9<sup>th</sup> Floor, Abhijit-II, Mithakhali Six Road, Ellisbridge, Ahmedabad-380 006.

Phone: (079) 40050927

(079) 26404594

26404689

Fax : (079) 26424457



Date: 27th August, 2021

To,
The Manager (Listing),
The BSE Limited
25th Floor, P. J. Towers, Dalal Street Fort,
Mumbai – 400 001

Scrip Code: 530789

Sub: Notice of the 28th Annual General Meeting (AGM) and Annual Report 2020-21

Dear Sir/Madam,

In compliance with the Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice of the 28th AGM and Annual Report 2020-21.

Kindly acknowledge the receipt and take the above on record.

Thanking You,

Yours Faithfully,

For Ceejay Finance Limited

Shailesh Bharvad

Company Secretary & Compliance Officer

Encl: Notice of 28th AGM & Annual Report 2020-21

# $oldsymbol{igwedge}$ NNUAL REPORT 2020-2021



**CEEJAY FINANCE LIMITED** 



#### CORPORATE INFORMATION

#### **Board of Directors**

Kiran Patel Chairman

Deepak Patel Managing Director

Shailesh Patel Director Bharat Amin Director Mrudulaben Patel Director Sunil Patel Director

Shailesh Bharvad

Company Secretary & Compliance Officer

# Devang Shah

Chief Financial Officer

#### **Statutory Auditors**

Arpit Patel & Associates "Agrawal Chambers", 2nd Floor, Ellisbridge, Ahmedabad-380006

133-134, Santram Super Market, Nr. Laxmi Cinema, Nadiad-387001

#### **Bankers**

Bank of Baroda Union Bank of India

#### **Internal Auditors**

Vipinchandra C. Shah & Co.

#### REGISTERED OFFICE

C.J. House, Mota Pore, Nadiad-387001(Guiarat)

CIN: L65910GJ1993PLC019090

E-mail: shaileshbharvad@ceejaygroup.com

Website: www.ceejayfinance.com

Phone: 0268 2562633

#### CORPORATE OFFICE

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

#### Registrar to Company Link Intime India Private Limited

5th Floor.506-508.Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Nr. St. Xavier's College Corner, Off. C.G. Road, Navrangpura, Ahmedabad-380006 Tele/Fax: +91 79 26465179

E-mail: ahmedabad@linkintime.co.in.

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#### NOTICE

**NOTICE** is hereby given that the **TWENTY EIGHTH ANNUAL GENERAL MEETING** of the members of **CEEJAY FINANCE LIMITED** will be held on Saturday, the 25th September, 2021 at 11.00. A.M. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business:

#### **ORDINARY BUSINESS:**

- To receive, consider and adopt Audited Financial Statements of the Company for the year ended 31st March, 2021, including the Audited Balance Sheet as at 31st March, 2021, 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 10% on equity shares (Rs. 01.00/- per share) for the financial year 2020-2021.
- 3. To appoint Mr. Shailesh Patel (holding DIN: 00081127), Director who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

4. Re-appointment of Mr. Deepak Patel (holding DIN: 00081100) as Managing Director

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 Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Section - I of Part - II of Schedule V prescribed under the Companies Act, 2013, Mr. Deepak Patel, (DIN: 00081100), Managing Director of the Company whose term of appointment expires on 31st August, 2021, be and is hereby re-appointed as Managing Director of the Company for a period of five years commencing on and from 01st September, 2021 on the following terms and conditions:

#### SALARY

Rs. 2,00,000/- per month with annual increment Rs. 10,000/- per month in the scale of Rs. 2,00,000- 10,000- 2,50,000 per month.

#### 2. PERQUISITES AND AMENITIES

This shall include House rent allowance, medical allowance / medical reimbursement, Leave travel concession, club fees, dress purchase and maintenance allowance, gardener and such other services, perquisites, amenities and benefits as may be fixed by the Board of Directors of the Company in consultation with the Managing Director. The aggregate value of the various perquisites and amenities as may be sanctioned to and enjoyed by the Managing Director shall not exceed Rs. 3,00,000/- per annum.

Further the perguisites for the part of the year of service shall be computed proportionately.

#### 3. PROVIDENT FUND, SUPERANNUATION AND OTHER BENEFITS

The Appointee shall be eligible for the following benefits over and above the remuneration provided in point 1 above.

- a. Contribution to Provident Fund, super-anuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b. The appointee shall be entitled to Gratuity benefit at a rate not exceeding half a month's salary for each completed year of service.



#### 4. GENERAL

The appointee shall also be eligible for the following, which shall be excluded from the total value of perquisites:

- 1. Transportation: To provide car for office use, including cost of fuel, insurance and maintenance, driver thereof.
- 2. Telephone: Provision of telephone at residence and mobile / cell phone [including payment of local calls and long distance calls] shall not be reckoned as perquisites. However personal long distance call would be borne by the Managing Director.

#### 5. MINIMUM REMUNERATION:

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits, the appointee shall be entitled to such minimum remuneration as determined in accordance the overall limit as prescribed under the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 with the then applicable provisions of the Act, rules, schedules and regulations thereof and as amended from time to time.

#### 6. DUTIES AND RESPONSIBILITIES:

The Managing Director shall be responsible for overall day to day administration and management of the affairs of the Company and shall stand delegated all powers of management, entering in to contracts and arrangements in the ordinary course of business, all decisions in relation to marketing and business development of the Company including appointing and retaining services of skilled unskilled staff at all levels of the organization, signing and execution of deeds, documents, agreements and other papers in the ordinary course of business and such other activities as he may consider necessary for overall administration and development of the Company. The Managing Director shall also carry out such other duties as may be entrusted to him by the Board from time to time Director shall also carry out such other duties as may be entrusted to him by the Board from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

#### 5. Approval of Related Party Transaction(s).

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

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013, Prudential Norms prescribed by Reserve Bank of India for Non-Banking Financial Companies, Listing Agreement, SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015 and any other applicable provisions, if any, and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent and approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any arrangements / transactions / contracts of whatever nature including lend money / borrow money / other financial or non financial transaction(s) with related / interested party(ies) as defined under Companies Act, 2013 or SEBI Listing Regulations or Accounting Standard from time to time, whether material or not, on such terms and conditions including interest with or without security as may be decided by the Board of Directors of the Company or any Committee of the Board for a period commencing from 1st April, 2021 and to remain in force unless revoked or varied by the Company in General Meeting, provided that the total aggregate amount/value of all such arrangements/transactions/contracts that may be entered into by the Company with each related party and remaining outstanding at any one point of time to each party shall not be in excess of Rs. 100/- Crores (Rs. Hundred Crores only)."





"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and/or Managing Director of the Company be and are hereby authorized to do all such acts, deeds, matters and things and take all such steps and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

Registered Office C.J. House, Mota Pore, Nadiad - 387 001 By order of the Board For CEEJAY FINANCE LIMITED

Sd/-

Date: 28th June, 2021

Shailesh Bharvad
Company Secretary & Compliance Officer

#### **NOTES**

- 1) In view of the Continuing COVID-19 pandemic, Ministry of Corporate Affairs (MCA) has vide its General Circular numbers 02/2021; 20/2020; 14/2020 and 17/2020 issued on 13th January, 2021, 5th May, 2020, 8th April, 2020 and 13th April, 2020 respectively read with Circular numbers SEBI/ HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/ CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) on 15th January, 2021 and 12th May, 2020 respectively (hereinafter collectively referred to as "the Circulars"), allowed Companies to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Hence, in compliance with provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
  - Central Depository Services (India) Limited ("CDSL") will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. Instructions for participating/joining in the meeting through VC/OAVM and e-voting during the AGM are explained hereunder at Note No.10 below.
- 2) The relevant Explanatory Statement and reasons in respect of proposed special business pursuant to Section 102(1) of the Companies Act, 2013 are annexed hereto.
- 3) As the AGM shall be conducted through VC/OAVM, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. Members are requested to participate on first come first served basis, as participation through VC/OAVM is limited. Members can login and join 15 (fifteen) minutes prior to the scheduled time of the commencement of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time. Participation is restricted upto 1000 members only. However the participation of large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairperson of the Audit committee, Nomination and remuneration committee and stakeholders Relationship committee, Auditors etc. will not be subject to restriction of first come first served basis.
- 4) Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
- 5) Institutional/ Corporate members are required to send a scanned copy (PDF/JPG format) of its Board or Governing Body Resolution/ Authorization, authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent through its registered email address to the Scrutinizer at the email address viz. csalpeshvekariya@gmail.com or to the Company at shaileshbharvad@ceejaygroup.com.
- 6) Members holding shares in demat form are requested to intimate any change in their address and / or bank details immediately to their Depository Participants and to Registrar & Share Transfer Agent of the Company in case shares are held in physical form.



7) To support 'Green Initiative' shareholders who hold shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with their concerned Depository Participant. Shareholders who holds share in physical mode are requested to register their email addresses with the Company/ Registrar.

# ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

- 8) In compliance with, the MCA and SEBI Circulars, Notice of the Meeting along with the Annual Report for FY 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for FY 2020-21 will also be available on website of the Company, i.e. <a href="https://www.ceejayfinance.com">www.ceejayfinance.com</a>; website of the Stock Exchange i.e. BSE Limited at <a href="https://www.bseindia.com">www.bseindia.com</a> and on the website of the CDSL www.evotingindia.com.
- 9) Members holding shares in physical mode and who have not registered/ updated their email addresses with the Company are requested to register/ update their email addresses by writing to the Company with details of folio number along with self-attested copy of PAN card at shaileshbharvad@ceejaygroup.com.

Members holding shares in dematerialized mode are requested to register/ update their email addresses with the relevant Depository Participant.

# INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING AGM ARE AS UNDER:

- 10) Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. The procedure for attending meeting & e-Voting during the AGM is same as the instructions mentioned under the head "INSTRUCTION FOR E-VOTING".
- 11) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned under the head "INSTRUCTION FOR E-VOTING".
- 12) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned here under in the Notes to the Notice. The facility of joining the AGM through VC/OAVM will be available for Members on first come first served basis.
- 13) Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- 14) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 15) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 16) For ease of conduct, members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at <a href="mailto:shaileshbharvad@ceejaygroup.com">shaileshbharvad@ceejaygroup.com</a>. The members who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at <a href="mailto:shaileshbharvad@ceejaygroup.com">shaileshbharvad@ceejaygroup.com</a>. These queries will be replied to by the Company suitably by email. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 17) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM.
- 18) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through Remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- 19) If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same



shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

- 20) Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- 21) Members who need assistance before or during the AGM, can send a request at <a href="https://example.com/helpesk.evoting@cdslindia.com">helpesk.evoting@cdslindia.com</a> or contact Mr. Nitin Kunder (022- 23058738) or Mr. Rakesh Dalvi (022-23058542/43).

#### 22) E-Voting

In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 ("Rules"), as amended, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Circulars, the Company is pleased to provide the e-voting facility through Central Depository Services Limited (CDSL) to its Members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice (the "Remote e-voting").

The facility for voting during the AGM will also be made available. Members present in the AGM through VC/OAVM and who have not cast their vote on the resolutions through Remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

The information with respect to Voting Process and other instructions regarding Remote e-voting are detailed hereinafter under "INSTRUCTION FOR E-VOTING".

- 23) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. Friday, 17th September, 2021. Members holding shares either in physical form or dematerialized form, as on cut-off date only shall be entitled to vote on the Resolutions set forth in the Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
- 24) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

#### 25) General information on E-voting

- (i) The e-voting period commence on, Wednesday, 22nd September, 2021 at 9.00 a.m. and ends on Friday, 24th September, 2021 at 5.00 p.m. During this period, shareholders holding shares either in physical form or in dematerialised mode as on Friday, 17th September, 2021 (cut-off date) may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter. Once the vote on resolution is casted by the shareholder, he shall not be allowed to change it subsequently.
- (ii) A member can opt for only one mode of voting e.g. either through remote e-voting or e-voting on the day of the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.
- (iii) Mr. Alpesh Vekariya, Practicing Company Secretary (Membership No. FCS: 11100; CP No: 21541) has been appointed as the Scrutinizer to scrutinize the voting during the AGM and the Remote evoting process in a fair and transparent manner.
- (iv) The Scrutinizer shall first count the votes cast at the meeting, thereafter, unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in employment of the Company.
- (v) The Scrutinizer shall within a period not exceeding 48 hours from the conclusion of the AGM make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person so authorised by him in writing, who shall countersign the same.
- (vi) The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from the Scrutinizer. The Results declared along with Scrutinizer's Report will be displayed on the Notice board of the company at it's registered office and Company's website <a href="https://www.ceejayfinance.com">www.ceejayfinance.com</a>, Stock exchange website <a href="www.bseindia.com">www.bseindia.com</a> and CDSL website <a href="www.evotingindia.com">www.evotingindia.com</a>.



- 26) Members desiring any relevant information with regard to the Accounts or any other matter at the Annual General Meeting are requested to write to the Company at least 7 (seven) days before the date of the meeting through email at <a href="mailto:shaileshbharvad@ceejaygroup.com">shaileshbharvad@ceejaygroup.com</a> to enable the management to keep the required information available at the meeting.
- 27) The Securities and Exchange Board of India ("SEBI") vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all physical securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Link Intime India Pvt. Ltd./ the Company. Members holding shares in demat form are requested to submit their PAN and update Bank Details and e-mail ID, with their respective Depository Participant.
- 28) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Accordingly, the Company/ Link Intime India Pvt. Ltd. has stopped accepting any fresh lodgment of transfer of shares in physical form.
  - Further, SEBI vide its circular no. SEBI/HO/MIRSD/ RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for relodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent for assistance in this regard.
- 29) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the accompanying Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email at <a href="mailto:shaileshbharvad@ceejaygroup.com">shaileshbharvad@ceejaygroup.com</a>.
- 30) Members are entitled to make nomination in respect of shares held by them. Members desirous of making nominations are requested to send the prescribed Form (SH-13) duly filled in and signed by them to the Depository Participants in case the shares are held in electronic form and to Registrar & Share Transfer Agent of the Company in case shares are held in physical form.
- 31) A dividend of Rs. 01.00/- (Rs. One) only per share has been recommended by the Board of Directors for the year ended 31st March 2021, subject to the approval of the Members at the ensuing Annual General Meeting, is proposed to be paid within 30 days from the date of declaration by electronic mode to those shareholders holding shares in electronic form/demat and having registered relevant bank details. In respect of those shareholders holding shares in physical form or in case of electronic payment rejected, the company will dispatch dividend warrants/cheques to such shareholders upon normalization of postal services/at earliest.
- 32) 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.
- 33) Shareholders may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of shareholders. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Shareholders having valid PAN	10% or as notified by the Government of India
Shareholders not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to





be received by them during Financial Year 2021-22 does not exceed `5,000.00 and also in cases where shareholders provide Form 15G/Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Registered shareholders may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax. PAN is mandatory for shareholders providing Form 15G/Form 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- " Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member,
- " Copy of Tax Residency Certificate ("TRC") for the FY 2021-22 obtained from the revenue authorities of the country of tax residence,
- Duly attested by member Self-declaration in Form 10F,
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty and Self-declaration of beneficial ownership by the non-resident shareholder,
- " Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member

In case of Foreign Institutional Investors/Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforementioned documents are required to be emailed to our RTA, Link Intime India Private Limited by quoting your Folio number/DP id/Client id, number of shares and PAN details at its email address <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a> on or before 10th September, 2021 6:00 PM IST in order to enable the Company to determine and deduct appropriate TDS/ withholding tax. No communication regarding the tax withholding matters would be entertained after 10th September, 2021 6:00 PM IST.

Shareholders are requested to address all correspondence, including dividend related matters, to the RTA, <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>, 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-380006.

Shareholders may note that in case the tax on the said final dividend is deducted at a higher rate in absence of receipt or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per Income tax Act 1961 and claim appropriate refund, if eligible.

Disclaimer: This Communication is not to be treated as a tax advice from the Company or its affiliates or Link Intime India Private Limited. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

34) Pursuant to the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") including Regulation 36(3) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, the details and a Statement containing brief resume of Director seeking re-appointment/appointment together with the details of shares held by him/her, if any, is annexed hereto.

Registered Office C.J. House, Mota Pore, Nadiad - 387 001 Date: 28th June, 2021 By order of the Board For CEEJAY FINANCE LIMITED

Sd/-Shailesh Bharvad Company Secretary & Compliance Officer



# 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.

Mr. Deepak Patel is 60 years of age. He is a Graduate in commerce, followed by a course in Management in U.S.A. He has been acting as a Managing Director of the Ceejay Finance Limited since inception of the Company. He has also varied experience in the field of tobacco, real estate etc.

In spite of keen competition in the field on finance and NBFC's, Mr. Deepak Patel has managed the Company with stability and steady growth. He was appointed as a Managing Director for the period of five years w.e.f. 01st September 2016 to 31st August 2021. Accordingly his tenure shall be expired on 31st August 2021. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors considered it necessary and appropriate to reappoint him as a Managing Director of the Company from 01st September, 2021 to 31st August, 2026.

The terms of remuneration of Mr. Deepak Patel are given in the resolution under item no. 4 of the Notice. As per requirements of the Companies Act, 2013, the appointment and terms of remuneration of the Managing Director is required to be approved by the shareholders of the Company. Accordingly the Special Resolution set out under item no. 4 of the notice is submitted for the approval of the members.

His brief resume is attached herewith. Mr. Kiran Patel, Mr. Shailesh Patel, are interested in the resolution. The Board recommends passing of the said resolution.

#### ITEM NO. 5.

Pursuant to the provisions of Section 188 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the said rules or provisions. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceed 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

The Company is entering into arrangements / transactions/contracts including lend money / borrow money / other financial or non financial transaction(s) with related / interested party(ies) as defined under Companies Act, 2013 or SEBI Listing Regulations or Accounting Standard from time to time. However the transactions entered, till the date, with related parties which are in the ordinary course of business and not material. Further, the estimated value of the arrangements / transactions / contracts entered and proposed to enter is likely to exceed 10% of the annual turnover of the Company for the financial year ended on March 31, 2021 and therefore may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the approval of the Members.

The Audit Committee and Board of Directors have approved these transactions which are in the Ordinary Course of Business and at arm's length basis at their respective meetings held on 28th June, 2021 and for good governance and to avoid conflicts also recommended to obtain approval from members. It is therefore proposed to obtain the members' approval for the arrangements/transactions/contracts which may be entered into by the Company with its related parties from time to time.

Nature of business/ arrangements/transactions/contracts:

Inter-Corporate Deposits / donation / Arrangement of Allocation / Reimbursement of Common / Advisory &





Specific Overhead expenses received/paid and/or other expenses/transfer of any resources, services or obligations.

Name of related parties covered under Companies Act, 2013 / Listing Regulations or Accounting Standards, i. Ceejay Tobacco Limited, ii. Ceejay Microfin Limited, iii. Chhotabhai Jethabhai Patel & Co.,iv. Chhotabhai Jethabhai Patel Charitable Trust and v. any other related party.

Mr. Deepak Patel, Mr. Kiran Patel and Mr. Shailesh Patel are interested in the resolution being a Director(s)/promoter(s)/Partner(s)/Trustee(s) in the entity/Company or partnership firm or Trust.

The Board recommends passing of the said resolution by way of Special Resolution for the approval of the members of the Company.

Registered Office C.J. House, Mota Pore, Nadiad - 387 001 Date: 28th June, 2021 By order of the Board For CEEJAY FINANCE LIMITED

Sd/-Shailesh Bharvad Company Secretary & Compliance Officer



### Instructions and Procedure for Remote e-voting, attending the meeting and e-Voting during the AGM

- (i) The voting period begins on Wednesday, 22-09-2021 at 09.00 a.m.(IST) and ends on Friday, 24-09-2021 at 5.00 p.m.(IST) 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 17-09-2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
  - Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
  - In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual Shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or v isit <a href="https://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
	<ol> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration">https://web.cdslindia.com/myeasi/Registration</a></li> <li>EasiRegistration</li> </ol>





	4)	Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="https://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1)	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2)	If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWebIdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWebIdeasDirectReg.jsp</a>
	3)	Visit the e-Voting website of NSDL. Open web browser by typing the following <u>URL: https://www.evoting.nsdl.com/</u> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants		You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues



#### related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for Shareholders other than individual Shareholders holding in Demat form & Physical Shareholders.
  - 1) The Shareholders should log on to the e-voting website <a href="www.evotingindia.com">www.evotingindia.com</a>.
  - 2) Click on "Shareholders" module.
  - 3) 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,
    - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to <a href="www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	<ul> <li>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<ul> <li>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.</li> <li>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 (v).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xvii) PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.
  - For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
  - 2. For Demat shareholders Please update your email id & mobile no. with your respective Depository Participant (DP)
  - 3. For Individual Demat shareholders Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- (xviii) 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 <a href="https://www.evotingindia.com">www.evotingindia.com</a> and register themselves in the "Corporates" module.
  - 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 <u>helpdesk.evoting@cdslindia.com</u> 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. o Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz. <a href="mailto:csalpeshvekariya@gmail.com">csalpeshvekariya@gmail.com</a> and to the Company at the email address viz <a href="mailto:shalleshbharvad@ceejaygroup.com">shalleshbharvad@ceejaygroup.com</a>, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the Scrutinizer to verify the same.
- (xix) If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at <a href="mailto:www.evotingindia.com">www.evotingindia.com</a>, under help section or write an email to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact Mr. Nitin Kunder (022- 23058738) or Mr. Rakesh Dalvi (022-23058542/43).



Contact Details:

Company Ceejay Finance Limited

e-mail ID: <u>shaileshbharvad@ceejaygroup.com</u>

Phone No.: 0268-2562633/35

Registrar & Transfer Agent

Link Intime India Pvt. Ltd.

Ahmedabad Office 506-508, Amarnath Business Centre-1, (ABC-1),

Besides Gala Business Centre, Near St. Xavier's College Corner,

Off C G Road, Ellisebridge, Ahmedabad - 380 006

Email: ahmedabad@linkintime.co.in Phone. No. 079 - 2646 5179

e-Voting Agency Central Depository Services (India) Limited

Name of Official - Mr. Rakesh Dalvi

Designation - Manager

Address - 25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound,

NM Joshi Marg, Lower Parel (E), Mumbai - 400 013

E Mail ID - helpdesk.evoting@cdslindia.com

Phone/ Helpline No. 022-23058542/43 and 022- 23058738

Scrutinizer Mr. Alpesh Vekariya, Practicing Company Secretary

E-mail: csalpeshvekariya@gmail.com

Registered Office C.J. House, Mota Pore, Nadiad - 387 001 Date: 28th June, 2021 By order of the Board For CEEJAY FINANCE LIMITED

Sd/-Shailesh Bharvad

**Company Secretary & Compliance Officer** 

Brief resume of Directors to be re-appointed at this Annual General Meeting are given below pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations. 2015:

Name of Director	Mr. Deepak Patel	Mr. Shailesh Patel
Date of Birth	05-07-1961	15-08-1965
Brief Resume of the Director	Wider Experience in Finance,	Wider Experience in Purchase,
	Management, Real Estate	Real Estate, Finance & Accounts
	and Marketing	
Date of Appointment	20-04-1993	12-07-2001
DIN	00081100	00081127
PAN	ACXPP5096J	ACXPP5098G
Experience (Yrs.)	30	25
Expertise	Finance, Marketing, Real Estate	Purchase, Real Estate, Finance &
		Accounts
Other Directorship	Ceejay Tobacco Limited.	Ceejay Tobacco Limited.
	Chhotabhai Jethabhai Patel	Chhotabhai Jethabhai Patel
	Tobacco products Co. Ltd.	Tobacco products Co. Ltd.
	Ceejay Microfin Limited.	Ceejay Microfin Limited.
	Ceejay Realty Private Limited.	Ceejay Realty Private Limited.
Chairmanship/Membership of	Refer corporate governance report	Nil
Committees of other companies		
Inter-se relationship between	He is related to Chairman	He is related to Chairman and
Directors and other	and Director of the Company.	Managing Director of the Company.
Key Managerial Personnel		
Shareholding in Company	7285	7485
Education	B.com, MBA (USA)	B.Com



#### **BOARD'S REPORT**

To, THE MEMBERS OF CEEJAY FINANCE LIMITED

Your Directors are pleased to present their TWENTY EIGHTH Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2021.

FINANCIAL RESULTS: (`In Lakhs)

PARTICULARS	YEAR ENDED 31/03/2021 `	YEAR ENDED 31/03/2020 `
Revenue From Operations	1423.34	1730.42
Other Income	8.09	4.56
Total Revenue	1431.43	1734.98
Profit Before Depreciation, Finance Cost & Tax	840.96	892.22
Finance Cost	222.24	240.99
Depreciation	15.24	13.61
Profit before Tax	603.48	637.62
Provision for tax	-	-
Current Tax	147.15	171.04
Deferred Tax	9.32	(15.45)
Provision of Income Tax of earlier period	-	-
Profit After Tax	447.01	482.03
Balance of Profit brought forward	246.45	242.77
Profit available for Appropriation	707.10	712.37
APPROPRIATION		-
Dividend Paid 2019-20	34.50	51.75
Corporate tax on Dividend 19-20	-	10.64
Transferred to		
Statutory reserve	89.40	96.41
General reserve	325.00	325.00
Balance Carried to Balance Sheet	258.21	246.45
Proposed Dividend 2020-21	34.50	34.50

#### COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers.

The Covid-19 pandemic has impacted most economies and NBFC's globally, including India. Consequent to the outbreak of the Covid-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently national lockdown was lifted by the government, regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The extent to which COVID-19 pandemic including the current "Second wave" that has significantly increased the number of cases in India, will continue to impact the company's performance will depend upon ongoing and future developments, which are highly uncertain, including among other things, any new information concerning severity of COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us. Given the uncertainty over the potential macroeconomic condition, the Impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors/information available, up to the date of approval of these annual financial statements. In



order to cover the impact of COVID-19 on the future expected credit losses, the Company is carrying a provision of \$\`45.79 lakhs on March 31, 2021. (For the year ended March 31, 2020 \`88.65 lakhs).

#### DIVIDEND

The Board is pleased to recommend dividend @ 10% (Rs. 01.00 per share) per equity share of the face value of Rs. 10 each/- for the financial year ended 31st March, 2021, on the paid up Equity Share Capital of the Company. The dividend, if approved by the members, will be paid to members eligible as on the record date, within the period stipulated by the Companies Act, 2013.

If declared, the total amount outflow on account of dividend will be Rs. 34.50/- Lakhs subject to deduction of TDS as applicable.

#### **UNCLAIMED DIVIDEND AND TRANSFER OF SHARES TO IEPF**

The total unclaimed dividend as on 31st March, 2021 was Rs.20.98/- Lakhs of which the unpaid/unclaimed dividend of Rs. 2.56 Lakhs for the financial year 2012-13 has been transferred to the Investor Education and Protection Fund during the year under report.

Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 4550 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. The details of the unpaid and unclaimed dividend are uploaded at Company and IEPF Website (www.iepf.gov.in). The Board has appointed Company Secretary and Compliance Officer as Nodal Officer to coordinate with IEPF authority and the Contact details of the same are available at company's website.

#### COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Total revenue including income from operations and other income decreased to Rs.1431.43 in the current year from Rs. 1734.98 Lakhs in previous year. The total expenses decreased to Rs. 827.95 Lakhs in current year from Rs. 1097.36 Lakhs in previous year, mainly due to decreased in Finance Cost and other expenses. The finance cost decreased to Rs. 222.24 Lakhs in the current year compared to Rs. 240.99 Lakhs in previous year due to decrease in borrowing cost. Accordingly, the profit before tax decreased to Rs. 603.48 Lakhs in the current year from Rs. 637.62 Lakhs in the previous year. After providing tax of Rs. 156.47 Lakhs in the current year (Rs. 155.59 in previous year) profit after tax decreased to Rs. 447.01 Lakhs against Rs. 482.03 Lakhs in the previous year.

The total disbursement made in the current year Rs. 4180.00 Lakhs as compared to Rs. 5934.00 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 has remained unchanged. Hypothecation / loan stock of the Company has decreased to Rs. 6107.15 Lakhs in current year from Rs. 6897.92 Lakhs in the previous year.

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

#### SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company does not have any subsidiary companies, associate companies or joint venture during the year under review.

#### **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.

#### REPORTING OF FRAUDS

There have been no instances of fraud reported by the statutory auditors under section 143(12) of the Act and rules framed thereunder either to the Company or to the central government.

#### 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 or is likely to affect the financial position of the Company.

#### MANAGEMENT DISCUSSION AND ANALYSIS

#### **Economy**

The Covid-19 pandemic has impacted most countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis.

Government of India had announced various measures to support the economy during this period. The Reserve Bank of India had also announced several measures to ease the financial system stress, including enhancing system liquidity, reducing interest rates, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium had been granted amongst others to alleviate the economic stress induced by the pandemic which had an impact across sectors that were already showing signs of a slowdown even before the outbreak.

In the second half of fiscal 2021, global financial markets remained largely buoyant, fuelled by optimism around a speedy vaccine-led recovery. Growing inflation concerns over fiscal stimulus amidst extremely accommodative monetary policies rattled global bond markets in February 2021. Long-term sovereign bond yields jumped sharply in the US and induced bouts of volatility across financial markets and regions of the world. The consequent yield curve steepening resulted in portfolio reallocation and corrections in equity prices. Despite the recent declines, stock indices remain elevated on anticipation of stronger recovery. Domestic financial markets continued to post recovery in market activity amidst easy liquidity conditions. Nevertheless, concerns about a surge in infections in a few states, global bond sell-off, the large government borrowing and uncertainty about the pace and scale of economic recovery kept market sentiments subdued. However, Union Budget 2021 has provided a strong fillip to Capital expenditure with clear emphasis on infrastructure investment as a key sector to revive demand and overall growth.

Even with high uncertainty about the path of the pandemic, a way out of this health and economic crisis is increasingly visible. Thanks to the ingenuity of the scientific community, we have multiple vaccines that can reduce the severity and frequency of infections. In parallel, adaptation to pandemic life has enabled the global economy to do well despite subdued overall mobility, leading to a stronger-than-anticipated rebound, on average, across regions.

International Monetary Fund (IMF), in its World Economic Outlook April 2021 has projected a stronger global recovery, with global growth projected to be 6 percent in 2021 and 4.4 percent in 2022. IMF expects India to see a GDP growth of 12.5% in 2021. These projections are further backed by independent rating agencies like CRISIL, which expects India's gross domestic product (GDP) growth to rebound to 11% in fiscal 2022, after an estimated 8% contraction this fiscal. Going by these projections, India Is expected to be one of the spearheads of global economic recovery through fiscal 2022.

Growth metrics however, may have to be tempered a bit, with scars of the pandemic running deep for small businesses and the urban poor. The uncertainty around the economic fallout of the second wave induced localised restrictions being placed in various parts of the country may also dampen sentiments in the first quarter of the new fiscal. Hence, fiscal 2022 is expected to be a story of two halves, the first half largely showing an optical growth with second half reflecting a real economic rebound based on a more broad-based pick-up in economic activity.

#### **Industry Structure and Developments**

NBFCs were adversely impacted by COVID-related stress due to their underlying business models. On the supply side, the sources of funds dried up, more so for the small and mid-sized NBFCs, on account of reduced risk appetite of lenders for low rated and unrated exposures. The situation was worsened by the unprecedented redemption pressure on the mutual fund industry, resulting in a spike in spreads. On the demand side, it became difficult for NBFCs to find creditworthy projects and borrowers to lend to as a result of the pandemic induced stress. A key measure taken by the Reserve Bank and Government of India to ameliorate the liquidity constraints faced by NBFCs, was to set up a Special Purpose Vehicle (SPV) to purchase short-term papers from eligible NBFCs/ HFCs, which could then utilise the proceeds to extinguish their existing liabilities. The special securities issued by the SPV were quaranteed by the Government of India and would be purchased



by the Reserve Bank. Additionally, the scope of the Government scheme on partial credit guarantee (PCG) was expanded to cover the borrowings of lower-rated NBFCs, HFCs and MFIs.

The challenges for the NBFCs have moved from the liability to the asset side in terms of liquidity and asset quality with the outbreak of Covid19. The liquidity covers of NBFCs is largely dependent on collections and the ability to raise resources. The collections of NBFCs witnessed decline during the six month moratorium on the payment of installments in respect of all term loans to their borrowers for the period from March 1, 2020 to August 31, 2020, as ~45% of total outstanding loans were under moratorium as on August 31, 2020.

The Reserve Bank of India's Financial Stability Report (FSR) in January estimated that gross bad loans of banks in India would rise to 13.5 per cent by September from 7.5 per cent in the year-ago month under the baseline scenario.

Asset quality may still pose some challenges in the first half of fiscal 2022 with the uncertainty around the economic fallout of the second wave induced localised restrictions being placed in various parts of the Country. However, these challenges are expected to taper as we move towards the second half of fiscal 2022. The uneven recovery being currently observed is expected to be more broad-based later on in the fiscal as well.

#### **Opportunities & Threats**

NBFCs have also taken various steps to navigate through the pandemic induced headwinds, stricter and strengthened underwriting norms, use of alternate data sources for underwriting, quickening the pace of digitalisation through use of UPI handles, Bots, IVR's, strengthening of collection teams and focus on safer asset classes amongst others.

The aforementioned measures, coupled with greater focus on asset quality, digitalisation across customer lifecycle, co-lending partnerships, effective utilisation of structured financing and strengthening of capital base amongst others will hold NBFC's in good stead as they navigate towards a more benign economic environment that is expected in the latter part of fiscal 2022 and beyond.

In India, the government announced a nationwide lockdown from March 24, 2020 in an effort to contain the spread of the disease, which led to unprecedented economic shock. The lockdown has resulted in a liquidity crunch, followed by a labor shortage. RBI announced three months moratorium for loans and extended it by another three months from March 2020 till August 2020 to alleviate some of the financial burden on the public.

In FY 2021-22, NBFCs can expect growth in the vehicle-financing space after a lull in FY 2020-21 due to pandemic and reluctance of buyers due to increase in vehicle prices due to introduction of BS-VI norms. Overall, loan defaults have also reduced and are expected to drop further as the economy shows positive recovery. The Gold loans have shown higher traction due to increase in gold prices in the 1st half of fiscal 2021. NBFCs have also mobilised their on-ground recovery staff to ramp up their collection efforts. (Data Sources: Industry, RBI and Rating Agency reports)

The IFC estimates that 65 million firms, or 40% of formal micro, small and medium enterprises (MSMEs) in developing countries have an unmet financing need of USD 5,200 billion every year, which is equivalent to 1.4 times the current level of the global MSME lending. India has a huge proportion of un-banked and under banked consumers and businesses. NBFCs play an important role in economic growth and financial inclusion. As India's economy grows, the requirement for credit will rise more than proportionately. NBFCs with robust business models, strong liquidity mechanisms and governance & risk management standards are poised to reap the benefit of the market opportunity.

The role of NBFCs in powering small businesses in the post-pandemic new world will be even more significant. NBFCs that were well prepared with their business continuity and contingency plans quickly bounced back in the post COVID-19 era. With proper planning and strategic initiatives, NBFCs can limit and overcome the impact of this disruption.

Outlook for the current financial year continues to remain uncertain, with the COVID-19 situation evolving each day. The effect of COVID in the economy and particularly in the financial service sector has been significant. Unlike the earlier natural calamities like Fani and Gaja cyclone which also affected certain geographies, COVID crisis has hit the length and breadth of the nation, sparing no one. In addition, the government and RBI have been taking steps to mitigate the economic impact of the pandemic through stimulus packages, cuts to repo and reverse repo rates, liquidity infusion through Targeted Long Term Repo Operations (TLTROs), and loosened the liquidity criteria for banks and NBFCs.



As we step into the next financial year, we have been hit by the second wave of the pandemic and it is uncertain what impact it would leave on the economy and the performance of the various sectors.

CEEJAY Finance intends to continue its focus on serving the informal segment in the rural and semi-urban areas and scale up business by deepening the penetration levels of existing branch network to reach more unorganized enterprises in the rural and semi-urban areas. CEEJAY Finance would be selective in choosing the customer segments, after effective credit underwriting and enhanced risk management framework to maintain portfolio quality. On the liquidity front, we would continue to maintain higher than required liquidity during the early part of the year. We would take every step into the coming year cautiously. Protecting the portfolio, ensuring safety of our employees, containing cost and improving efficiency would be our key focus areas for the coming months till the environment becomes clear.

The company's significant share of revenue comes from two wheeler finance in rural area. The thrust on rural and infrastructure sectors by the government could rejuvenate rural demand and also crowd in private investment. We continue to focus on Two Wheeler and Second-hand Four Wheeler Vehicle financing and we adopt such business models which generates required return on assets and the quality portfolio.

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 corns 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 batter and professional management support. The main growth drivers for the company is Unique value proposition, Regional outreach, Deep understanding of the customer segment, Customised product offerings, Availability of capital, Leveraging technology, Co-lending arrangements and Risk management.

CAUTIONARY NOTE Certain statements in this Report may be forward-looking and are stated as may be required by applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

#### **RISK MANAGEMENT / SWOT ANALYSIS**

In its pursuit of creating value for stakeholders through sustainable business growth Company has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business the company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining such value as well as in identifying opportunities. Risk management is therefore made an integral part of the company's operations

Your Company, is exposed to various risks that are an inherent part of any financial service business. Traditionally, credit, operational and liquidity risks have always been seen as the top tier risks. The Company's risk management framework is well dimensioned and managed based on a clear understanding of various



risks, disciplined risk assessment, measurement procedures and continuous monitoring. The Board of Directors has oversight on all risks assumed by the Company and to facilitate focussed oversight of the risks identified. These risks have the potential of impacting the financial strength, operations and reputation of your Company. Keeping this in mind, your Company has a Risk Management Framework in place. The effectiveness of this framework is supervised periodically. Your company is committed towards creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading the appropriate security measures, including cyber security measures, to ensure avoidance and mitigation of various risks and achieve an optimised balance of return for the risk assumed, while remaining within acceptable risk levels. Your Company conducts stress tests to assess the resilience of its Balance Sheet. This also helps to provide insights to the Management to understand the nature and extent of vulnerabilities, quantify the impact and develop plausible business-asusual mitigating actions. The market witnessed substantial turbulence in the previous year, stemming from multiple sources impacting the industry. However, as your Company has been fundamentally built on the principle of sound risk management practices, it has successfully weathered the market turbulence and continues to remain resilient.

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 is expected that RBI will continue to monitor the activity and performance of the NBFC sector with a focus on major entities and their inter-linkages with other sectors to maintain financial stability in the short, medium and long-term.

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. The Company has strength as being the pioneer in the two wheeler vehicles financing sector in Gujarat/Maharashtra, Oldest NBFC since last 25 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 organisation structure, availability of cheaper fund, competition with large NBFC's/Banks, direct manufacturer involvement in finance business and rain fall affecting rural area. Regulatory restrictions - continuously evolving Government regulations and uncertain economic and political environment may impact operations.

The NBFC sector continued to experience liquidity problems in the financial year 2019-20 with the spreads over the G-Sec also continuing to widen for the sector. The risk-appetite further weakened in the third quarter of FY 2020 due to uncertainties caused by CoronaVirus (COVID-19). This led to funding primarily being available to companies having strong parentage, brand and business model, robust corporate governance and conservative ALM. Your Company continued to focus on managing cash efficiently and ensured that it had adequate levels of liquidity apart from back-up lines of credit to support business requirement and near term liability maturity.

Further, Capital Adequacy (capital as a % of total advances) is quite comfortable at 74.66%, well above



regulatory minimum of 15%.

#### FINANCIAL PERFORMANCE

As on 31st March, 2021, against hypothecation of loan stock of Rs. 6107.15 Lakhs (previous year Rs. 6897.92 Lakhs), Rs. 3613.91 is falling due within 12 months. The company has made Rs. 234.01 Lakhs provision towards expected credit loss, out of which Rs. 45.79 Lakhs is additional COVID-19 provision as per RBI guidelines.

#### INTERNAL AUDIT AND COMPLIANCE

The Company has appointed M/s. Vipinchandra C. Shah & Co., Chartered Accountants as internal auditors of the Company, who regularly carries out the internal audit of the Company. All audit reports are regularly placed before the audit committee at committees' meetings which are also attended by internal auditor. After providing due explanations, the Company adopts the final suggestions and necessary effects are given in accounting process and system of the Company.

#### RESOURCE MOBILATION/ICRA RATING

Cost of funds for retail-focused NBFCs, which remained high at 12%-14%, is likely to increase during the year. As mentioned earlier, Company is in constant search to avail cheaper fund to reduce our cost of funds. The cash credit limit of the Company has remained at Rs. 1500.00 Lakhs with the Banks.

The Company has discontinued accepting or renewing fresh deposits, therefore there no outstanding fixed deposit as on date. Inter Corporate Deposit (received) decreased to Rs. 360.00 Lakhs in the current year from Rs. 1500.00 Lakhs in previous year.

The Company had obtained CARE rating for Rs. 1500.00 Lakhs Cash Credit Limits from Bank. CARE has assigned BBB- (Stable) from +BB (Stable) ratings for the same.

#### **CAPITAL ADEQUACY RATIO**

Your Company's Capital Adequacy Ratio (CAR) stood at 74.66% well above the regulatory minimum of 15%. The revised Guidelines issued by R.B.I for recognition of Income, asset classification, Investment accounting, provision for non-performing assets and capital adequacy have been followed by your Company. The Company has also made the provision for non-performing assets in case of Sub-standard, doubtful and loss assets as per R.B.I. guidelines.

#### **CAPITAL STRUCTURE**

There has been no change in the authorised, issued, subscribed and paid-up Share Capital of the Company during the year under review.

#### **PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public within the meaning of provision of Non-Banking Financial Companies acceptance of public deposits (reserve banks) direction, 1998.

As reported earlier, the Company has discontinued accepting or renewing fresh/existing fixed deposits. At the close of the year, no amount remained unclaimed or unpaid. The Company does not have any claimed but unpaid deposits.

#### DIRECTORATE/KMP

Mr. Shailesh Patel (DIN: 00081127), Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors of the Company hereby confirms that all the Independent Directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

Effective from 01st September, 2021, the Board has recommended re-appointment of Mr. Deepak Patel, as Managing Director of the Company for a period of five years on the recommendation of Nomination and Remuneration Committee subject to the approval of members of the Company at ensuing AGM to avail his expertise and for the immense benefit to the Company.

As on 31st March, 2021, Mr. Deepak Patel, Managing Director, Mr. Devang Shah, Chief Financial Officer and



Mr. Shailesh Bharvad, Company Secretary of the Company are Key Managerial Personnel of the Company. All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and not debarred or disqualified by the SEBI / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Director of the Company or any other Company where such Director holds such position in terms of Regulation 34(3) and Clause 10(i)

of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **CORPORATE GOVERNANCE**

The Company has been following the principles and practices of good Corporate Governance and has ensured compliance of the requirements stipulated under Regulation 34 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A detailed Report on Corporate Governance as required under the said Regulation is appended along with the certificate issued by M/s. Alpesh Vekariya & Associates, Practicing Company Secretaries, Ahmedabad, Gujarat, the Secretarial Auditors, confirming the compliance with conditions of Corporate Governance forming part in a separate section of the Annual Report (refer page no. 35)

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, which states that-

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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;
- (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 were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### SECRETARIAL STANDARDS:

The Company has complied with applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

#### LISTING AGREEMENT WITH STOCK EXCHANGES:

Pursuant to the provisions of listing agreement with stock exchanges, the equity shares of the Company are listed on BSE Limited. The Company has not renewed or executed any listing agreement as per new regulations of SEBI.

#### **DEPOSITORY SYSTEM**

Your Company has established electronic connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. In view of the compulsory dematerialization of Company's equity shares on stock exchanges, members are requested to dematerialize the shares on either of the depositories as aforesaid.

The Board would like to bring to your notice that in terms of amended Regulation 40 of the SEBI [LODR] Regulations, 2015 vide notification dated 8th June, 2018 and in terms of circular of BSE Limited dated 5th July, 2018, effective from December 5, 2018, all shares which are lodged for transfer shall be transferred in dematerialized form only. Hence those members who have yet not dematerialized their shares are hereby



requested to dematerialize the same as early as possible.

#### **AUDITORS AND AUDITORS REPORT**

The Company had appointed M/s. Arpit Patel & Associates, Chartered Accountants, (Firm Reg. No. 144032W) as Statutory Auditors of the Company at the 24th Annual General Meeting till the conclusion of 29th Annual General Meeting in compliance with the provision of Section 139[1] of the Companies Act, 2013. The Company had received a certificate from M/s. Arpit Patel & Associates in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Report given by the Auditors on the financial statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Alpesh Vekariya & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure "A". There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

#### CORPORATE SOCIAL RESPONSIBILITY [CSR]

The CSR Committee comprises of Mr. Bharat Amin as Chairman, Mrs. Mrudulaben Patel, Mr. Sunil G. Patel, and Mr. Deepak Patel as other members of the Committee.

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee are available on the website of the Company.

During the financial year 2020-21, Rs. 15.00 Lakhs has been spent towards CSR against the requirement of Rs. 13.88 Lakhs. The Annual Report on CSR Activities undertaken by the Company during the financial year 2020-21, is annexed as Annexure "B" and forms part of this Report.

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and remuneration Committee comprises of Mr. Bharat Amin as Chairman, Mrs. Mrudulaben Patel, and Mr. Sunil G. Patel as other members. The role and responsibilities, Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other related matters are in conformity with the requirements of the Companies Act, 2013 and SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

#### **MEETING OF THE BOARD & AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Bharat Amin as Chairman, Mrs. Mrudulaben Patel, Mr. Sunil G. Patel and Mr. Deepak Patel as other members. The scope of Audit Committee is in accordance with the Companies Act, 2013 and SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

The Board of Directors and Members of Audit Committee met six times during the financial year 2020-21. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report.

#### STAKEHOLDERS RELATIONSHIP/INVESTOR GRIEVANCES COMMITTEE

The Stakeholders Relationship/Investor Grievances Committee comprises of Mr. Bharat Amin as Chairman, Mrs. Mrudulaben Patel, Mr. Sunil G. Patel and Mr. Deepak Patel as other members, in accordance with the Companies Act, 2013 and SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

#### **EVALUATION OF BOARD, COMMITTEE AND DIRECTORS**

A detailed exercise for evaluation of the performance of the Board, its various committees and also the performance of individual Directors was carried out by the Board by way of structured questionnaire and Directors were satisfied with the evaluation process. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process. The performance of the Board and that of its committees was evaluated on the basis of various parameters like adequacy of Composition, Board Culture, Execution and performance of specific duties, obligations and governance etc. Whereas the evaluation of individual Directors and that of the Chairman of the Board was on the basis of various factors like their attendance,



level of their engagement, their contribution, and independency of judgment, their contribution in safeguarding the interest of the Company and other relevant factors. The Board and committees put sufficient efforts to safeguard the interest of the Company. The information relating to its terms of reference, no. of meetings held and attendance etc during the year under report are provided in Corporate Governance Report.

#### **DISCLOSURE OF REMUNERATION RATIO**

The particulars of ratio of remuneration of Director, KMP and employees, more particularly described under section 197(12) of the Companies Act,2013 and Rules 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given in Annexure "C" to this report.

#### ANNUAL RETURN

As per provisions of Section 134 (3) (a) of the Companies Act, 2013, the Annual Return as referred to in Section 92(3) of the Act, for the financial year 2020-21 is available on the Company's website <a href="https://www.ceejayfinance.com">www.ceejayfinance.com</a>.

#### PARTICULARS OF EMPLOYEES

During the year under Report, there were no Employees covered by Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### PARTICULARS OF LOANS AND INVESTMENTS

The Company being NBFC registered with Reserve Bank of India with principal business as loan Company, the provisions of Section 186 except sub section (1) of the Companies Act, 2013 are not applicable to it. Hence no particulars thereof as envisaged under Section 134(3)(g) of the Act are covered in this report.

#### **RELATED PARTY TRANSACTIONS**

The Company has no transaction with related parties referred to sub section (1) of Section 188 of the Companies Act, 2013. However other related party transactions not covered above are disclosed in note 26 of this report.

# CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO

As the Company is in finance and loan segment, the Company has no activities relating to conservation of energy or technology absorption. The Company has had no foreign exchange earnings or outgoes during the year under review.

# DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and the company has, in place, a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the year:

- (a) Number of complaints pending at the beginning of the year: Nil
- (b) Number of complaints received during the year: Nil
- (c) Number of complaints disposed off during the year: NA
- (d) Number of cases pending at the end of the year: Nil

#### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a "Vigil Mechanism/Whistle Blower Policy". The Brief details of establishment of this policy are provided in the Corporate Governance Report.

#### **GREEN INITIATIVE**

In accordance with the 'Green Initiative', the Company has been sending the Annual Report/Notice of AGM in electronic mode to those Shareholders whose Email ids are registered with the Company and/or the Depository Participants. Your Directors are thankful to the Shareholders for actively participating in the Green Initiative.



#### RISK MANAGEMENT POLICY

The Company was already having risk management system to identify, evaluate and minimize the business risks. The Company during the year had formalized the same by adopting Risk Management Policy. This policy intends to identify, evaluate monitor and minimize the identifiable risks in the organization.

#### **REMUNERATION POLICY**

Remuneration to Managing Director:

The remuneration paid to Managing Director is recommended by the Nomination and Remuneration Committee and approved by Board of Directors and Shareholders of the Company. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Non Executive Directors:

No fee/remuneration is being paid to the Non-Executive Directors.

#### CODE OF CONDUCT

The Code of Conduct for all Board members and Senior Management of the Company have been laid down and are being complied with in words and spirit. The compliance on declaration of code of Conduct signed by Managing Director of the Company is included as a part of this Annual Report.

#### ANY SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATERS OR COURTS OR TRIBUNALS

No orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

#### **ACKNOWLEDGEMENT**

The Directors would like to place on record their sincere appreciation to all the employees of their continued effort towards the growth of the Company and would also like to express their thanks to the Bankers, Shareholders and Customers for their support and contribution which enabled the Company to achieve its goals for the year.

FOR AND ON BEHALF OF THE BOARD

Sd/-KIRAN PATEL CHAIRMAN DIN: 00081061

Place: Nadiad

Dated: 28th June, 2021



# ANNEXURE"A" TO BOARD'S REPORT FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To, The Members, Ceejay Finance Limited C J House, Mota Pore, Nadiad-387001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CEEJAY FINANCE LIMITED, CIN: L65910GJ1993PLC019090 (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion read with Annexure-A forming part of this report, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the period under review);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable during the period under review);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the period under review);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - (Not applicable during the period under review);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the period under review); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not





applicable during the period under review);

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India; and
- b. The Listing Agreement entered into by the Company with BSE Limited.

We hereby report that, during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that having regard to the compliance system and process prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a. The Reserve Bank of India Act, 1934; and
- b. Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as are specifically applicable to the Company.

#### We further report that

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

Except where consent of the Directors was received for scheduling meeting at a shorter notice, adequate notice is given at least seven days in advance to all Directors to schedule the Board Meetings. As informed to us, the Company has also provided agenda and detailed notes on agenda to the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded, wherever applicable, as part of the minutes.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, no major events / actions took place in pursuance of the above referred laws, rules, regulations, guidelines having a major bearing on the Company's affairs.

Date: 28th June, 2021 Place: Ahmedabad

FOR ALPESH VEKARIYA & ASSOCIATES COMPANY SECRETARIES

Sd/-ALPESH VEKARIYA FCS: 11100 COP: 21541

UDIN: F011100C000531180



#### "Annexure A"

To
The Members
Ceejay Finance Limited
C J House, Mota Pore,
Nadiad-387001

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

- 1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2. We have followed the audit practices and process as considered appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification as done on test basis is to reasonably ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3. In respect of laws, rules and regulations other than those specifically mentioned in our report above, we have limited our review, analysis and reporting up to process and system adopted by the Company for compliance with the same and have not verified detailed compliance, submissions, reporting under such laws etc. nor verified correctness and appropriateness thereof including financial records and books of accounts of the Company.
- 4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, regulations and guidelines and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, guidelines, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to compliance in totality or the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- 7. Due to Covid 19, we have conducted online verification and examination of records as facilitated and made available electronic / digital mode by the Company and we have relied upon the same for issuing the Secretarial Audit Report.

Date: 28th June, 2021 Place: Ahmedabad

FOR ALPESH VEKARIYA & ASSOCIATES
COMPANY SECRETARIES

Sd/-ALPESH VEKARIYA FCS: 11100

COP: 21541

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# **Secretarial Compliance Report of**

#### **CEEJAY FINANCE LIMITED**

for the year ended 31ST MARCH, 2021 [Pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated 08th February, 2019]

We, M/s. Alpesh Vekariya & Associates, have examined:

- (a) all the documents and records made available to us and explanation provided by CEEJAY FINANCE LIMITED ("the listed entity"),
- (b) the filings / submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document / filing, as may be relevant, which has been relied upon to make this certification,
- for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of :
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the period under review);
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the period under review);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable during the period under review);
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the period under review);
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (Not applicable during the period under review);
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and circulars / guidelines issued thereunder;
- and based on the above examination, We hereby report that, during the Review Period:
- (a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Nil	N.A.	N.A.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued thereunder insofar as it appears from our examination of those records.



(c) The following are the details of actions taken against the listed entity / its promoters / Directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc	Observations/ remarks of the Practicing Company Secretary, if any.
Not Applicable				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr.	Observations of the	Observations made in	Actions taken by	Comments of the		
No.	Practicing Company	the secretarial compliance	the listed entity,	Practicing Company		
	Secretary in the previous	report for the year	if any	Secretary		
	reports	ended		on the actions taken		
				by the listed entity		
	Not Applicable					

- (e) The Reporting of Clause 6(A) and 6(B) of the SEBI Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019 regarding "Resignation of Statutory Auditors from listed entities and their material subsidiaries" is not applicable during the period under review.
- (f) Due to Covid 19, we have conducted online verification and examination of records as facilitated and made available electronic / digital mode by the Company and we have relied upon the same for issuing this Secretarial Compliance Report.

Date: 14th June, 2021 FOR ALPESH VEKARIYA & ASSOCIATES
Place: Ahmedabad COMPANY SECRETARIES

Sd/-ALPESH VEKARIYA

FCS: 11100 COP: 21541

UDIN: F011100C000458327



# ANNEXURE "B" TO BOARD'S REPORT ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. Brief outline of the CSR Policy

It has been Ceejay Finance Limited's mission to promote life skills and value education. The Company's focus areas are Education and Skill Development, Health and Wellness, Environmental Sustainability. While doing meaningful contribution to the society through its active participation, the Company undertakes its CSR activities. The approved CSR Policy of the Company can be found at Company's website.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

#### 2. Composition of CSR Committee

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Bharat Amin	Chairman-Independent Director		6
2	Mrs. Mrudulaben Patel	Member Independent Director	Six Committee	6
3	Mr. Sunil G. Patel	Member-Independent Director	Meetings	6
4	Mr. Deepak Patel	Member-Executive Director		6

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

Composition of the CSR committee shared above and is available on the Company's web<u>site http://</u>ceejayfinance.com/shareholders/otherfilings/CSR Policy.pdf

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

The Company is not required to undertake impact assessment of its CSR Project through an independent agency since average CSR obligation of the Company is less than ` 10 Crores in the three immediately preceding financial years.

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set off for the financial year, if any (in Rs)				
1							
2	Not Applicable						
3							
Total		-					

#### 6. Average net profit of the Company as per Section 135(5): `693.81 Lakhs

- 7. (a) Two percent of average net profit of the Company as per Section 135(5): ` 13.88 Lakhs
  - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:
  - (c) Amount required to be set off for the financial year, if any: Nil
  - (d) Total CSR obligation for the financial year (7a+7b-7c): 13.88 Lakhs



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

Total Amount Spent	Amount Unspent (in Rs.)					
for the Financial Year (in Rs.)	Total Amount transferred to Unspent CSR Account		Amount transferred to any fund specified under Schedule VII as per			
(III KS.)	as per section 135(6).		second to section 135(5).			
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer	
` 15.00 Lakhs	Not Applicable					

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(	5)	(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of of activities	Local area (Yes/ No).	Location of the project.		Amount spent for the project (Rs. In Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of	
				State	District			Name	CSR registr- ation number.
1	Healthcare and Education	(i) & (ii)	No	Uttara khand	Almora	15.00	No	Shri Kalyanika Himalaya Devasthanam Trust	

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) ` 15.00 Lakhs
- (g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	13.88 Lakhs
(ii)	Total amount spent for the Financial Year	15.00 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.12 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the	
	previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.12 Lakhs

- 9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
  - (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): None
- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/- Sd/Date: 28th June, 2021

Deepak Patel

Bharat Amin

Place: Nadiad

Managing Director

Chairman of CSR Committee



#### ANNEXURE "C" TO BOARD'S REPORT

Disclosure of Ratio of Remuneration of each Director to Median Employees Remuneration, the % increase in remuneration of Director, Chief Financial Officer and Company Secretary for the financial year ended 31st March, 2021.

- 1) Ratio of Mr. Deepak Patel, Managing Director's remuneration to the median remuneration of employees of the Company is 1:0.12
- 2) Percentage increase in remuneration of Mr. Deepak Patel, Managing Director is 5.69% Mr. Shailesh Bharvad, Company Secretary 21.15% and Mr. Devang Shah, CFO is 0.89%
- 3) Percentage increase in the median remuneration of employees-Nil
- 4) Number of permanent employees on the rolls of Company-68 employees.
- 5) The average increase in the salaries of employees other than managerial personnel in the financial year was 01.68% compared to average increase in managerial personnel remuneration of 05.55%.
- 6) The Company affirms that the remuneration is as per the remuneration policy of the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-KIRAN PATEL CHAIRMAN DIN: 00081061

Place: Nadiad

Dated: 28th June, 2021



#### **CORPORATE GOVERNANCE REPORT**

(In compliance with Regulation 27(2) of the SEBI (LODR) Regulations, 2015)

Given below is a report on Corporate Governance:

#### I. COMPANY'S PHILOSOPHY ON CODE OF CONDUCT

The Company's philosophy on corporate governance is to ensure that its obligations are discharged in a fair and transparent manner and to enhance the value to all its stakeholders through sound and professional governance. The Company endeavors to constantly comply with and continuously improve on these aspects.

#### **II. BOARD OF DIRECTORS**

The Board comprises of a Non-Executive Chairman, a Managing Director and Four Non-executive Directors of which three are independent Directors including woman Director.

Mr. Kiran Patel is Promoter, Chairman of the Company.

During the year ended 31st March, 2021, Six Board meetings were held on the following dates: 30-05-2020, 30-06-2020, 14-08-2020, 11-11-2020, 12-02-2021 and 18-03-2021.

The constitution of the Board and other relevant details are given below:

Name of Director	Category	Directorship in other Co.	Membership in Board/ Committees of other Co.	Attendance at Meetings	
Mr. Kiran Patel	Chairman Non-Exe./Promoter	4	-	6	Yes
Mr. Deepak Patel	Executive/Promoter	4	-	6	Yes
Mr. Shailesh Patel	Non-Exe./Promoter	4	-	5	Yes
Mr. Bharat Amin	Non-Exe./Independent	2	5	6	Yes
Mrs. Mrudulaben Patel	Non-Exe./Independent	2	-	6	Yes
Mr. Sunil G. Patel	Non-Exe./Independent	Nil	-	6	Yes

Mr. Shailesh Patel was absent at the Board Meeting held on 11.11.2020.

All the Directors were present at the previous AGM of the Company held on 26th September, 2020 via Video Conferencing/Other Audio Visual Means.

The information as required under Schedule II - Part- A to the regulation 17[7] of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board of Directors.

Mr. Deepak Patel, Mr. Shailesh Patel and Mr. Kiran Patel are relatives. None of the other Directors are related in any manner to each other.

Mr. Shailesh Patel (DIN: 00081127) is liable to retirement by rotation, being eligible offers himself for re-appointment.

The Company has not paid any fees/commission to any of the Non-Executive Directors.

# Skills / Expertise / Competencies of the Board of Directors as identified for NBFC Business

The board comprises of qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The following is the list of core skills / expertise /competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

i) Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates- Mr. Deepak Patel, Mr. Kiran Patel, Mr. Shailesh Patel, Mr. Bharat Amin, and Mr. Sunil Patel posses such skills/expertise/competencies.



- ii) Behavioral skills attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company- Mr. Deepak Patel, Mr. Kiran Patel, Mr. Shailesh Patel, Mr. Bharat Amin, Mr. Sunil Patel and Mrs. Mrudulaben Patel posses such skills/expertise/competencies.
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making- Mr. Deepak Patel, Mr. Kiran Patel, Mr. Shailesh Patel, Mr. Bharat Amin, and Mr. Sunil Patel posses such skills/expertise/competencies.
- iv) Financial and Management skills- Mr. Deepak Patel, Mr. Kiran Patel, Mr. Shailesh Patel, Mr. Sunil Patel posses such skills/expertise/competencies.
- v) Professional skills and specialized knowledge in relation to Company's business- Mr. Deepak Patel, Mr. Kiran Patel, Mr. Shailesh Patel, Mr. Bharat Amin and Mr. Sunil Patel posses such skills/expertise/competencies.

The evaluation involves assessment of each member of the Board, by the Directors excluding the person who is being evaluated. A member of the Board will not participate in the discussion of his / her evaluation.

# **Independent Directors' Meeting**

During the year, all the Independent Directors met once at their separate meeting on 18th March, 2021 and evaluated:

- Performance of Non-independent Directors and the Board of Directors as a whole.
- Performance of Chairman of the Company, taking into account the views of other Non-Executive Directors.
- Quality, content, and MIS information timeline between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### **Confirmation of Independence**

The Board confirmed that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI (LODR), Regulations, 2015 and are independent of the management.

All independent Directors in addition to the provisions of Regulation 16(1)(b) of the Listing Regulations, also confirm that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence and that he/she is independent of the management.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and also a statement on compliance of Code of Conduct for directors and senior management personnel.

#### Certificate from Practicing Company Secretary for Non Disqualification of Directors of the Company

The Company has received a certificate from M/s. Alpesh Vekariya & Associates, Company Secretaries, that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as director(s) of company by the Board/Ministry of Corporate Affairs or any such statutory authority.

### Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc., through various programmes. These include orientation programme upon induction of new Director, as well as other initiatives to update the Directors on an ongoing basis.

Further, the Company also makes periodic presentations at the Board and Committee meetings on various



aspects of the Company's operations including Sustainability, performance updates of the Company, Industry scenario, business strategy, internal control and risks involved and mitigation plan.

The details of the Familiarization Programme for Independent Directors is disclosed on the Company's website at the web link <a href="http://ceejayfinance.com/shareholders/otherfilings/Familiarization">http://ceejayfinance.com/shareholders/otherfilings/Familiarization</a> Programme imparted to Independent Directors.pdf

#### **Risk Management**

During the financial year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and same was placed the Board Meeting. The Board has been informed about the risk assessment and risks minimize procedures as required under regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In day to day operations, business risk evaluation and management is an ongoing process with the Company.

#### **Committees of the Board**

There are four committees of the Board viz.

- · Audit Committee
- Stakeholders /Investors Grievances Committee:
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

The Board has duly determined the terms of reference of these committees. The respective committee's Chairman/Company Secretary convenes meetings of these committees. At each Board meeting, Minutes of these committees are placed before the Board for their perusal and noting.

#### III. AUDIT COMMITTEE

The Audit Committee comprises of three Non-executive Independent Directors, and a Managing Director. The composition of Audit Committee is as under:

Mr. Bharat Amin (Chairman)-Non-executive / Independent
 Mrs. Mrudulaben Patel (Member)-Non-executive / Independent
 Mr. Sunil G. Patel (Member)-Non-executive / Independent
 Mr. Deepak Patel (Member)-Executive/Promoter

The role, terms of reference, authority and powers of this Committee are in conformity with the requirements of the Companies Act, 2013 and the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, as applicable to the Company. Besides having access to all the required information from within the Company, the committee can obtain external professional advice whenever required. The committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. It is authorised to select and established accounting policies, review reports of the Statutory and Internal Auditors and to discuss their findings, suggestions, and other related matters and to implement their suggestions. Committee also looks after Management Discussion financial conditions and results of operations. The committee is empowered to recommend the appointment and removal of Statutory and Internal Auditors.

During the year six audit committee meetings were held 30-05-2020, 30-06-2020, 14-08-2020, 11-11-2020, 12-02-2021 and 18-03-2021. All the Committee members have attended all the meetings. Company Secretary and CFO of the Company have attended all the meetings.

#### IV NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration committee comprises of three Non-executive Independent Directors. The composition of Committee is as under:



Mr. Bharat Amin (Chairman)-Non-Executive/ Independent
 Mrs. Mrudulaben Patel (Member)-Non-Executive / Independent
 Mr. Sunil G. Patel (Member)-Non-Executive / Independent

The role, terms of reference, authority and powers of this Committee are in conformity with the requirements of the Companies Act 2013 and the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, as applicable to the Company.

During the year six committee meetings were held 30-05-2020, 30-06-2020, 14-08-2020, 11-11-2020, 12-02-2021 and 18-03-2021. All the Committee members have attended all the meetings. Company Secretary and CFO of the Company have attended all the meetings.

During the year 2020-21 Mr. Deepak Patel, Managing Director of the Company, has been paid total remuneration of Rs. 22,51,600/- comprising Salary of Rs.22,30,000/- and contribution to Provident Fund of Rs. 21,600/-.

The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process. The performance of the Board and that of its committees was evaluated on the basis of various parameters like adequacy of Composition, Board Culture, Execution and performance of specific duties, obligations and governance etc. Whereas the evaluation of individual Directors and that of the Chairman of the Board was on the basis of various factors like their attendance, level of their engagement, their contribution, and independency of judgment, their contribution in safeguarding the interest of the Company and other relevant factors.

The Nomination and Remuneration Policy is available at company's website.

No sitting fees are paid to any Directors.

#### V. STAKEHOLDERS / INVESTORS GRIEVANCES COMMITTEE

The stakeholders/investors grievances comprises of three Non-executive Independent Directors and one executive Director. The composition of Committee is as under

Mr. Bharat Amin (Chairman)-Non-Executive/ Independent
 Mrs. Mrudulaben Patel (Member)-Non-Executive / Independent
 Mr. Sunil G. Patel (Member)-Non-Executive / Independent

Mr. Deepak Patel (Member)-Executive/Promoter

The committee is also known as "Stakeholders Relationship Committee" with revised terms of reference under the Companies Act, 2013 and amended SEBI listing Obligations and Disclosure Requirements Regulations, 2015.

The function of the Investors' Grievances committee is to review and redress Shareholder's grievance/complaints on matters relating to transfer of shares, non-receipt of dividend etc.

The Board has designated Mr. Shailesh Bharvad, Company Secretary, as the compliance officer w.e.f 01st April, 2019.

During the year six committee meetings were held 30-05-2020, 30-06-2020, 14-08-2020, 11-11-2020, 12-02-2021 and 18-03-2021. All the Committee members have attended all the meetings. Company Secretary and CFO of the Company have attended all the meetings.

The Committee reviewed redressal of Investors' Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated, and old share certificates, change of address etc. The committee has also taken steps to strengthening investors' relations.

The Company has no pending complaints during the year.



#### VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee comprises of three Non-executive Independent Directors and a Managing Director. The composition of Committee is as under:

Mr. Bharat Amin (Chairman)-Non-Executive/ Independent
 Mrs. Mrudulaben Patel (Member)-Non-Executive / Independent
 Mr. Sunil G. Patel (Member)-Non-Executive / Independent

Mr. Deepak Patel (Member)-Executive/Promoter

During the year six committee meetings were held 30-05-2020, 30-06-2020, 14-08-2020, 11-11-2020, 12-02-2021 and 18-03-2021. All the Committee members have attended all the meetings. Company Secretary and CFO of the Company have attended all the meetings.

The Committee has formulated and recommended to the Board, a CSR Policy indicating the activity (ies) to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, Recommend the amount to be spent on CSR activities and such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy

#### VII.(a) GENERAL BODY MEETINGS

Venue and time of last three annual general meetings were as under:

FINANCIAL YEAR	DATE	TIME	VENUE	
2017-2018	29-09-2018	11.00 A.M.	C.J. House, Mota pore, Nadiad	
2018-2019	28-09-2019	11.00 A.M.	C.J. House, Mota pore, Nadiad	
2019-2020	26-09-2020	11.00 A.M.	Meeting conducted Through Video Conferencing / Other Audio Visual Means as per MCA & SEBI Circular	

No special resolutions were put through postal ballot last year. There is no item on Agenda that needs approval by postal ballot in the ensuing Annual general Meeting. The Company has passed special resolutions at the annual general meeting held on 29-09-2018, 28-09-2019 and 26-09-2020.

#### (b) CODE OF CONDUCT

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The Board Members and Senior Management have affirmed their compliance with the code of conduct for the year under review.

#### VIII. DISCLOSURES

#### **Related Party Transactions**

There are no materially significant related party transactions made by the Company with promoters, Directors or management, subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

Transactions with related parties during the period are disclosed in Note no. 26 of the accounts in annual report.

#### **Penalties**

During the last three years, there were no penalties, strictures imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

#### Vigil Mechanism / Whistle Blower Policy

In compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR)



Regulations, 2015, the Company has formulated a Vigil Mechanism/Whistle Blower Policy (Mechanism) for its Stakeholders, Directors, and Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct policy.

This Mechanism also provides for adequate safeguards against victimization of Director(s)/Employee (s)/ Stakeholders who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee and we affirm that no personnel has been denied access to the audit committee. The weblink of the aforesaid mechanism can be found at <a href="http://ceejayfinance.com/shareholders/otherfilings/Whistle Blower Policy.pdf">http://ceejayfinance.com/shareholders/otherfilings/Whistle Blower Policy.pdf</a>

#### Prohibition of insider trading

In Compliance with SEBI Regulation for prohibition of Insider Trading the Company has formed Model Code of Conduct as per Insider Trading Regulations which is applicable to all the Directors, officers and the designated persons of the Company who are expected to have access to the unpublished price sensitive information relating to the Company.

The Company has also revised its Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") and Code on Insider Trading in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 applicable from 01st April, 2018.

# IX. CEO/CFO CERTIFICATION / COMPLIANCE

Mr. Deepak Patel, Managing Director and Mr. Devang Shah, CFO had issued a certificate to the Board as prescribed under Regulation 17(8) of the SEBI (LODR) Regulations, 2015. The said certificate was placed before the meeting of Board of Directors held on 28th June, 2021.

Except as mentioned elsewhere in this report, the Company has complied with all the mandatory requirements of the Corporate Governance Norms as enumerated in Regulation 27(2)(a) of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges.

#### X. MEANS OF COMMUNICATIONS

Annual, half yearly, quarterly results are communicated to all the stock exchanges whereby the Company's shares are listed, immediately after the Board of Directors meeting. The quarterly, half-yearly and annual results of the Company are published in English (Western Times) and Gujarati newspapers (Western Times) as per the requirements of Regulation 47 of LODR. The results are available on the website of the Company. There were no presentations made to the institutional investors or analysts during the financial year.

All the information as required by Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are displayed under Investors section of Company's website: <a href="https://www.ceejayfinance.com">www.ceejayfinance.com</a>

There were no presentations made to the institutional investors or analysts.

#### XI. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The contents of the Management Discussion and Analysis Report have been included in the Board's Report at the appropriate places and thus the said report forms part of the Annual Report.

#### XII.GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting DATE/ TIME Financial Calendar Date of book closure 25-09-2021, Saturday, at 11.00 a.m., (IST) through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM"). 1st April, 2020 to 31st March, 2021

Saturday 18-09-2021 to Saturday 25-09-2021. (Both days inclusive)



Dividend Payment date

Stock Code

CIN of the Company

Stock Market Data

Listing on Stock Exchanges

Demat ISIN no. for NSDL/CDSL

30th September, 2021 or thereafter

The BSE Limited

1st Floor, Rotunda Building,

B.S. Marg, Fort, Mumbai -400 001

Listing Fees The Company has paid annual listing fees to the Stock

Exchange for the year 2021-22

BSE Limited-530789

INE 358C01010

L65910GJ1993PLC019090

Monthly high and low of closing quotations of share traded on the Stock Exchange, Mumbai is furnished below.

MONTH	BSE PRICES (in `)		
	HIGH	LOW	
April, 2020	78.75	51.45	
May, 2020	75.00	64.15	
June, 2020	65.35	57.00	
July, 2020	76.00	62.00	
August, 2020	110.00	60.40	
September, 2020	184.20	87.90	
October, 2020	185.00	124.10	
November, 2020	134.00	106.90	
December, 2020	146.80	99.30	
January, 2021	115.00	88.25	
February, 2021	102.75	83.80	
March, 2021	96.95	74.70	

Registrar and Transfer Agent

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, Ellisbridge, Ahmedabad - 380 006 as the common agency both in respect of physical and demat shares.

Share Transfer System

Effective 1st April, 2019 request for effecting the transfer of listed securities were required to be processed only in dematerialised form with a Depository.

The Company had stopped accepting any fresh transfer request for securities held in physical form with effect from the said date. In order to address the issued transfer request filed prior to 1st April, 2019 but rejected due to deficiency in documents, etc., the Company accepted transfer request up to 31st March, 2021 in accordance with SEBI Circular dated 7th September, 2020 After 31st March, 2021, the Company has stopped accepting any transfer requests.

Dematerialisation of holdings will, inter alia, curb fraud in physical transfer of securities by unscurpulous entities and improve ease, convenience and safety of transaction for





investors. In view of the aforesaid, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.

Shareholding pattern

Shareholding pattern as on 31-03-2021.

Sr. no	Category	No. of shares	% of total shares
1	Promoters	2041330	59.17
2	Person acting in concert	-	-
3	Institutional Investors	-	-
4	Mutual funds and UTI	-	-
5	Banks, Financial Institution etc	0	0.00
6	Clearing Member	333	0.01
7	HUF	17997	0.52
8	FII's/NRI	159879	4.63
9	Private Bodies Corporate	272335	7.89
10	IEPF	90292	2.62
11	Indian Public	867834	25.15
	Total	3450000	100.00

Distribution of shareholding:

Distribution of shareholding as on 31-03-2021

Shareholding Class	No. of Shareholder	No. of Share Held	% of Total
UPTO 500	2819	316688	9.18
501-1000	137	104544	3.03
1001-2000	63	94232	2.73
2001-3000	56	138318	4.01
3001-4000	15	56039	1.62
4001-5000	11	50155	1.45
5001-10000	15	111923	3.24
10001-above	35	2578101	74.72
TOTAL	3151	3450000	100.00

Directors' Shareholding:

Directors' Shareholding as on 31-03-2021

SR. NO.	NAME OF DIRECTOR	NO. OF SHARES HELD
1	Mr. Deepak Patel	7285
2	Mr. Kiran Patel	7285
3	Mr. Shailesh Patel	7485

Dematerialization of shares

As on 31-03-2021 DEMAT shares accounted for 87.14% (3006390 Equity Shares) of total equity

Outstanding GDR/ ADR/ Warrants Address for correspondence

Not applicable

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, Ellisbridge, Ahmedabad - 380006 Tel. Nos. (079) 26465179 Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>

OR

Ceejay Finance Limited.

C.J. House, Mota Pore, Nadiad-387001 Telephone/Fax: 0268-2562633/35 Compliance Officer: Shailesh Bharvad Email: shaileshbharvad@ceejaygroup.com



#### **Disclosures**

- a) There were no transactions of material nature with its promoters, the Directors or the Management or relatives etc. that may have potential conflict with the interests of the Company at large. The Audit Committee has granted omnibus approval for related party transactions in the ordinary course of business. The same are reviewed on a quarterly basis by the Audit Committee. Transactions with related parties have also been disclosed in the Annual Accounts.
- b) There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- c) In line with the requirements of the Regulation 17(9) of the Listing Regulations, the Board reviewed the Management's perception of the risks facing the Company and measures taken to minimize the same.
- d) As required by Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer have submitted a Certificate to the Board in the prescribed format for the financial year ended 31st March, 2021. The Certificate has been reviewed by the Audit Committee and taken on record by the Board.
- e) The Company is in full compliance with the mandatory requirements as contained in the Listing Regulations. The Company has also adopted certain discretionary requirements of the Listing Regulations i.e. providing the Chairperson of the Company with the resources required by him to discharge his responsibilities as Chairman of the Company. The Financial Statements of the Company are unqualified.
- f) The Company has no imports / exports during the year and has also not involved in any hedging activities. Thus there is no commodity price risk / foreign exchange risk / hedging activities of the Company.
- g) As required by the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company Secretary acts as the Compliance Officer. The Code of Conduct is applicable to all Directors and identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

#### **DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

It is hereby declared that all the Directors and senior management personnel and employees of the Company have affirmed to and complied with the code of conduct as approved and adopted by the Board of Directors.

For CEEJAY FINANCE LIMITED

Sd/k Patel

Deepak Patel Managing Director DIN: 00081100

Place: Nadiad Date: 28th June. 2021





#### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

# The Members of CEEJAY FINANCE LIMITED

C J House, Mota Pore, Nadiad - 387001, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CEEJAY FINANCE LIMITED having CIN L65910GJ1993PLC019090 and having registered office at C J House, Mota Pore, Nadiad-387001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal <a href="www.mca.gov.in">www.mca.gov.in</a>) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2021, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
NO.			[as appearing on MCA portal]
1	Kiranbhai Ramanbhai Patel	00081061	20/04/1993
2	Deepakbhai Ramanbhai Patel	00081100	20/04/1993
3	Shaileshbhai Ramanbhai Patel	00081127	12/07/2001
4	Bharatkumar Mahendrabhai Amin	00509903	31/12/2005
5	Sunilkumar Govindbhai Patel	05307501	29/09/2012
6	Mrudulaben Bhikhubhai Patel	07143287	31/03/2015

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 28th June, 2021 Place: Ahmedabad FOR ALPESH VEKARIYA & ASSOCIATES COMPANY SECRETARIES

Sd/-

ALPESH VEKARIYA FCS: 11100

COP: 21541

UDIN: F011100C000531246



#### **MD&CFO CERTIFICATE**

### Under Regulation 17(8) of SEBI (LODR), Regulations, 2015

In compliance with Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that -

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable Laws & Regulations.
- (b) These are to the best of our knowledge and belief, no transactions entered into by the Company during the year under review, which are fraudulent, illegal, or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed the same to our Auditors and the Audit Committee, deficiencies in the design or operation of such internal control of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control over financial reporting during the quarter (if any),
  - (ii) Significant changes in accounting policies during the quarter and that the same have been disclosed in the Notes to the financial statements, and,
  - (iii) Instances of significant fraud of which, we have become aware and the involvement therein if any of the Management or an employee having a significant role in the Company's internal control system over the financial reporting.

For, Ceejay Finance Limited

Sd/-

Sd/-

Date: 28th June, 2021 Place: Nadiad Deepak Patel

Devang Shah

**Managing Director** 

CFO

### **CERTIFICATE ON CORPORATE GOVERNANCE**

To
The Members of
Ceejay Finance Limited
Nadiad.

We have examined the compliance of conditions of Corporate Governance by CEEJAY FINANCE LIMITED, CIN: L65910GJ1993PLC019090 ("the Company") for the year ended on 31st March, 2021 as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 28th June, 2021 Place: Ahmedabad

FOR ALPESH VEKARIYA & ASSOCIATES
COMPANY SECRETARIES

Sd/-

ALPESH VEKARIYA FCS: 11100

COP: 21541

UDIN: F011100C000531312



#### INDEPENDENT AUDITORS' REPORT

# To the members of Ceejay Finance Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of Ceejay Finance Limited (the "Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as the "financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act"), in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Financial Statementsin accordance with the Standards on Auditing ('SAs'), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements's ection 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

#### **Emphasis of Matter**

We draw attention to note 37 to the standalone financial statements, which describes the uncertainty caused by the continuing COVID-19 pandemic and the related probable events which could impact the Company's estimates of impairment of loans to customers. 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 Statementsfor the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.



# Key audit matters

How our audit addressed the Key Audit Matter

Impairment of Financial Assets (expected credit losses)

Ind AS 109 requires the Company to recognise impairment loss allowance towards its financial assets (designated at amortisedcost and fair value through other comprehensive income) using the expected credit loss(ECL) approach.

Additional considerations on account of COVID-19 pandemic which has continues to impact the Company's business operations, the Company has maintained a Management overlay of `45.79 lakh as part of its ECL, to reflectamong other things the increased risk of deterioration in macroeconomic factors. Given the unique nature and scale of the economic impact of this pandemic, the Management overlay 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, it is a key audit matter.

[Refer Note No. 5]

Our Audit Procedure included:

- We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.
- We tested the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa.
- We evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation
- Tested the ECL model, including assumptions and underlying computation.
- Tested assumptions used by the Management in determining the overlay for macro-economic factors (including COVID-19 pandemic).
- Assessed disclosures included in the financial statements in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on ECL estimation.

#### 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

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 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 communicate the matter to those charged with governance as required under SA 720'The Auditors' responsibilities relating to other Information'.

### Responsibilities of Management and Board of Directors' for the Financial Statements

The Management and the Board of Directors of the Company 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and the Board of Directors are 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 the Board of Directors 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.

# Auditors'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 auditors' 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 scepticism 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 Act, 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 auditors' 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 auditors' 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.

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 for the financial year ended March 31, 2021, and



are therefore the key audit matters. We describe these matters in our auditors' 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 the Companies (Auditors' 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 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 purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended:
  - e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 29 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For Arpit Patel & Associates.

Chartered Accountants [Firm Registration No: 144032W]

Arpit K. Patel Partner

Membership No.: 034032] UDIN: 21034032AAAABV4386

Place: Ahmedabad Date: June 28, 2021



# **Annexure A to the Auditors' Report**

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

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2021.

#### We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. 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 and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except Building (net) includes `4.56 lakhs in the process of being transferred in the name of the Company.
- (ii) The Company is a Non-Banking Finance Company, which does the business of loan finance. Accordingly, it does not require holding inventories. Thus, Paragraph 3(ii) of the Order is not applicable to the company.
- (iii) (a) According to the information and explanations given to us, the Company has granted loans, to a party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The terms and conditions of the grant of such loan are not prejudicial to the Company's Interest.
  - (b) The Company has granted loans to a party covered in the register maintained under section 189 of the Act. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
  - (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with provision of section 185 and 186 of the Act in respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of section 73 to 76 of the Act and the Rules framed under. Therefore, the provision of clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act 2013.
- (vii) According to the information and explanations given to us, in repect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, cess, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods & service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
  - (c) The details of disputed statutory dues as at March 31, 2021 that have not been deposited by the company, are as under

Sr. No.	Nature of the Statute	Nature of the Dues	Amount (` in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
1	Income Tax Act, 1961	Income Tax	2.70	A.Y. 2008-09	Assessing Officer



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from government or has not issued any debentures.
- (ix) Based on the information and explanations given by the management and on an overall examination of the balance sheet, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and that the term loans have been applied for the purposes for which they were raised.
- (x) In our opinion and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, 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 Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) Based on our examination of records of the Company and according to the information and explanations given to us, the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standard.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3(xiv) are not applicable to the Company.
- (xv) Based on the examinations of the records and according to the information and explanations given by the management, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934.

For Arpit Patel & Associates.

Chartered Accountants [Firm Registration No: 144032W]

Arpit K. Patel Partner

Membership No.: 034032] UDIN: 21034032AAAABV4386

Place: Ahmedabad Date: June 28, 2021



# **Annexure B to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ceejay 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 the Company as of March 31, 2021, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### Management and Board of Directors' Responsibility for Internal Financial Controls

The Management and the Board of Directors of the Company are 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. 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, including adherence to respective company's policies, 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 Act.

### **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') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 was 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 auditors' judgment, including the assessment of the risks of material misstatement of 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 internal financial controls system over financial reporting of the Company.

# 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

For Arpit Patel & Associates.

Chartered Accountants [Firm Registration No: 144032W]

Arpit K. Patel Partner

Membership No.: 034032] UDIN: 21034032AAAABV4386

Place: Ahmedabad Date: June 28, 2021





# **Balance Sheet as at 31st March 2021**

(Amount in ` Lakhs)					
Particulars	Note No.	As at 31st March 2021	As at 31st March 2020		
ASSETS			_		
(1) Financial Assets (a) Cash and cash equivalents (b) Bank Balance other than (a) above (c) Loans (d) Investments (e) Other Financial assets	3 4 5 6 7	150.37 57.98 6,597.63 49.93 8.68	121.63 48.84 7,437.14 40.64 5.84		
Total Financial Assets		6,864.59	7,654.09		
(2) Non Financial Assets  (a) Current tax assets (Net) (b) Deferred tax Assets (Net) (c) Property, Plant and Equipment (d) Other Intangible assets (e) Other non-financial assets	8 18C 9 9	13.28 61.15 117.10 2.17 113.99	8.66 71.70 118.47 2.99 89.24		
Total Non Financial Assets		307.69	291.06		
Total Assets		7,172.28	7,945.15		
LIABILITIES AND EQUITY LIABILITIES (1) Financial Liabilities (a) Payables (l) Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises (b) Borrowings (Other than Debt Securities) (c) Other financial liabilities	11 12 13	65.89 1,842.78 22.31	112.00 2,971.19 23.71		
Total Financial Liabilities		1,930.98	3,106.90		
(2) Non Financial Liabilities (a) Provisions (b) Other non-financial liabilities	14 15	31.19	5.87 48.42		
Total Non Financial Liabilities		31.19	54.29		
(3) EQUITY (a) Equity Share capital (b) Other Equity	16 17	345.00 4,865.11	345.00 4,438.96		
Total Equity		5,210.11	4,783.96		
Total Liabilities and Equity		7,172.28	7,945.15		
The accompanying notes form an integral part of the financial statements			<del></del> _		

As Per our audit report of even date. For Arpit Patel & Associates

Chartered Accountants

Firm registration number: 144032W Arpit K. Patel

Partner

Membership no. 034032

Place: Ahmedabad Date: June 28, 2021 For and on Behalf of the Board

Kiran Patel Deepak Patel Chairman Managing Director Sunil Patel

Mrudula Patel Director Director

Shailesh Bharvad Company Secretary

Place: Nadiad Date: June 28, 2021

Shailesh Patel Director

**Bharat Amin** 

Director

**Devang Shah** Chief Financial Officer





# Statement of Profit and Loss for the year ended 31st March 2021

(Amount in Lakhs)				
Particulars	Note	For the year ended	For the year ended	
	No.	31st March 2021	31st March 2020	
I REVENUE				
Interest income	19	1,422.50	1,729.39	
Dividend income		0.84	1.03	
Total Revenue from operations		1,423.34	1,730.42	
Other Income	20	8.09	4.56	
Total Income (I)		1,431.43	1,734.98	
II EXPENSES				
Finance costs	21	222.24	240.99	
Impairement of financial instruments	22	(76.91)	96.94	
Employee benefit expenses	23	287.55	291.70	
Depreciation and amortization expense	9	15.24	13.61	
Other expenses	24	379.83	454.12	
Total Expenses (II)		827.95	1,097.36	
III Profit before exceptional items and tax (I-II) IV Exceptional Items		603.48	637.62	
V Profit before tax (III-IV)		603.48	637.62	
VI Tax expense:				
(1) Current tax	18A	147.15	171.04	
(2) Deferred tax	18C	9.32	(15.45)	
Total tax expenses		156.47	155.59	
VII Profit for the year		447.01	482.03	
Other Comprehensive Income  (A) (i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:				
(a) Remeasurements of the defined benefit plans		3.41	(2.21)	
<ul><li>(b) Net gain/(loss) on equity instruments through OC</li><li>(ii) Income Tax impact thereon</li></ul>	<i>i</i> 1	12.31 (2.09)	(11.97) 1.75	
(II) IIIcome Tax Impact mereon				
		13.63	(12.43)	
<ul><li>(B) (i) Other Comprehensive Income that will be reclass profit or loss in subsequent periods:</li><li>(ii) Income Tax impact thereon</li></ul>	sified to	:	:	
VIII Total Other Comprehensive Income		13.63	(12.43)	
IX Total Comprehensive Income for the year(VII+VII	I)	460.64	469.60	
Earnings per share (Face Value of ` 10 each)				
- Basic & Diluted	25	12.96	13.97	
The accompanying notes form an integral part of the financial statements	20	.2.50	.0.07	

As Per our audit report of even date. For Arpit Patel & Associates

Chartered Accountants

Firm registration number: 144032W Arpit K. Patel Partner

Membership no. 034032

Place: Ahmedabad

Date: June 28, 2021

For and on Behalf of the Board

Kiran Patel Chairman

Mrudula Patel Director

Shailesh Bharvad

Company Secretary

Place: Nadiad Date: June 28, 2021 Shailesh Patel Director

Managing Director Sunil Patel Bharat Amin Director Director

**Devang Shah** Chief Financial Officer

Deepak Patel





# Statement of cash flows for the year ended 31st March 2021

	(Amount in ` Lakhs				
	Particulars	Year ended 31st March 2021	Year ended 31st March 2020		
ı	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit Before Tax	603.48	637.62		
	Adjustments for :				
	Depreciation	15.24	13.61		
	Dividend Income	(0.84)	(1.03)		
	Loss on sale of Property, Plant & Equipment	0.23	-		
	Interest Income on Fixed Deposits	(1.58)	(1.83)		
	Actuarial Loss on employee benefits	-	2.21		
	Interest expense	222.24	240.99		
		235.29	253.95		
	Operating profit before working capital changes	838.77	891.57		
	Changes in Working Capital :				
	(Increase)/Decrease in Loans	839.51	(799.87)		
	(Increase)/Decrease in Other Financial assets		-		
	(Increase)/Decrease in Other Non-financial assets	(26.13)	(0.42)		
	Increase/(Decrease) in Trade Payables	(46.11)	36.60		
	Increase/(Decrease) in Other Financial Liabilities	(0.50)	(3.30)		
	Increase/(Decrease) in Provision	(5.89)	5.78		
	Increase/(Decrease) in Other Non-Financial Liabilities	(17.23)	(28.74)		
	Cash Generated form Operations	1,582.42	101.62		
	Direct Taxes Paid	(151.69)	(180.68)		
	NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	1,430.73	(79.06)		
Ш	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property, Plant & Equipments	(19.21)	(23.18)		
	Purchase of Intangible Assets	(0.41)	-		
	Sale of Property, Plant & Equipment	6.35	-		
	Sale of Investments	3.01	12.07		
	(Increase)/Decrease of Fixed Deposits	(9.14)	0.85		
	Interest received on Fixed Deposits	2.63	0.91		
	Dividend Income	0.84	1.03		
	NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(15.93)	(8.32)		
Ш	CASH FLOW FROM FINANCING ACTIVITIES	(000,00)	(0.14.00)		
	Interest Paid	(222.28)	(241.38)		
	Repayment of Borrowings	(1,128.41)	269.56		
	Net Proceeds from Borrowings Dividend Paid	(35.36)	(62.31)		
		(1,386.05)			
	NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	28.74	(34.13) (121.51)		
	,	121.63	243.14		
	NET CASH & CASH EQUIVALENTS (OPENING BALANCE)				
	NET CASH & CASH EQUIVALENTS (CLOSING BALANCE)	150.37	121.63		



- 1 The above cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS 7) on statement of cash flows specified under section 133 of the Companies Act, 2013
- 2 Changes in liabilities arising from financial activities:

(`in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	Cash Flows	Non cash changes	As at 31 <sup>st</sup> March, 2021
Borrowings (Other than Debt Securities)	2,971.19	(1,128.41)	-	1,842.78
Other financial liabilities	0.42	(0.42)	0.38	0.38

(`in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	Cash Flows	Non cash changes	As at 31 <sup>st</sup> March, 2020
Borrowings (Other than Debt Securities) Other financial liabilities	2,701.63 0.81	269.56 (0.81)		2,971.19 0.42

As Per our audit report of even date.

For Arpit Patel & Associates

Chartered Accountants

Firm registration number: 144032W

Arpit K. Patel

Partner

Membership no. 034032

Place: Ahmedabad

Date: June 28, 2021

For and on Behalf of the Board

Kiran Patel Chairman

Mrudula Patel

Director

Deepak Patel Managing Director

Sunil Patel

Director

Shailesh Patel

Director

**Bharat Amin** 

Director

Shailesh Bharvad **Devang Shah** Chief Financial Officer

Company Secretary

Place: Nadiad

Date: June 28, 2021



# Statement of Changes in Equity for the year ended 31st March 2021

(`in Lakhs)

Attributable to the equity holders of the company					
		Reserves & Surplus Retained Earnings		lus	
Particular	Equity share capital	General reserve	Net Surplus in Statement of Profit & Loss	Statutory Reserve as per Section 45IC of the RBI Act, 1934	Total
As at April 1, 2019	345.00	2,826.00	242.77	945.10	4,358.87
Add: Profit for the year		-	482.03		482.03
Add/(Less): Other Comprehensive income (Net of Tax)	-	-	(12.43)	-	(12.43)
Add/(less) : Amount transferred to Statutory reserve	-	-	(96.41)	96.41	-
Add/(less) : Amount transferred to General reserve	-	325.00	(325.00)	-	-
Transactions with Owners in their capacity as owners:					
Dividend Paid	-	-	(36.93)	-	(36.93)
Corporate Dividend Tax on Dividend paid			(7.59)		(7.59)
As at March 31, 2020	345.00	3,151.00	246.45	1,041.51	4,783.96
Add: Profit for the year			447.01		447.01
Add/(Less): Other Comprehensive income (Net of Tax)	-	-	13.63	-	13.63
Add/(less) : Amount transferred to Statutory reserve	-	-	(89.40)	89.40	-
Add/(less) : Amount transferred to General reserve	-	325.00	(325.00)	-	-
Transactions with Owners in their capacity as owners:					
Dividend Paid	-	-	(34.50)	-	(34.50)
As at March 31, 2021	345.00	3,476.00	258.21	1,130.91	5,210.12

The accompanying notes form an integral part of the financial statements

As Per our audit report of even date.

For Arpit Patel & Associates Chartered Accountants

Firm registration number: 144032W

Arpit K. Patel Partner

Membership no. 034032

Place: Ahmedabad Date: June 28, 2021 For and on Behalf of the Board

Kiran Patel Chairman Mrudula Patel

Director

Deepak Patel Managing Director

Sunil Patel Director Shailesh Patel Director

Bharat Amin Director

**Devang Shah** Chief Financial Officer

Shailesh Bharvad Company Secretary Chief F

Place : Nadiad

Date: June 28, 2021



# Notes to the financial statements

# 1. Company Information

Ceejay Finance Ltd (Company) is a Public Limited Company domiciled in India. The company has its registered office at CJ house, Mota pore, Nadiad, Gujarat - 387001.

It is registered as Non-banking finance company under RBI Act, 1934. The company is engaged predominantly in automobile financing. The Company's shares are listed on BSE.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

# 2.1 Basis of Preparation of Financial Statements:

#### (i) Compliance with Ind-AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015] as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

Further, the Company follows the statutory requirements, circulars and guidelines issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC), from time to time.

#### (ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at the fair value amount:

- a) Certain financial assets and liabilities (including derivative instruments),
- b) Defined benefit plans plan assets

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### (iii) Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency') i.e., in Indian rupees (INR) and all values are rounded off to nearest lakhs except where otherwise indicated.

#### 2.2 Use of estimates, judgements and assumptions:

#### (i) Critical estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The management believes that the application of accounting policies require critical accounting estimates involving complex and subjective judgments and the use of assumptions. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgement is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.



### (ii) Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### The areas involving critical estimates and judgements are:

Estimation of Defined benefit obligation - refer note 2.4(ii) Fair value of financial instruments - refer note 2.15 Effective Interest Rate (EIR) - refer note 2.3 Impairment on financial assets - refer note 2.16 Provision for tax expenses - refer note 2.4(iii) Business model assessment - refer note below

#### **Business model assessment**

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

# 2.3 Revenue recognition

#### Interest income

Interest income is recognised using the Effective Interest Rate (EIR) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that are directly attributable to the acquisition of a financial asset.

Income by way of additional interest on account of delayed payment by the customers is recognised on realisation basis, due to uncertainty in collection.

#### Other Revenue from Operations

Fee and commission income such as documentation charges, guarantee commission, servicer fee income that are not integral part of the effective interest rate on the financial asset are recognised as the performance obligations are performed.

Income in the nature of cheque bounce and other related charges are recognised on realisation basis, due to uncertainty in collection.

#### <u>Dividends</u>

Dividend income from investment is accounted for when the right to receive is established.

### 2.4 Expenses

#### (i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed:



- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc., provided these are incremental costs that are directly related to the issue of a financial liability.

#### (ii) Employee benefits

- a) Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.
- b) The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
- c) Post-employment obligation:

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees
- · Defined contribution plans such as provident fund.

#### (i) Defined benefit obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### (ii) Provident fund:

Contributions to Provident Fund made to Regional Provident Fund Commissioner in respect of



Employees' Provident Fund based on the statutory provisions are charged to Statement of Profit and Loss on accrual basis.

#### (iii) Taxes

(a) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted on substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(b) Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

#### 2.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the balance sheet.

#### 2.6 Property, Plant and Equipment

Items of property, plant & equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred. The Company has elected to regard previous GAAP carring values of Property, Plant & Equipment as deemed cost at the date of transition to IND AS.

Depreciation is provided on straight-line basis over the estimated useful lives of the assets. Useful life estimated by the Company is in line with the useful life prescribed under Schedule II of the Companies Act, 2013.



The estimated useful lives are, as follows:

Building	- 60 years
Office Equipment	- 5 years
Computers	- 3 years
Furniture and Fixtures	- 10 years
Vehicles	- 6 to 10 years

Depreciation on property plant and equipment individually costing `5,000/- or less is provided 100% in the year of acquisition.

The cost of improvements made to rented property during the year and included under furniture and fixtures, is depreciated over the primary lease period.

An asset's carrying amount is written down immediately to its estimated recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount. Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

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

Depreciation on fixed assets added / disposed off during the year is calculated on pro-rata basis with reference to the date of addition / disposal.

# 2.7 Intangible assets

Intangible assets include the value of Software. Intangible assets acquired are recorded at their acquisition cost and are amortised on straight line basis over its useful life.

The Company has elected to regard previous GAAP carring value of Intangible assets as deemed cost at the date of transition to IND AS.

The estimated useful lives are, as follows:

Computer Software - 5 years

#### 2.8 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### 2.9 Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred.

Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a



financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain/(loss).

Finance charges are expensed in the period in which they are incurred.

# 2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

General borrowing costs are capitalised at the weighted average of such borrowings outstanding during the year.

### 2.11 Earnings Per Share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

#### 2.12 Impairment of non financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 2.13 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### 2.14 Provisions, Contingent Liabilities and Contingent Assets:

A Provision is recognised when the Company has present obligation (legal or constructive) as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Contingent Liabilities are disclosed by way of notes to Financial Statements. Contingent assets are not recognised in the financial statements but are disclosed in the notes to the financial statements where an inflow of economic benefits is probable. Provisions and contingent liabilities are reviewed at each Balance Sheet date.

#### 2.15 Fair value measurement

The Company measures financial instruments at fair value as per Ind AS 113 at each balance sheet date. All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on



the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- ▶ Level 3 Inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 2.16 Financial instruments

#### Financial assets

### (i) Classification

The Company classifies its financial assets in the following categories, those to be measured subsequently at:

- 1. Fair value through other comprehensive income (FVOCI),
- 2. Fair value through profit or loss (FVTPL), and
- Amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

#### Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

#### Assessment of whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

#### Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

#### Financial liabilities

The Company classifies its financial liabilities as measured at amortised cost or fair value through profit or loss.



### (ii) Measurement

At initial recognition, the Company measures a financial assets that are not at fair value through profit or loss at its fair value plus / (minus), transaction costs / origination, Income that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Financial Assets:

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

#### (1) Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in revenue from operations using the effective interest rate method.

#### (2) Fair value through other comprehensive Income:

Assets that are held for collection of contractual cash flows and for sale and the contractual term of the financial assets give rise on specified dates to cash flows that are solely for the payment of principal and interest thereon.

### (3) Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at fair value through profit or loss.

#### **Equity instruments:**

The Company measures its equity investment at fair value through Other Comprehensive Income. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of profit or loss.

#### Financial liabilities

Financial liabilities are carried at amortised cost using effective interest rate method

#### (iii) Impairment of financial assets

#### Overview of the ECL principles

The Company records allowance for expected credit losses for all loans. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss as below

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

a) The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level.



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

#### Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

#### Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

#### Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

#### The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default(EAD) - The Exposure at Default is an estimate of the exposure at a future default date.

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

The Company categorises loan assets into stages based on the Days Past Due status:

Stage	Past due	ECL
Stage 1	30 Days Past Due	12-Month ECL
Stage 2	31-90 Days Past Due	Life-time ECL
Stage 3	More than 90 Days Past Due	Life-time ECL

#### Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

• financial assets that are not credit-impaired at the reporting date: as the present value of all



cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);

 financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

#### Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. As a result of this practice, assets under legal repossession processes are recorded on the balance sheet.

### (iv) Write-off

Loans are written off when there is no reasonable expectation of recovering in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### (V) De-recognition of financial assets and financial liabilities:

A financial asset is derecognised only when:

The Company has transferred the contractual rights to receive cash flows from the financial asset or the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss except for the financial instrument that has been classified as fair value through other comprehensive income that will not be reclassified to profit or loss in subsequent periods.

A financial liability is derecognised when its contractual obligations are discharged or cancelled, or expires.

#### (VI) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating



cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### 2.18 Recent accounting pronouncements

# Amendment to Ind AS 116 "Leases" – Insertion of practical expedient for COVID-19 related lease concessions

The amendment provides lessee with a practical expedient and an exemption to assess whether a COVID-19 related rent concession is a lease modification to payments originally due on or before June 30, 2021. Amendment also requires disclosure of the amount recognised in statement of profit and loss to reflect changes in lease payments that arise from such concession. Company has not recognised any amount as reversal of lease liability in the statement of profit and loss.

#### 2.19 Standard Issued but not yet effective

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company.Hence, the disclosure is not applicable.



### 3 Cash and Cash equivalents

( in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Cash on hand (Including cheques on hand)* Balances with banks	66.51	34.18
(i) In current accounts	54.71	65.86
(ii) In cash credit accounts	29.15	21.59
Total	150.37	121.63

\* Represents cash collected from borrowers as on balance sheet date, deposited with bank subsequently.

### 4 Bank Balance other than Cash and Cash Equivalents

( in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Unpaid dividend bank balances	20.98	21.84
Margin money fixed deposits with maturity of more		
than 3 months but less than 12 months	37.00	27.00
Total	57.98	48.84

Margin money fixed deposit is lien against the cash credit facility availed by the company

#### 5 Loans

Particulars	31st March, 2021	31st March, 2020
(A) Loans at amortised cost :		
Term Loans	6331.64	6726.12
Inter corporate deposits to related parties	500.00	1021.93
Total Loans ( Gross )	6831.64	7748.05
Less: Impairment loss allowance	234.01	310.91
Total Loans ( Net )	6597.63	7437.14
(B) Nature		
(i) Secured by tangible assets	5990.41	6372.38
(ii) Unsecured	841.23	1375.67
Total (B) ( Gross )	6831.64	7748.05
Less: Impairment loss allowance	234.01	310.91
Total (B) ( Net )	6597.63	7437.14
(C) Loans to :		
a) Public sector	-	-
a) Others	6831.64	7748.05
Total (C) ( Gross )	6831.64	7748.05
Less: Impairment loss allowance	234.01	310.91
Total (C) ( Net )	6597.63	7437.14



Reconciliation of ECL balance as on March 31, 2021 is given below:

( in Lakhs)

		As at March 31, 2021			
Particulars	Stage 1	Stage 2	Stage 3	Total	
ECL allowance - opening balance	52.83	133.28	124.80	310.91	
New assets originated or purchased	87.41	5.18	6.54	99.13	
Assets derecognised or write offs	-	-	(176.03)	(176.03)	
Transfers to Stage 1	1.53	(1.11)	(0.42)	`	
Transfers to Stage 2	(0.61)	1.14	(0.53)	-	
Transfers to Stage 3	(50.44)	(128.81)	179.25	-	
ECL allowance - closing balance	90.72	9.68	133.61	234.01	

Reconciliation of ECL balance as on March 31, 2020 is given below:

(`in Lakhs)

	As at March 31, 2020			
Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	40.80	85.15	88.01	213.96
New assets originated or purchased	60.39	165.41	205.10	430.90
Assets derecognised or write offs	-	-	(50.11)	(50.11)
Transfers to Stage 1	(48.36)	-	` <u>-</u>	(48.36)
Transfers to Stage 2	_ ` _	(117.28)	-	(117.28)
Transfers to Stage 3	-		(118.20)	(118.20)
ECL allowance - closing balance	52.83	133.28	124.80	310.91

6 Investments (`in Lakhs)

Particulars	31st March, 2021	31st March, 2020
(i) Investment in Government securities		
(Unquoted) (Valued at Amortized Cost)		
1 (P.Y.1) Bond of 8.74% Andhra Pradesh Power		
Finance Corporation Limited 2022	9.98	9.99
1 (P.Y.1) Bond of 9.70% Tamilnadu Generation and		
Distribution Corporation Limited 2021	3.99	7.00
Subtotal (i)	13.97	16.99
(ii) Investment in Equity Instruments (Quoted)		
(Valued at Fair Value through Other		
Comprehensive Income)		
537 (P.Y 537) of India Giletin Ltd of ` 10 each	0.49	0.43
3,000 (P.Y. 3,000) of Jagran Prakashan Ltd of ` 2 each	1.76	1.37
9,589 (P.Y.9,589) of NHPC Ltd. of ` 10 each	2.35	1.91
9,082 (P.Y.9,082) of NTPC Ltd. of ` 10 each	9.67	7.66
Nil (P.Y. 300) of Indus Network Ltd of ` 10 each	-	0.01
448 (P.Y. 448) of Reliance Industries Ltd. of ` 10 each	8.98	4.98
400 (P.Y. 400) of Tata Consultancy Service Ltd of ` 1 each	12.71	7.29
Subtotal (ii)	35.96	23.65
Total (i+ii)	49.93	40.64
AGGREGATE AMOUNT OF QUOTED INVESTMENTS	35.96	23.65
AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	13.97	16.99
FAIR VALUE OF QUOTED INVESTMENTS	35.96	23.65



(`in Lakhs)

Particul	Particulars		31st March,
		2021 `	2020 `
Note 7	Other Financial Assets		
	Deposits	8.15	4.26
	Interest accrued on Margin money fixed deposits	0.53	1.58
	Total	8.68	5.84
Note 8	Current Tax assets (Net)		
	Advance income tax (net of provision for taxation)	13.28	8.66
	Total	13.28	8.66

#### Note 9 Property, Plant and Equipment and Intangible assets (Refer Note No 2.6 and 2.7)

(`in Lakhs)

		Property plant and equipment				Intangible	e assets	
Nature of the Assets	Building	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Total	Computer Software	Total
Gross Carrying Amount								
As at 1st April, 2019	53.54	10.49	10.42	19.34	21.57	115.35	6.71	6.71
Additions	0.27	2.30	2.42	10.68	7.51	23.18	0.00	0.00
Disposals	-	-	-	-	-	-	-	-
At 31st March, 2020	53.81	12.79	12.84	30.02	29.08	138.53	6.71	6.71
Additions	0.81	1.61	0.53	0.17	16.09	19.21	0.41	0.41
Disposals	-	-	-	-	(12.26)	(12.26)	-	-
At 31st March, 2021	54.62	14.40	13.37	30.19	32.91	145.48	7.12	7.12
<b>Depreciation</b>								
At 1st April, 2019	0.86	1.89	3.44	1.56	(0.09)	7.66	2.51	2.51
Depreciation charge for the year	1.10	2.00	2.18	2.40	4.72	12.40	1.21	1.21
Disposals								
At 31 Mar 2020	1.96	3.89	5.62	3.96	4.63	20.06	3.72	3.72
Depreciation charge for the year	1.10	2.28	2.16	3.11	5.36	14.01	1.23	1.23
Disposals	-	-	-	-	(5.69)	(5.69)	-	-
At 31 Mar 2020	3.06	6.17	7.78	7.07	4.30	28.38	4.95	4.95
Net carrying value								
At 31st March, 2021	51.56	8.23	5.59	23.12	28.61	117.10	2.17	2.17
At 31st March, 2020	51.85	8.90	7.22	26.06	24.45	118.47	2.99	2.99

#### Note:-

- 1 The company has applied the optional exemption to measure its Property, Plant & Equipment and intangible assets at the date of transition at their previous GAAP carrying amount and used it as the deemed cost for such assets.
- 2 Building includes ` 4.44 Lakhs (P.Y. 4.56 Lakhs) which is in process of being transferred in the name of the Company.



#### Note 10 Other Non Financial assets

(`in Lakhs)

Particulars	31st March, 2021 `	31st March, 2020 `
Advance against the Hypothecation vehicle	20.20	17.33
Balance with government authorities	6.74	3.56
Prepaid expenses	12.31	15.10
Capital advances	8.50	-
For gratuity	2.51	-
Repossessed Assets	63.73	53.25
Total	113.99	89.24

# Note 11 Trade and other payables

	Particulars	31st March,	31st March,
		2021 `	2020 `
	Total outstanding dues of Micro Enterprises &		
	Small Enterprises (Refer Note No 33)	-	-
	Total outstanding dues of Creditors other than		
	Micro Enterprises & Small Enterprises	65.89	112.00
	Total	65.89	112.00
Note 12	Borrowings (other than debt Securities)		
	At amortised cost :		
	Loans repayable on demand from Banks		
	(Cash Credit from banks)	1,482.78	1,471.19
	Inter corporate deposits from related parties (Unsecured)	360.00	1,500.00
	Total	1,842.78	2,971.19
Note 13	Other Financial Liabilities	,	
Note 13	Unclaimed Dividends	20.98	21.84
	Interest accrued but not due on borrowings	0.38	0.42
	Security deposit from customers	0.95	1.45
	Total	22.31	23.71
		22.01	20.71
Note 14	Provisions		5.07
	For gratuity	-	5.87
	For others	-	
	Total	-	5.87
Note 15	Other Non Financial Liabilities		
	Statutory dues payable	31.19	35.71
	Advance from customers	-	12.71
	Total	31.19	48.42
Note 16	Equity Share Capital		
	(A) Authorised:		
	50,00,000 (March 31, 2020 : 50,00,000		
	equity shares of ` 10/- each	500.00	500.00
	(B) Issued, subscribed and fully paid up		
	34,50,000 (March 31, 2020 : 34,50,000		
	equity shares of ` 10/- each	345.00	345.00
	Total	345.00	345.00



# a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of Shares	Rs. in lakhs
As at April 01, 2019	3,450,000	345.00
Issued during the year	-	-
As at March 31, 2020	3,450,000	345.00
Issued during the year	-	-
As at March 31, 2021	3,450,000	345.00

#### b. Details of shares held by each shareholder holding more than 5%

	As at 31st	March,2021	021 As at 31st March,202	
Class of shares/	Number of	% holding in	Number of	% holding in
Name of shareholder	shares held	the shares	shares held	the shares
1. Harshadbhai Natvarlal Dalal (H.U.F)	207,625	6.02	207,625	6.02
2. Praful M Patel (H.U.F)	189,090	5.48	189,090	5.48
3. Aadit Harshadbhai Dalal	179,679	5.21	179,679	5.21

# Note 17 Other Equity

( in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Statutory reserve under section 45IC of RBI Act, 1934	1130.91	1,041.51
General reserve	3476.00	3,151.00
Net surplus in the statement of Profit and loss	258.20	246.45
Total	4,865.11	4,438.96

(`in Lakhs)

# Α.

Statutory reserve under section 45IC of RBI Act, 1934	31st March, 2021	31st March, 2020
Opening balance	1,041.51	945.10
Addition during the year	89.40	96.41
Deduction/Adjustment during the year	-	-
Closing balance	1,130.91	1,041.51



(`in Lakhs)

В.	General reserve	31st March, 2021	31st March, 2020
	Opening balance Addition during the year Deduction/Adjustment during the year	3,151.00 325.00	2,826.00 325.00
	Closing balance	3,476.00	3,151.00

(`in Lakhs)

C.	Net surplus in the statement of Profit and loss	31st March, 2021 `	31st March, 2020 `
	Opening balance	246.45	242.77
	Net profit for the period	447.02	482.03
	Other comprehensive income (net of tax)	13.63	(12.43)
	Less: Appropriations		
	Transfer to reserve under section 45IC of RBI Act, 1934	(89.40)	(96.41)
	Transfer to general reserve	(325.00)	(325.00)
	Dividend paid	(34.50)	(36.93)
	Corporate Dividend Tax on Dividend paid	-	(7.59)
	Closing balance	258.20	246.45

#### Statutory reserve under section 45IC of RBI Act, 1934

According to section 45IC of RBI Act, 1934, the company transfers a sum not less than 20% of its net profit every year as disclosed in the statement of profit and loss and before declaration of any dividend to statutory reserves

#### General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

#### Net surplus in the statement of Profit and loss

Surplus in the statement of profit and loss is accumulated available profit of the company carried forward from earlier years These reserves are free reserves which can be utilised for any purpose as may be required

io income tax	18	Income tax	(`in Lakhs)
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18A	Income tax recognised in Statement of Profit or Loss:	31st March, 2021 `	31st March, 2020 `
	Current Tax:		
	Current tax	137.65	172.56
	Tax in respect of earlier year	9.50	(1.52)
	Total Current Tax	147.15	171.04
	Deferred Tax:		
	Deferred tax	9.32	(15.45)
	Total deferred tax	9.32	(15.45)
	Income tax expense reported in the Statement of Profit and Loss	156.47	155.59
	Effective income tax rate	25.93%	24.40%
	Tax related to items recognised in OCI during the year		
	Re-measurement gain/(loss) on defined benefit plans	(0.86)	0.55
	Net gain/(loss) on equity instruments through OCI	(1.23)	1.20
	Tax credited to OCI	(2.09)	(1.75)



( in Lakhs)

18B	A reconciliation of income tax expense applicable to accounting profit/ (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:	31st March, 2021	31st March, 2020
	Profit/ (loss) before tax	603.49	637.62
	Enacted tax rate in India (Normal rate)	25.17%	25.17%
	Expected income tax expense/ (benefit) at statutory tax rate	151.89	160.48
	Expenses disallowed for tax purposes Income exempt from tax	19.51 (0.43)	4.05 (0.48)
	Tax allowances and exemptions Tax pertaining to prior years Others	(17.87) 9.50 (6.13)	(2.16) (1.52) (4.78)
	Tax expense for the year	156.47	155.59

#### 18C Movement In Deferred Tax Assets And Liabilities

( in Lakhs)

Movement during the year ended 31st March, 2021	As at 1st April, 2020			As at 31st March, 2021
Deferred Tax Asset/(Liabilities)				
Difference between written down				
value of fixed assets as per books				
of accounts and income tax	(5.64)	0.21	-	(5.43)
Fair value of investments	(1.21)	-	(1.24)	(2.45)
Expected Credit Loss	78.25	(19.36)	-	58.89
Others	0.30	9.84	-	10.14
Total	71.70	(9.31)	(1.24)	61.15

( in Lakhs)

Movement during the year ended 31st March, 2020	As at 1st April, 2019	in statement	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2020
Deferred Tax Asset/(Liabilities)				
Difference between written down value of fixed assets as per books				
of accounts and income tax	(5.84)	0.20	-	(5.64)
Fair value of investments	(2.41)	-	1.20	(1.21)
Expected Credit Loss	59.52	18.73	-	78.25
Others	3.78	(3.48)	-	0.30
Total	55.05	15.45	1.20	71.70

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

( in Lakhs)

	Particulars	31st March, 2021	31st March, 2020
Note 19	Interest Income On financial assets measured at amortised Interest on loans Interest from investments	1,421.16 1.34	1,727.76 1.63
	Total	1,422.50	1,729.39



			(`in Lakhs)
	Particulars	31st March, 2021	31st March, 2020
Note 20	Other Income		
	Interest on margin money deposits with Bank	1.58	1.83
	Insurance commission	2.00	2.50
	Miscellaneous income	4.51	0.23
	Total	8.09	4.56
Note 21	Finance Costs		
	On financial liabilities measured at amortised cost:		
	Interest on borrowings (other than debt securities)	200.53	219.03
	Bank charges and commissions	21.71	21.96
	Total	222.24	240.99
			(`in Lakhs)
	Particulars	31st March, 2021	31st March, 2020
Note 22	Impairment of Financial Instruments		
	On financial assets measured at amortised cost:		
	Loans		
	- Expected credit loss	(76.91)	96.94
	Total	(76.91)	96.94
Note 23	Employee Benefit Expenses	,	
	Salaries, Wages and Bonus	237.87	241.17
	Contribution to provident and other fund	23.57	24.14
	Staff Welfare expenses	3.81	5.29
	Remuneration to Managing Director	22.30	21.10
	Total	287.55	291.70
Note 24	Other Expenses		
	Brokerage	52.59	71.35
	Recovery charges	59.56	52.40
	Rent	6.31	6.59
	Rates and taxes	0.99	1.22
	Insurance	0.85	0.93
	Repairs and maintenance		
	Plant and machinery	1.62	-
	Buildings	1.91	29.38
	Others	1.82	3.41
	Legal and Professional fees	31.72	13.78
	Payment to Auditor:		
	Audit fee	1.25	1.44
	Tax Audit Fee	-	0.35
	Loss on sale of Property, Plant & Equipment	0.23	_
	Branch Administrator expenses	47.96	59.05
	Computer handling charges	15.24	17.31
	(Excess receipt) / write down in value of seized vehicles	65.02	45.63
	Corporate Social Welfare Expenses (Refer Note No.28)	15.00	16.00
	Electricity expenses	2.81	3.29
	GST Expenses	18.52	58.20
	Miscellaneous Expenses	56.43	73.79
	Total	379.83	454.12
	I Otal	313.03	454.12



#### Note 25 Earnings per Share (EPS) as per Indian Accounting Standard 33:

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Net Profit as per Statement of Profit & Loss	447.01	482.03
No.of weighted average outstanding Equity Shares	3,450,000	3,450,000
Earning per Equity Share of ` 10/- each (Basic & Di	iluted) 12.96	13.97

#### Note 26 Related Party Transactions as per Indian Accounting Standard 24:

The disclosure in pursuance to Indian Accounting Standard-24 on "Related Party disclosures" is as under:

#### (a) Name of Related Parties & Relationship

SN	Name	Relationship	Manner
1	Mr. Deepak R. Patel	Key managerial personnel	Managing Director
2	Mr. Devang Shah	Key managerial personnel	Chief Financial Officer
3	Mr. Shailesh Bharvad (with effect from April 01, 2019)	Key managerial personnel	Company Secretary
4	Mr. Sunil Patel	Director	Non Executive Independent Director
5 6 7	Mr. Kiran Patel	Director	Non Executive Director
6	Mr. Shailesh Patel	Director	Non Executive Director
7	Mr. Bharat Amin	Director	Non Executive Independent Director
8	Mrs. Mrudula Patel	Director	Non Executive Independent Director
9	Ramanbhai J. Patel HUF	Relatives of key management personnel	Karta of HUF is Mr. Kiran R. Patel
10	Mrs. Taraben Ramanbhai Patel	Relatives of key management personnel	Mother of Mr. Deepak R. Patel
11	Mrs. Bina Deepakbhai Patel	Relatives of key management personnel	Wife of Mr. Deepak R. Patel
12	Mr. Datten Deepakbhai Patel	Relatives of key management personnel	Son of Mr. Deepak R. Patel
13	Ms. Vanisha Patel	Relatives of key management personnel	Daughter of Mr. Deepak R. Patel
14	Mrs. Mamtaben Sunilbhai Patel	Relatives of key management personnel	Sister of Mr. Deepak R. Patel
15	Deepak R. Patel HUF	Relatives of key management personnel	Karta of HUF is Mr. Deepak Patel
16	Ceejay Tobacco Limited	Enterprise significantly influenced by Directors or KMPs or their relatives	
17	Ceejay Microfin Limited	Enterprise significantly influenced by Directors or KMPs or their relatives	



b) Transactions during the year with related parties mentioned in (a) above, in ordinary course of business & balances outstanding as at the year end:

		Total	Key	Relative	Enterprise	Non
		Total	_		_	
Toonsetten			Managerial	of Key	significantly	
Transaction			Person	_	_	Directors
				Person	Key Managerial	
( ) 22	T				Person	
(a) Managerial Remuneration						
Mr. Deepak R Patel		22.52	22.52	-	-	-
	P.Y.	21.32	21.32	-	-	-
Mr. Devang Shah		14.91	14.91	-	-	
	P.Y.	14.77	14.77	-	-	-
Mr. Shailesh Bharvad		5.26	5.26	-	-	-
	P.Y.	4.38	4.38	-	-	-
(b) Dividend paid						
Mr. Deepak R Patel		0.07	0.07	-	-	
	P.Y.	0.11	0.11	-	-	
Mr. Kiran Patel		0.07	-	-	-	0.07
	P.Y.	0.11	-	-	-	0.11
Mr. Shailesh Patel		0.07	-	-	-	0.07
	P.Y.	0.11	-	-	-	0.11
Mr. Kirit Dalal		-	-	-	-	-
	P.Y.	0.02	-	-	-	0.02
Ramanbhai J. Patel HUF		0.44	-	0.44	-	
	P.Y.	0.66	-	0.66	-	
Mrs Taraben Ramanbhai Patel		0.29	-	0.29	-	
	P.Y.	0.44	_	0.44	-	
Mrs Bina Deepakbhai Patel		0.29	_	0.29	-	
Mio Bila Boopakonai Fator	P.Y.	0.44	_	0.44	-	
Mr. Datten Deepakbhai Patel	1 . 1 .	0.59	_	0.59	-	
Wil. Batteri Beepaksiiai i atei	P.Y.	0.89		0.89	-	
Mrs Vanisha Patel	F.1.	0.52		0.59	-	
wiis vailisila ratei	P.Y.	0.78	_	0.32	_	
Mrs Mamtaben Sunilbhai Patel	F.1.	0.78	-	0.78	-	
WIS Mailitabell Sullibilat Fater	P.Y.	0.17	-		-	
December D. Detail IIIIE	P.T.	0.26	-	0.26	-	
Deepak R. Patel HUF	D.V		-	0.82	-	
	P.Y.	1.23	-	1.23	-	
(c) Inter corporate deposits Received/	(Repaid)	(Net)				
Ceejay Tobacco Limited (Repaid)		(1,140.00)	-	-	(1,140.00)	-
Ceejay Tobacco Limited (Taken)	P.Y.	325.00	-	-	325.00	-
(d) Inter corporate deposits Received/	(Repaid)	(Net)				
Ceejay Microfin Limited (Repayment received)		521.93	-	-	521.93	-
Ceejay Microfin Limited (Given)	P.Y.	(1,021.93)	-	-	(1,021.93)	



Ceejay Tobacco Limited		121.69	-	-	121.69	
	P.Y.	80.73	-	-	80.73	
(f) Interest income on Inter corporate	deposit	-			•	
Ceejay Microfin Limited		106.20		-	106.20	
	P.Y.	32.63	-	-	32.63	
(g) Loans Received/(Repaid) (Net)						
Ceejay Microfin Limited (Given)		(250.00)	-	-	(250.00)	
	P.Y.	-	-	-	-	
Balance Outstanding as at 31st March 2021						
Amount Receivable/(Payable) (Inter co	rporate	deposit)				
Ceejay Tobacco Limited		(360.00)	-	-	(360.00)	
	P.Y.	(1,500.00)	-	-	(1,500.00)	
Ceejay Microfin Limited		500.00		-	500.00	
	P.Y.	1,021.93	-	-	1,021.93	
Amount Receivable/(Payable) (Loans)	•					
Ceejay Microfin Limited		250.00	-	-	250.00	
	P.Y.	-	-	-	-	
Guarantees Given by Key Managerial Pe	ersonnel	and director	s to Compa	ny's banker fo	or securing loan	S**
Mr. Deepak R Patel, Mr. Kiran Patel,		1,500.00	1,500.00	-	-	
Mr. Shailesh Patel (Jointly)						
	P.Y.	1,500.00	1,500.00	-	-	

<sup>\*\*</sup>To secure bank loan personal guarantee has been given by KMP & Non executive directors as mentioned above.

#### C Compensation to Key Managerial Personnel of the Company:

(`in Lakhs)

Nature of Benefits	For the year ended 31st March 2021 `	For the year ended 31st March 2020 `
Short term employee benefits Post employment gratuity benefits	42.69 -	40.47
Total	42.69	40.47

Note: \* Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. Post-employment gratuity benefits of Key Managerial Personnel has not been included in (b) above.

#### Note 27 Post Retirement Benefit Plans as per Indian Accounting Standard 19:

As per Actuarial Valuation as on 31st March, 2021 and 31st March, 2020 and recognised in the financial statements in respect of Employee Benefit Schemes:

#### (i) Defined benefit obligations

#### A. Amount recognised in the Balance Sheet

Particulars	As at	As at
	31st March, 2021 `	31st March, 2020 `
Gratuity:		
Present value of plan liabilities	114.39	102.99
Fair value of plan assets	116.90	97.12
Deficit/(Surplus) of funded plans	(2.51)	5.87
Unfunded plans	, , ,	-
Net plan liability/ (Asset)*	(2.51)	5.87



#### B. Movements in plan assets and plan liabilities

(`in Lakhs)

Gratuity:		the year o		For the year ended 31 <sup>st</sup> March, 2020		
	Plan	Plan	Net	Plan	Plan	Net
	Assets	liabilities		Assets	liabilities	
As at 1st April	97.12	102.99	5.87	75.57	87.22	11.65
Current service cost	-	6.42	6.42	-	6.57	6.57
Employee contributions	-	-	-	-	-	-
Return on plan assets excluding actual						
return on plan assets	6.66	-	(6.66)	5.71	-	(5.71)
Actual return on plan asset	1.34	-	(1.34)	-	-	-
Interest cost	-	7.05	7.05	-	6.98	6.98
Actuarial (gain)/loss arising from changes in						
demographic Assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in						
financial Assumptions	-	0.26	0.26	0.01	2.22	2.21
Actuarial (gain)/loss arising from experience						
adjustments	-	(2.33)	(2.33)	-	-	-
Employer contributions	11.78	-	(11.78)	15.83	-	(15.83)
Benefit payments	-	-	-	-	-	-
As at 31st March	116.90	114.39	(2.51)	97.12	102.99	5.87

The liabilities are split between different categories of plan participants as follows:

The Company expects to contribute around 3.56 lakhs to the funded plans in financial year 2020-21 (2019-20 : 5.87 Lakhs) for gratuity

# C. Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses

(`in Lakhs)

Gratuity:	For the year ended 31st March, 2021	For the year ended 31 <sup>st</sup> March, 2020 `
Current service cost	6.42	6.57
Finance cost/(income)	0.39	1.27
Asset/(Liabilities) recognised in Balance Sheet*		
Net impact on the Profit / (Loss) before tax	6.81	7.84
Return on plan assets excluding actuarial return on plan assets	1.34	-
Actuarial gains/(losses) arising from changes in demographic	-	-
Actuarial gains/(losses) arising from changes in financial assumption	2.07	(2.21)
Experience gains/(losses) arising on experience adjustments	-	-
Benefit plan liabilities		
Net Loss recognised in the Other Comprehensive Income before tax	3.41	(2.21)

<sup>\*</sup> Surplus of assets over liabilities has not been recognised on the basis that future economic benefits are not available to the Company in the form of a reduction in future contributions or cash refunds.

D. Assets (`in Lakhs)

( = 4				
	As at	As at		
	31st March, 2021 `	31st March, 2020 `		
Gratuity:				
Unquoted	-	-		
Government Debt Instruments	-	-		
Corporate Bonds	-	-		
Insurer managed funds	116.90	97.12		
Others	-	-		
Total	116.90	97.12		



#### E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

Gratuity:	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Financial Assumptions		
Discount rate	6.80%	6.84%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate	3.00%	3.00%
Demographic Assumptions		
Published rates under the Indian Assured		
Lives Mortality (2006-08) Ult table.	N.A.	N.A.

#### F. Sensitivity

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

(`in Lakhs)

Gratuity :	A	s at 31st Marc	h, 2021	As	at 31st March,	, 2020
	Change in assumption	Increase in present value of plan liabilities `	Decrease in present value of plan liabilities `		Increase in present value of plan liabilities `	Decrease in present value of plan liabilities `
Discount rate (+/- 1%)	100 bps	(6.21)	7.09	100 bps	(5.98)	6.76
Salary Escalation Rate (+/- 1%)	100 bps	6.34	(5.62)	100 bps	5.83	(5.23)
Attrition Rate (+/- 1%)	100 bps	(0.11)	0.12	100 bps	(0.07)	0.08

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

#### G. The defined benefit obligations shall mature after year end 31st March, 2021 as follows:

(`in Lakhs)

Gratuity:	As at 31st March, 2021 `	As at 31st March, 2020 `
1st following year	30.37	3.74
2nd following year	3.15	28.91
3rd following year	15.34	2.93
4th following year	3.07	14.80
5th following year	5.12	2.79
Thereafter	135.86	121.83

#### Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments % which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

#### (ii) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is C796limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is `23.57 Lakhs (2019-20: `24.14 Lakhs)



Note 28 (`in Lakhs)

Details of CSR expenditure:	31st March, 2021 `	31st March, 2020 `
<ul> <li>a) Gross amount required to be spent by the Company during the year</li> </ul>	13.88	14.55
(b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	15.00	16.00
Total	15.00	16.00

#### Note 29 Contingencies and Commitments (Refer Note No. 2.14)

#### a. Contingent liabilities not provided for in respect of:

( in Lakhs)

Sr. Particulars	31st March, 2021 `	31st March, 2020 `
No		
(a) Claims against the Company /disputed		
liabilities not acknowledged as debts	3.45	3.45
(b) Disputed Statutory Claims	-	-
TOTAL	3.45	3.45

Outflow in respect of (a) and (b) disputes /contingencies are dependent upon final outcome of the disputes or ultimate agreement to resolve the differences.

#### b. Commitments

Commitments on account of estimated amount of contracts remaining to be executed on capital account and not provided for `Nil [ 31st March, 20 : `Nil ]

#### Note 30 Fair Value Measurement

#### Accounting classification and fair values

		As at 31st March, 2021			As	at 31st Marc	ch, 2020
Financial Assets & Financial Liabilities	Fair Value Hierarchy	Fair value Through OCI `	Amortised Cost	Total	Fair value Through OCI `	Amortised Cost	Total
Financial Assets							
Cash and Cash Equivalents	Level 3		150.37	150.37		121.63	121.63
Bank balances other than cash							
and cash Equivalents	Level 3		57.98	57.98	-	48.84	48.84
Investments	Level 1	35.96	13.97	49.93	23.65	16.99	40.64
Loans and advances	Level 3		6,597.63	6,597.63	-	7,437.14	7,437.14
Other Financial Assets	Level 3		8.68	8.68	-	5.84	5.84
Total		35.96	6,828.63	6,864.59	23.65	7,630.44	7,654.09
Financial Liabilities							
Borrowings	Level 3		1,842.78	1,842.78	-	2,971.19	2,971.19
Trade Payable	Level 3		65.89	65.89	-	112.00	112.00
Other Financial Liabilities	Level 3		22.31	22.31	-	23.71	23.71
Total		-	1,930.98	1,930.98	-	3,106.90	3,106.90



#### (i) Fair value Hierarchy

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 re-measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

- Level 1: hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Company is the current bid price.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3

#### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the equity instruments is determined based on the quoted price as majority of the equity instruments are actively traded on stock exchanges
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis
   All of the resulting fair value estimates are included in level 3 where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

#### (iii) Valuation process

Discount rates are determined using a market interest rate for a similar asset adjusted to the risk specific to the asset.

#### (iv) Comparison of Fair value and Carrying Value

				( In Lakns)
	Carrying	Carrying Value		Value
Financial Assets & Financial Liabilities	31st March, 2021	31st March, 2020 `	31st March, 2021 `	31st March, 2020 `
Financial Assets				
Cash and Cash Equivalents	150.37	121.63	150.37	121.63
Bank balances other than cash and cash Equivalents	57.98	48.84	57.98	48.84
Investments	25.45	28.46	49.93	40.64
Loans and advances	6,597.63	7,437.14	6,597.63	7,437.14
Other Financial Assets	8.68	5.84	8.68	5.84
Total	6,840.11	7,641.91	6,864.59	7,654.09
Financial Liabilities				
Borrowings	1,842.78	2,971.19	1,842.78	2,971.19
Trade Payable	65.89	112.00	65.89	112.00
Other Financial Liabilities	22.31	23.71	22.31	23.71
Total	1,930.98	3,106.90	1,930.98	3,106.90



#### 31 Capital Risk Management

#### (a) Risk management

The Risk Management policy includes identification of element of risks, including those which in the opinion of Board may lead to Company not meeting its financial objectives. The risk management process has been established across the Company and design to identify, access and frame a response to threat that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolve around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders the Company monitors the ratio as below:

Net Debt divided by total equity

(`In Lakhs)

<u> </u>		
Particulars	As at	As at
	31st March, 2021 `	31st March, 2020 `
Net Debt (total borrowings, less cash and cash equivalents)	1692.41	2849.56
Total Equity (as shown in the balance sheet)	5210.11	4783.96
Net debt to equity ratio	0.32	0.60

#### (b) Externally imposed capital restrictions

As per RBI requirements, Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead to cancellation of NBFC licenses issued by RBI.

The Company has complied with these covenants throughout the reporting period.

#### Note 32 Financial risk management

#### A. Management of Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilised cash credit facility and term loans.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Company, as on 31 March 2021 is 74.66% against regulatory norms of 15%.

The total cash credit limit available to the Company is ` 1500 lakhs . The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

The following table shows the maturity analysis of the company's financial liabilities based on the contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.



#### Exposure as at March 31, 2021

(`In Lakhs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	1,842.78	-	-	1,842.78
Trade Payable	65.89	-	-	65.89
Other Financial Liabilities	22.31	-	-	22.31
Total Financial Liabilities	1,930.98	-	-	1,930.98

#### Exposure as at March 31, 2020

( In Lakhs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				_
Borrowings	2,971.19	-	-	2,971.19
Trade Payable	112.00	-	-	112.00
Other Financial Liabilities	23.71	-	-	23.71
Total Financial Liabilities	3,106.90	-	-	3,106.90

#### B. Management of Market Risk

The company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- · Foreign Currency risk
- Equity risk
- Interest rate risk

The above risks may affect the company's income and expenses, or the value of its financial instruments. The company's exposure to and management of these risks are explained below:

#### (i) Foreign Currency risk

The company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the company.

#### (ii) Price Risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through other comprehensive income .To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

#### Sensitivity Analysis

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

A change of 5% in market index would have following Impact on profit before tax

( In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
BSE Index 100 - Increase by 5%	1.80	1.18
BSE Index 100 - Decrease by 5%	(1.80)	(1.18)



The above referred sensitivity pertains to quoted equity investments. Profit for the year would increase/decrease as a result of gains/losses on equity securities as at Fair Value through other comprehensive income (FVTOCI).

#### (iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

(`In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
50 bp decrease would increase the profit before tax by	9.21	14.86
50 bp increase would decrease the profit before tax by	(9.21)	(14.86)

#### C Management of Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Company does a risk grading based upon the credit worthiness of the borrowers All these factors are taken into consideration for computation of ECL.

#### Other Financial Assets

Credit risk with respect to other financial assets are extremely low. Based on the credit assessment, the historical trend of low default is expected to continue. No provision for Expected Credit Loss (ECL) has been created for Other financial Assets.

#### Loans

The following table sets out information about credit quality of loan assets measured at amortised cost based on Number of Days past due information. The amount represents gross carrying amount

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
Gross carrying value of loans		
Stage 1 (0-30 Days)	5,351.17	3,125.13
Stage 2 (31-90 Days)	362.40	2,978.07
Stage 3 (More than 90 Days)	1,118.07	1,644.85
Total	6,831.64	7,748.07



#### **Credit Quality**

Financial services business has a comprehensive framework for monitoring credit quality of its loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow-ups and legal recourse.

#### Inputs considered in the ECL model

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Company categorises loan assets into stages based on the Days Past Due status:

- Stage 1: 30 Days Past Due
- Stage 2: 31-90 Days Past Due
- Stage 3: More than 90 Days Past Due

#### Assumptions considered in the ECL model

The financial services business has made the following assumptions in the ECL Model:

"Loss given default" (LGD) is common for all three stages and is based on loss in past portfolio.
 Actual cash flows are discounted with average rate for arriving loss rate. EIR has been taken as discount rate for all loans.

#### **Estimation Technique**

The financial services business has applied the following estimation technique in its ECL model:

- "Probability of default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD is 100%.
- Probability of default for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.
- Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as average
  of historical trend from Stage 2 to Stage 3 for the remaining tenor.

There is no change in estimation techniques or significant assumptions during the reporting period.

#### Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the financial services business considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The financial services business considers reasonable and supportable information that is relevant and available without undue cost and effort.

The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in loans. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

#### Definition of default

The definition of default used for internal credit risk management purposes is based on RBI Guidelines. Under Ind AS, financial asset to be in default when it is more than 90 days past due. The financial services business considers a financial asset under default as 'credit impaired'.



Reconciliation of ECL balance as on March 31, 2021 is given below:

( In Lakhs)

	As at March 31, 2021			
Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	52.83	133.28	124.80	310.91
New assets originated or purchased	87.41	5.18	6.54	99.13
Assets derecognised or write offs	-	-	(176.03)	(176.03)
Transfers to Stage 1	1.53	(1.11)	(0.42)	-
Transfers to Stage 2	(0.61)	1.14	(0.53)	-
Transfers to Stage 3	(50.44)	(128.81)	179.25	-
ECL allowance - closing balance	90.72	9.68	133.61	234.01

Reconciliation of ECL balance as on March 31, 2020 is given below:

(`In Lakhs)

	As at March 31, 2020			
Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	40.80	85.15	88.01	213.96
New assets originated or purchased	60.39	165.41	205.10	430.90
Assets derecognised or write offs	-	-	(50.11)	(50.11)
Transfers to Stage 1	(48.36)	-	-	(48.36)
Transfers to Stage 2	-	(117.28)	-	(117.28)
Transfers to Stage 3	-	-	(118.20)	(118.20)
ECL allowance - closing balance	52.83	133.28	124.80	310.91

#### Note 33 Dues to Micro, Small and Medium Enterprises

Based on the information available with the company there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2021. Hence, the disclosure required under this Act has not been given.

Note 34 Pursuant to para 2 of general instructions for preparation of financial statements of a NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.

#### Note 35 Segment Reporting

The Company is primarily engaged in one business segment viz. Finance service, as determined by the chief decision maker in accordance with Ind AS 108, Operating Segments. The Board of Directors has been identified as Chief operating decision maker (CODM), CODM of the Company evaluates the Company performance, allocates resources based on the analysis of various performance indicators of the Company as a single unit. Therefore, there is no separate reportable segment for the Company.

- Note 36 The Board has recommended dividend @ 10% p.a. amounting to ` 34.5 Lakhs (` 1 per share) on equity share capital of the Company, subject to approval of shareholders in the Annual General Meeting.
- Note 37 The Covid-19 pandemic has impacted most economies and NBFC's globally, including India. Consequent to the outbreak of the Covid-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently national lockdown was lifted by the government, regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The extent to which COVID-19 pandemic including the current "Second wave" that has significantly increased the number of cases in India, will continue to impact the company's performance will depend upon ongoing and future developments, which are highly uncertain, including among other things, any new information concerning severity of COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us. The Company continued to recognize interest income during the moratorium period and in the absence



of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. Given the uncertainty over the potential macroeconomic condition, the Impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors/information available, up to the date of approval of these annual financial statements. In order to cover the impact of COVID-19 on the future expected credit losses, the Company is carrying a provision of `45.79 lakhs on March 31, 2021. (For the year ended March 31, 2020 `88.65 lakhs).

- Note 38 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31 March 2021 and accordingly, no amount is required to be transferred to impairment reserve.
- Note 39 The Honourable Supreme Court of India (Hon'ble SC) in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ("Interim Order), had directed banks and NBFCs that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. The interim order got vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small-Scale Industrial Manufacturers Association vs. Union of India & Others. Further to these judgements in accordance with the instructions in Paragraph 5 of the RBI circular no. RBI/2020-21/17DOR.STR.REC.4/21.04.048/ 2021-22 dated April 07, 2021 issued, the Company has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021.
- Note 40 Pursuant to the above judgement and RBI circular dated April 07, 2021, RBI has instructed all lending institutions to refund/adjust "Interest on Interest" to all borrowers irrespective of whether moratorium had been fully or partially availed or not availed. Pursuant to these instructions the Company has estimated the said amount as ` 10.27 lakhs and charged to its Profit and Loss account for the year ended March 31, 2021, on the basis of methodology for calculation of the amount of such 'interest on interest' finalised by the Indian Bank Association (IBA) in consultation with other participants/bodies.
- Note 41 Disclosures as required under RBI Notification No: RBI/ 2019-20/220 DOR No BP.BC.63/21.04.048/ 2019-20 dated April 17th 2020 on COVID-19 Regulatory Package- Asset Classification and Provisioning. (\* in Lakhs)

Sr. No.	Particulars	31st March, 2021
1	Respective amounts in SMA/Overdue Categories where the moratorium/deferment was extended*	328.59
2	Respective amount where asset classification benefits is extended. **	-
3	Provision made during quarter 4 for FY 2020 and Quarter 1 FY 2021 in terms of paragraphs (as on June 30, 2020)	128.52
4	Provision adjusted during the respective accounting periods against slippages	-
5	Residual provisions at the end of the financial year written back.	76.91

Note:

\*Outstanding as on March 31, 2021 respectively on account of all cases where moratorium benefit is extended by the Company up to August 31, 2020.

\*\*There are NIL accounts where asset classification benefit is extended till March 31, 2021, Post the moratorium period the movement of aging has been at actuals.



- Note 42 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the said code becomes effective including the related rules framed thereunder to determine the financial impact are published.
- Note 43 Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Sr No	Particulars	Amount outstanding as on March 31,2021	Amount Overdue as on March 31, 2021
NO	Liabilities side :	as on watch 51,2021	as on march 31, 2021
1	Loans and advances availed by		
	the non- banking financial company 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	- 200.00	-
	(d) Inter-corporate loans and borrowing (e) Commercial Paper	360.00	-
	(f) Other Loans :	_	_
	Cash Credit from Banks	1,482.78	_
	Security Deposit from Customers	0.95	_
	Total	1,843.73	-
	Assets side :		
2	Break-up of Loans and Advances		
	including bills receivables [other than		
	those included in (4) below]:		
	Secured	5756.40	-
	Unsecured	841.23	-
3	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) Finance 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	63.73	-
	(b) Loans other than (a) above	5692.67	-
	Total	5,756.40	-



5

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(`in Lakhs)

4 Break-up of Investments :	Amount outstanding	Amount Overdue
	as on March 31,2021	as on March 31, 2021
Current Investments:		
1. Quoted :		
(i) Shares: (a) Equity	35.96	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	-	-
(iv) Government securities	-	-
(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	-	-
(b) Preference	-	-
(ii) Debentures and Bonds (iii) Units of Mutual Funds	-	-
(iv) Government Securities	13.97	
(v) Others (Please specify)	13.97	]
2. Unquoted:		
(i) Shares (a) Equity	_	_
(b) Preference	_	_
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (Pass through		
Certificates - Securitisation )	-	-
Total	49.93	-

(`in Lakhs)

Bor fina	rower group-wise classification of assets nced as in (2) and (3) above	Amount (Net of provisions for Non- performing assets)		
		Secured	Unsecured	Total
1.	Related Parties			
(a)	Subsidiaries	-	-	-
(b)	Companies in the same group	250.00	500.00	750.00
(c)	Other related parties	-	-	
2.	Other than related parties	5,506.40	341.23	5,847.63
Total		5,756.40	841.23	6,597.63
		•	•	(`in Lakhe)

Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)	Market value or fair value of NAV	Book Value (Net of provisions)	
1. Related Parties			
(a) Subsidiaries	-	-	
(b) Companies in the same group	-	-	
(c)Other related parties	-	-	
2. Other than related parties	49.93	49.93	
Total	49.93	49.93	



(`in Lakhs)

7	Other Information	Amount outstanding
		as on March 31,2021
(i)	Gross Non-Performing assets	
	(a) Related Parties	-
	(b) Other than related parties	894.28
(ii)	Net Non-Performing assets	
	(a) Related Parties	-
	(b) Other than related parties	660.27
(iii)	Assets acquired in satisfaction of debt	-

Note 44 Previous period figures have been regrouped/reclassified, wherever necessary, to conform to current period's classification.

As Per our audit report of even date.

For Arpit Patel & Associates

Chartered Accountants

FRN: 144032W

Arpit K. Patel Partner

Membership no. 034032

Place: Ahmedabad Date: June 28, 2021 For and on Behalf of the Board

Kiran Patel Chairman Mrudula Patel

Director

Deepak Patel Managing Director Sunil Patel

Director

Shailesh Patel Director **Bharat Amin** 

Director

Shailesh Bharvad Company Secretary

Place: Nadiad

Date: June 28, 2021

**Devang Shah** Chief Financial Officer



If undelivered please return to:

# **CEEJAY FINANCE LIMITED**

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