



JAYABHARAT CREDIT LIMITED



Shri C. P. Shah - Director, inaugurating the On - line computer system on 1/4/2001.

Our Strength : The cheerful staff of Jayabharat.



Glimpses from Customer Interaction meets during the year.



JAYABHARAT CREDIT LIMITED

59th Annual Report 2001-2002

Registered Office :

Solitaire Corporate Park, 2nd Floor, Bldg. No. 5, 151, M. Vasanji Road, Chakala, Andheri (E),
Mumbai-400 093 • Tel.: 8256430-31-32 • Fax : 8256501 E-mail jcl@jayabharat.com

BOARD OF DIRECTORS

: SHRI VED PRAKASH GUPTA (CHAIRMAN)
SHRI C. P. SHAH
SHRI G. V. KAPADIA
SHRI O. P. GUPTA
SHRI RAJIV GUPTA
SHRI SHARAD SANGHI
SHRI SHRAVAN GUPTA
SHRI SIDHARTH GUPTA (Alternate Director to Shri Rajiv Gupta)

SHRI BIPIN B. BHAVSAR (Executive Director & Company Secretary)

AUDITORS

: SHARP & TANNAN
Chartered Accountants

SOLICITORS

: MULLA & MULLA & CRAIGIE BLUNT & CAROE
MANILAL KHER AMBALAL & CO.
BANATWALA & CO.

BANKERS

: BANK OF BARODA
BANK OF INDIA
CENTRAL BANK OF INDIA

BRANCH OFFICES

Delhi

: 3/17A, Grover Mansion
Asaf Ali Road, New Delhi 110 002

Kolkata

: Chitrakoot Building, 5th floor
230A, Acharya Jagdishchandra Bose Road
Kolkata 700 020

Bangalore

: 305, Raheja Chambers, 12, Museum Road
Bangalore 560 001

Ahmedabad

: 6, Blue Star Complex, Opp. Gujarat High Court
Near Railway Crossing, Off Ashram Road
Ahmedabad 380 009

Indore

: Chetak Chambers, RNT Marg
Indore 452 001.



JAYABHARAT CREDIT LIMITED

Notice

NOTICE IS HEREBY GIVEN THAT The Fifty Ninth Annual General Meeting of the members of the Jayabharat Credit Limited will be held as scheduled below to transact the following business:

Date : 13th August, 2002

Day : Tuesday

Time : 11.30 a.m.

Place : M.C.Ghia Hall, 2nd floor, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubhash Marg, Mumbai 400001

4. To appoint Director in place of Mr. Rajiv Gupta who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint Director in place of Mr. Sharad Sanghi who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint Director in place of Mr. Shravan Gupta who retires by rotation, and being eligible, offers himself for reappointment.
7. To appoint auditors and fix their remuneration.

By Order of the Board

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Company's Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date together with schedules annexed thereto and the Reports of the Directors and Auditors thereon.
2. To declare dividend for 2001-2002.
3. To appoint Director in place of Mr. Ved Prakash Gupta who retires by rotation, and being eligible, offers himself for reappointment.

For **JAYABHARAT CREDIT LIMITED**
BIPIN B. BHAVSAR
Executive Director
& Company Secretary

Mumbai, 31st May, 2002

Registered Office :
 Solitaire Corporate Park,
 2nd Floor, Building No. 5,
 151, M.Vasanji Road,
 Chakala, Andheri (E),
 Mumbai-400093.

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 SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours, before the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 6th August, 2002 to Tuesday 13th August, 2002. (both days inclusive)
4. Shareholders desiring any general information as regards Accounts are requested to write to the Company, not less than 48 hours before the Meeting, so as to enable the Management to keep the information ready.
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
6. Shares held by the same person in more than one folio have been consolidated to the extent possible. If you hold shares in more than one folio, you are requested to intimate the details of folios allotted to you, to enable us to consolidate these into a single folio.
7. Shareholders are requested to notify any change of address to the Registrar & Share Transfer Agent.
8. The unclaimed dividend/s up to financial year 1994-95 have been transferred to the general revenue Account of the Central government under Section 205A of the Companies Act, 1956. Shareholders, who have not encashed their dividend warrants for the period upto the aforesaid financial year are requested to claim the amount from the Registrar of Companies, Hakoba Compound, 2nd floor, Dattaram Lad Marg, Chinchpokli (East), Mumbai 400033. Such shareholders may quote our Company's registration number being 3899 for this purpose.
9. Company's Shares are under compulsory demat form.

IMPORTANT

Tata Share Registry Ltd. has been appointed as Registrar and Transfer Agent, Shareholders are requested to directly send Share Transfer / Demat Request / Communication etc. to :

Tata Share Registry Ltd.
Army Navy Building, 148, Mahatma Gandhi Road,
Fort, Mumbai 400 001 Tel. No. 287 3831

59th Annual Report 2001-2002

Directors' Report

To

Our Shareholders,

Your Directors have pleasure in presenting the 59th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2002.

	2001-2002 (Rs. in Lacs)	2000-2001 (Rs. in Lacs)
1. Investment In :		
(a) Hire Purchase Business	1973	1720
(b) Leasing	72	190
(c) Bill Discounting	270	356
2. Receivables Against :		
(a) Hire Purchase & Leasing	3708	3012
(b) Bill Discounting	87	102
3. Income :		
(a) Hire Purchase Charges	455	342
(b) Lease Rentals	421	776
(c) Bill Discounting Charges (Net)	18	25
(d) Other Income	285	218
4. Gross Profit before Depreciation & Income tax	354	547
5. Depreciation	245	451
6. Tax Provision	17	10
7. Tax Provision on Dividend Amount	0	6
8. Profit After Depreciation and Income Tax	92	86
9. Proposed Dividend	60	60

1. DIVIDEND :

Your Directors recommended to the members dividend of Rs. 1.20 per share in respect of 50,00,000 Equity Shares of Rs.10/- each for the year ended 31st March, 2002. Subject to deduction of Income Tax at source.

2. RESERVES :

During the year under review, the Company has transferred from the Profit to Reserves :

- (i) Special Reserve Rs 18.50 lacs in terms of RBI (Amendment Ordinance, 1997 effective from 09/01/97 and (ii) General Reserve Rs. 2.50 lacs, leaving a balance of Rs. 113.56 lacs in Profit & Loss A/c.

3. RBI'S GUIDELINES TO NON-BANKING FINANCE COMPANIES (NBFCs) ON PRUDENTIAL NORMS & CREDIT RATING

Your Directors are happy to inform that the Company has followed and complied with RBI guidelines and as against minimum requirement of 12%, the Company's Capital Adequacy Ratio is 26.97% as on 31st March, 2002.

M/s. ICRA Limited has rated your Company -'M A' which denotes adequate safety i.e. timely servicing of interest and principal.

4. OPERATIONS :

The Company has witnessed the sluggish economic condition in India. The finance market was unsteady and

volatile coupled with the frequent unusual development in stock market position. Although there was a falling trend in the finance market, your directors are happy to submit satisfactory performance.

5. PROSPECTS FOR CURRENT YEAR :

Your Directors are happy to mention that now the trend in the finance market is becoming favourable and the automobile market especially car market is improving. It is felt that the Company will source good business.

6. DIRECTORATE :

Messrs Ved Prakash Gupta, Rajiv Gupta, Sharad Sanghi, Shravan Gupta retire by rotation and are eligible for reappointment as Directors of the Company.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

As required by sub-section (2AA) of section 217 of the Companies Act, 1956 Directors state :

That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.

That the Directors have 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 or loss of the Company for that period.

That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in



JAYABHARAT CREDIT LIMITED

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. That the annual accounts have been prepared on a going concern basis.

8. DEPOSITS :

As at 31st March, 2002 Fixed Deposits and Cumulative Time Loan Receipts numbering 424 and totaling Rs.50.14 lacs maturing for payment remained unclaimed. Out of them 226 FDRs amounting to Rs. 27.34 lacs have since been claimed and paid or renewed. The Company has intimated the Depositors about maturity of deposits. The Company has complied with the liquidity requirements as per directives of the Reserve Bank of India.

9. AUDITORS' REPORT :

Regarding the qualifications by the Auditors, these are dealt with in Notes in Schedule 'P' being Notes forming part of the Accounts which may be taken as our explanation under Section 217(3) of the Companies Act, 1956.

10. AUDITORS :

M/s. Sharp & Tannan, Chartered Accountants, Auditors of the Company retire at this Annual General Meeting and have intimated their eligibility of reappointment.

11. PERSONNEL :

The Company has no personnel for providing particulars of remuneration payable to him u/s 217(2A) of the Companies Act 1956.

12. DEMATERIALISATION OF SHARES :

Company's Shares are now in demat form. During the Financial year 2001- 2002; 15,66,746 Shares were received for dematerialisation of which 13,81,550 Shares were of corporate bodies and 1,85,196 from individuals. The dematerialisation level as at 31st March, 2002 stands at 31.34%. Depository-wise break up is, NSDL 19.69% and CDSL 11.65%.

13. GENERAL :

Your Directors would like to record their appreciation of the services rendered by the members of the staff at all levels. They also like to express their gratefulness to the Company's Bankers, Depositors and Shareholders, Automobile Dealers, Manufacturers and Clients for their co-operation and also for the confidence reposed in the Company.

For and on behalf of the Board of Directors
For **JAYABHARAT CREDIT LIMITED**

C. P. SHAH

Chairman of the Meeting

Mumbai, 31st May, 2002

REPORT OF THE AUDITORS' TO THE MEMBERS

We have audited the attached Balance Sheet of Jayabharat Credit Limited as at 31st March, 2002 and the annexed Profit and Loss Account for the year to that date. 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 disclosure 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.

In accordance with the provisions of Section 227 of the Companies Act, 1956, we report as under :

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annexe hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in Paragraph (1) 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 purposes 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 of the Company;
 - (c) the Balance Sheet and Profit and Loss Account dealt

with by the report are in agreement with the books of account of the Company;

- (d) in our opinion, the Profit and Loss Account and the Balance Sheet comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
- (e) on the basis of the written representations received from the Directors of the Company as at 31st March, 2002, and taken on record by the Board of Directors, we report that no Director is disqualified from being appointed as a Director of the Company under Clause (g), of sub-section 1 of Section 274 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 read together with the Notes and the Significant Accounting Policies appearing in Schedules "P" and "Q" respectively give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - (i) in the case of Balance Sheet, of the state of the Company's affairs as at 31st March, 2002; and
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

SHARP & TANNAN
Chartered Accountants

By the hand of
MILIND P. PHADKE
Partner

Mumbai, 31st May, 2002

ANNEXURE TO THE AUDITORS' REPORT**(Referred to in paragraph (1) of our Report of even date)**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, all the fixed assets have been physically verified by the management, at reasonable intervals during the year other than fixed assets relating to leasing business, where the Company has a programme of physically verifying the said assets at least once in two years, which according to us is reasonable. The Company has also sent confirmation letters as regards to their physical existence as at 31st March, 2002 and the same are generally being received back by the Company duly confirmed. We are informed that there were no discrepancies noticed on physical verification of the fixed assets other than assets relating to leasing business.
2. None of the fixed assets have been revalued during the year.
3. a) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As explained to us, there is no company under the same management, within the meaning of Section 370(1B) of the Companies Act, 1956.
b) In view of the introduction of the sub-section (6) of Section 370 of the Companies Act, 1956, the provisions of Section 370 dealing with 'Loans etc. to Companies under the same management' are not applicable with effect from 31st October, 1998.
4. a) The Company has not given any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As explained to us, there is no company under the same management, under Section 370(1B) of the Companies Act, 1956.
b) In view of the introduction of the sub-section (6) of Section 370 of the Companies Act, 1956, the provisions of Section 370 dealing with 'Loans etc. to companies under the same management' are not applicable with effect from 31st October, 1998.
5. (a) In respect of Hire Purchase finance provided by the Company, repayment of principal amount and charges thereon has not, in few cases, been effected on due dates. On the basis of information and explanations given to us, the Company is taking reasonable steps against the hirers for recovery of hire dues in default.
(b) (i) In respect of loans and advances in the nature of loans given to the employees, the recovery of the principal amounts and where applicable, interest thereon was generally regular and as per stipulation.
(ii) In respect of loans and advances in the nature of loans given to other parties, the recovery of the principal amounts and, where applicable, interest thereon was generally regular except in few cases, where the payments of principal amounts and interest thereon were not affected on the due dates. The Company is taking reasonable steps for recovery of the loans and advances in the nature of loans.
6. According to the information and explanations given to us, there are, in our opinion, adequate internal control procedure commensurate with the size and nature of the business with regard to purchases of plant and machinery, furniture, office equipments and other assets.
7. According to the information and explanations given to us, in our opinion, the Company has complied with the directives issued by the Reserve Bank of India relating to the acceptance of the deposits by Non-Banking Financial Companies and the provisions of Section 58A of the Companies Act, 1956 and rules framed thereunder.
8. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
9. The Company has deposited provident fund dues before the due dates with the appropriate authority during the year. We have been informed that the Employees' State Insurance Act, and the rules framed thereunder are not applicable to the Company.
10. According to the records of the Company and the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax and Sales Tax outstanding at the close of the year for a period of more than six months. As explained to us, the Company had no liability, in the course of business, in respect of Custom Duty and Excise Duty during the year.
11. In our opinion and according to the information and explanations given to us, no personal expenses have been charged to revenue account during the year, other than those payable under contractual obligations or in accordance with the generally accepted business practices.
12. In respect of the Company's Hire Purchase and Leasing activities adequate documents and records are generally maintained by the Company except in respect of a few hire purchase/lease agreements entered into which remain to be updated/corrected. The Company's Leasing activity is considered to be under the purview of Clause 4(D) of the Manufacturing and Other Companies (Auditor's Report) Order, 1988. However, Clause (iii) and (iv) of para 4(D) of the aforesaid Order are not applicable to the Company.
13. The Sick Industrial Companies (Special Provisions) Act, 1985 does not apply to the Company, as it is not an Industrial Company as defined under the said Act.

SHARP & TANNAN
Chartered Accountants
By the hand of

MILIND P. PHADKE
Partner

Mumbai, 31st May, 2002