

March 18, 2020

## Ceejay Finance Limited: Long-term rating downgraded to [ICRA]B+(Stable) based on best available information; Remains in Non-Cooperating category

### Summary of rated instruments

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action*
Long-term Fund-based Bank Lines	15.0	15.0	[ICRA]B+(Stable) ISSUER NOT COOPERATING; Rating downgraded from [ICRA]BB+(Stable) and remains under Issuer Not Cooperating category
<b>Total</b>	<b>15.00</b>	<b>15.00</b>	

<sup>\*</sup>Issuer did not cooperate; based on best available information

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

The rating downgrade is because of the lack of adequate information regarding Ceejay Finance Limited's performance and hence the uncertainty regarding its credit risk. ICRA has assessed whether the information available about the entity is commensurate with its rating and has reviewed the same as per its 'Policy in respect of non-cooperation by the rated entity'. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity despite the downgrade.

As a part of its process and in accordance with its rating agreement with Ceejay Finance Limited, ICRA has been trying to seek information from the entity to monitor its performance. However, despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 1, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

### About the company

Ceejay Finance Limited, incorporated in 1993 as Heritage Packaging Limited, is an Ahmedabad-based deposit-taking NBFC (asset financing company registered with the RBI) that is primarily in the vehicle financing business. The company's name was changed to Ceejay Finance Limited in August 2001. It is a part of the C.J. Group, which manufactures and markets beedis, tobacco and tendu leaves and also has a presence in the commercial and residential real estate segment.

In FY2019, the company reported a net profit of Rs. 5.09 crore on a total asset base of Rs. 72.66 crore compared to a net profit of Rs. 5.56 crore on a total asset base of Rs. 70.40 crore in FY2018. In H1 FY2020, the company had reported a net profit of Rs. 2.94 crore on a total asset base of Rs. 72.45 crore.

## Key financial indicators (audited)

	FY2018	FY2019
Net interest income	12.80	12.01
Profit before tax	7.78	7.06
Profit after tax	5.56	5.09
Total assets	70.40	72.66
% CRAR	59.57%	62.42%
Gearing	0.73	0.62
% Net profit/Average total assets	8.32%	7.11%
% Return on net worth	15.06%	12.28%

Amount in Rs. crore; All ratios as per ICRA calculations

Source: Company data, ICRA research

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

	Instrument	Current Rating (FY2020)				Chronology of Rating History for the Past 3 Years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	18-Mar-20	FY2019	FY2018	FY2017
						04-Dec-18	01-Sep-17	09-Jun-16
1	Long-term Fund-based Bank Lines	Long Term	15.0	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (stable)

## Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### Annexure-1: Instrument details

ISIN	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term Fund-based Bank Lines	NA	NA	NA	NA	[ICRA]B+ (Stable)

## Analyst Contacts

**Karthik Srinivasan**

+91 22 6114 3444

[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Samriddhi Chowdhary**

+91 22 6114 3462

[samriddhi.chowdhary@icraindia.com](mailto:samriddhi.chowdhary@icraindia.com)

**Sandeep Sharma**

+91 22 6114 3472

[sandeep.sharma@icraindia.com](mailto:sandeep.sharma@icraindia.com)

## Relationship Contact

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited

### Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: [info@icraindia.com](mailto:info@icraindia.com)

Website: [www.icra.in](http://www.icra.in)

### Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

### Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2020 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents