

ANNUAL
REPORT
1999 - 2000

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CEEJAY FINANCE LIMITED



7TH ANNUAL REPORT 1999-2000

BOARD OF DIRECTORS	SHRI PRAFUL PATEL	CHAIRMAN
	DEEPAK PATEL	MANAGING DIRECTOR
	HARSHAD DALAL	DIRECTOR
	KIRAN PATEL	DIRECTOR
	SHAILESH PATEL	DIRECTOR

COMPANY SECRETARY KAMLESH UPADHYAYA

STATUTORY AUDITORS M/S. KANTILAL PATEL & CO.
"PARITOSH", 2ND FLOOR,
USMANPURA, AHMEDABAD - 380 013.

INTERNAL AUDITORS VIPINCHANDRA C. SHAH & CO.
133-134, SANTRAM SUPER MARKET,
NR. LAXMI CINEMA,
NADIAD-387 001.

BANKERS BANK OF BARODA
UNION BANK OF INDIA
BANK OF PUNJAB LTD.
NATPUR CO-OPERATIVE BANK LTD.
NADIAD MERCANTILE CO.OP. BANK LTD.

REGD. OFFICE C. J. HOUSE,
MOTA PORE,
NADIAD - 387001.

CORPORATE OFFICE 9TH FLOOR, ABHIJIT-II,
MITHAKHALI SIX ROADS,
ELLISBRIDGE, AHMEDABAD - 380006.



NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of CEEJAY FINANCE LIMITED will be held at "C. J. House", Mota Pore, Nadiad on Saturday 30th September, 2000 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt Balance Sheet as at 31st March, 2000 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend for the year ended 31st March, 2000.
3. To appoint a Director in place of Shri Praful Patel who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Shailesh Patel who retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED That pursuance to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the timebeing inforce and subject to any approvals if necessary, the Articles of Association of the company be and are hereby altered as follows :

- (A) Article2(VIII) of the Articles of Association shall be altered to include the words "and the beneficial owner as defined below" at the end of the existing Article 2(VIII).
- (B) In existing Article 2 being the Article dealing with definations, the following new Sub Clauses be inserted after the existing Sub Clause (XVIII) :—

[XIX] 'Beneficial Owner' shall mean beneficial owner as defined in clause (a) of sub section (1) of section 2 of the Depositories Act, 1996;

CEEJAY FINANCE LIMITED

[XX] 'Depository Act, 1996' shall include any statutory modification or re-enactment thereof; and

[XXI] 'Depository' shall mean a Depository as defined in Clause (C) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

(C) After existing Articles 62, the following new clauses shall be inserted :

"62(a) Nothing contained in the foregoing Articles shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository".

"62(b) In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the depositories Act, shall apply."

Registered Office :

C.J. House, Mota Pore,
Nadiad-387 001.
Date : 30th June, 2000

By order of the Board
For CEEJAY FINANCE LIMITED
Kamlesh Upadhyaya
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will be closed from Friday 22nd September, 2000 to Saturday 30th September, 2000 (both days inclusive).
4. The dividend as recommended by the directors, if sanctioned by the members, will be paid within 42 days from the date of the meeting to those members whose names



stands on Register of members of the Company on 30th September, 2000.

5. The members are requested to intimate to the Company, change in their Registered Address, if any.

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956
RELATING TO THE SPECIAL BUSINESS OF THE COMPANY :**

It is proposed to add new clauses pertaining to issue, transfer and other dealings in shares and securities as also certificates thereof, in view that the same have been amended after enactment of the Depositories Act, 1996 and introduction of the Depository system.

Consequently addition of new provisions in Articles of Association of the Company pertaining to issue, holding and dealing in shares and securities, which are to be brought in line with the aforesaid amendment, is proposed.

The Directors recommend the resolution for approval of the shareholders.

Note of the directors of the Company is, in any way concerned or interested in the resolution.

Registered Office :
C.J. House, Mota Pore,
Nadiad-387 001.
Date : 30th June, 2000

By order of the Board
For CEEJAY FINANCE LIMITED
Kamlesh Upadhyaya
Company Secretary

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CEEJAY FINANCE LIMITED**DIRECTORS' REPORT**

To,
THE MEMBERS OF
CEEJAY FINANCE LIMITED

Your Directors hereby present their SEVENTH Annual Report together with the audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS :

(Rs. in Lacs)

Particulars	Year ended 31-03-2000	Year ended 31-03-99
Total Income	746.67	741.34
Profit before Interest, Depreciation & Tax	592.24	592.73
Interest	337.81	357.32
Profit before Depreciation & Tax	254.43	235.41
Depreciation	156.15	123.09
Provision for Tax	18.00	12.00
Profit after Tax	80.28	100.32
Balance of Profit brought forward from Previous Year	27.64	37.34
Profit available for Appropriation	107.92	137.66
APPROPRIATION		
Transferred to Statutory Reserve	16.05	20.06
Proposed Dividend	21.00	36.00
Tax on Dividend	4.62	3.96
Transfer to General Reserve	40.00	50.00
Balance Carried to Balance Sheet	26.25	27.64

DIVIDEND

Your Directors declared a tax free dividend of 7% P.A. for the year under review, amounting to Rs. 21 lacs.

FINANCIAL SECTOR OUTLOOK

Increasing competition and risk are the major challenges that confront N.B.F.C.'s in the deregulated environment. Liberalization has brought in its wake greater competition not only among N.B.F.C.'s but also from Banks, Financial Institutions and Mutual Funds. Increasing competition is exerting pressure on profitability and forcing N.B.F.C.'s to work efficiently on shrinking spreads. The challenge for N.B.F.C.'s is how to cope with thinning margins and reduce transaction and operational cost which is high in the Finance Industry. The ability of N.B.F.C.'s to make this challenge is also assuming considerable significance as with increasing mergers and amalgamations in finance industry. Your Company is able to withstand the economic turmoil of the last few years and is confident of playing



a satisfactory role in the financial sector because of its inherent strength of reasonable large customer base, Branch net work and its willingness to re-strategise and keep pace with development.

OPERATIONS :

During the year under review your company has performed exceedingly well, with Lease and Hire Purchase Business stands to Rs.1,895.50 lacs. The Stock on Hire of Company is Rs. 2,313.65 lacs. The Gross Income of the company is Rs.746.67 lacs and the Net Profit is Rs. 80.28 lacs in the current year. The assets of the Company are properly and adequately insured and recoveries are at satisfactory level.

RESOURCE MOBILISATION

Bank finance continued to account for the majority share of your Company's business plan. Total sanctioned Bank limit of your Company is Rs.1600 lacs. The Company's resources position continued to be comfortable and its Bankers and investors continued to repose confident in the Company.

CAPITAL ADEQUACY

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. Based on above, the capital adequacy work out to 30.94% as on 31st March, 2000 as against the minimum capital adequacy of 12% prescribed by R.B.I. The Company has also made the bad debts provision in case of sub-standard and / or loss assets of the Company.

FIXED DEPOSITS

Your Company is continuously effected downward revision in the interest on its deposits from time to time. The Company's deposit scheme continue to be well received inspite of public's negative preception on N.B.F.C.'s. At the close of the year deposits amounting to Rs.1.18 lacs remaining unclaimed or due to be renewed by 12 depositors. The Company has sent reminders before the due dates to all depositors. the Company does not have any claimed but unpaid deposits.

DIRECTORS

Shri Praful Patel and Shri Shailesh Patel retire by rotation at the Seventh Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS

Kantilal Patel & Co., Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

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

The Company has no activities relating to conservation of energy or technology absorption. The Company has had no foreign exchange earnings or out goes during the year under review.

PARTICULARS OF EMPLOYEES

Statement of particulars of employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975, as amended and forming part of the Directors' Report for the year ended 31st March, 2000.