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NUAL REPORT 2001-2002

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CEEJAY FINANCE LIMITED



9TH ANNUAL REPORT 2001-2002

BOARD OF DIRECTORS	PRAFUL PATEL	CHAIRMAN
	DEEPAK PATEL	MANAGING DIRECTOR
	HARSHAD DALAL	DIRECTOR
	KIRAN PATEL	DIRECTOR
	SHAILESH PATEL	DIRECTOR
COMPANY SECRETARY	KAMLESH UPADHYAYA	
STATUTORY AUDITORS	M/s. KANTI LAL 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.	
REGD. OFFICE	C.J. HOUSE MOTA PORE NADIAD-387 001:	
CORPORATE OFFICE	9TH FLOOR, ABHIJIT-II, MITHAKHALI SIX ROADS, ELLISBRIDGE, AHMEDABAD-380 006.	

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CEEJAY FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of CEEJAY FINANCE LIMITED (Formerly HERITAGE PACKAGING LIMITED) will be held on Saturday, 28th September, 2002 at 11.00 A.M at the Registered office of the company at C.J.House, Mota Pore, Nadiad 387001 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt Balance Sheet as at 31st March 2002 and 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 appoint Director in place of Shri Harshad Dalal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Director in place of Shri Kiran Patel, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

Registered office :
C. J. House, Mota Pore,
Nadiad 387001.
Date : 29th June,2002.

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.
2. The Register of Members and Share Transfer Books of the company shall remain closed from Friday 20.09.2002 to Saturday 28.09.2002 (Both days inclusive)
3. Trading in Equity shares of the company through Stock exchanges was made compulsory in dematerialised electronic form. To facilitate trading in Demate form, the company has entered into agreement with National Securities Depository Ltd. (NSDL) and has applied for the same with Central Depository Services (India) Ltd. Share Holders can open the account with any of the Depository Participant registered with any of these Depositories.

Registered office :
C. J. House, Mota Pore,
Nadiad 387001.
Date : 29th June,2002.

By order of the Board
For, CEEJAY FINANCE LIMITED

Kamlesh Upadhyaya
Company Secretary



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DIRECTORS' REPORT

To,

THE MEMBERS OF

CEEJAY FINANCE LIMITED

(Formerly Heritage Packaging Limited)

Your Directors hereby present their NINTH Annual Report together with the audited accounts of the company for the year ended 31st March, 2002.

FINANCIAL RESULTS :

PARTICULARS	(Rs. in Lacs)	
	YEAR ENDED 31/03/2002	YEAR ENDED 31/03/2001
Total Income	607.66	950.50
Profit Before Interest, Depreciation & Tax	421.36	580.03
Interest	259.09	361.43
Profit Before Depreciation & Tax	162.27	218.60
Depreciation	122.59	153.89
Provision for tax		
Current	4.25	5.00
Deferred	18.49	0.00
Earlier year.	(1.52)	2.50
Profit After Tax	18.46	57.21
Prior period adjustments	1.56	0.00
Profit/(Loss) brought forward	62.86	(462.65)
Balance brought forward	0.00	26.25
(Erstwhile Ceejay Finance Limited)		
Less : Reduction in Paid up share capital	0.00	405.00
Transfer from General Reserve	0.00	50.00
Profit available for Appropriation	82.88	75.81
APPROPRIATION		
Transferred to Statutory Reserve	4.00	12.95
Transferred to General Reserve	50.00	0.00
Balance Carried to Balance Sheet	28.88	62.86

DIVIDEND

In order to conserve the resources and consolidate the financial position, your Directors have decided to plough back the profits of the current financial year. As a result your Directors do not recommended any Dividend for the year ended 31st March, 2002.

SHARE CAPITAL

During the year, the company has issued 30,00,000 Equity shares of Rs. 10/- each Pursuant to the scheme



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of amalgamation to the equity share holders of erstwhile Ceejay Finance Limited against their existing equity shares of 30,00,000 of Rs. 10/- each in exchange of 1:1 shares.

OPERATIONS

The rising trend in volume growth from Hire Purchase business achieved during last five years is not continued during the year. During the year under review your company has done business of Rs.1460 lacs against business of Rs.1930.34 Lacs in the previous year. The stock on Hire of the company is Rs.1928.82 Lacs.

PROFITABILITY

The performance of the company during the year under review was satisfactory considering the challenging market conditions and sluggish financial sector. The total income during the year reduced to Rs.607.66 Lacs as against Rs.950.50 Lacs in the previous year. The net profit for the year reduced to Rs.18.46 Lacs as against Rs.57.21 Lacs in the previous year. The overall fall in the total income and net profits was a combined result of reduced volume and provision for deferred tax amounting to Rs. 18.49 lacs as per the new Accounting standard AS-22.

FINANCE

The interest and finance charges during the year amounted to Rs.259.09 Lacs as compared to Rs.361.43 lacs during the previous year, a decrease of 28.31%. During the year, the company curbed interest cost through several efforts such as renegotiation of interest rates of Bank finance, reduction in interest on fixed deposits.

The company has reduced its Bank Limit to Rs.975/- Lacs from Rs 1310/-lacs. The company's resource position continued to be comfortable and its Bankers and investors including depositors continued to repose confident in the company.

FUTURE OUTLOOK

After the amalgamation, the principal business of your company has been changed to Hire Purchase, Leasing and financing. Accordingly company has changed its main object and name of the company. The accumulated income of the company reflects the major income from finance division and the majority of assets reflect assets of finance division. The company intends to carry on finance business as its principal business in the years to come.

As stated in the last year, in view of continuous losses in the packaging division, the management has implemented necessary action to dispose off the inefficient and unutilised Plants and Machineries. Accordingly company has dispose off majority of Plant and Machineries. During the year company is still concentrating towards dispose off of entire remaining Fixed Assets of Packaging Division.

FINANCIAL SECTOR OUTLOOK

The year under review witnessed continuous slow down in industrial Growth and key sectors including finance showing moderate to negative rate of growth. Under the current economic scenario the prospects for the coming year cannot be easily foreseen. Increasing competitions is exerting pressure on business and profitability and forcing Companies' to work efficiently on shrinking spreads. The Challenge for Companies' how to cope with thinning margins and reduce transaction and operational cost which is high in the finance Industry. The ability of Companies' to made this challenge is also assuming considerable significance as with increasing mergers and amalgamations in finance industry.

To take up the challenges and to stay in the competition, your company has shifted the focus from urban to semi urban and rural areas. Your company has already taped semi urban and rural areas for financing of vehicles and thrust would be for individual salaried and business class people apart from existing car



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finance business to high net worth individuals.

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 44.28 % as on 31st March, 2002 as against the minimum capital adequacy of 15% prescribed by R.B.I. The company has also made the provision for non performing assets in case of Sub-standard and bad debts in case of loss assets of the company.

R.B.I REGISTRATION AS A N.B.F.C.

As per the scheme of amalgamation and after approval given by Registrar of companies, Gujarat for change of name to Ceejay Finance Limited, your company has received fresh Certificate of Registration as a category "A" company from Reserve Bank of India.

FIXED DEPOSITS

Your company has continued its efforts for down word revision in the interest on Deposit to reduce over all cost of borrowing. In spite of lowering interest rates, the company's deposit scheme continued to be well received by depositors. At the close of the year, deposits amounting to Rs 9.99/- lacs remaining unclaimed or due to be renewed by 81 depositors. The Company has sent reminders before the due dates to all depositors. The company does not have any claimed but unpaid deposits.

DIRECTORATE

Shri Harshad Dalal and Shri Kiran Patel retire by rotation at the Ninth Annual General Meeting and being eligible offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm:

- (i) that in the Preparation of the Annual Accounts for the Financial Year ended 31st March, 2002, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had 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 the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the Annual Accounts for the financial year ended 31st March 2002 on a 'going concern' basis.

LISTING AGREEMENT WITH STOCK EXCHANGES

Pursuant to the Provisions of listing agreement with the stock exchanges, the equity shares of the company are listed at Ahmedabad (Regional) and Mumbai Stock exchanges.

DEPOSITORY SYSTEM

Your company has established electronic connectivity with National Securities Depository Ltd. (NSDL) and has already applied for the same with Central Depository Services (India) Ltd. (CDSL). In view of the compulsory dematerialisation of the companys' equity shares on stock exchanges, members are requested to dematerialise the shares on either of the depositories as aforesaid.



CEEJAY FINANCE LIMITED

AUDITORS

Kantilal Patel and 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 reappointment.

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

As the main Business of the company is of finance, 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

There are no Employees covered by section 217 (2A) of the Companies Act, 1956 read with companies (Particular of Employees) Rules, 1975 as amended.

ACKNOWLEDGEMENT

The Directors would like to place 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 Fixed Depositors for their support and contribution which enabled the company to achieve its goals for the year.

For and on behalf of the board

Place : Nadiad.
Dated. : 29th June 2002.

Praful Patel
Chairman

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AUDITORS' REPORT

To,

The Members of Ceejay Finance Ltd.,

We have audited the attached Balance Sheet of **Ceejay Finance Limited** as at **31st March, 2002** and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further, to our comments in the annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books.
- (c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors of the company, and taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2002 from being appointed as a director under section 274(1)(g) of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

[1] In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2002.

AND

[2] In the case of Profit & Loss Account of the 'Profit' for the year ended on that date.

For KANTILAL PATEL & CO.

Chartered Accountants

Place : Ahmedabad

Date : June 29, 2002

[A. K. Patel]

Partner



CEEJAY FINANCE LIMITED

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF CEEJAY FINANCE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2002.

- [1] The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. We were further informed that the management has verified fixed assets during the year and no material discrepancy was noticed between such physical verification and book records.
- [2] The company has not re-valued the Fixed Assets during the Year.
- [3] The stocks of stores and spare parts, and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- [4] In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- [5] In our opinion, the discrepancies noticed on physical verification of stocks as compared to the book records were not material and have been properly dealt with in the books of accounts.
- [6] On the basis of our examination of stock records, we are of the opinion that the valuation of the stock is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
- [7] The rate of interest, wherever charged and other terms and conditions of unsecured loans taken from companies listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company. The provisions of section 370 are not applicable to the company on or after 31st October 1998.
- [8] The rate of interest and other terms and conditions of unsecured loans given to parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company. The provisions of section 370 are not applicable to the company on or after 31st October 1998.
- [9] The parties to whom the loans or advances in the nature of loans have been given by the company, are repaying the principal amounts as stipulated and interest is being recovered as per stipulation, wherever made applicable. No schedule has been stipulated for repayment of interest free loans given to staff.
- [10] There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of leased assets as well as other assets of the company. Further, there is no purchase of stores, raw materials including components and sale of goods.
- [11] The transactions of purchase and sale of services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market rate of such services or the prices at which transactions for similar services have been made with other parties.
- [12] As explained to us, the company has a system of determining damaged or unserviceable stocks and adequate provisions for the loss have been made in the accounts.
- [13] In respect of deposits accepted from the public, the company has complied with the provisions of Non-Banking Financial Acceptance of Deposits (Reserve Bank) Directions, 1977 and the Non Banking Financial Companies Acceptance of Deposits (Reserve Bank) Directions, 1998.