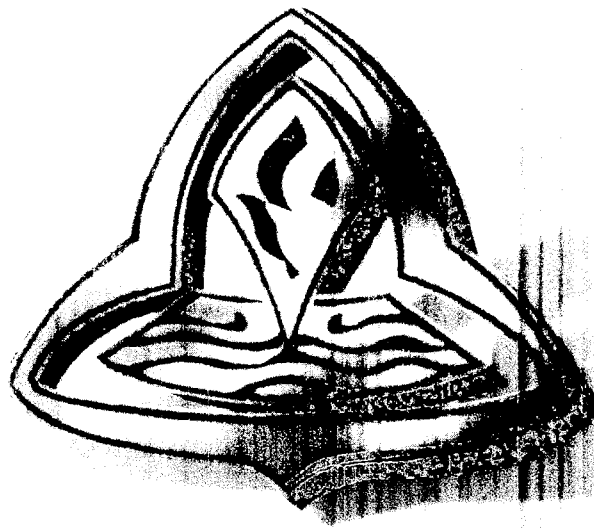


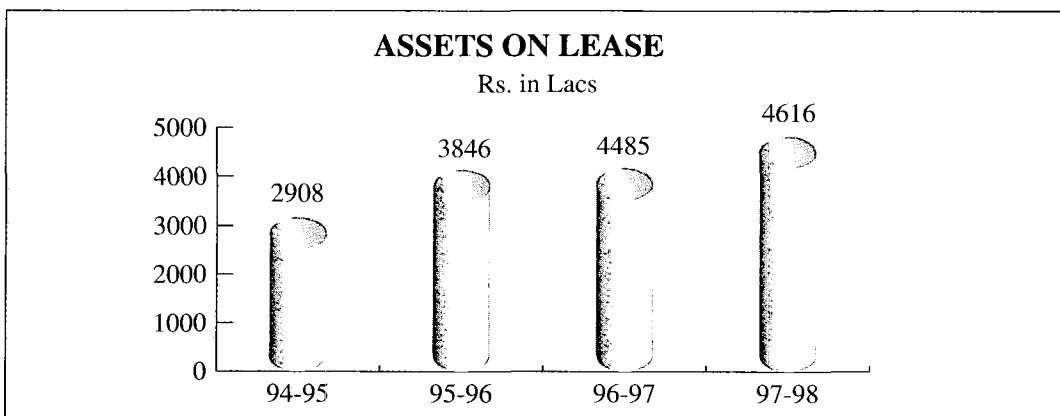
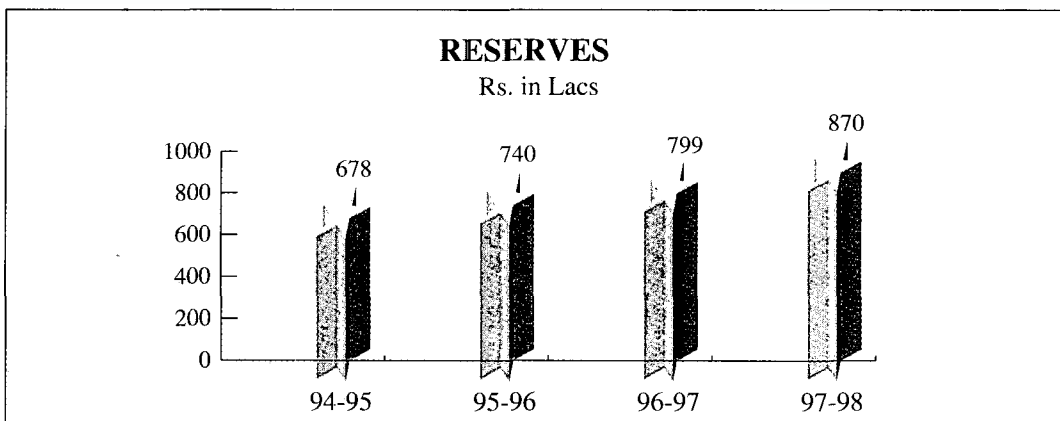
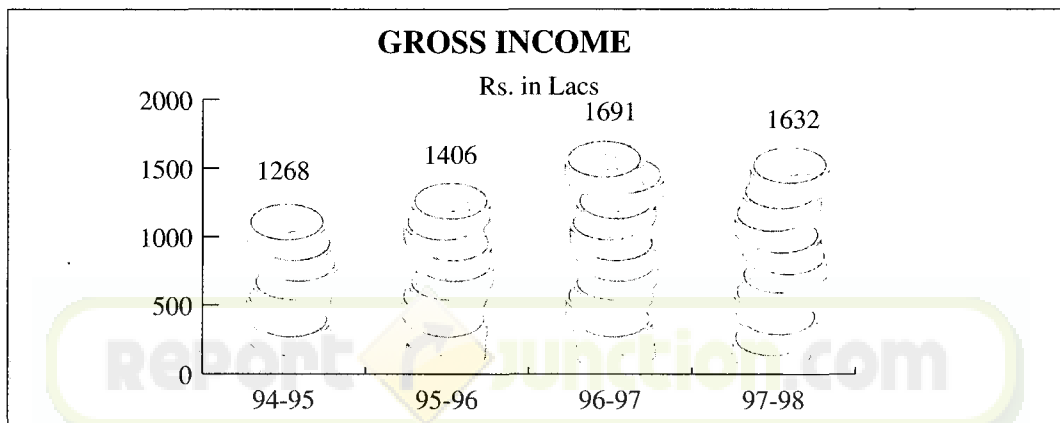
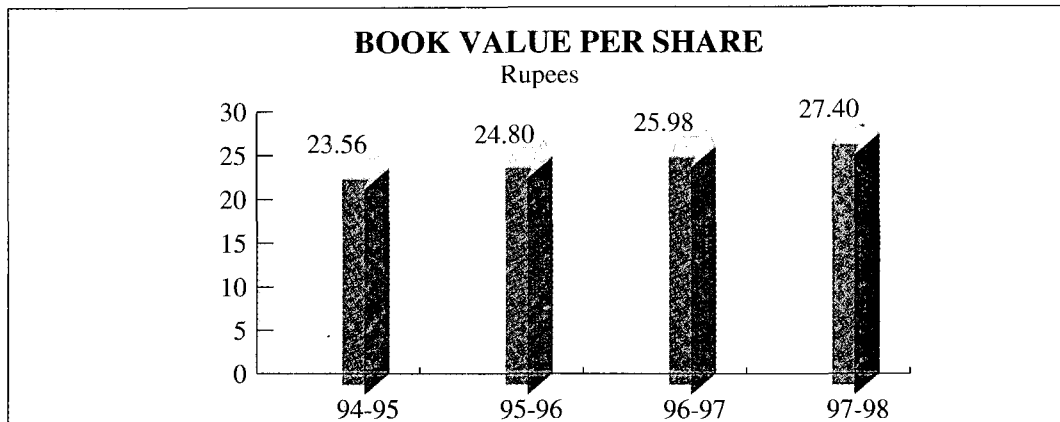
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JAYABHARAT CREDIT LIMITED



JAYABHARAT CREDIT LIMITED





JAYABHARAT CREDIT LIMITED

55th ANNUAL REPORT 1997-98

Registered Office :

French Bank Building, Homji Street, Fort, Mumbai 400 001

Phone : 266 4977 (5 Lines) Grams : JAYINCO, Telex : 11-83651 Fax : 022-2662710

BOARD OF DIRECTORS	:	SHRI VED PRAKASH GUPTA (CHAIRMAN) SHRI SHRENIK KASTURBHA SHRI B. D. DESAI SHRI C. P. SHAH SHRI G. V. KAPADIA SHRI O. P. GUPTA SHRI RAJIV GUPTA SHRI SHARAD SANGHI
ADVISOR	:	SHRI D. N. SHUKLA
CHIEF EXECUTIVE OFFICER (Manager & Company Secretary)	:	SHRI BIPIN B. BHAVSAR
AUDITORS	:	SHARP & TANNAN Chartered Accountants
SOLICITORS	:	MULLA & MULLA & CRAIGIE BLUNT & CAROE MANILAL KHER AMBALAL & 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
Calcutta	:	Chitrakoot Building, 5th floor 230A, Acharya Jagdishchandra Bose Road, Calcutta 700 020
Bangalore	:	305, Raheja Chambers, 12, Museum Road Bangalore 560001
Ahmedabad	:	6, Blue Star Complex, Opp. Gujarat High Court Near Railway Crossing, Off Ashram Road, Ahmedabad 380 009
Jullundur	:	P. S. Jain Commercial Complex G.T. Road, Jullundur City 144001
Indore	:	Chetak Chambers, RNT Marg Indore 452 001



JAYABHARAT CREDIT LIMITED.....

NOTICE

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

Date : September 09, 1998
Day : Wednesday
Time : 12.00 noon
Place : M. C. Ghia Hall, 2nd Floor,
Bhogilal Hargovindas Building,
18/20 Kaikhushru Dubash Marg,
Mumbai 400 001.

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Company's Balance Sheet as at 31st March, 1998 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 1997-98.
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. G. V. Kapadia who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint Director in place of Mr. Shrenik Kasturbhai who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint auditors and to fix their remuneration.

By Order of the Board
For **JAYABHARAT CREDIT LIMITED**

BIPIN B. BHAVSAR
Chief Executive Officer
(Manager & Company Secretary)

Date : 22nd July, 1998

Registered Office :

French Bank Building,
Homji Street, Fort,
Mumbai 400 001.

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 the Share Transfer Books of the Company will remain closed from Wednesday 2nd September, 1998 to Wednesday 9th September, 1998 (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 Company.
8. The unclaimed dividend/s up to financial year 1993-94 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 400 033. Such shareholders may quote our Company's registration number being 3899 for this purpose.

IMPORTANT

Shareholders are requested to directly send Share Transfer/Communication etc. to the Registered Office of the Company.

DIRECTORS' REPORT

To

OUR SHAREHOLDERS,

Your Directors have pleasure in presenting the 55th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1998.

	1997-98 (Rs. in Lacs)	1996-97 (Rs. in Lacs)
1. Investment In :		
(a) Hire Purchase Business	713	1625
(b) Leasing	397	801
(c) Bill Discounting	384	491
2. Receivables Against :		
(a) Hire Purchase & Leasing	2442	3299
(b) Bill Discounting	171	244
3. Income :		
(a) Hire Purchase Charges	624	514
(b) Lease Rentals	817	847
(c) Bill Discounting Charges (Net)	19	23
(d) Other Income	172	307
4. Gross Profit before Depreciation & Income Tax	670	715
5. Depreciation	493	460
6. Tax Provision	22	33
7. Tax Provision on Dividend Amount	8	13
8. Profit After Depreciation and Income Tax	155	222
9. Proposed Dividend	75	125

1. DIVIDEND :

Your Directors recommend to the members dividend of Rs. 1.50 per share in respect of 50,00,000 Equity Shares of Rs. 10/- each for the year ended 31st March, 1998.

The amount of dividend will not be taxable in the hands of shareholders, as per the terms of Provisions of the Finance Act, 1997, and hence the amount of dividend will not be subject to deduction of tax at source. However, the Company will be liable for tax on total dividend amount at the rate of 10%, amounting to Rs. 7.5 lacs and the same is provided for along with the amount of Proposed Dividend.

2. RESERVES :

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

- (i) Special Reserve Rs. 31 lacs in terms of RBI (Amendment Ordinance, 1997 effective from 09/01/97) and
- (ii) General Reserve Rs. 16 lacs, leaving a balance of Rs. 25 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 10.00%, the Company's Capital Adequacy Ratio is 34.36%.

M/s. ICRA Limited has rated your Company 'AA' which denotes adequate safety i.e. timely servicing of interest and principal in the previous year. The review of the rating is in progress.



JAYABHARAT CREDIT LIMITED

4. OPERATIONS :

During the year under review, in spite of the depressed market condition as well as prolonged recessionary trend in Indian Economy, the Company had a satisfactory performance.

The Company's operational profit has gone up to Rs. 155 lacs as against Rs. 60 lacs previous year. Keeping in view the market condition, the Company has adopted and followed a conservative policy for its investment in business activities and consolidated its efforts more on recoveries.

The Company has Deposits of Rs. 2620 lacs as on the date of this report, which is according to the revised requirement of RBI.

5. PROSPECTS FOR CURRENT YEAR :

The recession in the Automobile industries would to some extent affect the working of the Company, since your Company's predominant activities are Hire Purchase and Lease Finance for Commercial Vehicles and Passenger Cars. However, the Company Contemplates to enter into other profitable avenues. Your Directors expect satisfactory performance in the current year, barring unforeseen circumstances.

6. DIRECTORATE :

Messrs Ved Prakash Gupta, G. V. Kapadia, Shrenik Kasturbhai retire by rotation and are eligible for reappointment as Directors of the Company.

7. DEPOSITS :

As at 31st March, 1998 Fixed Deposits and Cumulative Time Loan Receipts numbering 778 and totalling Rs. 121.80 lacs maturing for payment remained unclaimed. Out of them 134 FDRs amounting to Rs. 68.00 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.

8. 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.

9. AUDITORS :

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

10. PERSONNEL :

Particulars as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 are given in the Annexure, forming part of this report.

11. 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

VED PRAKASH GUPTA
CHAIRMAN

Mumbai
Date : 22nd July, 1998

ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	Name	Designation	Gross Remuneration Rupees	Qualification	Age	Experience (in years)	Date of Commencement of employment	Particulars of last employment
A. EMPLOYED THROUGHOUT THE YEAR :								
1.	Mr. Bipin B. Bhavsar	Chief Executive Officer (Manager & Company Secretary)	6,05,001	M.Com. LL.B (SPL) F.C.S.	48	26	21/1/1989	Vice President & Company Secretary Enarai Finance Limited
B. EMPLOYED FOR THE PART OF THE YEAR :								
1.	Mr. B. J. Shah	Chief Executive	5,34,321	B.Com. LL.B. F.C.A.	60	34	01/9/1991	Manager BCCI, Mumbai

REPORT OF THE AUDITORS' TO THE MEMBERS

We have audited the attached Balance Sheet of **JAYABHARAT CREDIT LIMITED** as at 31st March, 1998 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and 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, 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 the Balance Sheet, of the state of the Company's affairs as at 31st March, 1998; and
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

SHARP & ANNAN
Chartered Accountants
By the hand of

MILIND R. BHADKE
Partner

Mumbai, 22nd July, 1998



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, 1998, 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. 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.
4. 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.
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) 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.
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, 1948 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.