900	0.46%
	Changes during the year				0.00%	41,900	0.46%
	At the end of the year					41,900	0.46%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amt. ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
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Indebtedness at the beginning of the financial year

i) Principal Amount	2,53,36,05,006.00	-	69,95,76,174.00	3,23,31,81,180.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	82,14,573.00	-	6,99,23,633.00	7,81,38,206.00
Total (i+ii+iii)	2,54,18,19,579.00	-	76,94,99,807.00	3,31,13,19,386.00

Change in Indebtedness during the financial year

* Addition	1,81,50,00,000.00	-	53,10,23,873.00	2,34,60,23,873.00
* Reduction	1,08,81,13,397.00	-	37,53,06,102.00	1,46,34,19,499.00
Net Change	72,68,86,603.00	-	15,57,17,771.00	88,26,04,374.00

Indebtedness at the end of the financial year

i) Principal Amount	3,25,62,50,640.00	-	84,82,01,723.00	4,10,44,52,363.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,24,55,542.00	-	7,70,15,855.00	8,94,71,397.00
Total (i+ii+iii)	3,26,87,06,182.00	-	92,52,17,578.00	4,19,39,23,760.00

Note : Deposits include deposits from Directors, their relatives and inter-corporate deposits of ₹. 6,93,65,053.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		Name Designation	Mr.Maroti Jawanjar Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,60,000.00	27,10,000.00	60,70,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	50,05,000.00	40,95,000.00	91,00,000.00
	- others, specify			
5	Others, please specify(PF Contribution & Gratuity)	4,03,846.00	6,24,888.00	10,28,734.00
	Total (A)	87,68,846.00	74,29,888.00	1,61,98,734.00
	Ceiling as per the Act			2,43,51,495.00

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Mr.Vishwas Pathak	Mr.Atul Sardar	Mr. Mahesh Parasuraman (NED)	
1	Independent Directors				
	Fee for attending board committee meetings	26,000.00	20,000.00	-	46,000.00
	Commission	-	-	-	-
	Others, please specify(Board Meetings)	12,000.00	8,000.00	-	20,000.00
	Total (1)	38,000.00	28,000.00	-	66,000.00
2	Other Non-Executive Directors(NED)				
	Fee for attending board committee meetings	14,000.00	2,000.00	10,000.00	26,000.00
	Commission	-	-	-	-
	Others, please specify(Board Meetings)	10,000.00	6,000.00	10,000.00	26,000.00
	Total (2)	24,000.00	8,000.00	20,000.00	52,000.00
	Total (B)=(1+2)	62,000.00	36,000.00	20,000.00	1,18,000.00
	Total Managerial Remuneration				1,63,16,734.00
	Overall Ceiling as per the Act				2,43,51,495.00

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Name		Ms. Deepali Balpande	
	Designation	CEO	CFO	CS	(₹)
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	14,74,952.00	14,74,952.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify(PF contribution & Gratuity)	-	-	1,52,958.00	1,52,958.00
	Total	-	-		16,27,910.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

Annexure VI

Requirements under the SEBI (Share Based Employee Benefits) Regulations, 2014

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 ESOS		
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.)	₹ 95
5	Maximum term of Options granted (years)	5 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	0
2	Options Granted during the year	132,000
3	Options Forfeited / lapsed during the year	0
4	Options Vested during the year	0
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	132,000
9	Number of Options exercisable at the end of the year	0
III Weighted average exercise price of Options granted during the year whose		
(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	NIL
(c)	Exercise price is less than market price	95.00
Weighted average fair value of options granted during the year whose		
(a)	Exercise price equals market price	NIL
(b)	Exercise price is greater than market price	NIL
(c)	Exercise price is less than market price	110.41

The weighted average market price of options exercised during the year

No options Exercised during the year

Remaining Contractual life of options outstanding

4.73

IV Employee-wise details of options granted during the financial year 2019-20 to:

(i) Senior managerial personnel :

Name	No. of options granted
Sewak Bhisikar	10000
Shyam Pimpalkar	10000
Someshwar Dhonge	10000
Rajesh Hinge	8000
Avinash Timande	7000
V. Manohar	7000
Rahul Lonkar	6000
Asawari Karve	6000
Pragyanand Jaiswal	4000
Mahesh Thakre	4000
Rahul Puri	4000
Vaibhav Raut	4000
Anup Deshmukh	4000
Ujjwal Jain	4000
Akhilesh Pathak	4000
Chandrashekhkar Chitriv	4000
Rajkumar Wagh	4000
Sandip Sabale	4000
Mukesh Chaudhari	4000
Roshanlal Sahu	4000
Pratipal Jawanjar	4000
Chandrakant Patil	4000
Nitin Sirsat	4000
Amrut Raut	4000
Digamber Mahalle	4000

(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
Sewak Bhisikar	10000
Shyam Pimpalkar	10000
Someshwar Dhonge	10000
Rajesh Hinge	8000
Avinash Timande	7000
V. Manohar	7000

(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	6.29%
2. Expected Life	4.26
3. Expected Volatility	30.50%
4. Dividend Yield	0.00%
5. Price of the underlying share in market at the time of the option grant (Rs.)	180.83

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	20.61
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The stock-based compensation cost calculated as per the intrinsic value method for the period April 1, 2019 to March 31, 2020 is 11,17,391. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the total cost to be recognised in the financial statements for the period April 1, 2019 to March 31, 2020 would be Rs.14,08,686. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share

Particulars	Rs.
Net Income as reported	16,91,27,375
Add: Intrinsic Value Compensation Cost	11,17,391
Less: Fair Value Compensation Cost	14,08,686
Adjusted Pro Forma Net Income	16,88,36,079
Earning Per Share: Basic	
As Reported	20.81
Adjusted Pro Forma	20.78
Earning Per Share: Diluted	
As Reported	20.61
Adjusted Pro Forma	20.58

INDEPENDENT AUDITORS' 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 March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit ~~(or Loss)~~* and cash flows for the year ended on that date

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 2.1 to the financial statements, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the Company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. 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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Other Matter:

Additional considerations on account of COVID-19

Pursuant to the Reserve Bank of India circular dated 27 March 2020 ('RBI circular') allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between 1 March 2020 and 31 May 2020 which was later further extended upto 31 August 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy. In Management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a Significant Increase in Credit Risk (SICR) for such borrowers. The management of the company is of the opinion that there is no significant deterioration in the asset quality and no additional provision towards Expected Credit Loss (ECL) is required. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year end, the Management estimate is based on various uncertain variables, which could result in actual credit loss being different than that being estimated. In view of the high degree of Management's judgment involved in estimation of ECL, accentuated by the COVID-19 pandemic, we refrain to comment upon the validity of the management's estimate.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 B";
 - (g) In our opinion, the managerial remuneration for the year ended 31 March 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, 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 standalone 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.

Nagpur
Dated: July 27th, 2020

For PRAVIN DHIRAN & CO.
Chartered Accountants FRN: 133656W
PRAVIN DHIRAN Partner
M.No. 115580
UDIN- 20115580 AAAAD 02542

ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT

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

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company is in the business of providing finance services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to one bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b) The principal and interest are repayable on demand. Interest is being charged annually at rates not less than bank rate declared by Reserve Bank of India.
 - c) As the principal and interest is repayable on demand, and as per information given by the company, such demand has not been raised during the year, there is no overdue
- (iv) The company has given the loan to group concern Avino Capcons Pvt. Ltd. in the ordinary course of its business and interest is charged on such loans at rates not less than bank rate declared by Reserve Bank of India. Thus, provisions of section 185 of Companies Act, 2013 are complied with. The company had made investment in shares of Avino Capcons Pvt. Ltd. of Rs.2,90,000/- which has been received back during the year and as on 31/03/2020, the balance is NIL. According to information and explanations given to us, apart from these, the company has not given any loans or given any guarantee or security, nor made any investment and the provisions of section 185 and 186 of the Companies Act, 2013 are complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules framed there under with regard to deposits accepted from the public. No order has been passed on the Company by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- (vi) Central Government has not specified for maintenance of cost records under section 148(1) of the Companies Act, 2013.
- (vii)
 - (a) According to the records of the company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Goods and Service Tax (GST) and other material statutory dues, as applicable to it with the appropriate authorities. There were no arrears of undisputed statutory dues at the end of the financial year which were outstanding for more than six months from the date they become payable.
 - (b) According to the information furnished and explanations given, there are no dues in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute except the following:-

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) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of any dues to banks or financial institution or debenture holders.
- (ix) According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer or further public offer.
- Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.
- (x) Based on the audit procedures performed and representations obtained from the management, we report that no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The company is not a Nidhi company as prescribed under section 406 of the Act. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the Management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has complied with provisions of section 42 of the Act in respect of the private placement of equity shares and preference shares during the year. During the year, the company has made private placement through issue of 11,11,111 number of equity shares and 5,55,556 number of Cumulative Compulsorily Convertible Participating Preference Shares. According to the information and explanations given by the Management, we report that the amount raised have been used for the purposes for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are applicable to the Company and the company has registration under section 45-IA of the Reserve Bank of India Act, 1934.

Nagpur
Dated: July 27th, 2020

For PRAVIN DHIRAN & CO.
Chartered Accountants
FRN: 133656W
PRAVIN DHIRAN
Partner
M.No. 115580
UDIN- 20115580 AAAAD 02542

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(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")

We have audited the internal financial controls over financial reporting of **BERAR FINANCE LIMITED** as at March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

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

Opinion

In our opinion 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, 2020, 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.

Nagpur
Dated: July 27th, 2020

For PRAVIN DHIRAN & CO.
Chartered Accountants FRN: 133656W
PRAVIN DHIRAN Partner
M.No. 115580
UDIN- 20115580 AAAAD 02542

Financial Statements

BALANCE SHEET AS AT 31st MARCH, 2020

Amount in ₹

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
a) Share Capital	3	9,66,66,670	8,00,00,000
b) Surplus	4	1,08,41,98,601	65,26,43,114
(2) Non-Current Liabilities			
a) Long-term borrowings	5	1,84,96,52,577	1,46,06,79,070
b) Long Term Provisions	9	1,79,89,346	1,39,08,543
(3) Current Liabilities			
a) Short-term borrowings	6	58,58,38,282	48,83,83,451
b) Trade payables	7	35,90,809	19,01,426
c) Other current liabilities	8	1,85,88,56,891	1,44,72,09,786
d) Short-term provisions	9	3,07,04,070	3,49,60,525
TOTAL EQUITY AND LIABILITIES		5,52,74,97,246	4,17,96,85,914
II. Assets			
(1) Non-current assets			
a) Property, Plant and Equipments			
(i) Tangible assets	10	17,88,39,386	16,65,41,134
(ii) Capital work-in-progress		--	2,60,000
b) Non-current investments	11	8,74,24,957	7,76,31,704
c) Deferred tax assets (net)	23.3	1,37,07,213	88,86,680
d) Long term loans and advances	12	1,49,30,13,476	1,08,64,67,889
2) Current assets			
a) Current investments	11	4,86,000	--
d) Cash and cash equivalents	13	45,58,42,870	24,36,99,102
e) Short-term loans and advances	12	3,29,61,09,894	2,59,41,69,115
f) Other current assets	14	20,73,450	20,30,290
TOTAL ASSETS		5,52,74,97,246	4,17,96,85,914

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
(Managing Director)

Pravin Dhiran
M. No. 115580

S.M. Jawanjal
(Executive Director)

Place : Nagpur
Date : 27-07-2020

D.R. Balpande
(Company Secretary)

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

Amount in ₹

Particulars	Note No.	For the Year 2019-2020	For the Year 2018-2019
I. Income			
Revenue from operations	15	1,12,76,49,844	88,60,24,588
Other Income	16	1,42,70,141	95,83,827
I. Total Revenue		1,14,19,19,985	89,56,08,415
II. Expenditure			
Employee benefit expenses	17	14,91,64,234	9,87,78,377
Administrative & Other expenses	18	23,69,54,894	19,80,72,095
Financial costs	19	45,67,55,566	35,58,03,981
Depreciation & amortization expenses	10	65,51,367	51,19,367
Provisions and Write off	20	5,51,42,620	3,01,07,109
II. Total Expenditure		90,45,68,681	68,78,80,929
III. Profit before extraordinary items and tax (I-II)		23,73,51,304	20,77,27,486
IV. Extraordinary Items	23.6	1,15,07,420	--
V. Profit before tax (III-IV)		22,58,43,884	20,77,27,486
VI. Tax expense			
(1) Current tax	21	6,00,00,000	6,25,00,000
(2) Prior Year Tax	21	15,37,042	--
(3) Deferred tax	23.3	(48,20,533)	(19,67,639)
VI. Total Tax Expenses		5,67,16,509	6,05,32,361
VII. Profit			
Net Profit after tax for the year	(V-VI)	16,91,27,375	14,71,95,125
	Total	16,91,27,375	14,71,95,125
VIII. Earning per equity share : (Annualised)			
(1) Basic		20.81	18.40
(2) Diluted		20.61	18.40
See accompanying notes forming part of the financial statements			

As per our Report of even date attached

On Behalf of Board of Directors

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

Pravin Dhiran
M. No. 115580

Place : Nagpur
Date : 27-07-2020

M.G. Jawanjar
(Managing Director)

S.M. Jawanjal
(Executive Director)

D.R. Balpande
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2020

(Amount in ₹)

	PARTICULARS	31.03.20	31.03.19
A	<u>CASH FLOW FROM OPERATING ACTIVITY</u>		
	Net profit before taxation	22,58,43,884	20,77,27,486
	Adjustment for :		
	Depreciation	65,51,367	51,19,367
	(Profit)/ Loss on sale of Securities Investments	(2,90,000)	(4,32,542)
	(Profit) on Sale of Fixed Assets	(1,24,978)	--
	Interest paid on Term Loans	31,46,79,533	22,49,85,676
	Interest received on current & long term investments & interest on Fixed deposit	(1,10,01,557)	(85,68,949)
	Dividend received	(1,14,661)	(70,725)
	Operating profit before working capital changes	53,55,43,588	42,87,60,313
	Adjustment for Decrease/(Increase) in Operating Assets	(1,10,85,29,526)	(76,19,12,860)
	Adjustment for Decrease/(Increase) in Operating Liabilities	3,23,88,597	3,33,89,444
	Cash Generated From Operations	(54,05,97,341)	(29,97,63,104)
	Income-Tax Paid	(7,38,80,514)	(6,09,71,771)
	(a) Net cash inflow from operating activity	(61,44,77,855)	(36,07,34,875)
B	<u>CASH FLOW FROM INVESTING ACTIVITY</u>		
	Purchase of Fixed assets/ Capital WIP	(1,86,64,640)	(4,68,06,304)
	Sale of Fixed Assets	2,00,000	--
	Purchase of Securities Investment	--	(31,49,276)
	Proceeds from Sale of Securities Investment	5,80,000	14,87,997
	Purchase of Government Securities	(1,25,12,190)	(98,84,750)
	Proceeds from Sale of Government Securities	--	4,00,000
	Interest received on current & long term investments & interest on Fixed deposit	1,10,01,557	85,68,949
	Dividend received	1,14,661	70,725
	(b) Net cash inflow from investing activity	(1,92,80,612)	(4,93,12,659)
C	<u>CASH FLOW FROM FINANCING ACTIVITY</u>		
	Proceeds from Issue of equity shares & CCPS (Net of expenses)	28,76,21,818	--
	Proceeds from Bank & Financial Institution Borrowing (Net of Repayments)	72,68,86,603	60,21,01,821
	Proceeds from Fixed Deposits (Net of Repayments)	15,57,17,771	11,13,72,218
	Interest paid on Term Loans	(31,46,79,533)	(22,49,85,676)
	Dividend & Dividend Tax Paid	(96,44,425)	(96,44,425)
	(c) Net cash inflow from financing activity	84,59,02,234	47,88,43,938
	Net increase/(Decrease) in cash and cash equivalents	21,21,43,768	6,87,96,405
	Cash and cash equivalents at the beginning of the period	24,36,99,102	17,49,02,697
	Cash and cash equivalents at the end of the period	45,58,42,870	24,36,99,102
	Composition of cash & cash equivalents :		
	Cash in hand	1,44,15,148	2,28,42,740
	Bank balances	44,14,27,722	22,08,56,362

The above cash flow statement is prepared as per Indirect method set out in AS-3 issued by ICAI

As per our Report of even date attached

On Behalf of Board of Directors

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

Pravin Dhiran
M.No 115580

Place : Nagpur
Date: 27/07/2020

M.G.Jawanjar
(Managing Director)

S.M.Jawanjal
(Executive Director)

D.R.Balpande
(Company Secretary)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General 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, commercial vehicle 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 66 branches as on 31.3.2020.

2. Statement of Significant Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in accounting policies explained below. The complete financial statements have been prepared along with all disclosures.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of its assets and liabilities.

Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets, are based on historical experience and other emerging factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.

A) System of Accounting

- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- (ii) Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- (iii) The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

B) Fixed assets, depreciation/amortisation

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on tangible fixed assets

- (i) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets, except buildings which is determined on straight line method (SLM).
- (ii) Useful lives of assets are determined by the Management by an internal technical assessment. Where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013, the useful life is as assessed and certified by a technical expert.
- (iii) Depreciation on leasehold improvements is provided for on straight line method over the primary period of lease of premises.
- (iv) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- (v) Assets having unit value up to Rs. 5,000 is charged off fully in the financial year of purchase of assets.

Intangible assets and amortisation thereof

Intangible assets, representing specialised software etc. are recognised at cost and carried net of amortisation, consistent with the criteria specified in Accounting Standard 26 'Intangible Assets' as prescribed by Companies (Accounting Standards) Rules, 2006. Intangible assets are amortised systematically over the useful life of the assets. Accordingly, most software cost are generally amortised as an intangible equally over a period of sixty months unless it has a shorter life.

C) Impairment of assets

An assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

D) Investments

- (i) Investments maturing within twelve months from the date of acquisition and investments made with the specific intention to dispose off within twelve months from the date of acquisition are classified as short-term/current investments and are carried at their cost or market value/net realisable value, whichever is lower. Investments maturing within three months from the date of acquisition are classified as cash equivalents if they are readily convertible into cash.
- (ii) Investments other than short-term/current investments are carried at their cost of acquisition. Long-term investments maturing within twelve months from the close of the year (i.e. current maturities) are reclassified as current investments. Provision for diminution in value of investments, if any, is made if, in the opinion of the Management, such diminution is other than temporary.
- (iii) Long-term fixed income securities are stated at cost less amortisation of premium/discount as the case may be. [Refer E(ii)(c) below].

E) Revenue recognition

(i) Income from financing activity

Interest, finance charges, service charges etc. are recognised as income on accrual basis with reference to the terms of contractual commitments such as interest subsidy and finance agreements entered into with borrowers, as the case may be, except in the case of delinquent assets provided for where income is recognised only when realised. Interest subsidy income is recognised when right to receive payment is established.

(ii) Income from investment

- a. Dividend is accrued when the right to receive is established i.e. when declared by the investee entity.

- b. Interest on securities is accounted for on accrual basis except where the ultimate collection cannot be established with reasonable certainty.
- c. In order to reflect the contracted yield as interest income, the premium/discount on fixed income securities is amortised with reference to the 'yield to maturity' prevailing on acquisition.

(iii) **Income from assignment**

- a. In case of assignment of loans, the loans assigned are de-recognised when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned loans. On de-recognition, loss arising is recognised upfront, however, premium is amortised based on receivables over the remaining tenure of loans.
- b. Income on retained interest in the assigned asset, if any, is accounted on accrual basis except in case of non-performing assets wherein interest income is recognised on receipt basis as per NBFC prudential norms.
- c. Servicing fee received is accounted for based on the underlying deal structure of the transaction as per the agreement

(iv) **Gain/loss on sale of non-performing assets**

Gain/loss on sale of non-performing assets is recognised in line with the extant RBI guidelines.

(v) **Other income**

Other income is mainly accounted on accrual basis, except in case of significant uncertainties.

F) Receivables under financing activity

- (i) Receivables under financing activity represent principal and matured finance charges outstanding at the close of the year but net of amount written off.
- (ii) The Company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets in note no. 9 to the financial statements. However, the Company ensures that the said provisions are not lower than the provisions stipulated in the applicable RBI Regulations/Guidelines.
- (iii) A general provision, as required by RBI Regulations/Guidelines, is also made by the Company on the standard assets outstanding which is disclosed under 'Long-term provisions' in note no. 9 to the financial statements.

G) Borrowing costs

All borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred. The cost in relation to raising of funds through securitization of receivables under financing activity is also charged to Statement of Profit and Loss.

H) Employee benefits

- (i) **Gratuity:** The provision for present liability of future payment of gratuity is made using the projected unit credit method is recognised at the actuarially determined value by an appointed actuary. The company does not make any contribution to approved gratuity fund but instead set-asides sum required as provision out of yearly profits.
- (ii) **Privilege Leave:** Privilege leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment, the liability using the projected unit credit method is recognised at the actuarially determined value by an appointed actuary. As a policy, the company makes annual payment of eligible leave in excess of 30 days and only 30 days leave in aggregate is carried forward.
- (iii) **Provident fund:** Provident fund contributions are made to Employee Provident Fund Organization established under EPFO Act, 1952 by government of India. Employees contribution is deducted from his salary and paid along with required contribution by the company. Company's contribution to EPF/ ESI is recognised as expense in Statement of Profit & Loss. Defined contribution to Employees' Pension Scheme, 1995 is made to Government provident fund authority.

I) Income tax

Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961. The Company has decided to avail scheme under section 115BAA for concessional tax rate w.e.f. AY 2020-21. Deferred tax resulting from timing differences between book profits and tax profits is accounted for at the current rate of tax or the substantively enacted rate of tax to the extent the timing differences are expected to crystallise, in case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with reasonable certainty that there would be adequate future taxable income against which deferred tax assets can be realised. However, deferred tax asset arising on account of unabsorbed depreciation and business losses are recognised only if there is virtual certainty supported by convincing evidence that there would be adequate future taxable income against which the same can be realised/set off.

J) Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a realisable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

K) Employee Stock Option Scheme

The Company has issued Employee Stock Option Scheme on 23-Dec-2019 to eligible employees as per Employees Stock Option Plan, 2019. Cost of benefit to the employees on account of issue of shares at discount under ESOP is recognised as an expense by the Company. The said cost is determined on the basis of difference between intrinsic value of shares of the company and the exercise price as per ESOP, 2019 in accordance with paragraph 40 of Guidance Note on ESOP issued by ICAI. The Option does not carry any right to dividend or voting. Refer Note 22.20 for details.

L) Investments

Long term investments yielding specified return are stated at cost plus income accrued thereon while those yielding unspecified return are stated at cost. Provision for diminution in value of long-term investments is made only if such diminution is other than temporary in the opinion of the management.

Current investments are stated at lower of cost and fair value. The comparison of cost and fair value is done separately for each category of investments.

M) Expenses on Issue of Shares/ Debentures/ Deposits:

- (i) **Issue of Share Capital:** The expenses incurred for issue of additional share capital (equity/ preference) by way of private placement under section 42 of Companies Act, 2013 and issue of Stock Options to Employees under section 62(1)(b) of Companies Act, 2013 is adjusted against premium received on issue of shares as per section 52 of Companies Act, 2013.
- (ii) **Issue of Debentures/ Deposits:** The expenses incurred for issue of debentures or deposits, being a recurring fund raising activity, is charged to statement of Profit & Loss.

N) Cash & Cash Equivalents:

Cash Flow statement is prepared as per Indirect Method as per AS-3 issued by ICAI. Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

3. SHARE CAPITAL

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Authorised Equity shares, ₹ 10/- each 125,00,000 equity shares (P.Y 150,00,000)	12,50,00,000	15,00,00,000
Compulsorily Convertible Participating Preference shares, ₹ 10/- each 25,00,000 Compulsorily Convertible Participating Preference Shares (P.Y Nil)	2,50,00,000	--
Issued, Subscribed and Fully Paid-Up Equity shares, ₹ 10/- each 91,11,111 Equity shares fully paid-up	9,11,11,110	8,00,00,000
0.1% Cumulative Compulsorily Convertible Participating Preference shares, ₹ 10/- each 5,55,556 Cumulative Compulsorily Convertible Participating Preference shares, ₹ 10/- each	55,55,560	--
TOTAL	9,66,66,670	8,00,00,000

The Company has two classes of shares. 91,11,111 equity shares of ₹ 10 each per share and 5,55,556 Cumulative Compulsorily Convertible Participating Preference shares of ₹ 10/- each per share.

Each holder of equity shares is entitled to one vote per share. Voting rights of Preference shares is according to Sec 47 of the Companies Act,2013.

31,00,000 Equity shares out of issued, subscribed and fully paid up share capital were allotted as Bonus Shares by capitalisation of Share Premium and General Reserve.

Cumulative Compulsorily Convertible Participating Preference Shares of INR 10 each are convertible to equity shares in accordance with the terms of the Investor Agreement. The holders of these shares are entitled to a cumulative dividend of 0.1%.

The reconciliation of the number of Equity & Cumulative Compulsorily Convertible Participating Preference shares outstanding as at March 31, 2020 and March 31, 2019 is set out below:

Particulars of Equity Shares	As at 31-Mar-20	As at 31-Mar-19
Number of shares as at the beginning	80,00,000	80,00,000
Add: Private Placement during the year	11,11,111	--
Number of shares as at the end	91,11,111	80,00,000

Particulars of 0.1% Cumulative Compulsorily Convertible Participating Preference shares	As at 31-Mar-20	As at 31-Mar-19
Number of shares as at the beginning	--	--
Add: Shares allotted during the period	5,55,556	--
Number of shares as at the end	5,55,556	--

The details of shareholders holding more than 5 % of paid up equity share capital of the Company as at 31st March,2020 is set out below:

Name of the shareholder	No. of shares	% held as at 31-Mar-20
M/s Avino Capcons Pvt Ltd	14,88,484	16.34%
Mr.Maroti Jawanjar	10,21,194	11.21%
Mr.Maroti Jawanjar (HUF)	8,68,954	9.54%
Amicus Capital Private Equity I LLP	9,97,778	10.95%

The details of shareholders holding more than 5 % of paid up 0.1% Cumulative Compulsorily Convertible Participating Preference shares of the Company as at 31st March,2020 is set out below:

Name of the shareholder	No. of shares	% held as at 31-Mar-20
Amicus Capital Private Equity I LLP	4,98,889	89.80%
Amicus Capital Partners India Fund I	56,667	10.20%

4. RESERVES & SURPLUS

Amount in ₹

Particulars	As at	As at
	31-Mar-20	31-Mar-19
A. Statutory Reserve		
Opeing Balance	19,89,95,000	16,19,15,000
Add: Transferred from Surplus	4,23,00,000	3,70,80,000
Closing balance	24,12,95,000	19,89,95,000
B. General Reserve		
Opeing Balance	43,82,65,000	33,82,65,000
Add: Transferred from Surplus	11,00,00,000	10,00,00,000
Closing balance	54,82,65,000	43,82,65,000
C. Securities Premium		
Opeing Balance	--	--
Add: Premium on issue of Shares	28,33,33,390	--
Less: Expenses related to Issue of Shares (Private Placement)	1,23,78,242	--
Closing Balance	27,09,55,148	--
D. Share Options Outstanding Account		
Opening balance	--	--
Add: Option granted during the year	11,17,391	--
Closing Balance	11,17,391	--
D. Surplus in the Profit & Loss Statement		
Opeing Balance	1,53,83,114	1,49,12,416
Add: Net profit after tax transferred from Statement of Profit and Loss	16,91,27,375	14,71,95,125
Amount available for appropriation	18,45,10,489	16,21,07,541
Less Appropriations:		
<i>Dividend Paid during the year</i>	80,00,000	80,00,000
<i>Dividend Distribution Tax</i>	16,44,427	16,44,427
Amount transferred to Statutory Reserve	4,23,00,000	3,70,80,000
Amount transferred to general reserve	11,00,00,000	10,00,00,000
Closing Balance	2,25,66,062	1,53,83,114
TOTAL	1,08,41,98,601	65,26,43,114

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

5. LONG TERM BORROWINGS

Secured

Amount in ₹

Particulars	Non-Current As at		Current As at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Term Loans				
a) From Financial Institutions [Refer Note 5.1 & 5.2]	1,03,83,94,179	54,59,22,935	73,41,94,603	47,51,47,467
b) From Banks [Refer Note 5.2 & 5.3]	54,12,38,580	57,90,87,375	36,90,40,538	45,32,78,351
	1,57,96,32,759	1,12,50,10,310	1,10,32,35,141	92,84,25,818
Unsecured				
Fixed Deposits [Refer Note 5.4]	27,00,19,818	33,56,68,760	65,51,97,760	43,38,31,047
	27,00,19,818	33,56,68,760	65,51,97,760	43,38,31,047
	1,84,96,52,577	1,46,06,79,070	1,75,84,32,901	1,36,22,56,865

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

5.2 Terms of Repayment for secured borrowing including current maturities.

Amount in ₹

Particulars	Repayment Starting from	Period	Non Current	Current
a)Term Loan From Financial Institutions				
Term Loan of ₹ 1000.00Lakhs	Aug-17	41 months	--	1,30,82,575
Term Loan of ₹ 1200.00Lakhs	Nov-18	41 months	4,53,96,808	2,40,48,713
Term Loan of ₹ 1000.00Lakhs	Apr-17	38 months	--	20,98,736
Term Loan of ₹ 1000.00Lakhs	Oct-18	38 months	2,43,05,577	2,80,78,053
Term Loan of ₹ 400.00Lakhs	Dec-18	38 months	1,11,11,114	1,11,55,493
Term Loan of ₹ 300.00Lakhs	Dec-18	38 months	83,33,342	83,66,617
Term Loan of ₹ 300.00Lakhs	Dec-18	38 months	83,33,342	83,66,616
Term Loan of ₹ 300.00Lakhs	Jun-19	38 months	1,33,33,340	83,76,604
Term Loan of ₹ 300.00Lakhs	Jun-19	38 months	1,33,33,340	83,76,604
Term Loan of ₹ 400.00Lakhs	Jun-19	38 months	1,77,77,780	1,11,68,809
Term Loan of ₹ 500.00Lakhs	Oct-19	38 months	2,77,77,792	1,41,80,146
Term Loan of ₹ 500.00Lakhs	Oct-19	38 months	2,77,77,792	1,41,80,146
Term Loan of ₹ 500.00Lakhs	Oct-19	38 months	2,77,77,792	14,180,146
Term Loan of ₹ 500.00Lakhs	Nov-19	38 months	2,91,66,680	1,39,74,874
Term Loan of ₹ 1000.00Lakhs	Oct-16	50 Months	--	1,70,81,820
Term Loan of ₹ 2000.00Lakhs	Dec-17	50 Months	5,52,90,603	4,48,89,487
Term Loan of ₹ 1000.00Lakhs	Aug-19	50 Months	6,25,39,625	2,55,46,452
Term Loan of ₹ 1500.00Lakhs	Nov-19	50 Months	11,25,47,346	2,58,28,055
Term Loan of ₹ 1500.00Lakhs	Jan-20	38 Months	9,33,93,697	3,12,77,441
Term Loan of ₹ 1000.00Lakhs	May-17	36 months	--	16,75,338
Term Loan of ₹ 1500.00Lakhs	Mar-18	36 months	--	54,373,776
Term Loan of ₹ 1000.00Lakhs	Mar-19	36 months	3,17,36,532	3,38,68,585
Term Loan of ₹ 1500.00Lakhs	Aug-19	36 months	6,89,43,726	4,82,34,849
Term Loan of ₹ 1400.00Lakhs	Jan-20	36 months	8,75,38,285	4,26,44,657
Term Loan of ₹ 1000.00Lakhs	Jul-18	38 months	1,67,58,475	3,11,63,136
Term Loan of ₹ 1500.00Lakhs	May-19	30 months	6,09,79,319	4,91,89,627
Term Loan of ₹ 450.00Lakhs	Jun-19	26 months	83,59,537	1,94,97,504
Term Loan of ₹ 1000.00Lakhs	Sep-19	38 months	6,02,03,766	2,59,82,302
Term Loan of ₹ 1200.00Lakhs	Feb-19	37 Months	4,00,00,000	3,06,55,459
Term Loan of ₹ 1250.00Lakhs	Jan-20	26 Months	5,90,03,008	5,07,29,074
Term Loan of ₹ 500.00Lakhs	Mar-20	25 Months	2,66,75,561	2,19,22,909
			1,03,83,94,179	73,41,94,603
b)Term Loan From Banks				
Term Loan of ₹ 500.00Lakhs	Dec-16	53 Months	10,41,640	73,93,221
Term Loan of ₹ 1000.00Lakhs	Dec-16	53 Months	1,68,43,861	1,50,98,468
Term Loan of ₹ 2500.00Lakhs	Nov-20	41 months	21,52,77,775	3,73,76,335
Term Loan of ₹ 1000.00Lakhs	Aug-19	41 months	13,33,33,344	5,83,33,324
Term Loan of ₹ 1000.00Lakhs	Apr-18	24 months	--	41,61,810
Term Loan of ₹ 1000.00Lakhs	Nov-17	39 months	--	2,18,10,511
Term Loan of ₹ 1000.00Lakhs	Dec-17	37 months	--	2,44,55,092
Term Loan of ₹ 1000.00Lakhs	Nov-18	37 months	2,43,24,316	3,01,83,089
Term Loan of ₹ 1000.00Lakhs	Aug-19	37 months	4,72,22,218	3,09,15,698
Term Loan of ₹ 1500.00Lakhs	Jan-19	51 Months	8,35,78,548	2,76,13,636
Term Loan of ₹ 1000.00Lakhs	Feb-19	24 Months	--	4,49,26,958
Term Loan of ₹ 750.00Lakhs	Nov-19	18 Months	4,61,6,878	5,14,40,199
Term Loan of ₹ 750.00Lakhs	Apr-17	60 Months	1,50,00,000	1,53,32,197
			54,12,38,580	36,90,40,538

5.3 Term Loan taken for Office Premises is secured by equitable mortgage of Office premises situated at 1st & 2nd Floor at Avinisha Tower, Dhantoli, Nagpur. It is further secured by personal guarantees of Mr. M.G.Jawanjar, Mrs Jyoti Jawanjar and Mr. S.M.Jawanjar.

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

Rate of Interest	Upto 1 Year	1-3 Years
9.00%	8,69,29,907	--
9.25%	12,74,35,425	1,94,26,222
9.50%	9,00,10,855	11,99,09,428
9.75%	10,59,95,851	11,76,77,011
10.00%	13,41,60,520	1,30,07,157
10.50%	11,02,78,768	--
11.00%	3,16,155	--
11.50%	70,279	--
Total	65,51,97,760	27,00,19,818

6. SHORT TERM BORROWINGS

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Secured		
(a) Loans from Banks		
Cash Credit from Banks [Refer Note 6.1 to 6.4]	58,58,38,282	48,83,83,451
	58,58,38,282	48,83,83,451

- 6.1 Secured by first charge on Hypothecation loan receivables present and future, ranking pari passu, excluding assets which are specifically charged to others lenders.
- 6.2 Secured by equitable mortgage of Office premises situated at Amravti, Akola, Chandrapur, Chhindwara, Raipur and Nagpur office 3rd Floor.
- 6.3 Secured by hypothecation of furniture/Fixture/Computers/Equipments in the above office premises.
- 6.4 It is further secured by personal guarantees of Mr. M.G.Jawanjar, Mrs Jyoti Jawanjar and Mr. S.M.Jawanjal.

7. TRADE PAYABLES

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Sundry Creditors		
Total outstanding dues of creditors other than micro and small enterprises	35,90,809	19,01,426
	35,90,809	19,01,426

8. OTHER CURRENT LIABILITIES

Amount in ₹

Particulars	As at	As at
	31-Mar-20	31-Mar-19
Current Maturities of Term Loans [Refer Note 5.1 & 5.2]	1,10,32,35,141	92,84,25,818
Current Maturities of Long Term Deposits [Refer Note 5.4]	59,87,46,929	40,59,88,830
Other Payables		
(a) Statutory Remittances	3,10,53,212	2,91,51,716
(b) Security Deposits	2,01,68,526	1,51,61,126
(c) Other Expenses Payable (Refer Note 8.1)	4,57,95,754	3,65,87,613
(d) Other Credit Balances	30,91,733	37,62,961
(e) Unclaimed Dividend	3,14,765	2,89,505
(f) Unclaimed Deposits	5,64,50,831	2,78,42,217
	1,85,88,56,891	1,44,72,09,786

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

9. PROVISIONS

Amount in ₹

Particulars	Long Term As at		Short Term As at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<u>Provision for employee benefits</u>				
For Gratuity	--	--	1,11,23,902	83,09,574
For Earned Leave	--	--	66,32,199	50,41,833
	--	--	1,77,56,101	1,33,51,407
<u>Others</u>				
Provision for Income Tax (Net of Advances Tax & Tax Deducted at sources)	--	--	(37,30,514)	86,12,958
Provision for NPA	--	--	1,66,78,483	1,03,66,959
Contingent Provision Against Standard Assets	1,79,89,346	1,39,08,543	--	--
Provision on Securitisation	--	--	--	26,29,201
	1,79,89,346	1,39,08,543	1,29,47,969	2,16,09,118
	1,79,89,346	1,39,08,543	3,07,04,070	3,49,60,525

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

- Advance Income Tax: ₹ 6,00,00,000/- (P.Y. ₹ 5,25,00,000/-)
- Tax Deducted at Source : ₹ 37,30,514/- (P.Y. ₹ 10,00,421/-)

Notes 10 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	AS AT 01.04.19 ₹	ADDI- TION ₹	ADJUST- MENTS ₹	AS AT 31.03.20 ₹	AS AT 01.04.19 ₹	FOR THE YEAR ₹	ADJUST- MENTS ₹	UPTO 31.03.20 ₹	AS AT 31.03.20 ₹	AS AT 31.03.19 ₹
A										
Tangible Assets										
Land-Freehold	11,81,07,451	-	-	11,81,07,451	-	-	-	-	11,81,07,451	11,81,07,451
Buildings	2,79,47,543	17,93,001	-	2,97,40,544	33,05,405	4,29,858	-	37,35,263	2,60,05,281	2,46,42,138
Office Equipments	1,14,59,225	23,47,682	-	1,38,06,907	67,85,677	16,24,911	-	84,10,588	53,96,319	46,73,548
Computers	1,25,22,786	26,65,611	-	1,51,88,397	93,76,837	17,02,083	-	1,10,78,920	41,09,477	31,45,949
Generator	3,53,160	-	-	3,53,160	3,35,502	-	-	3,35,502	17,658	17,658
Furniture	1,16,93,596	29,05,030	-	1,45,98,625	54,44,376	9,56,336	-	64,00,712	81,97,913	62,49,220
Vehicles	22,56,988	35,63,470	15,00,444	43,20,014	18,34,250	4,15,761	14,25,422	8,24,589	34,95,425	4,22,738
Printers	4,18,723	2,87,333	-	7,06,056	91,597	1,13,293	-	2,04,890	5,01,166	3,27,126
Server	8,66,250	-	-	8,66,250	4,92,625	1,37,156	-	6,29,781	2,36,469	3,73,625
Software	82,80,676	44,39,654	-	1,27,20,330	8,43,657	10,14,247	-	18,57,904	1,08,62,426	74,37,019
Electrical Fittings	13,54,328	9,22,859	-	22,77,187	2,09,664	1,57,722	-	3,67,386	19,09,801	11,44,664
TOTAL	19,52,60,725	1,89,24,640	15,00,444	21,26,84,921	2,87,19,590	65,51,367	14,25,422	3,38,45,535	17,88,39,386	16,65,41,136
Previous Year	14,87,14,422	4,65,46,304	-	19,52,60,726	2,36,00,223	51,19,367	-	2,87,19,590	16,65,41,136	12,51,14,199

11. INVESTMENTS

Amount in ₹

Particulars	Non-Current As at		Current As at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
In Government Securities- Quoted (Refer Note 11.1 & 11.3)	8,17,52,790	6,97,26,600	4,86,000	--
In Equity Shares- Quoted fully paid up (Refer Note 11.2)	81,19,473	81,19,473	--	--
In Equity Shares- unquoted fully paid up Avino Capcons Pvt Ltd. (Refer Note 11.2)	--	2,90,000	--	--
Other Investments	6,58,881	6,58,881	--	--
	9,05,31,144	7,87,94,954	4,86,000	--
Less: Provision for Diminution in Value of Investments in Government Securities	17,75,440	11,63,250	--	--
Less: Provision for Diminution in Value of Quoted Shares (of the nature of permanent diminution)	13,30,747	--	--	--
	8,74,24,957	7,76,31,704	4,86,000	--

Note - Non Current Investments

(Amount in ₹)

Particulars	Date of Maturity	Face Value Per Share ₹	NOS./ UNITS	31.03.2020		31.03.2019	
				₹	Face Value Per Share ₹	NOS./ UNITS	₹
TRADE INVESTMENTS, AT COST							
11.1. Government Securities -							
7.80%GOI BONDS	2021	--	--	4,67,400	--	--	4,67,400
8.28%GOI BONDS	2027	--	--	4,72,250	--	--	4,72,250
8.03% Govt.Of India FCI Bonds	2024	--	--	9,59,000	--	--	9,59,000
8.23% Govt.Of India FCI Bonds	2027	--	--	6,00,000	--	--	6,00,000
8.30% GOI FCI Special Bonds	2023	--	--	10,36,200	--	--	10,36,200
7.94% GOI Bonds	2021	--	--	9,16,500	--	--	9,16,500
8.26% GOI Bonds	2027	--	--	5,08,750	--	--	5,08,750
8.26%GOI BONDS	2027	--	--	9,92,000	--	--	9,92,000
8.83% GOI BONDS	2041	--	--	5,80,500	--	--	5,80,500
8.24% GOI BONDS	2027	--	--	9,93,000	--	--	9,93,000
8.83% GOI BONDS	2023	--	--	21,11,400	--	--	21,11,400
8.24% GOI BONDS	2027	--	--	5,12,850	--	--	5,12,850
8.35% GOI BONDS	2022	--	--	92,70,000	--	--	92,70,000
8.15% GOI BONDS	2026	--	--	90,72,000	--	--	90,72,000
8.26% GOI BONDS	2027	--	--	35,89,250	--	--	35,89,250
7.88% GOI BONDS	2030	--	--	24,97,500	--	--	24,97,500
7.16% GOI BONDS	2023	--	--	82,45,000	--	--	82,45,000
7.88% GOI BONDS	2030	--	--	21,57,000	--	--	21,57,000
7.88% GOI BONDS	2030	--	--	37,80,000	--	--	37,80,000
7.59% GOI BONDS	2029	--	--	46,10,250	--	--	46,10,250
7.88% GOI BONDS	2030	--	--	59,85,000	--	--	59,85,000
7.40% GOI BONDS	2035	--	--	9,22,200	--	--	9,22,200
7.88% GOI BONDS	2030	--	--	15,51,750	--	--	15,51,750
7.40% GOI BONDS	2035	--	--	74,10,800	--	--	74,10,800

7.73% GOI BONDS	2034	—	—	16,08,000	—	—	—
7.50% GOI BONDS	2034	—	—	12,55,200	—	—	—
7.40% GOI BONDS	2035	—	—	78,26,250	—	—	—
7.50% GOI BONDS	2034	—	—	18,22,740	—	—	—
	TOTAL (1)			8,17,52,790			6,97,26,600

11.2. INVESTMENTS IN QUOTED EQUITY SHARES

Equity Shares of :

Sundaram Finance Ltd.	10	1000	9,32,863	10	1000	9,32,863
Bajaj Finance Ltd. (Ref. Note 11-2-1)	2	2000	—	2	2000	—
ITC Ltd	1	1500	3,48,587	1	1500	3,48,587
Bank Of Maharashtra	10	1000	53,704	10	1000	53,704
HDFC Bank Ltd. (Ref. Note 11-2-3)	1	2000	9,63,126	1	1000	9,63,126
IDFC First Bank Ltd. (Refer Note 11-2-2)	10	13900	7,61,851	10	13900	7,61,851
Punjab National Bank Ltd	2	1000	1,24,574	2	1000	1,24,574
HDFC Ltd.	2	1000	17,85,494	2	1000	17,85,494
Kotak Mahindra Bank Ltd.	5	1000	11,73,947	5	1000	11,73,947
Yes Bank Ltd.	2	2000	7,70,068	2	2000	7,70,068
Reliance Industris Ltd.	10	1000	12,05,261	10	1000	12,05,261
	TOTAL (2)		81,19,475			81,19,475

Note 11-2-1: Company has received bonus share in the ratio of 1:1 on 10/09/2016

Note 11-2-2: Company has received 13,900 share of IDFC Bank Ltd against 1000 share of Capital First Limited, on merger of Capital First Ltd into IDFC Bank Limited

Note 11-2-3: Share of HDFC Bank Ltd Split from the Face Value of ₹2 to ₹1 on 20/09/2019

11.3. UNQUOTED, AT COST

Equity Shares Of

Avino Capcons Pvt. Ltd.	—	—	—	10	29000	2,90,000
	TOTAL (1+2+3)		8,98,72,265			7,81,36,075

Aggregate Market value of quoted equity investments ₹ 1,20,33,250 (P.Y. ₹ 1,64,70,375)

11.4. Current Investments

Particulars	31.03.2020			31.03.2019		
	Face Value Per Share ₹	NOS./ UNITS	₹	Face Value Per Share ₹	NOS./ UNITS	₹
TRADE INVESEMENTS, AT COST						
Government Securities -						
8.12% GOI BONDS	2020	—	4,86,000	—	—	—
			4,86,000	—	—	—

12. LOANS AND ADVANCES

Amount in ₹

Particulars	Long Term As at		Short Term As at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<u>Other Loans & Advances</u>				
Secured Considered Good				
Hypothecation Loans -(Refer Note 12.1 & 12.3)	1,44,85,99,329	1,06,98,12,419	3,06,47,68,195	2,44,44,58,186
Loans Against Deposits	--	--	36,84,972	29,82,837
Unsecured Considered Good				
Hypothecation Loans -(Refer Note 12.1 & 12.3)	4,63,140	4,44,683	31,15,906	32,50,437
Personal Loans -(Refer Note 12.1 & 12.3)	3,26,39,983	1,04,38,142	5,66,41,555	1,09,47,760
Advances to Dealers	--	--	16,67,83,821	13,06,42,677
Other Advances (Refer Note 12.2)	6,23,697	4,67,527	9,10,537	16,60,180
Advances to Employees	--	--	2,04,908	2,27,038
	1,48,23,26,149	1,08,11,62,771	3,29,61,09,894	2,59,41,69,115
<u>Deposits - Unsecured Considered Good</u>				
Security Deposits for Rented Premises	36,84,075	29,50,000	--	--
Other Deposits	46,61,276	2,24,112	--	--
	83,45,351	31,74,112	--	--
<u>Loans & Advances -Unsecured Considered Good</u>				
Avino Capcons Pvt Ltd	23,41,976	21,31,006	--	--
	23,41,976	21,31,006	--	--
	1,49,30,13,476	1,08,64,67,889	3,29,61,09,894	2,59,41,69,115

12.1 Long term Other loans and advances include Non Performing Assets of ₹ 1,83,33,165/ (P.Y ₹ 88,58,752).

12.2 Long Term Other Advances include Income Tax receivable 4,07,527 & Income Tax deposited under appeal ₹ 1,49,170.

12.3 Short term Other loans and advances include Non Performing Assets of ₹ 10,67,43,461 (P.Y ₹ 6,59,70,816).

13. CASH AND BANK BALANCES

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
I. Cash And Cash Equivalents		
(a) Cash-on-Hand	63,95,297	89,07,303
(b) Cash in Transit	80,19,851	1,39,35,437
(c) Balances with banks		
In Current Accounts	16,91,99,129	16,07,30,563
In Deposits Accounts (Refer Note 13.1 & 13.2)	21,56,00,086	1,25,30,958
II. Earmarked Balances with banks		
Unpaid Dividend	3,04,087	2,89,501
III. Bank Deposits with more than 12 months maturity	5,63,24,420	4,73,05,340
Fixed Deposit (incl. acc. Intt.) (Refer Note 13.1 & 13.2)		
	45,58,42,870	24,36,99,102

13.1 Bank deposits include ₹ 1,43,90,019 provided as collateral for assets securitised.

13.2 In accordance with the Reserve Bank of India directives, the Company has created a floating charge on the statutory liquid assets comprising bank deposits of ₹ 4,26,44,363/- In favour of trustees representing the deposit holders of the Company.

14. OTHER CURRENT ASSETS

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Interest Accrued on Govt. Securities	12,30,050	11,35,090
Stamps in Hand	8,43,400	8,95,200
	20,73,450	20,30,290

15. REVENUE FROM OPERATIONS

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Interest	82,13,50,660	66,34,54,436
Other Operating Revenues		
Bad Debt Recovered	33,99,439	31,23,607
Sale of Agreement	4,97,64,214	3,78,52,878
Processing Fees	12,57,37,150	10,51,61,565
Other Financial Charges	12,73,98,381	7,64,32,102
	1,12,76,49,844	88,60,24,588

16. OTHER INCOME

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Interest on Bank Deposits	50,83,151	37,29,854
Interest on Investments	59,18,406	48,39,095
Dividend received	1,14,661	70,725
Profit on Investment Sale	2,90,000	4,32,542
Profit on Sale of Asset	1,24,978	--
Miscellaneous income	27,38,945	5,11,611
	1,42,70,141	95,83,827

EXPENSES

17. EMPLOYEE BENEFIT EXPENSES

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Salaries	12,12,73,952	7,71,96,461
Staff Welfare Expenses	3,37,668	2,98,524
Ex-gratia/Bonus	50,48,678	40,20,154
Commission to Managerial persons	91,00,000	90,00,000
Share Based payments to employee (Refer 20.20)	11,17,391	-
Contribution to PF,ESI & Other Funds		
ESI Employer's contribution	21,53,580	20,21,876
Provident Fund - Employer's Contribution	50,85,222	35,08,127
Gratuity	32,44,943	17,19,963
Earned Leave Provision	18,02,800	10,13,272
	14,91,64,234	9,87,78,377

18. ADMINISTRATIVE and OTHER EXPENSES

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Rent	1,13,89,804	79,34,193
Rates & Taxes	3,35,364	2,75,023
Goods & Service Tax	3,70,86,469	1,57,67,458
Payment to Auditors (Refer Note (18.1) Below	2,90,000	2,22,000
Directors sitting fees	1,18,000	88,000
Legal & Professional Charges	2,53,72,817	1,76,97,692
Advertisement Expenses	19,26,287	8,27,985
Marketing Commission	4,02,51,244	4,69,17,196
Business Sourcing Commission	7,79,74,579	7,16,94,270
Conveyance & Travelling	69,44,265	51,19,210
Courier & Postage Charges	39,06,999	33,20,098
Computer Charges	8,60,818	7,61,039
Electricity Charges	30,31,524	22,40,283
Office Car Expenses	1,39,803	72,925
Printing & Stationery	71,50,122	54,93,620
Telecom Charges	45,91,255	35,41,870
Office Expenses	36,74,640	26,59,287
Office Building Maintances	4,53,381	2,82,839
CSR Contribution	35,87,760	19,13,192
Securitisation Expense	--	26,29,201
Misc Expenses	78,69,763	86,14,714
	23,69,54,894	19,80,72,095
18.1 Payments to Auditors Comprises		
• For Statutory Audit	1,35,000	1,42,000
• For Tax Audit	45,000	45,000
• For GST Audit and Other Attest Services	1,10,000	35,000

19. FINANCE COST

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Interest on Bank Borrowings	5,36,03,932	5,42,33,653
Interest on Deposits	8,06,31,992	6,93,13,257
Interest on Term Loans	31,46,79,533	22,49,85,676
Bank Charges	78,40,109	72,71,395
	45,67,55,566	35,58,03,981

20. PROVISIONS AND WRITE-OFF

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Bad Debts Written Off	4,28,07,356	2,58,79,363
Provision/(Reversal) for NPA	63,11,524	15,54,651
Provision for Standard Assets (Refer Note 20.1)	40,80,803	26,21,344
Provision against Investments	19,42,937	51,751
	5,51,42,620	3,01,07,109

20.1 The Company has made a provision on the standard assets @ 0.40% for Current Year (P.Y @ 0.40%).

21. TAX EXPENSES

Amount in ₹

Particulars	As at 31-Mar-20	As at 31-Mar-19
Current Tax		
Income Tax	6,00,00,000	6,25,00,000
Prior Period Income Tax (Refer 21.1)	15,37,042	--
Deferred Tax	(48,20,533)	(19,67,639)
	5,67,16,509	6,05,32,361

21.1 Prior Period Income Tax includes income tax paid for FY 2017-18 ₹ 3,86,621 and FY 2018-19 ₹ 11,50,421

Notes 22: Additional Information to Financial Statements

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

22.2 Provisions and Contingencies

Break up of Provisions and Contingencies shows under the head Expenditure in Profit and Loss Accounts	Current Year	Previous Year
Provision for Depreciation on Investment	19,42,937	51,750
Provision towards NPA	63,11,524	15,54,651
Provision made towards Income Tax	6,00,00,000	6,25,00,000
Provision for Standard Assets	40,80,803	26,21,344

22.3 Concentration of Deposits, Advances, Exposures and NPA

a. Concentration of Deposits

Amount in Cr

Particulars	
Total Deposits of Twenty Largest Depositors	13.68
Percentage of Deposits of Twenty largest depositors to Total Deposits	14.79%

b. Concentration of Advances

Amount in Cr

Particulars	
Total Advances of Twenty Largest borrowers	2.58
Percentage of Advances of Twenty largest borrowers to Total Advances	0.56%

c. Concentration of Exposures

Amount in Cr

Particulars	
Total Exposure of Twenty Largest borrowers	2.85
Percentage of Exposure of Twenty largest borrowers to Total Exposure	0.62%

d. Concentration of NPA

Amount in Cr

Particulars	
Total Exposure of Top Four NPA Accounts	0.24

22.4 Movements of NPAs

Particulars		Current Year	Previous Year
i.	Net NPAs to Net Advances (%)	2.35%	1.81%
ii.	Movements of NPAs (Gross)		
	a. Opening Balances	7,48,29,568	6,59,61,464
	b. Addition during the year	10,45,00,610	6,23,77,749
	c. Reduction during the year	5,42,53,552	5,35,09,645
	d. Closing Balance	12,50,76,626	7,48,29,568
iii.	Movements of Net NPAs		
	a. Opening Balances	6,44,62,609	5,71,49,156
	b. Addition during the year	9,40,07,430	5,54,56,323
	c. Reduction during the year	5,00,71,896	4,81,42,870
	d. Closing Balance	10,83,98,143	6,44,62,609
iv.	Movements of provisions for NPA		
	a. Opening Balances	1,03,66,959	88,12,308
	b. Provision made during the year	63,11,524	15,54,651
	c. Write-off/ Write back of excess provision	--	--
	d. Closing Balance	1,66,78,483	1,03,66,959

As per RBI revised notification, the Company has classified the accounts as NPA in which the Installment/Interest is overdue for 3 months.

22.5 Sector wise NPAs

Sr. No.	Sector	Percentage of NPA to Total Advances in that Sector
a.	Agriculture & Allied activities	12.18%
b.	MSME	0.00%
c.	Corporate Borrowers	0.00%
d.	Services	0.00%
e.	Unsecured personal loans	0.55%
f.	Auto loans	85.52%
g.	Other personal loans	1.75%

22.6 Customers Complaints

a.	No of Complaints pending at the beginning of the year	--
b.	No. of Complaints received during the year	4
c.	No. of Complaints redressed during the year	4
d.	No. of Complaints pending at the end of the year	--

22.7 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

	As at 31.03.2020	As at 31.03.2019
Principal amount remaining unpaid (but within due date as per MSMED Act)	--	--
Interest due thereon remaining unpaid	--	--
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 alongwith the amount of payment made to the supplier beyond the appointed day during the period	--	--
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	--	--
Interest accrued and remaining unpaid	--	--
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	--	--

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

22.8 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The 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. Average net profit for 3 years works out to ₹ 1792.90 and hence 2% required expenditure is ₹ 35.86 lakhs. During the Year, the Company has spent ₹ 35.88 Lakhs on CSR activities and has thus complied with the provisions of section 135.

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

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

22.10 Capital

Amount in ₹

	Particulars	Current Year	Previous Year
i)	CRAR (%)	23.83%	19.09%
ii)	CRAR - Tier I Capital (%)	23.47%	18.73%
iii)	CRAR - Tier II Capital (%)	0.36%	0.36%
iv)	Amount of Subordinated debt raised as Tier-II Capital	--	--
v)	Amount raised by issued of Perpetual Debt Instruments	--	--

22.11 Investments

Amount in ₹

	Particulars	Current Year	Previous Year
1	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	9,10,17,144	7,87,94,954
	(b) Outside India	--	--
	(ii) Provision for Depreciation		
	(a) In India	31,06,187	11,63,250
	(b) Outside India	--	--
	(iii) Net Value of Investments		
	(a) In India	8,92,41,704	7,76,31,704
	(b) Outside India	--	--
2	Movement of Provision held towards depreciation on Investments		
	(i) Opening Balances	11,63,250	11,11,500
	(ii) Add: Provision made during the year	19,42,937	51,750
	(iii) Less: Write off/Write-back of excess provision during the year	--	--
	(iv) Closing Balances	31,06,187	11,63,250

22.12 The Company did not entered into any derivatives contract or sold/purchase any non performing financial assets.

22.13 Disclosures relating to Securitisation

(₹ in lacs)

	Particulars	31.03.2020	31.03.2019
	No of SPVs sponsored by the NBFC for securitisation transactions	2	1
	Total amount of securitised assets as per books of the SPVs sponsored	1,856.47	1,109.37
	Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	First loss	--	--
	Others	--	--
b)	On-balance sheet exposures		
	First loss (In the form of Fixed Deposit)	138.45	38.78
	Others	--	--
	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	--	--

22.14 Exposure to Capital Market

Amount in ₹

	Particulars	Current Year	Previous Year
i)	Direct Investment in equity shares, convertible bonds, convertible debentures and unit of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	86,19,475	89,09,475

22.15 The Company has given unsecured loan of ₹8,92,81,538 as a personal loans to the borrowers. Personal loans are fully/partly secured by assignment/pledge of life insurances polices, shares and other securities.

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

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

22.18 The Company has been assigned rating of "ICRA BBB /(Stable)" for Bank Facilities. The Company has also been assigned "ICRA MA- (Stable) " for Fixed Deposit programmer.

22.19 Details of Managerial Remuneration

Particular	2019-20	2018-19
Salary	60,70,000	55,50,000
Commission	91,00,000	90,00,000
Contribution to Gratuity	7,26,334	5,70,809
Other Allowances & Perquisites	3,02,400	2,73,600
Total	1,61,98,734	1,53,94,409

22.20 Share Based Payments

Company has instituted an Employee stock option plan and has granted ESOP to senior management in accordance with the terms of the plan as mentioned below.

Particulars	ESOP2019
Board Meeting date	
Options granted	132000
Exercise price(per Share)	95
Date of grant	12/23/2019
Maximum term of Options Granted	5 Years
Market price immediately prior to grant date (Intrinsic Value)	180.83

Option Movement during the year

1	No. of Options Outstanding at the beginning of the year	--
2	Options Granted during the year	1,32,000
3	Options Forfeited / lapsed during the year	--
4	Options Vested during the year	--
5	Options Exercised during the year	--
6	Total number of shares arising as a result of exercise of options	--
7	Money realised by exercise of options (₹)	--
8	Number of options Outstanding at the end of the year	--
9	Number of Options exercisable at the end of the year	--

Measurement of fair value

The Fair value of the options issued has been arrived at using Black Scholes Model.

The key assumptions used in computing the fair value are:

Date of grant	Particulars
1. Risk Free Interest Rate	6.29%
2. Expected Life	4.26
3. Expected Volatility	30.50%
4. Dividend Yield	0.00%
5. Price of the underlying share in market at the time of the option grant (₹)	180.83

The stock-based compensation cost calculated as per the intrinsic value method for the period April 1, 2019 to March 31, 2020 is 11,17,391. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the period April 1, 2019 to March 31, 2020 would be ₹14,08,686. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Adjusted Net Income and Earning Per Share

Particulars	₹
Net Income as reported	16,91,27,375
Add: Intrinsic Value Compensation Cost	11,17,391
Less: Fair Value Compensation Cost	14,08,686
Adjusted Pro Forma Net Income	16,88,36,079
Earning Per Share: Basic	
As Reported	20.81
Adjusted Pro Forma	20.78
Earning Per Share: Diluted	
As Reported	20.61
Adjusted Pro Forma	20.58

22.21 Contingent Liabilities

The Company has preferred an Commissioner appeal against the demand raised of ₹745,844 by the Income Tax department for the AY 2017-18.

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

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month upto 6 months	Over 6 month upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years upto 5 Years	Over 5 Years	Total
Deposits	23,73,74,204	4,92,26,691	2,95,97,646	8,43,03,779	25,46,95,440	27,00,19,818	--	--	92,52,17,578
Advances (Net of Provision)	27,37,22,332	26,65,66,836	25,85,24,145	92,77,99,933	1,38,49,18,899	1,48,17,02,452	--	--	4,59,32,34,597
Investments	--	--	--	--	4,86,000	1,92,73,375	1,23,51,600	5,89,06,171	9,10,17,146
Borrowing	5,16,64,055	2,79,56,102	8,63,91,421	28,76,35,320	1,23,54,26,525	1,49,41,13,323	8,55,19,436	--	3,26,87,06,182

Notes 23: Disclosure under Accounting Standards

23.1. Employee Benefits

The details of employee benefits are as given below:

a) Provident Fund:

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

b) Gratuity:

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

c) Leave Encashment:

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

d) Disclosures:

(i) Defined Benefit Plans

	2019-20		2018-19	
	Non Funded Gratuity	Non Funded Leave Encashment	Non Funded Gratuity	Non Funded Leave Encashment
a) The amount recognised in the Balance sheet as at 31.03.2020				
1) Present Value of defined Benefit Obligation	1,11,23,902	66,32,199	83,09,574	50,41,833
2) Fair value of plan assets	NA	NA	NA	NA
3) Funded Status-Surplus/(Deficit)	(1,11,23,902)	(66,32,199)	(83,09,574)	(50,41,833)
4) Less: Unrecognised Past service cost	-	-	-	-
5) Net assets/(liability)	(1,11,23,902)	(66,32,199)	(83,09,574)	(50,41,833)
b) The amounts recognised in profit & Loss Account				
1) Current service cost	15,72,253	9,08,760	10,29,251	5,41,110
2) Interest Cost	6,43,992	3,90,742	5,19,266	3,19,161
3) Expected return on plan assets	NA	NA	NA	NA
4) Actuarial(gain)/losses	10,28,698	5,03,298	1,71,446	1,53,001
5) Net expenses/(gain) recognised in Profit & loss A/c.	32,44,943	18,02,800	17,19,963	10,13,272
c) The changes in the present value of the defined benefit Obligation during the year				
1) Opening defined benefit Obligation	83,09,574	50,41,833	67,00,205	41,18,205
2) Current service cost	15,72,253	9,08,760	10,29,251	5,41,110
3) Interest Cost	6,43,992	3,90,742	5,19,266	3,19,161
4) Actuarial(gain)/losses	10,28,698	5,03,298	1,71,446	1,53,001
5) Benefits Paid	4,30,615	2,12,434	1,10,594	89,644
6) closing defined benefit Obligation	1,11,23,902	66,32,199	83,09,574	50,41,833

d) Actuarial Assumptions:

(i) Discount Rate	6.75% Per annum
(ii) Mortality Rate	India Assured Lives (2006-08) Ultimate Mortality Rates
(iii) Future Salary Increase	6% Per annum
(iv) Withdrawal Rate	1%
(v) Method applied	58 Years

Notes:-

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

23.2. Computation of Earnings per share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Particulars	For the year ended 31 st March	
	2020	2019
A) BASIC		
(i) Computation of Profit (numerator)		
a. Profit after tax (₹)	16,91,27,375	14,71,95,125
b. Less: Dividend attributable to preference shareholders (including tax thereon, if any)	94,971	--
Profit for Equity Shareholders (I)	16,90,32,404	14,71,95,125
(ii) Computation of weighted average number of shares (denominator):		
a. Number of shares outstanding at the beginning of the year	80,00,000	80,00,000
b. Add: Weighted average number of equity shares issued and outstanding during the year	1,21,766	--
Adjusted weighted average equity shares (II)	81,21,766	80,00,000
EPS (Basic) (₹) [I/II]	20.81	18.40
B) DILUTED		
(i) Computation of Profit (numerator)		
Profit after Tax (₹) (I)	16,91,27,375	14,71,95,125
(ii) Computation of weighted average number of shares (denominator):		
a. Number of shares outstanding at the beginning of the year	80,00,000	80,00,000
b. Add: Weighted average number of equity shares issued and outstanding during the year	1,21,766	--
c. Add: Weighted average number preference shares issued and outstanding at the close of the year (Dilutive Equity Shares upon future conversion)	20,816	--
d. Add: Number of options outstanding at the close of the year (Dilutive Equity Shares under outstanding ESOPs)	62,333	--
Adjusted weighted average equity shares (II)	82,04,915	80,00,000
EPS (Diluted) (₹) [I/II]	20.61	18.40

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

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

S.N. PARTICULARS	31.03.20(₹)	Current year (Credit)/ Changes	31.03.19(₹)
A) Deferred Tax Assets -			
For Gratuity Provision	32,39,280	(8,19,532)	24,19,748
For Non Performing Assets Provision	78,04,642	(7,35,616)	70,69,026
For Earned Leave Provision	19,31,296	(4,63,114)	14,68,182
For Other Provision	39,72,419	(31,91,726)	7,80,693
Deferred Tax Assets	1,69,47,637	(52,09,988)	1,17,37,649
B) Deferred Tax Liability -			
For WDV of Fixed Assets	32,40,424	3,89,455	28,50,969
Deferred Tax Liabilities	32,40,424	3,89,455	28,50,969
NET DEFERRED TAX ASSETS/(liability)	1,37,07,213	(48,20,533)	88,86,680

23.4.SEGMENT REPORTING

In terms of business segment the company is dealing in only one major segment "Auto/Vehicle Loan" and geographically all its operations are controlled from one place. Hence no disclosures is needed in accordance with the requirement of AS-17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

23.5. Final Dividend

Final dividend of ₹ 46.50 Lakhs (₹ 0.50 per share) has been recommended by the Board for the year ended 31st March, 2020 for the Equity as well as for Preference Share Holders. The Central government vide notification dated 30.03.2016 has amended the Companies (Accounting standard) Rules, 2006. According to the amended rule, the dividend declared after the balance sheet date shall not be recorded as a liability in the previous year. Therefore the Company has not recorded ₹ 46.50 lakhs as liability for proposed dividend as at 31st March 2020. However the same will be recognised as liability on approval of the shareholders in the Annual General Meeting.

23.6 Extraordinary Item

A demand towards service tax of ₹ 1,78,85,877 for the period 01/04/2013 to 30/06/2017 and ₹ 5,04,547 01/04/2017 to 30/06/2017 was raised against Company, the Company has preferred an appeal with Commissioner of Central Excise & Service Tax, Nagpur. However the Company has paid the tax dues under Sabka Vishwas - (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS scheme) announced in Finance Act No.II 2019 and has withdrawn the appeal. This has been shown as Extraordinary item in the statement of Profit & Loss account.

23.7. Related Party Disclosures : (With Whom the Company has transactions)

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

Key Management Personnel :

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

Relative of Key Management Personnel

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

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

- 1)Avino Capcons Pvt Ltd
- 2)Maroti Jawanjar(HUF)
- 3)Sandeep Jawanjar (HUF)

RELATED PARTY TRANSACTIONS FOR YEAR ENDED 31ST MARCH, 2020

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

(Figures in ₹)

Nature of Relationship Nature of Transaction	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprise on which Relative of Key Management Personnel can Exercise Significant Influence	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<u>PAYMENTS</u>						
Remuneration	1,80,40,158	1,56,11,662	10,99,820	9,77,646	--	--
Interest on Deposits	5,42,997	2,72,681	3,44,200	4,68,591	32,674	3,13,836
Loans Granted	29,60,000	18,00,000	--	--	--	30,00,000
Deposits Repaid	4,88,775	45,93,113	26,14,425	22,55,799	2,20,240	1,12,65,783
Equity Dividend	13,85,612	13,49,062	4,06,550	4,12,450	24,73,138	20,51,538
<u>RECEIPTS</u>						
Interest on Loans	1,59,945	16,288	--	--	2,10,970	1,45,562
Repayment of Loans Granted	30,60,173	5,05,761	--	--	--	10,14,556
Deposits Accepted	44,45,000	35,70,000	14,50,361	11,22,089	1,70,000	4,00,000
<u>BALANCE OUTSTANDING</u>						
<u>LOANS GRANTED</u>						
Opening Balance	13,10,527	8,00,592	--	--	21,31,006	--
Closing Balance	13,70,299	13,10,527	--	--	23,41,976	21,31,006
<u>DEPOSITS ACCEPTED</u>						
Opening Balance	27,20,916	34,71,348	42,97,917	49,63,036	3,51,210	1,09,03,157
Closing Balance	72,20,138	27,20,916	34,78,053	42,97,917	3,33,644	3,51,210

As per our Report of even date attached

On Behalf of Board of Directors

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

Pravin Dhiran
M.No. 115580

Place : Nagpur
Date : 27-07-2020

M.G. Jawanjar
(Managing Director)

S.M. Jawanjal
(Executive Director)

D.R. Balpande
(Company Secretary)

SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2020

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

(₹ in lacs)

No.	Particulars	Amount Outstanding	Amount Overdue
	LIABILITIES :		
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
	a) Debentures : Secured	--	--
	Unsecured	--	--
	(Other than falling within the meaning of public deposits)		
	b) Deferred credits	--	--
	c) Term Loans	26,828.68	--
	d) Inter-corporate Loans and Borrowing	--	--
	e) Commercial Paper	--	--
	f) Public deposits (Including deposits from directors and their relatives)	9,252.18	564.51
	g) Cash Credit & Working Capital Demand Loan	5,858.38	--
	Total	41,939.24	564.51
2	Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	a) In the form of unsecured debentures	--	--
	b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	--	--
	c) Other Public Deposits	9,252.18	564.51

(₹ in lacs)

No	Particulars	Amount Outstanding
	ASSETS :	
3	Break-up of loans and advances including bills receivables [other than those included in (4) below]	
	a) Secured	36.85
	b) Unsecured	
4	Break-up of leased assets and stock on hire and other assets counting towards AFC activities	
	i) Lease assets including lease rentals under sundry debtors :	
	a) Financial lease	--
	b) Operating lease	--
	ii) Stock on hire including hire charges under sundry debtors :	
	a) Assets on hire	--
	b) Repossessed assets	--
	iii) Other loans counting towards AFC activities	
	a) Loans where assets have been repossessed	--
	b) Loans other than (a) above	46,085.70
5	Break-up of Investments :	
	Current Investments :	
	1. Quoted :	
	i) Shares :a)Equity	--
	b)Preference	--
	ii) Debentures and bonds	--
	iii) Units of mutual funds	--
	iv) Government securities	4.86
	v) Others (Please specify)	--
	2. Unquoted :	
	i) Shares :a)Equity	--
	b)Preference	--
	ii) Debentures and bonds	--
	iii) Units of mutual funds	--
	iv) Government securities	--
	v) Others (Please specify)	--
	Long Term Investments :	
	1. Quoted :	
	i) Shares :a)Equity	81.19
	b)Preference	--
	ii) Debentures and bonds	--
	iii) Units of mutual funds	5.00
	iv) Government securities	822.39
	v) Others (Please specify)	--
	2. Unquoted :	
	i) Shares :a)Equity	--
	b)Preference	--
	ii) Debentures and bonds	--
	iii) Units of mutual funds	--
	iv) Government securities	--
	v) Others (Please specify)	1.59

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

(₹ in lacs)

	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	(a) Subsidiaries	—	—	—
	(b) Companies in the same group	—	—	—
	(c) Other related parties	—	23.42	23.42
(ii)	Other than related parties	46,063.34	35.79	46,099.13
	Total	46,063.34	35.79	46,122.55

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

(₹ in lacs)

	Category	Market Value/ Breakup or fair value of NAV	Book Value (Net of Provisions)
(i)	Related parties		
	(a) Subsidiaries	--	--
	(b) Companies in the same group	--	--
	(c) Other related parties	--	--
(ii)	Other than related parties	924.97	872.52
	Total	924.97	872.52

8 Other information

(₹ in lacs)

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	--
	(b) Other than related parties	1,250.77
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	1,083.98
(iii)	Assets acquired in satisfaction of debt	--

As per our Report of even date attached

On Behalf of Board of Directors

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

Pravin Dhiran
M. No. 115580

Place : Nagpur
Date : 27-07-2020

M.G. Jawanjar
(Managing Director)

S.M. Jawanjal
(Executive Director)

D.R. Balpande
(Company Secretary)

FINANCIAL HIGHLIGHTS

(₹ in lacs)

YEAR	PAID-UP CAPITAL	NET WORTH	TOTAL ASSETS	PROFIT BEFORE TAX	PROFIT AFTER TAX	DIVIDEND	
						Rate%	AMOUNT
1990-91	1.44	1.50	3.03	0.06	0.06	--	--
1994-95	20.75	38.14	74.88	6.45	5.80	26.00%	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

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

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