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ANNUAL REPORT 2003-2004

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CEEJAY FINANCE LIMITED

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CEEJAY FINANCE LIMITED

11TH ANNUAL REPORT 2003-2004

BOARD OF DIRECTORS	PRAFUL PATEL	CHAIRMAN
	DEEPAK PATEL	MANAGING DIRECTOR
	HARSHAD DALAL	DIRECTOR
	KIRAN PATEL	DIRECTOR
	SHAILESH PATEL	DIRECTOR
	VITHALBHAI PATEL	DIRECTOR
	KANUBHAI PATEL	DIRECTOR
COMPANY SECRETARY	KAMLESH UPADHYAYA	
STATUTORY AUDITORS	M/s. KANTILAL PATEL & CO., (A Member Firm of Polaris IA International, U.S.A.) "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.	



CEEJAY FINANCE LIMITED

NOTICE

NOTICE is hereby given that the ELEVENTH Annual General Meeting of CEEJAY FINANCE LIMITED will be held at C. J. House, Mota Pore, Nadiad on Saturday 25th September, 2004 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt Balance sheet as at 31st March, 2004 and the Profit and Loss Account of the company for the year ended on that date and the Reports of the Board of Director's and Auditors' thereon.
2. To appoint a director in place of Shri Harshad Dalal who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri Deepak.Patel who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Kiran Patel who retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration

Registered office :
C. J. House, Mota Pore,
Nadiad 387 001.
Date : 30th June, 2004

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 APPINT 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 will be closed from Saturday 18th September to Saturday 25th September, 2004 (both days inclusive).
3. Trading in equity shares of the company through stock exchanges was made compulsory in dematerialised electric form. The company has entered into agreement with National Securities Depository Services (India) Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Share holders can open the account with any of the Depository Participant registered with any of these Depositories.
4. A detailed profile of proposed re-appointed directors is attached seperately.

Registered office :
C. J. House, Mota Pore,
Nadiad 387 001.
Date : 30th June, 2004

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

Your Directors hereby present their ELEVENTH Annual Report together with the audited accounts of the company for the year ended 31st March 2004.

FINANCIAL RESULTS :

(Rs. in Lacs)

PARTICULARS	YEAR ENDED 31/03/2004	YEAR ENDED 31/03/2003
Total Income	522.46	458.51
Profit Before Depreciation & Tax	107.90	79.27
Depreciation	22.05	53.82
Profit before exceptional items	85.85	25.45
Exceptional items	NIL	67.83
Less : withdrawl from General Reserve/ Deferred tax liability reversed	NIL	67.23
Profit after exceptional items	85.85	25.45
Provision for tax		
Current	6.76	NIL
Deferred	34.18	4.07
Excess Provision of Income Tax	NIL	(1.30)
Profit After Tax	44.91	22.68
Balance of Profit brought forward	23.02	28.88
Profit available for Appropriation	67.93	51.56
APPROPRIATION		
Transferred to		
Statutory reserve	9.00	4.54
General reserve	4.33	15.00
Contingency reserve	NIL	9.00
Balance Carried to Balance Sheet	54.60	23.02

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 2004.

PERFORMANCE :

Your Directors are pleased to inform you that your company has delivered a good set of numbers, resulting from its vision and successful implementation of its long term business strategies. Your company registered 14% growth in revenues with an impressive 98% growth in profit after tax.



CEEJAY FINANCE LIMITED

The total operating income for the year under review was Rs.521.95 lacs and profit after tax was Rs.44.91 Lacs. The Disbursement of the company is increased from Rs.1636 Lacs to Rs.2766 Lacs. The Hypothecation loan Stock (net) of the company is Rs.2317.97 lacs as against Rs.1211.04 lacs.

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

BUSINESS OPERATIONS OVERVIEW AND OUTLOOK :

The year under review witnessed revival in industrial Growth and key sectors including finance showing significant rate of growth. The surge in the automobile sales including two wheeler segment sales and policy of your company to shift the focus to semi urban and rural areas provides your company with attractive opportunities in the near to medium term.

To take up the opportunities, your company has revised its strategy to focus for the business in the smaller places. The thrust would be for majority business in two wheelers segment.

MANAGEMENT DISCUSSION AND ANALYSIS :

The major area of operations of the Company is in retail lending through loan of, two wheelers, four wheelers, commercial vehicles and consumer durables. In the recent past, nationalised and foreign banks have also entered in retail lending. The said entities have advantage of lower cost of funds and are providing strong competition in retail financing. Some players of Automobile manufacturer have also started financing their products.

Applicability of Service tax to NBFCs vis-à-vis banking sector is another area of concern for NBFCs.

Looking to the above and to stay in the competition, the company has shifted the focus to semi urban and rural areas for retail financing and thrust is for majority business in two wheeler finance. This enables the Company to face less competition of the banking sector.

Your company has substantially minimised credit risk / liquidity risk arising from mismatch of tenure of funds borrowed and funds deployed by availability of long term adequate funds from banking sector and availing low cost long term fund from group company by way of ICD. Your company is following prudent financial policies. To minimise the risk of NPA and interest risks, your company is having strong and proven appraisal and recovery systems.

A leading firm of chartered accountants carries out the internal audit function. The Audit Committee of the Board regularly reviews internal audit reports and the same is also reported to the Board as and when required.

The financial and operational performance of the Company and business review is discussed elsewhere in this report.

Continuous training and development of employees is a standard practice in the company. Employees at all levels based on the specific needs, are exposed to modern methods. The turnover ratio of the manpower has remained negligible since inception. The employee relations continue to be cordial at all branches of the company.



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RESOURCE MOBILATION :

Bank Finance continued to account for the majority share of your company's business plan. In efforts to reduce over all cost of capital of the company, your company has taken low interest bearing long term ICD amounting to Rs.400 Lacs. The Bank Limit of the company is Rs. 975 Lacs. The company's resource position continued to be comfortable and its Bankers and investors including depositors 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 works out to 36.84% as on 31st March, 2004 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, doubtful and bad assests as per revised R.B.I. guidelines.

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.4.95 lacs remaining unclaimed or due to be renewed by 47 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, shri Deepak Patel and shri Kiran Patel retire by rotation at the Eleventh Annual General Meeting and being eligible offer themselves for reappointment.

CORPORATE GOVERNANCE :

As per clause 49 of the listing agreement with stock exchanges, your company was required to implement the code of corporate Governance. Accordingly, your company has complied in all material respects with the features of the said code. A report on the same is given separately.

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, 2004, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures; if any;
- (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, 2004 on a 'going concern' basis.



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LISTING AGREEMENT WITH STOCK EXCHANGES :

Pursuant to the provisions of listing agreement with 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 Central Depository Services (India) Ltd. In view of the compulsory dematerialisation of company's equity shares on stock exchanges, members are requested to dematerialise the shares on either of the depositories as aforesaid.

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 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 :

We take this opportunity to thank the employees for their contribution to the growth and success of your company. We would also like to express our 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 : 30th June, 2004.

Harshad Dalal
(Director)

Deepak Patel
(Managing Director)



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CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company supports the broad principles of corporate governance. Given below is a report on corporate governance:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The company's philosophy on the corporate governance lays strong emphasis on transparency, accountability and integrity. All employees are guided by the company's policy on important issues, relationship with customers, shareholders and statutory authorities.

2. BOARD OF DIRECTORS :

The Board of directors of the company comprises seven directors, out of them six are non-executive directors of which two are independent directors and one executive director. Five directors are promoter directors. The chairman of the Board is non-executive promoter director.

During the year ended March, 31st 2004, five Board meetings were held on the following dates :

30-06-2003, 31-07-2003, 30-10-2003, 31-01-2004, 31-03-2004

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	
				Board	Last A.G.M.
Mr. Praful Patel	Chairman / Non-Exe. / Promoter	4	—	2	—
Mr. Harshad Dalal	Non-Exe. / Promoter	3	—	5	Yes
Mr. Kiran Patel	Non-Exe. / Promoter	3	—	5	Yes
Mr. Deepak Patel	Executive / Promoter	3	—	5	Yes
Mr. Shailesh Patel	Non-Exe. / Promoter	3	—	5	Yes
Mr. Vithalbhai Patel	Non-Exe. / Independent	Nil	—	5	Yes
Mr. Kanubhai Patel	Non-Exe. / Independent	Nil	—	5	Yes

3. COMMITTEES OF THE BOARD

The Board of Directors has constituted two committees of the Board viz.

- Audit Committee
- Investors' Grievance Committee

The Board determines the terms of reference of these committees from time to time. The respective committee's Chairman/Company secretary conveys meetings of these committees. At each board meeting, Minutes of these committees are placed before the Directors for their perusal and noting.



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AUDIT COMMITTEE :

The Audit committee comprises of following directors :

- Mr. Vithalbhai Patel Chairman/Non executive/Independent
- Mr. Shailesh Patel Member/Non executive / Promoter
- Mr Kanubhai Patel Member/Non executive/Independent

Brief description of terms of reference :

- Review the financial reporting process and disclosure of its financial information.
- Review with the management the Annual financial statements before submission to the Board.
- Review with the management, Statutory Auditors and Internal Auditors, the adequacy of internal control systems.
- Review the company's accounting and risk management policies.
- Review the company's accounting and management reporting systems and update the same from time to time.
- Recommend the appointment and removal of Statutory and Internal Auditors and fixation of fees for the same.

During the year four-audit committee meetings were held on 30-06-2003, 31-07-2003, 30-10-2003 and 31-1-2004. All the members attended four meetings. The Company Secretary and G.M.(Finance) of the Company also attended the meeting.

The Chairman of Audit Committee was remained Present in the Annual General Meeting to reply the shareholders questions.

REMUNERATION COMMITTEE :

Since no remuneration is paid to any non-executive director, no Remuneration Committee has been formed.

SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE :

The Investors' Grievance Committee comprises of following directors

- Mr. Vithalbhai Patel Chairman/Non-executive/Independent
- Mr. Shailesh patel Member/Non Executive/Promoter
- Mr. Kanubhai Patel Member/Non-executive/Independent

The Board has designated Mr. K P Upadhyay, company secretary, as the compliance officer.

During the year four committee meetings were held on 30-06-2003, 30-09-2003, 31-12-2003 and 31-3-2004. All the members attended four meetings. The Company Secretary of the Company also attended the meeting.

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

All the transfers were executed within 15 days.

The Company has not received any complaint / there is no pending complaint from any investor. There is no request pending for share transfer till date.

4. GENERAL BODY MEETINGS :

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

FINANCIAL YEAR	DATE	TIME	VENUE
2000-2001	29-09-2001	11.00 A.M.	C.J. House, Mota pore, Nadiad
2001-2002	28-09-2002	11.00 A.M.	C.J. House, Mota pore, Nadiad
2002-2003	27-09-2003	11.00 A.M.	C.J. House, Mota pore, Nadiad



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No special resolutions were passed in the last Annual General Meeting. 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.

5. DISCLOSURES :

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 10 of Schedule 20 to the accounts in annual report.

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.

6. 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. Results are published in Western Times, English and Gujarati editions. The half yearly and quarterly results are not sent individually to the shareholders.

The company does not have its own web site.

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

The management discussion and analysis report forms part of the directors' report.

7. GENERAL SHAREHOLDERS INFORMATION :

Annual General Meeting

DATE/ TIME/ VENUE : 25-09-04, Saturday, at 11.00 A.M.
C.J. House, Mota pore, Nadiad 387 001

Tentative Financial Calendar for the
Financial year 2004-2005

- Financial reporting for the first quarter ended June 30 '04	: Last week of July 2004
- Financial reporting for the second quarter ended September 30 '04	: Last week of October 2004
- Financial reporting for the third quarter ended December 31 '04	: Last week of January 2005
- Financial reporting for the fourth quarter / Year ended March 31 '05	: Last week of June 2005
- Annual General Meeting	: Last week of September 2005
Date of book closure	: Saturday 18-09-2004 to Saturday 25-09-2004
Dividend Payment date	: Not applicable
Listing on Stock Exchanges	: The Stock Exchange, Ahmedabad The Stock Exchange, Mumbai The Company has paid listing fees at both exchanges.
Stock Code	: The Stock Exchange, Mumbai 530789 The Stock Exchange, Ahmedabad - 23829 Demat ISIN no for NSDL/ CDSL INE 358C01010
Stock Market Data	: Monthly high and low of closing quotations Of share traded on the Stock Exchange, Mumbai is furnished below.No share price quoted on the Stock Exchange, A'bad.