

Director's Report

Dear Members,

Your directors are delighted to present the 28th Annual Report and the Audited financial statements of the company for the year ended March 31, 2019.

Financial Results:

Particulars	Rs. in '000		
	2018 - 19	2017 - 18	% Change
Business Income	2,22,225	1,93,964	15%
Profit before Interest, Depreciation & Tax	1,69,378	1,44,924	17%
Less: Interest	79,271	65,010	22%
Depreciation	751	615	22%
Profit before tax	89,356	79,299	13%
Less: Provision for Income Tax	25,100	22,300	13%
Provision for Deferred Tax	269	323	-17%
Profit after tax	63,987	56,676	13%
Add: Balance brought forward from Previous Year	1,43,237	1,05,062	36%
	2,07,224	1,61,738	28%
Less: Appropriations			
Proposed Dividend	-*	-*	-*
Distribution Tax	-*	-*	-*
Transfer to / (from) General Reserve	9,000	7,000	29%
Transfer to Special Reserve	13,000	11,500	13%
Balance carried to Balance Sheet	1,85,224	1,43,238	29%

* Proposed dividend is not included in Annual accounts in compliance with Accounting Standards.

Operations

FY 2018-19 was yet another year of outstanding achievements for our company. With over 13% growth, Net Profit after tax increased from 5.7 crores to 6.4 crores.

We were able to post a 15% growth in topline with the portfolio nearing 108 crores.

Outlook and Prospects:

Outlook & Prospect look very encouraging due to increase sale of new two wheelers.

Dividend:

Your Directors have recommended a dividend of 12% (i.e. Rs 1.20 per equity share) for the financial year ended March 31, 2019 to those Members whose names appear in the register of members as on the book closure date. The dividend including dividend tax will amount to Rs. 74.27 lacs (last year Re. 1.20 per equity share was declared).

Finance:

Company plans to raise fund Rs. 25 corers from banks/financial institutions during FY 2019-20.

Corporate Governance & Compliance Certificate:

A separate section on Corporate Governance is included in the Annual Report and the certificate from company secretary confirming the Compliance of the conditions on the Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to this Report.

Public Fixed Deposits:

The Company has no public deposit as of date and will not accept any deposit without prior approval of the statutory authorities concerned.

RBI Guidelines:

The Company is consistently complying with all the guidelines issued by the Reserve Bank of India for NBFC's (AFC's) with respect to capital adequacy, asset classification, provisioning and income recognition on non-performing assets.

The capital adequacy of the Company as on 31st March, 2019 is much higher than the minimum norms stipulated by the RBI for NBFC (AFC's).

Management's discussion and analysis report:

Management's Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

Accounts & Accounting Standards:

The Company adheres to the prudential guidelines prescribed by the Reserve Bank of India and to the Accounting Standards issued by the Institute of Chartered Accountant of India in preparation of its financial statements.

The particulars on the related party exposures, non-performing assets and business levels in vehicle loans purchase and other activities, required to be disclosed in the format prescribed by the Reserve Bank of India are contained in the schedules forming part of the accounts.

Changes in composition of Board of Directors

Mr Narotanmal Rampuria, Independent Director of the company, has retired at the ensuing AGM on completion of 5 years term. The Board wishes to place on record its appreciation for the valuable contribution of Mr Narotanmal Rampuria in the sustained growth of the Company during his tenure as Director of the Company.

Dr. Flaguni Doshi, Independent Director of the company, shall retire at the ensuing AGM on completion of 5 years term, being eligible, offered for reappointment.

Mr. Kamalkant A Keswani shall be appointed as Independent director of the company for a period of 5 years starting from the ensuing AGM upto 30th September 2024.

To comply with the provisions of Section 152 of the Companies Act, 2013 Mr. Minesh M. Doshi, shall retire by rotation at the ensuing AGM, being eligible, offered for reappointment.

Declaration by Independent directors:

Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

Independent directors meeting:

During the year under review, the independent Directors of the Company met thrice inter-alia, to discuss:

- (a) Evaluation of performance of Non-Independent Directors and the Board of Directors of the company as a whole.
- (b) Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non Executive Directors.
- (c) Evaluation of the quantity, 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.

Induction and training of the board members:

Directors are issued a detailed appointment letter which inter alia sets out terms of appointment, duties, responsibilities etc. of such director. Each independent director of the Company on appointment is given such letter of appointment and also briefed by the Managing Director/ Executive Director about the nature of business of the Company, its finances, operations etc. The Compliance Officer of the company also assists the Independent Director in understanding their statutory duties, obligations and responsibilities as a Director/ Independent Director of the Company.

Evaluation of performance of the board members:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulation, the evaluation of the performance of the Board as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

Particulars of Loans, Guarantees or Investments in Securities:

Pursuant to section 186(11) of the Companies Act, 2013, 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.

Risk management:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & listing regulation, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report. At present the company has not identified any element of risk which may threaten the existence of the company.

Significant and material orders passed by regulators/courts if any:

There are no significant or material orders passed by the Regulators / courts which would impact the going concern status of the Company and its operations.

Share Capital:

- a) The Company has not bought back any of its securities during the year under review.
- b) The Company has not issued any Sweat Equity Shares during the year under review.
- c) No Bonus Shares were issued during the year under review.

Employee stock options:

The Company has not provided any Stock Option Scheme to the employees.

Disclosure under the Sexual harassment of women at workplace (Prevention, prohibition and redressal) Act, 2013:

The company has in place an Anti-Harassment policy in line with the requirements of the Sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, company has not received any Sexual Harassment Complaints.

Directors' Responsibility Statement:

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, ('the Act') your Directors confirm that:

- (a) In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- (b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a 'going concern' basis;
- (e) 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
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Material Changes after the date of Balance Sheet:

There has been no material change and commitment affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

Contracts & arrangements with related parties:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Your Directors draw attention of the members to Notes to the financial statement which sets out related party disclosures.

Credit Rating:

The Company's financial discipline and prudence is reflected in the credit rating **BBB- (stable)** for bank loans ascribed by rating agency ICRA.

Particulars of Remuneration and related disclosures:

Mr. Vatsal M. Doshi was appointed as director of the company at the previous AGM, at a remuneration as set

out by Nomination & Remuneration committee of the Board.

Meetings of the Board & its committees:

For further details on meetings of the Board & its committees refer report on Corporate Governance

Vigil mechanism:

The Company in order to maintain highest standards of ethical, moral and legal conduct, adopted Vigil Mechanism/Whistle Blower policy to provide an avenue to its employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentations of any financial statements and reports, etc. The Audit committee of the company oversees the said mechanism from time to time. None of the Company personnel has been denied access to the Audit Committee.

Internal Financial Controls:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Corporate Social Responsibility (CSR):

The company has identified suitable projects in the field of education that are eligible activities for Corporate Social Responsibility, in terms of provisions of Section 135 of the Companies Act, 2013, and rules framed thereunder.

Conservation of Energy, Technology Absorption:

Additional information required under the Companies Act, regarding conservation of Energy, Technology Absorption is not applicable as the company is not carrying out any manufacturing operation.

Foreign Exchange Earnings and Outgo:

During the year under review, the company has neither earned any foreign exchange income nor incurred any expenses.

Extract of Annual Return:

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is annexed herewith as Annexure to this Report.

Statutory Auditors:

M/s Vora & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for a period of 5 years, commencing from the conclusion of the 26th AGM till the conclusion of the 31st AGM. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

Secretarial Auditor:

The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith.

Reporting of Frauds by Auditors:

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

Subsidiary companies:

The Company does not have any Subsidiary.

Acknowledgments:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, vendors, customers and members during the year. Your Directors wish to place on record their appreciation to all the employees for their hard work, dedication, commitment and rendering impeccable service to every constituent of the company's customer and shareholders.

Place: Mumbai
Date: May 30, 2019

For & on behalf of the Board

Minesh Doshi
Managing Director