

A **NNUAL REPORT 2017-2018**



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

Devang Shah

Statutory Auditors

Arpit Patel & Associates
"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.

Contents	Page No.
Notice	02
Directors' Report	07
Report on Corporate Governance	27
Auditors' Report	34
Balance Sheet	40
Statement of Profit and Loss	41
Cash Flow Statements	42
Notes Forming Part of Accounts	44
Attendance Slip / Proxy Form	59
Rout Map of Venue	60

NOTICE

NOTICE is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of the members of **CEEJAY FINANCE LIMITED** will be held on Saturday, the 29th September, 2018 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. To receive, consider and adopt Audited Financial Statements of the Company for the year ended 31st March, 2018, including the audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and Cash flow Statement for the year ended on that date and the report of the Board of Directors' and Auditors' report thereon.
2. To declare final dividend at 25% (15% + 10% additional dividend on completion of 25 years of the Company) on equity shares (Rs. 2.50 per share) for the financial year 2017-18.
3. To appoint Mr. Harshad Dalal (DIN: 00080903), Director who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as special resolution.

"RESOLVED THAT in pursuance to the provisions of Regulation 3(d)(ii) (to be effective from 1st April, 2019) of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May, 2018, consent of the members of the Company be and is hereby accorded for continuation of Mr. Harshad N Dalal, Director of the Company, who has attained the age of 75 (seventy five) years, as director - non-executive of the Company w.e.f. 1st April, 2019 till he resigns or otherwise decided by the members / directors of the Company."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as special resolution.

"RESOLVED THAT in pursuance to the provisions of Regulation 3(d)(ii) (to be effective from 1st April, 2019) of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May, 2018, consent of the members of the Company be and is hereby accorded for continuation of Mr. Kirit S Dalal, Director of the Company, who is attaining age of 75 (seventy five) years on 12.12.2018, as director - non-executive independent - of the Company w.e.f. 1st April, 2019 till 26.9.2019 or he resigns."

Registered Office
C.J. House, Mota Pore,
Nadiad – 387 001
Dated: 29th May, 2018.

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 22nd September, 2018 to 29th September, 2018 (both days inclusive) for annual closing and determining the entitlement of the Members to the dividend for the Financial Year 2017-18.
- 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. 2.50 per share has been recommended by the Board of Directors for the year ended 31st March 2018, subject to the approval of the Members at the ensuing Annual General Meeting, is proposed to be paid from 1st October 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) The explanatory statement, pursuant to section 102 of the Companies Act, 2013 which sets out the material facts concerning of special business is annexed hereto.
- 10) 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.

- i. Mr. Tushar M. Vora, Practicing Company Secretary [Membership No. FCS 3459] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- ii. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- iii. Members can opt for only one mode of voting i.e. either by e-voting or through poll paper. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through poll paper shall be treated as invalid.
- iv. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 22nd September, 2018 only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.
- v. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on cut-off date, may cast vote after following the

instructions for e-voting as provided in the notice convening the meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.

- vi. 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.

The detailed process, instructions and manner of e-voting facility is annexed to the Notice.

- 11) Pursuant to the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") relating to Corporate Governance, a Statement containing brief resume of the retiring Director together with the details of shares held by him, if any, is annexed hereto.

Registered Office
C.J. House, Mota Pore,
Nadiad – 387 001
Dated: 29th May, 2018.

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

Kamlesh Upadhyaya
Company Secretary

THE STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING EACH ITEM OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4 and 5:

Mr. Harshad N Dalal is a founder - promoter director of the Company. Mr. Harshad N. Dalal (DIN: 00080903) belongs to a renowned family of business group of Gujarat engaged in tobacco, finance, real estate and auto industry. Mr. Harshad N Dalal (DIN: 00080903) is backed by more than 61 years of business experience and is one of the key players in growth and development of the Company and associated with the Company since its incorporation. Mr. Kirit S Dalal is on the Board since December, 2005. The members have also confirmed his appointment as non-executive independent director since 27.9.2014. Mr. Kirit S Dalal (DIN: 00509921), has more than 45 years of experience in production, purchase, marketing, real estate and finance industry.

In terms of the recently notified provisions of Regulation 3(d)(ii) which is going to be effective from 1st April, 2019, of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May, 2018, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect. As Mr. H N Dalal has already completed the age of 75 years and Mr. Kirit S Dalal is going to attain the age of 75 years on 12.12.2018, the Company need to have approval / consent of the members for his continuing on the Board on and after 1st April, 2019.

It is considered necessary and in the interest of the Company to have such experienced and key personalities on the Board.

The Board recommend the resolutions.

Mr. H N Dalal and Mr. Kirit S Dalal shall be considered interested in their respective resolutions. None of the other directors shall be considered as interested in any of the matters.

Registered Office
C.J. House, Mota Pore,
Nadiad – 387 001
Dated: 29th May, 2018.

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 26-09-2018 at 9.00 a.m. and ends on 28-09-2018 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 22-09-2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. <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 directly reach 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.
- (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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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, 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.

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

Name of Director	Harshad Dalal
Date of Birth	07-12-1937
Date of Appointment	20-04-1993
DIN No.	00080903
PAN No.	ABRPD2690K
Experience (Yrs.)	61 Yrs
Expertise	Production, Purchase, Finance, Marketing, Real estate
Other Directorship	Chhotabhai Jethabhai Patel Tobacco Products Co. Ltd, Ceejay Tobacco Ltd, Ceejay Microfin Ltd, Ceejay Realty Pvt Ltd.
Shareholding in Company	261824
Education	B.Com

DIRECTORS' REPORT

To,
THE MEMBERS OF
CEEJAY FINANCE LIMITED

Your Directors are pleased to present their TWENTY FIFTH (Silver Jubilee year) Annual Report together with the audited accounts of the Company for the year ended 31st March 2018.

FINANCIAL RESULTS:

PARTICULARS	(Rs. in Lacs)	
	YEAR ENDED 31/03/2018	YEAR ENDED 31/03/2017
Revenue From Operations	1638.70	1426.74
Total Revenue	1642.35	1427.71
Profit Before Depreciation & Tax	792.10	714.81
Depreciation	14.42	15.88
Profit before Tax	777.68	698.93
Provision for tax		
Current	219.84	231.00
Deferred	(0.27)	0.07
Provision of Income Tax of earlier period	2.02	0.39
Profit After Tax	556.09	467.47
Balance of Profit brought forward	167.86	68.89
Profit available for Appropriation	723.95	536.36
APPROPRIATION		
Dividend Paid 16-17	51.75	--
Corporate tax on Dividend 16-17	10.53	--
Transferred to		
Statutory reserve	111.00	93.50
General reserve	300.00	275.00
Balance Carried to Balance Sheet	250.67	167.86
Proposed Dividend 2017-18	86.25	51.75

DIVIDEND:

The Company has completed 25 years of successful existence in financial market. And as a part of its celebration, the Board is pleased to recommend additional 10% dividend over and above the regular proposed / recommended dividend of 15% making total dividend of 25% (Rs. 2.50 per share) for the financial year ended 31st March, 2018, on the paid up Equity Share Capital of the Company. The dividend, if approved by the members, will be paid to members within the period stipulated by the Companies Act, 2013.

UNCLAIMED DIVIDEND AND TRANSFER OF SHARES TO IEPF

The unclaimed dividend as on 31st March, 2018 was Rs. 19.50 Lakhs. The unpaid/unclaimed dividend of Rs. 1.93 Lakhs for the financial year 2009-10 has been transferred to the Investor Education and Protection Fund during the year.

Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 50,390 equity shares have been transferred to Investor Education and Protection Fund during the year. The Company has duly complied with relevant applicable provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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 increased in growth in operations and profit during fiscal 2018-19. Total revenue including income from operations and other income increased to Rs. 1638.70 Lakhs in the current year from Rs. 1426.74 Lakhs in previous year. The total expenses increased from Rs. 728.78 Lakhs in previous year to Rs. 864.67 Lakhs 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. 292.47 Lakhs in the current year compared to Rs. 241.65 Lakhs in previous year due to increase in borrowings. Accordingly, the profit before tax increased from Rs. 698.93 Lakhs in the previous year to Rs. 777.68 Lakhs in the current year. After providing tax of Rs. 220 Lakhs in the current year (Rs. 231 Lakhs in previous year) profit after tax increased Rs.556.09 Lakhs against Rs. 467.47 Lakhs in the previous year.

The total disbursement made in the current year Rs. 5782.60 Lakhs as compared to Rs. 5721.40 Lakhs in previous year. The Company's strategy to focus for the business in smaller places and specialization in two/three wheeler segment/used four wheelers/ property loan has remained unchanged. Hypothecation / loan stock of the Company has increased from Rs. 4969 Lakhs in previous year to Rs. 5393 Lakhs 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 in the single 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 31st March, 2018 till the date of this report, which affect or is likely to affect the financial position of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS**BUSINESS OUTLOOK AND OPPORTUNITY**

Global growth is expected 3.9 % next year as per IMF supported by strong momentum, favourable market sentiment and recovery of in commodity prices. Reversing two years of declining growth, Indian economy is set to expand at 7.3% in 2018-19 and at 7.6% in 2019-20, aided by various growths oriented new policies measures, as per Asian Development Bank. The revised fiscal deficit was put at 3.5% of GDP in 2016-17, higher than 3.2% budgeted last year. The fiscal deficit has been projected at 3.3% of GDP for the year 2018-19, higher than the fiscal consolidation target of 3%. The main growth driver for Indian economy would be rural consumption, continued infrastructure development projects FDI investments other than local factors effecting like rain, GST, inflation etc.

The company's significant share of revenue comes from two wheeler finance in rural area. The thrust on rural and infrastructure sectors in the Union Budget could rejuvenate rural demand and also crowd in private investment. Out of 57.92 Cr. of finance during the year 39.33 crores stands towards two wheeler business while 8.68 crores in second hand four wheeler segment. Remaining is towards other loan business secured by assets. Overall the two-wheeler industry saw a total sales of over 2.01 crore units sold in the Indian domestic market and exports from the country also shot up by over 20 percent. Within the Two Wheelers segment, Scooters and Motorcycles grew by 19.90 percent and 13.69 percent respectively, while the sales of mopeds declined by 3.48 percent in recently concluded FY 2017-18 when compared to sales in April-March 2017.

Further breaking it up, motorcycles segment saw a total domestic sales of over 1.26 crore and scooters contributed to 67.19 lakh units last year. As per SIAM report, India has 11 motorcycle manufacturers and 7 scooter manufacturers. Motorcycles contributed to 62.4 percent of the total sales, scooters increased their contribution to 33.27 percent and mopeds share declined to 4.25 percent.

Hero MotoCorp also the world's largest two-wheeler manufacturer has continued to be the leader in the Indian two-wheeler industry by selling over 73.82 lakh motorcycles in the Indian market. This is about 14 % more than what it sold last year. Hero Splendor has been India's top-selling motorcycle and launch of new products like Hero Glamour and HF-Deluxe continue to allure buyers especially in the rural markets. Hero MotoCorp did lose out on its scooter sales to its former Japanese partner Honda Motorcycles and Chennai based TVS Motor Company also overtook Hero in scooter sales.

Honda Motorcycles and Scooters India (HMSI) has grown at a massive 22.23 percent growth in India and sold a total of over 57.75 lakh motorcycles and year-on-year is closing on the gap to become the market leader. Scooters contributed to over 66 percent of Honda's total two-wheeler sales in India with over 38.21 lakh scooters sold. Honda Active is the country's most sold scooter and the company has also launched the Honda Grazia and Honda Cliq to cater to the younger audience.

Only motorcycle manufacturers Bajaj and Royal Enfield have reported a sales of 19.74 lakh units and 8.01 lakh units respectively. While Bajaj Auto's sales did drop by 1.3 percent YoY, Royal Enfield grew by over 23 percent and recorded its most sales ever. Japanese two-wheeler manufacturers, Suzuki Motorcycle and Yamaha Motor India sold a total of 5.01 lakh and 7.92 lakh units respectively. Both of these companies sell scooters, commuters and premium motorcycles in India. Suzuki Motorcycle closed the financial year at a market share of 2.48 percent and Yamaha's market share in India is 3.92 percent.

During the recently concluded financial year, the two-wheeler manufacturers in India achieved various milestones including maximum two-wheeler production at 23 million, production of scooters crossing 7 million and motorcycles crossing 15 million for this first time.

The industry believes that the growth would continue to be consumption led as interest rates are expected to remain soft and inflation under control in the New Year. In FY19, motorcycles are expected to grow moderately. However interest rate hike may adversely affect the business as company may not be able to increase the consumer rate after financing.

However the main cause of worry for the company is own product financing at lower rate by manufactures company through their NBFC business.

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

The RBI has been tightening regulations to manage the risk in the sector and has been proposing higher capital and provisioning requirements. It has also been stressing on higher disclosures to safeguard public money and prevent systemic shocks. In addition, the RBI has taken rapid preventive actions in addressing specific issues to manage systemic risk. It has issued an ombudsman scheme for NBFCs, offering a grievance redressal mechanism for their customers.

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