



JAYABHARAT CREDIT LIMITED



JAYABHARAT CREDIT LIMITED

62nd Annual Report 2004-2005

Registered Office :

Solitaire Corporate Park, 2nd Floor, Bldg. No. 5, 151, M. Vasanji Road, Chakala, Andheri (E), Mumbai-400 093

Tel.: 28256430-31-32 • Fax : 28256501 E-mail jcl@jayabharat.com

Website : www.jayabharat.com

BOARD OF DIRECTORS

- : SHRI VED PRAKASH GUPTA (CHAIRMAN)
- SHRI RAJIV GUPTA
- SHRI SHARAD SANGHI
- SHRI SHRAVAN GUPTA
- SHRI SIDHARTH GUPTA
- SHRI ARUN MITTER
- 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** : 17B, 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 62 nd Annual General Meeting of the members of the Jayabharat Credit Limited will be held as scheduled below to transact the following business:

Date 6th September, 2005
 Day Tuesday
 Time 11.30 A.M.
 Place M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubhash Marg, Mumbai 400 001

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Company's Balance Sheet as at 31st March, 2005 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 2004-2005.
3. To appoint Director in place of Mr. Ved Prakash Gupta, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Director in place of Mr. Rajiv Gupta, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint auditors and fix their remuneration.

AS SPECIAL BUSINESS:

6. To appoint Director in place of Mr. Arun Mitter who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and who offers himself for reappointment and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Arun Mitter for the office of Director.
7. To consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution.

"RESOLVED THAT in pursuance of the provisions under Sections 269, 198, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956, the Company in General Meeting hereby reappoints Mr. Bipin B. Bhavsar as whole time Director designated as Executive Director & Company Secretary for the period of 5 years commencing from 1st February, 2006 to 31st January, 2010 and subject to the remuneration by way of monthly salary in the existing range of Rs. 45,000/- to Rs. 85,000/- as well as perquisites and other terms contained in the draft agreement placed before the meeting and duly signed by the Chairman for the purpose of identification, which draft agreement be and it is hereby approved."

"FURTHER RESOLVED THAT in the event of absence or inadequacy of profit in any financial year during the currency of the term of the appointee, the Company shall pay as minimum remuneration to the appointee, in respect of such financial year, the remuneration by way of salary and / or perquisites as may be decided by the Board of Directors in consultation with the appointee provided that such remuneration in aggregate shall not exceed the permissible applicable limits as specified in Section II of Part II of Schedule XIII of Companies Act, 1956."

By order of the Board

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

Mumbai, 28th June, 2005

Registered Office :

Solitaire Corporate Park,
 2nd Floor, Building No. 5,
 151, M. Vasanji Road,
 Chakala, Andheri (E),
 Mumbai - 400 093.

Annexure to the Notice

Explanatory Statement annexed to the Notice of 62nd Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956, in respect of item No. 6 & 7.

Item No. 6 : Ordinary Resolution

Director Mr. Arun Mitter was appointed as Additional Director in the Meeting of the Board of Directors of the Company held on 30.10.2004. Mr. Arun Mitter holds the office up to the date of ensuing Annual General Meeting and being eligible offers himself for reappointment as Director. The Company has received a notice from a member, in the manner required under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Arun Mitter for office of Director.

Mr. Arun Mitter is Chartered Accountant with vast business experience. It is felt necessary to avail possible benefit and guidance from Mr. Arun Mitter. Your Directors, therefore recommend the passing of the resolution for his appointment as Director.

None of the Directors except Mr. Arun Mitter is interested in passing of this resolution.

Item No. 7 : Ordinary Resolution

This item relates to reappointment of Mr. Bipin B. Bhavsar as whole time Director of the Company for the period of 5 years from 1st February, 2006 to 31st January, 2010. As you may be aware that Mr. Bipin B. Bhavsar was Manager & Company Secretary for the period of five years from 01.09.1999.

Subsequently he was reappointed as Executive Director & Company Secretary for the period from 1st February, 2001 to 31st January, 2006. Mr. Bipin B. Bhavsar is also member of the Board of Directors as per the resolution passed in the Annual General Meeting held on 26th July, 2001. His present term expires in the current year 2005-2006 on 31st January, 2006, in view of his contribution in the management of the Company as well as his experience in the business of the Company, the Board considered if necessary and in the interest of the Company to reappoint Mr. Bipin B. Bhavsar for the further period of five years from 1st February, 2006 to 31st January, 2010 as Executive Director and Company Secretary at the terms and conditions stipulated in the draft Agreement and also in accordance with the Schedule XIII of the Companies Act, 1956.

Salary :

In the existing range of Rs. 45,000/- to Rs. 85,000/- per Month (as may be fixed by the Board of Directors from time to time).

Perquisites :

Shall be as per details given below subject to the ceiling laid down in Schedule XIII of the Companies Act, 1956.

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Category 'A' :

- i) Housing
- a) Housing I : The expenditure by the Company on hiring/leasing furnished accommodation will be subject to 60% of the salary, over and above 10% payable by the Appointee.
- b) Housing II : In case the accommodation is owned by the Company, 10% of the salary of the Appointee shall be deducted by the Company.
- c) Housing III : In case no accommodation is provided by the Company, the Appointee shall be entitled to house rent allowance subject to the ceiling laid down in Housing I. The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules 1962. This will however, be subject to a ceiling of 10% of the salary of the Appointee.
- ii) Medical Reimbursement : Medical benefits for himself, and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- iii) Leave Travel Concession : Leave Travel Concession shall be once in a year for himself and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- iv) Club Fees : Fees of Club subject to a maximum of two Clubs. This will not include admission and life membership fees.
- v) Personal Accident Insurance : Premium not to exceed Rs. 4000/- per annum.

Category 'B' :

Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half month's salary for each completed year of service.

Leave Encashment not exceeding one month's leave for every 11 months. Encashment of Leave at the end of tenure will not be included in the computation of the ceiling of perquisites. Benefits of loan or other benefits as may be provided by the Company under its rules and regulations in force from time to time.

Category 'C' :

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Appointee.

In the event of loss or inadequacy of profit in any Financial Year, the payment of salary and perquisites shall be subject to and within the applicable, permissible limits specified in Schedule XIII.

The draft agreement proposed to be entered with the appointee will be available for the inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day up to the date and also at the ensuing Annual General Meeting.

Excepting Mr. Bipin B. Bhavsar none of the Directors of the Company may be regarded as concerned or interested in this Resolution.

The contents hereof relating to the appointment and remuneration payable to Mr. Bipin B. Bhavsar as 'whole time Director' of the Company may also be treated as an abstract and Memorandum of Interest thereunder, as per the provisions of Section 302 of the Companies Act, 1956.

By order of the Board

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

Mumbai, 28th June, 2005

Registered Office :

Solitaire Corporate Park,
 2nd Floor, Building No. 5,
 151, M. Vasanji Road,
 Chakala, Andheri (E),
 Mumbai - 400 093.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE 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 30.08.2005 to 06.09.2005 (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. The unclaimed dividend/s for the financial year 1996-97 has been transferred to Investor Education & Protection Fund (Awareness and Protection of the Investors) Rules, set up by the Central Government.
 Accordingly unpaid/unclaimed dividend starting with 1997-98 shall become transferable to the fund after 9th September, 2005 followed by the transfers of the amounts unpaid/unclaimed dividend every year. **No claims shall lie thereafter against the fund or the Company in respect of such amounts transferred.** Shareholders are requested to verify their records and send claims, if any, for the relevant years from 1997-98 onwards, before the respective amounts become due for transfer to the fund.
8. Companies Shares are under compulsory demat form.

IMPORTANT

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

Tata Share Registry Ltd.

Army Navy Building, 148 Mahatma Gandhi Road, Fort, Mumbai 400 001
Tel. No. 5656 8484 • Fax 5656 8496



JAYABHARAT CREDIT LIMITED

Directors' Report

To

Our Shareholders,

Your Directors have pleasure in presenting the 62nd Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2005.

	2004-2005 (Rs. in Lakhs)	2003-2004 (Rs. in Lakhs)
1. Investment In :		
(a) Hire Purchase Business	2505	1973
(b) Leasing	Nil	24
2. Receivables Against :		
Hire Purchase & Leasing	372	364
3. Income :		
(a) Hire Purchase Charges	778	756
(b) Lease Rentals	85	103
(c) Other Income	3	4
(d) Other Operational Income	73	92
4. Gross Profit before Depreciation & Income tax	214	276
5. Depreciation	112	170
6. Tax Provision	39	7
7. Tax Provision on Dividend Amount	6	6
8. Profit After Depreciation and Income Tax	63	98
9. Proposed Dividend	40	50

1. DIVIDEND :

Your Directors recommended to the members dividend of Rs. 0.80 (Tax free) per share in respect of 50,00,000 Equity Shares of Rs. 10/- each for the year ended 31st March, 2005.

2. RESERVES :

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

- Special Reserve Rs.13 lacs in terms of RBI (Amendment Ordinance, 1997 effective from 09/01/97 and
- General Reserve Rs. 1.60 lacs, leaving a balance of Rs. 2.82 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 24.12%.

M/s CARE Limited has rated your Company A - (FD) which denotes adequate safety i.e. timely servicing of interest and principal.

4. OPERATIONS :

The Company continues to face stiff competition in the finance market from private/foreign banks and financial

institutions who have been aggressively marketing their finance at cheaper rate. Your Company has been making efforts to lower the borrowing costs in order to face the challenges posed by the competitions and your Directors are happy to have succeeded in the efforts to give a satisfactory performance.

The Company has Deposits of Rs. 4272 lacs as on the date of this report, which is according to the revised requirement of RBI.

5. PROSPECTS FOR CURRENT YEAR :

The Company would strive to reduce its borrowing costs further in order to improve its margins. The coming year the Company would also take up the business of Hire Purchase Finance of used vehicles for which the RBI has announced support by way of bank finance. It is felt the Company will source good business as it did in the current year.

6. DIRECTORATE :

Mr. Ved Prakash Gupta and Mr. Rajiv Gupta retire by rotation and are eligible for reappointment as Directors of the Company. Mr. Bipin B Bhavsar holds office up to 31.01.2006. The Board reappointed Mr. Bipin Bhavsar as Executive Director and Company Secretary for the further term of 5 years w.e.f. 01.02.2006 to 31.01.2010 and also for the payment of remuneration in the existing range under Schedule XIII of the Companies Act, 1956.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

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

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That the preparation of the annual accounts, the applicable accounting standards have been followed alongwith 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 of the maintenance of adequate accounting records in accordance with the provision 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, 2005 Fixed Deposits and Cumulative Time Loan Receipts numbering 549 and totaling Rs. 84.50 lacs maturing for payment remained unclaimed. Out of them 197 FDRs amounting to Rs. 35 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 'Q' 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 & Tannah, Chartered Accountants, Auditors of the Company retire at this Annual General Meeting and have intimated their eligibility of reappointment.

11. DEMATERIALISATION OF SHARES :

Company's Shares are in demat form, since 30th August, 2001 following are the details of the shares dematerialized on N S D L and C D S L Depositories.

12. PERSONNEL :

The Company has no personnel for providing particulars under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

13. CORPORATE GOVERNANCE :

As per clause 49 of listing Agreement of Bombay Stock Exchange, Company has followed the policy and the same is separately annexed hereto along with audited certificate thereon.

14. 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, Manufactures 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**

Rajiv Gupta

Chairman of the Meeting

Mumbai, 28th June, 2005

Financial year	No. of Shares		Total shares demated During the period	%	Cumulative total	
	N S D L	C D S L			No. of Shares	%
2002-2003	15,97,217	6,171	16,03,388	32.07	31,70,388	63.41
2003-2004	7,03,756	34,195	7,37,951	14.76	39,08,339	78.17
2004-2005	89,222	1,79,145	2,68,367	5.37	41,76,706	83.53
Up to 24.06.2005	8,913	383	9,296	0.19	41,86,000	83.72



JAYABHARAT CREDIT LIMITED

AUDITORS' REPORT

To The Members of Jayabharat Credit Limited

We have audited the attached Balance Sheet of **Jayabharat Credit Limited** as at 31st March, 2005, and also the Profit and Loss Account and the Cash Flow Statement 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 Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) 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 information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of these books;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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 the written representations received from directors of the Company as at 31st March, 2005, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2005 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
- (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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For SHARP & TANNAN
Chartered Accountants

By the hand of
MILIND P. PHADKE
Partner
(Membership No. 33013)

Mumbai, 28th June, 2005

62nd Annual Report 2004-2005

Annexure to the Auditors' Report with reference to the Annexure referred to in paragraph 3 of the report of the Auditors' to the Members of Jayabharat Credit Limited on the accounts for the year ended 31st March, 2005, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) 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 2005 and the same are generally being received back by the Company duly confirmed. We were informed that there were no material discrepancies noticed on physical verification of the fixed assets other than the assets relating to the leasing business.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
2. Company is a Non-Banking Finance Company and does not hold any inventory.
3. The Company has not granted or taken any loans secured/unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
5. In our opinion, and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956.
6. In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public, where applicable. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
8. The Central Government has not prescribed for the maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Companies Act, 1956.
9. (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 2005 for a period

of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues of income tax, service tax, customs duty, wealth tax and cess that have not been deposited with the appropriate authorities on account of any dispute. The Company has disputed sales tax dues aggregating to Rs. 21,40,154/- are under appeal at various stages, details of which are :

Particulars	Amount Rs.	Forum where dispute is pending
Delhi Sales Tax	21,40,154	The Appellate Tribunal

10. The Company does not have any accumulated losses. The Company has not incurred any cash losses during the current financial year and the immediately preceding financial year.
11. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding debentures or any outstanding loans from any financial institution during the year.
12. Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund/ nidhi/ mutual benefit fund/ society.
14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records. We also report that the Company has held the shares, securities, debentures and other investments in its own name.
15. The Company has given guarantee for housing loans taken by employees from financial institutions, the terms and conditions whereof are not prejudicial to the interest of the Company.
16. The Company has not raised any term loan during the year.
17. According to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
18. The Company has not made any preferential allotment of shares to parties or companies to be covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year. There were no outstanding debentures as of the year-end.
20. The Company has not raised any money by public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For SHARP & TANNAN
Chartered Accountants

By the hand of
Milind P. Phadke
Partner

(Membership No. 33013)

Mumbai, 28th June, 2005



JAYABHARAT CREDIT LIMITED

Balance Sheet as at 31st March, 2005

	Schedule	Rupees	As at 31st March, 2005 Rupees	As at 31st March, 2004 Rupees
I SOURCES OF FUND :				
(1) SHAREHOLDERS' FUNDS:				
Capital	'A'	5,00,00,000		5,00,00,000
Reserves & Surplus	'B'	10,43,52,604		10,26,10,520
			15,43,52,604	15,26,10,520
(2) LOAN FUNDS:				
Secured Loans	'C'	10,23,39,410		7,47,97,800
Unsecured Loans	'D'	40,99,75,500		36,81,75,500
			51,23,14,910	44,29,73,300
TOTAL			66,66,67,514	59,55,83,820
II APPLICATION OF FUNDS :				
(1) FIXED ASSETS :	'E'			
Gross Block of Assets Relating to:				
Leasing Business		21,38,75,874		26,20,76,202
Less: Depreciation		15,84,93,273		17,74,50,094
Net Block		5,53,82,601		8,46,26,108
Less: Lease Terminal Adjustment		3,00,82,454		5,18,60,768
Net Block After Lease Terminal Adjustment		2,53,00,147		3,27,65,340
Other than Leasing Business		5,65,93,051		5,94,13,530
Less: Depreciation		1,58,38,582		1,67,20,177
Net Block		4,07,54,469		4,26,93,353
			6,60,54,616	7,54,58,693
(2) INVESTMENTS	'F'		7,45,46,298	6,77,28,893
(3) CURRENT ASSETS,				
LOANS & ADVANCES				
Sundry Debtors	'G'	3,72,44,695		3,64,44,999
Cash & Bank Balances	'H'	58,02,376		42,43,339
Other Current Assets	'I'	21,42,581		21,65,579
Loans & Advances	'J'	63,85,13,455		53,29,75,522
		68,37,03,107		57,58,29,439
Less: CURRENT LIABILITIES AND PROVISIONS				
Liabilities	'K'	13,67,94,468		10,56,58,093
Provisions	'L'	2,21,58,532		2,14,61,534
		15,89,53,000		12,71,19,627
NET CURRENT ASSETS			52,47,50,107	448,709,812
Deferred Tax Asset			13,16,493	36,86,422
TOTAL			66,66,67,514	59,55,83,820
NOTES FORMING PART OF THE ACCOUNTS	'Q'			
SIGNIFICANT ACCOUNTING POLICIES	'R'			

As per our report attached

SHARP & TANNAN
Chartered Accountants

By the hand of

MILIND P. PHADKE
Partner
(Membership No. 33013)

Mumbai, 28th June, 2005

BIPIN B. BHAVSAR
Executive Director &
Company Secretary

For and on behalf of the Board

RAJIV GUPTA
Chairman of the Meeting

ARUN MITTER
SIDHARTH GUPTA
Directors

Mumbai, 28th June, 2005

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Profit & Loss Account for the Year Ended 31st March, 2005

		Year ended 31st March, 2005	Year ended 31st March, 2004
	Schedule	Rupees	Rupees
INCOME :			
Hire Purchase Charges		7,78,24,049	7,56,22,297
Lease Rentals*		85,41,325	1,02,47,205
Bill Discounting Charges		—	12,599
Other Operational Income	'M'	73,21,028	91,88,943
Other Income	'N'	3,08,985	3,95,466
Total Income		9,39,95,387	9,54,66,510
EXPENDITURE :			
Payments to & Provisions for Employees	'O'	91,57,245	81,30,167
Other Expenditure	'P'	1,21,09,865	1,12,29,343
Interest : Fixed Deposits			4,12,37,607
: Others		3,97,52,159	83,65,514
		89,86,850	
Depreciation		4,87,39,009	4,96,03,121
Premium on FCL		1,12,39,545	1,69,53,694
Bad Debts Written Off		74,409	—
Non-performing Assets		1,14,170	1,61,455
		23,69,532	(11,98,437)
Total Expenditure		8,38,03,775	8,48,79,343
Profit Before Tax		1,01,91,612	1,05,87,167
Provision for Tax			
Current Tax		15,18,599	29,00,000
Deferred Tax (Credit) / Charge		23,69,929	(21,61,558)
PROFIT FOR THE YEAR		63,03,084	98,48,725
Balance of Profit Brought Forward		1,58,06,336	1,38,32,075
Less: Taxation Adjustments in Respect of Earlier Years		—	(536)
BALANCE OF PROFIT AVAILABLE FOR APPROPRIATION		2,21,09,420	2,36,81,336
APPROPRIATIONS :			
Transfer to Reserve U/S 45 IC of RBI Act, 1934		13,00,000	20,00,000
General Reserve		1,60,000	2,50,000
Proposed Dividend		40,00,000	50,00,000
Tax on Proposed Dividend		5,61,000	6,25,000
Balance of Profit Carried to Balance Sheet		1,60,88,420	1,58,06,336
TOTAL		2,21,09,420	2,36,81,336
NOTES FORMING PART OF THE ACCOUNTS			
SIGNIFICANT ACCOUNTING POLICIES	'Q'		
	'R'		
Basic/Diluted Earning Per Share (Refer Schedule "Q" Note No. 9)		1.26	1.97

* Net of Lease Equalisation Charges

As per our report attached

SHARP & TANNAN

Chartered Accountants

By the hand of

MILIND P. PHADKE

Partner

(Membership No. 33013)

Mumbai, 28th June, 2005

BIPIN B. BHAVSAR

Executive Director &

Company Secretary

For and on behalf of the Board

RAJIV GUPTA

Chairman of the Meeting

ARUN MITTER**SIDHARTH GUPTA**

Directors

Mumbai, 28th June, 2005