



GEECEE FINCAP LIMITED

(Formerly Known As GCIL FINANCE LIMITED)

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Annexure-C

Management Discussion and Analysis Report

➤ Background

GeeCee FinCap Limited (Formerly known as GCIL Finance Limited) is a wholly owned subsidiary of GeeCee Ventures Limited and is a Systemically Important Non-Deposit accepting Non-Banking Financial Company, holding a certificate of Registration No. N-13.01905 dated 14th July, 2008.

➤ Macroeconomic Review and Indian Economic Review :

Globally, protectionism, anti-globalisation sentiments, uncertainty surrounding Brexit and the escalating trade war between US and China continued to affect sentiments of the financial markets. The global economy slowed to 3.6% in 2018, from 3.8% in 2017. The International Monetary Fund expects the global economy to slow down further in 2019 before stabilising at 3.6% in 2020. Additionally, there is increasing uncertainty due to trade protectionism and Brexit. However, further monetary policy adaptation and policy-easing measures by China would account for a soft landing.

On the domestic front, India faced issues related to financial health of the NBFC sector, high NPA levels in the banking space, slowing consumption demand and some concerns on the fiscal side. On the back of various measures to address the issue of bad loans in the banking sector and to revive the economic activities, the NPA cycle is believed to appear to be bottoming out.

The government has been campaigning actively for showcasing the nation as a sensible investment destination and improve trade cooperation. Government campaigns such as 'Make in India' and 'Start-up India' have been helping India to position itself as a manufacturing hub and promoting entrepreneurship.

➤ Industry Structure and Developments:

The global economy slowed to 3.6% in 2018, from 3.8% in 2017. The International Monetary Fund expects the global economy to slow down further in 2019 before stabilising at 3.6% in 2020. This is mainly due to significant revisions in the Eurozone, especially in Germany, where production difficulties in auto sector and lower external demand will weigh on growth in 2019.





India has a diversified financial sector undergoing rapid expansion with many new entities entering the market along with the existing financial services firms. The sector comprises commercial banks, insurance Companies, NBFCs, Housing Finance Companies,

Co-operatives, Pension Funds, Mutual Funds and other smaller financial entities. Non-Banking Finance Companies (NBFCs) form an integral part of the Indian financial system. The global and domestic economic landscape witnessed significant shifts, leading to wide ranging implications on the banking Sector and financial markets.

There has been major reforms and structural improvements which boosted the economy and opportunities in the finance sector which has been provided hereunder:

1. Policy reforms: Reforms such as increased FDI limits, Goods and Service Tax (GST) etc. led to creation of jobs and bringing more businesses into the organised sector. It also improved the ease of doing business thus benefiting the economy in major way.
2. Improvement in infrastructure: Infrastructure of country is recognised as a key driver for the economy of any nation. Measures such as construction of smart cities, industrial corridors, new railway lines, improving sea connectivity to stimulate trade and building roads to improve rural connectivity have all contributed to the nation's economic growth.
3. Development campaigns: The government has been campaigning actively for showcasing the nation as a sensible investment destination and improve trade co-operation. Government campaigns such as 'Make in India' and 'Start up India' have been helping India to position itself as a manufacturing hub and promoting entrepreneurship.

➤ **Opportunities and threats:**

Indian Economy provides excellent growth opportunities as the increased thrust to power, road, ports, telecom and other infrastructure projects will create a positive environment for the Investment and Financial Services Industry in India. Further, growth of service sector also presents new opportunities for Investment and Financial Services Industry in India.

With increasing globalization, integration of world markets, it not only provides new avenues for earning opportunities for our investment business but is also impacted / threatened by domestic and global events. The Company believes that it has to adopt robust risk management practices and continuously monitor and adapt to changing dynamics to not only take advantage of the earnings opportunities but also mitigate the risks and threats posed by the local and global events.



The most significant threat for any lending activity is to constantly exhibit operational excellence and contain the loss given defaults within the acceptable limits. The Company believes that this task is to be worked upon continuously through a very sharp learning and unlearning in order to achieve operational excellence.

➤ **Segment-wise/ Financial & Operational Performance:**

The Company's business activity primarily falls within a Financing and Investment activities. Hence, there are no additional disclosures required under "Accounting Standard - 17 'Segment Reporting'". The Company operates primarily in India; hence there is no other significant geographical segment that requires disclosure. The gross revenue from such Financing and Investment activities for the year is Rs 477.59 Lacs

➤ **Outlook, Risks and concerns:**

The Outlook of the Company for the year ahead is to diversify risk and stabilize its asset quality. The Company will look to grow its supply chain, structured finance and will focus on the recovery.

Risk management forms an integral part of our business. We continue to improve our policies rigorously for the efficient functioning of the business. As a lending company, we are exposed to various risks that are related to our lending business. Our objective in our risk management processes is to measure and monitor the various risks that we are subject to and to follow policies and procedures to address these risks.

Risks are identified at the time of business planning and quantified using scenario planning. The Company takes risk management seriously and its procedures and policies in the area are well defined and considered appropriate for the assessment and management of individual risk categories.

➤ **Internal Control systems and their adequacy:**

The Company has an adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorised use or disposition and the transactions are authorised, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures. The system has been designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. The management regularly reviews the internal control systems and procedures, undertake corrective actions, in their respective areas and thereby strengthen the controls.



➤ Discussion on financial performance with respect to operational performance:
(Rs. In lakhs)

Particulars	2018-19	2017-18
Revenue from operations	477.59	1727.72
Other Income	5.03	7.03
Total Income	482.62	1734.74
Expenses		
<u>Less: Purchase of Stock in Trade</u>	0.00	1500.00
<u>Less: Financial Costs</u>	171.53	94.55
<u>Less: Depreciation</u>	16.43	13.59
<u>Less: Other Expenses</u>	124.76	157.88
Profit before Taxation & Extra- Ordinary Items	169.91	(31.27)
<u>Add: Extra- Ordinary Items</u>	0.00	0.00
Net Profit Before Tax	169.91	(31.27)
<u>Less: Current Tax</u>	35.21	0.00
<u>Less: Mat credit entitlement</u>	(35.21)	-
<u>Less: Provision for Deferred Tax</u>	43.31	(140.10)
Net Profit after Exceptional Items and Tax	126.60	108.83
EPS (Basic per share of face value of Rs. 10/-)	3.38	2.90
EPS (Diluted per share of face value of Rs. 10/-)	3.38	2.90

➤ Human resources/ Industrial Relations :

Your company's closing headcount for the F.Y. 2018-19 was 4,

The Company's business is managed by a team of competent and passionate leaders capable of enhancing your Company's standing in the competitive market. The Company's focus is on unlocking people potential and further developing their functional operational and behavioural competencies. The relations with all employees of the Company remained cordial and there were no significant issues outstanding or remaining unresolved during the year. The Board of Directors and management wishes to place on record their appreciation of the efforts put in by all the employees.

The ultimate aim of the management is to create a dependable work force that will play a key role in assisting the Company to achieve its goals in the various new business opportunities the Company is pursuing. To achieve the highest levels of organizational performance Company has a well exercised approach to organizational and personal learning that includes sharing knowledge via systematic processes.



➤ **Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that would influence the Company's operations include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy.

The Company assumes no responsibility nor is under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

For and on behalf of the Board of Directors of
GeeCee FinCap Limited
(Formerly known as GCIL Finance Limited)



Gaurav Shyamsukha
Director
(DIN: 01646181)

V.V. Sureshkumar
Director
(DIN: 00053859)

Place : Mumbai
Date : 7th August, 2019

REGISTERED OFFICE:
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