



ANNUAL REPORT 2016-2017



CEEJAY FINANCE LIMITED



CORPORATE INFORMATION**Board Of Directors**

Harshad Dalal	<i>Chairman</i>
Deepak Patel	<i>Managing Director</i>
Kiran Patel	<i>Director</i>
Shailesh Patel	<i>Director</i>
Kiritkumar Dalal	<i>Director</i>
Bharat Amin	<i>Director</i>
Mrudulaben Patel	<i>Director</i>
Sunil Patel	<i>Director</i>

Company Secretary

Kamlesh Upadhyaya

Chief Financial Officer

D. T. Shah

Statutory Auditors

M/S. Kantilal Patel & Co.,
(A Member Firm Of Polaris IA Internation, USA.)
"Paritosh", 2nd Floor, Usmanpura,
Ahmedabad -380 013

Registrar to Company

Link Intime India Private Limited
5th Floor, 506 to 508, Amarnath Business Centre-1
(ABC-1), Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Off C G Road,
Navrangpura, Ahmedabad-380009.
Tele/Fax: +91 79 26465179
E-mail: ahmedabad@linkintime.co.in

Internal Auditors

Vipinchandra C. Shah & Co.
133-134, Santram Super Market,
Nr Laxmi Cinema, Nadiad-387 001

Bankers

Bank of Baroda
Union Bank Of India

REGISTERED OFFICE

C. J. House.
Mota Pore, Nadiad-387 001.(Gujarat)
CIN: L65910GJ1993PLC019090
Email: kpucj@yahoo.co.in
website: www.ceejayfinancelimited.com
Phone: 0268256233 Fax: 02682561727

CORPORATE OFFICE

9th Floor, Abhijit-II,
Mithakhali Six Roads,
Ellisbridge, Ahmedabad-380006.

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NOTICE

Notice is hereby given that the TWENTY FOURTH ANNUAL GENERAL MEETING of the members of CEEJAY FINANCE LIMITED will be held on Saturday, the 23rd September 2017 at 11.00 A.M. at the Registered office of the Company at "C.J.HOUSE, Mota Pore, Nadiad-387001 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt Audited Financial Statements of the Company for the year ended 31st March, 2017, including the audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the year ended on that date and the report of the Board of Directors and Auditor's report thereon.

2. Declaration of dividend

To declare final dividend at 15% on equity shares (Rs. 1.50 per share) for the financial year 2016-17.

3. Re-appointment of Director

To appoint Mr. Deepak Patel (DIN: 00081100), Director who retires by rotation and being eligible offers himself for re-appointment.

To appoint Mr. Shailesh Patel (DIN: 00081127), Director who retires by rotation and being eligible offers himself for re-appointment.

4. Appointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, in place of M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad, (Firm Reg. No. 104744W), the retiring auditors of the Company whose term is expiring at the conclusion of ensuing general meeting by virtue of the provisions of Section 139[2] of the Companies Act, 2013,, M/s Arpit Patel & Associates (formerly known as Pruthvi Shah & Associates), Chartered Accountant, (Firm Reg. No. 144032W) be and is hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this 24th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company subject to ratification as to the said appointment at every Annual General Meeting by the members of the Company, and that the Board of Directors of the Company be and is hereby authorised to fix their terms of appointment including remuneration, in addition to actual out of pocket expenses, actual travel expenses, service tax and other applicable taxes, in connection with the audit of the accounts of the Company.

RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

Register Office
C.J. House, Mota Pore,
Nadiad – 387 001
Dated: 27th May, 2017

By order of the Board
For CEEJAY FINANCE LIMITED

Kamlesh Upadhyaya
Company Secretary

NOTES

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. The instrument of proxy in order to be effective must be received at the Registered Office / Corporate Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy Form is attached herewith. Proxy Form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable authorizing their representative to attend and vote on their behalf at the meeting.
- 2) The Register of Members and Share Transfer Book of the Company will remain closed from 16th September 2017 to 23rd September 2017 (both days inclusive) for annual closing and determining the entitlement of the Members to the dividend for the Financial Year 2016-17.
- 3) The Notice of Annual General Meeting, Annual Report, and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
- 4) Members who have received the notice of Annual General Meeting, Annual Report, and Attendance Slip in electronic mode are requested to print the attendance slip and submit a duly filled in attendance slip at the registration counter to attend the Annual general meeting.
- 5) A dividend of Rs. 1.50 per share has been recommended by the Board of Directors for the year ended 31st March 2017, subject to the approval of the Members at the ensuing Annual General Meeting, is proposed to be paid from 25th September or thereafter within 30 days from the date of declaration
- 6) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar & Transfer Agent.
- 7) All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Sundays, up to and including the date of the Annual General Meeting of the Company.
- 8) Those members who have so far not en-cashed their dividend warrants may claim or approach the Company for the payment thereof as the same will be transferred to the Investors' Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 125 of the Companies Act, 2013.
- 9) Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited (CDSL) to facilitate e-voting. The detailed process, instructions and manner of e-voting facility is annexed to the Notice.

Register Office
C.J. House, Mota Pore,
Nadiad – 387 001
Dated: 27th May, 2017.

By order of the Board
For **CEEJAY FINANCE LIMITED**

Kamlesh Upadhyaya
Company Secretary

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 20-09-2017 at 9.00 a.m. and ends on 22-09-2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16-09-2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</p> <ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant CEEJAY FINANCE LIMITED on which you choose to vote.

CEEJAY FINANCE LIMITED

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 20-09-2017 at 9.00 a.m. and ends on 22-09-2017 at 5.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16-09-2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

- (D) Mr. Tushar Vora, Company Secretaries (Membership Number FCS-3459; CP No. 1745) [Address: 32 Arpan Society, Nr. Mayur High School, Paliyad Nagar, Naranpura, Ahmedabad – 380010 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (E) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ceejayfinancelimited.com and on the website of CDSL within three (3) working days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

IMPORTANT NOTES:

- Any person, who acquires shares of the Company and becomes member of the Company after 5th August, 2017 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 16th September, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Link Intime India Private Limited and at anand.padh@linkintime.co.in.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper / Polling Paper" for all those members who are present at the AGM/ EGM but have not cast their votes by availing the remote e-voting facility / ballot form. The Facility for Voting at meeting venue shall be decided by the Company i.e. "remote e-voting" or "Ballot Paper / Polling Paper".
- The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

Brief resume of Directors to be re-appointed at this Annual General Meeting are given below:

Name of Director	Mr. Deepak Patel	Mr. Shailesh Patel
Date of Birth	05-07-1961	15-08-1965
Date of Appointment	20-04-1993	17-07-2001
DIN No.	00081100	00081127
PAN No.	ACXPP5096J	ACXPP5098G
Experience (Yrs.)	25 Yrs	22 Yrs
Expertise	Finance, Marketing, Real estate	Purchase, Real Estate, Finance, Accounts
Other Directorship	Chhotabhai Jethabhai Patel Tobacco Products Co. Ltd, Ceejay Tobacco Ltd, Ceejay Microfin Ltd, Ceejay Realty Pvt Ltd.	Chhotabhai Jethabhai Patel Tobacco Products Co. Ltd, Ceejay Tobacco Ltd, Ceejay Realty Pvt Ltd.
Shareholding in Company	89015	89115
Education	B.com, MBA	Commerce

CEEJAY FINANCE LIMITED

DIRECTORS' REPORT

To,
THE MEMBERS OF
CEEJAY FINANCE LIMITED

Your Directors hereby present their TWENTY FOURTH Annual Report together with the audited accounts of the Company for the year ended 31st March 2017.

FINANCIAL RESULTS:

PARTICULARS	(Rs. in Lacs)	
	YEAR ENDED 31/03/2017	YEAR ENDED 31/03/2016
Revenue From Operations	1449.56	1,227.49
Total Revenue	1450.53	1,228.44
Profit Before Depreciation & Tax	714.81	578.21
Depreciation	15.88	14.49
Profit before Tax	698.93	563.72
Provision for tax		
Current	231.00	187.51
Deferred	0.07	0.33
Provision of Income Tax of earlier period	0.39	0.69
Profit After Tax	467.47	375.19
Balance of Profit brought forward	68.89	72.82
Profit available for Appropriation	536.36	448.01
APPROPRIATION		
Dividend Paid	—	51.75
Corporate tax on Dividend	—	12.17
Transferred to		
Statutory reserve	93.50	75.20
General reserve	275.00	240.00
Balance Carried to Balance Sheet	167.86	68.89

DIVIDEND:

We are pleased to recommend dividend of 15% p.a (Rs. 1.50 per share) on the Equity Share Capital of the Company for the financial year ended 31st March, 2017. The dividend, if approved by the members, will be paid to members within the period stipulated by the Companies Act, 2013.

UNCLAIMED DIVIDEND AS ON 31ST MARCH, 2017

The unclaimed dividend as on 31st March, 2017 was Rs. 17.57 lakhs. The unpaid/unclaimed dividend of Rs. 1.77 lakhs for the financial year 2008-09 has been transferred to the Investor Education and Protection Fund during the year.

COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

Your Company has continued to grow steady but substantially due to the concerted marketing efforts in new business centers, new product, and prudent recovery system. Company has maintained steady growth in operations and profit during fiscal 2016-17. Total revenue including income from operations and other income increased to Rs. 1450.53 lacs in the current year from Rs. 1228.44 lacs in previous year. The total expenses increased from Rs. 664.72 lacs in previous year to Rs. 751.60 lacs in current year, mainly towards provisions of doubtful debt/ NPA and increase in sales expenses due to competition. The finance cost increased marginally to Rs. 241.65 lacs in the current year compared to Rs. 208.00 lacs in previous year. Accordingly, the profit before tax increased from Rs. 563.72 lacs in the previous year to

Rs. 698.93 lacs in the current year. After providing tax of Rs. 231.00 lacs in the current year (Rs. 187.51 lacs in previous year) profit after tax increased Rs.467.47 lacs against Rs. 375.19 lacs in the previous year.

The total disbursement made in the current year Rs. 5721.40 lacs as compared to Rs. 4611.73 lacs in previous year. The Company's strategy to focus for the business in smaller places and specialization in two/ three wheeler segment has remained unchanged. Hypothecation / loan stock of the Company has increased from Rs. 4252.57 lacs in previous year to Rs. 4969.00 lacs in the current year.

The assets of the Company are properly and adequately insured and recoveries are at satisfactory level.

CHANGE IN NATURE OF BUSINESS, IF ANY

Your Company continues to operate the same business segment as that of previous year and there is no change in the nature of the business.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS:

Indian economy recorded a growth rate of 7.1% in terms of real GDP in 2016-17. While agriculture growth rose to 4.4 % in 2016-17 from 0.8 % in 2015-16, service sector growth decline to 7.9% from 9.8 % during the same period. Inflation moderated, with the average level of consumer price inflation declining to 4.6% in 2016-17 from 4.9% % in 2015-16. FDI inflow increased by 12% in April-December period of 2016 compare to previous corresponding period. The growth inflation mix should continue to remain broadly unchanged in 2017-18. Going forward, headline GDP growth is likely to increase to 7.5 % in 2017-18 from 7.1% in 2016-17

The year was marked by major events namely demonetization of specified bank notes, conclusion of legislative assembly elections in five states, passage of Goods and Services Tax (GST) Bill by the Parliament. On November 8, 2016, the government announced the demonetization of ₹500 and ₹1,000 denomination notes, thereby rendering 86% of the cash in circulation as invalid. The decline in cash in circulation had led to increase in bank deposits with a resultant decline in interest rates on deposits, loans and government securities as well as a decline in real-estate prices, increase in savings, digitalization, income disclosure with a resultant increase in collections by tax and other local authorities. The immediate effect of demonetization was on the daily wages/earnings of the contract and unskilled laborer's employed in highly labour intensive, unorganized sector, construction, transportation sectors etc. These sectors are more dependent on cash for working capital requirements. There was a temporary decline in demand due to shortage of cash. This had caused layoff of contract workers, disruption in production activities due to manpower loss, etc. The impact of demonetisation is dissipating with entry of replacement notes in circulation.

This has affected largely to small NBFCs. India's financial services sector is diversified, comprising of entities such as commercial banks, co-operatives, insurance companies, pension funds, mutual funds, non-banking financial companies and other various entities. As on December 31, 2016, the total managed retail credit (including off balance sheet book) of NBFCs stood at ~Rs. 5.6 trillion, growing year-on-year by about 17.5% in 9M FY 2017 (as against 19.5% in FY 2016 and 14.8% in FY 2015). The total NBFC retail credit including SME exposure stood at about Rs. 6.2 trillion as on December 31, 2016, growing year-on year by about 19.0% in 9M FY 2017 (as against 21.2% in FY2016 and 16.2% in FY 2015).

The parliament took a decisive step towards a possible roll out of Goods and Services Tax (GST) on July 1, 2017 by passing therefore related legislations on GST. The state governments will have to pass the GST law in their respective state assemblies. GST will be a single levy to replace multiple central and state taxes to make the country a seamless national market and is expected to boost India's growth rate. According to RBI, GVA growth is projected to strengthen to 7.4% in 2017-18. Inflation is expected to average 4.5% in the first half and 5 % in the second half of the FY 2017-18. Domestic sales of passenger vehicles are expected to grow from 2.8 million in 2016 to 9.4 - 13.4 million by 2026. The Budget 2017 proposals include the Government's commitment to double the farmers' income in 5 years. With further boost to the infrastructure and rural sector announced in the Budget 2017, it will contribute in increasing the business of the Company.

CEEJAY FINANCE LIMITED

As on now, company major focus is on two wheeler business in rural area. The growth rate of two wheeler industry and its financing pattern make direct impact on the performance of the company. After flat development in year 2015, two and three wheeler market improved in 2016. Compared production of 19429 thousand in 2014 and 19462 thousand in 2015 the segment growth is increased to 20814 thousand in 2016. However demonetization did impact two wheeler markets in the last quarter and after effects of this disruption are still felt in the first quarter of 2017. However against that, union budget for 2017-18 provides for increased allocation for rural development and welfare scheme. This will support positive development of this segment in current year. However financing its own product by manufacturers is big threat to small and middle level NBFC.

Our mission is to be sound NBFC among regional players in terms of product offerings, technology, service levels, risk management and audit and compliance etc. The objective is to continue building sound customer /franchises across distinct businesses so as to be a preferred provider of NBFC services for its target retail and customer segments, and to achieve a healthy growth in profitability, consistent with the company's risk appetite. The company's range of retail financial products and excellent services and branches net work is fairly exhaustive to meet up the coming challenges. The objective is continue to build sound customer/dealer friendly atmosphere to achieve healthy growth in profitability, consistent with company's risk appetite. The company also emphasizes to develop innovative products and services that attract its Customers, Increase its market share as NBFC and financial services industry by following a disciplined growth strategy focusing on balancing quality and volume growth while delivering high quality customer service, maintain reasonably good standards for asset quality through disciplined credit risk management; and continue to develop products and services that reduce its cost of funds; and Focus on healthy earnings growth with low volatility. Our company growth is more important especially looking to the concentration in rural area for the business. The company grew its retail assets portfolio in a well balanced manner focusing on both returns as well as risk. Company intends to follow conservative view in the coming years. Company also expects continuous threats to small/medium Company like us, from global/giant players in the retail finance market especially with large size/volume, lower rate of interest and ability to sustain in the market is inevitable for the company to sustain in the market.

Overall, in spite of various pros and cons your company has demonstrated outstanding achievement in terms of earned valued and well-built market presence. Your company is cash rich, has better liquidity, improved working capital and it has shown its readiness to accept market challenges. All of these are signs of strong fundamentals which the company has been able to establish with the help of better and professional management support.

RISK MANAGEMENT /SWOT ANALYSIS

Your company has comprehensive Risk Management System towards identification and evaluation of all potential business risks. Management has developed Risk Management Plan and reviews its implementation regularly. The company is exposed to external and internal risk associated with its business. To counter these risks, the company continues to broaden its product portfolio, increase customer profile and geographic reach.

Taking on various types of risk is integral to the NBFC business. Sound risk management and balancing risk-reward trade-offs are critical to a company's success. Business and revenue growth have therefore to be weighed in the context of the risks implicit in the company's business strategy. Of the various types of risks your company is exposed to, the most important are credit risk, credit concentration risk, market risk, business risk, strategic risk, interest rate risk, model risk, technology risk including liquidity risk price risk and operational risk. The identification, measurement, monitoring and management of risks accordingly remain a key focus area for the Company. For credit risk, appropriate distinct policies and processes are in place for the retail businesses. Overall portfolio diversification and reviews also facilitate mitigation and management. Especially a small capital based company faces multiple problems due to poor recovery systems. The specific NPA provisions that the company has made continue to be more conservative than the regulatory requirements. This will help the company to maintain high standards for assets quality through disciplined credit risk management.

However, while the balance of risks in the last financial year were largely external, demonetization did impact two wheeler markets in the last quarter and after effects of this disruption are still felt in the first quarter of 2017.

The company has strength as being the pioneer in the two wheeler vehicles financing sector in Gujarat/Maharashtra, Oldest NBFC since last 20 years, sound financial position since inception, a well-defined and scalable organisation structure, strong financial track record with low Non-Performing Assets (NPAs), Experienced and stable management team, strong relationships with public, private as well as banks, fast Procedure. However your company is facing the threat of, small