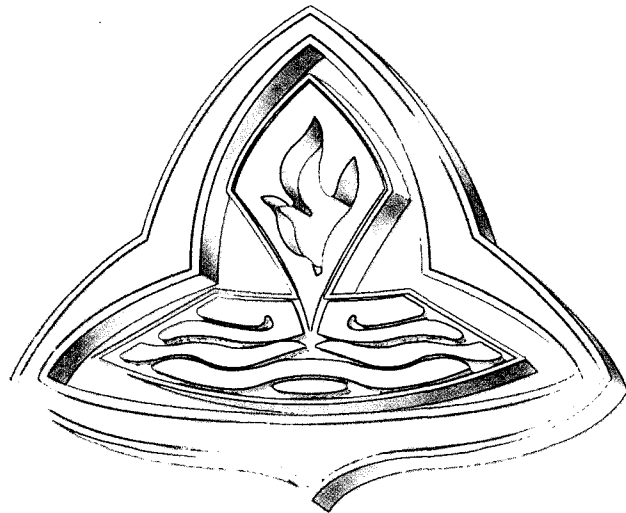


ANNUAL REPORT 2006 - 2007



JAYABHARAT CREDIT LIMITED



Since 1943

## JAYABHARAT CREDIT LIMITED

*The Name That Inspires Confidence.*

64<sup>th</sup> Annual Report 2006 - 2007

**Registered Office:**

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

Tel.: 2825 6430 - 31- 32 • Fax: 2825 6501

Email: jcl@jayabharat.com • Website : www.jayabharat.com

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<b>BOARD OF DIRECTORS</b>	: SHRI. RAJIV GUPTA (CHAIRMAN) SHRI. SHARAD SANGHI SHRI. SIDHARTH GUPTA SHRI. ARUN MITTER SHRI. BIPIN B.BHAVSAR (Executive Director & Company Secretary)
<b>AUDITORS</b>	: SHARP & TANNAN Chartered Accountants
<b>SOLICITORS</b>	: MULLA & MULLA & CRAIGE BLUNT & CAROE MANILAL KHER AMBALAL & CO.
<b>BANKERS</b>	: BANK OF BARODA BANK OF INDIA CENTRAL BANK OF INDIA
<b>BRANCH OFFICES</b>	
<b>Delhi</b>	: 17B, Asaf Ali Road, New Delhi 110 002.
<b>Kolkata</b>	: Chitrakoot Building, 5th Floor, 230A, Acharya Jagdishchandra Bose Road, Kolkata 700 020.
<b>Bangalore</b>	: 305, Raheja Chambers, 12, Museum Road, Bangalore 560 001.
<b>Ahmedabad</b>	: 6, Blue Star Complex, Opp.Gujrat High Court, Near Railways Crossing, Off Ashram Road, Ahmedabad 380 009.



# JAYABHARAT CREDIT LIMITED

## Notice

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

Date 28th August, 2007  
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, 2007 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 2006-2007.
3. To appoint Director in place of Mr. Rajiv Gupta, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Director in place of Mr. Arun Mitter, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint auditors and fix their remuneration.

## AS SPECIAL BUSINESS :

6. To consider and, if thought fit to pass with or without modification (s) the following as a special Resolution :

"RESOLVED THAT pursuant to Section 293(1)(d) of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors to borrow any sum or sums of money from time to time which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed at any time the aggregate of the paid up capital of the company and its Free Reserves (that is to say Reserve not set apart for any special purpose) provided that the maximum amount borrowed by the Board shall not exceed at any time Rs.150 Crores.

By order of the Board

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

New Delhi, 19th June, 2007

## Registered Office :

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

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## Annexure to the Notice

**Explanatory statement annexed to the Notice of 64<sup>th</sup> Annual General Meeting of the Company as required by section 173(2) of the Companies Act, 1956, in respect of item no 6.**

### Item No 6 : Special Resolution

The sanction of the Shareholders is sought to permit the Board to borrow monies in excess of the Company's capital and free reserves. This is permissible under Section 293(1)(d) of the Companies Act, 1956 with the shareholders' approval.

The members at 53<sup>rd</sup> Annual general meeting held on 28th August, 1996 accorded permission to borrow monies up to Rs.75 Crores. With the Company's plans for expansion, your Board thinks it necessary to increase this limit to Rs.150 Crores and commend passing of this resolution.

None of the Directors is concerned or interested in this Resolution.

By order of the Board

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

New Delhi, 19th June, 2007

### Registered Office :

Solitaire Corporate Park,  
 2nd Floor, Building No. 5,  
 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 21st August, 2007 to 28th August, 2007 (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 1998-99 has been transferred to Investor Education & Protection Fund (IEPF) (Awareness and protection of the interests of Investors) Rules, set up by the Central Government. Accordingly unpaid/unclaimed dividend starting with 1999-2000 become transferable to the fund 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 years from 2000-2001 onwards, before the respective amounts become due for transfer to the fund.
8. Companies Shares are under compulsory demat form.

### IMPORTANT

**Sharepro Services India Pvt. Ltd** has been appointed as Registrar and Share Transfer Agent : Shareholders are requested to directly send Share Transfer/ Demat request/ Communication etc. at their following Address:

#### SHAREPRO SERVICES (INDIA) PVT.LTD.

Satam Estate, 3rd Floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099.  
 Tel : 2821 5168, 2832 9828, and 2821 5991 Fax : 2837 5646, email : sharepro@vsnl.com



# JAYABHARAT CREDIT LIMITED

## Directors' Report

To  
Our Shareholders,  
Your Directors have pleasure in presenting the 64th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2007.

	2006-2007 ( Rs. in Lacs )	2005-2006 ( Rs. in Lacs )
1. Investment In:		
(a) Hire Purchase Business	3,053.00	2,515.00
2. Receivables Against:		
(a) Hire Purchase & Leasing	307.43	400.27
3. Income:		
(a) Hire Purchase Charges	873.99	874.91
(b) Lease Rentals	69.45	0.26
(c) Recovery for NPA & Bad-Debts W/off	25.24	39.47
(d) Other Operational Income	103.58	77.36
(e) Other Income	13.20	19.32
4. Gross Profit before Depreciation & Income tax	222.13	222.12
5. Depreciation	87.89	101.38
6. Tax Provision	39.56	44.49
7. Tax Provision on Dividend Amount	6.80	5.61
8. Profit After Depreciation and Income Tax	94.68	76.25
9. Proposed Dividend	40.00	40.00

### 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, 2007.

### 2. RESERVES :

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

- Special Reserve Rs.19.00 lacs in terms of RBI (Amendment Ordinance, 1997 effective from 09/01/97) and
- General Reserve Rs.2.50 lacs, leaving a balance of Rs.46.84 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 22.04%

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

### 4. OPERATIONS :

The firming up of interest rates has helped the Company

by checking the competition who are now forced to increase their rates of lending to more realistic levels.

The Company continues to raise funds at various costs and have managed to keep its cost of funds at the same level.

The Company has Deposits of Rs. 4,624.61 lacs as on the date of this report, which is according to the revised requirement of RBI.

### 5. PROSPECTS FOR CURRENT YEAR :

The company continues to raise funds at various costs and have managed to keep its cost of funds at the same level. Your Directors would continue to explore further avenues to reduce its cost of borrowings in the future to improve its profitability.

### 6. DIRECTORATE :

Mr. Rajiv Gupta and Mr. Arun Mitter retire by rotation and are eligible for reappointment as Directors of the Company. The Board of Directors place on record the appreciation of the valuable services of the Director Shri. Shravan Gupta, who resigned on 19th September, 2006.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- That the preparation of the annual accounts, the applicable accounting standards have been followed

## 64th Annual Report 2006 - 2007

along with proper explanation relating to material departure.

- ii. 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.
- iii. 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.
- iv. That the annual accounts have been prepared on a going concern basis.

#### 8. DEPOSITS :

As at 31st March 2007 Fixed Deposits and Cumulative Time Loan Receipts numbering 486 and totaling Rs. 87.71 lacs maturing for payment remained unclaimed. Out of them 147 FDRs amounting to Rs. 30.62 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 'R' 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. 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.

Financial Year	No. of Shares		Total shares demated During the period	% age	Cumulative total	
	NSDL	CDSL			No. of Shares	%
2004-2005	89,222	1,79,145	2,68,367	5.37	41,76,706	83.53
2005-2006	9,634	569	10,203	0.20	41,86,909	83.74
2006-2007	1,66,347	2,78,754	4,45,101	8.90	46,32,010	92.64
Up to June, 2007	2,022	55	2,077	0.04	46,34,087	92.68

#### 12. PERSONNEL :

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

#### 13. CORPORATE GOVERNANCE :

As per clause 49 of listing Agreement of Bombay Stock Exchange Limited, The 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

New Delhi, 19th June, 2007



# 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, 2007, 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.

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

1. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ('the Order') 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.
2. Further to our comments in the Annexure referred to 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 those books;
  - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report 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 directors of the Company as at 31st March, 2007 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2007 from being appointed as a director in terms of Section 274 (1)(g) 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 read together with the Significant Accounting Policies in Schedule 'Q' and Notes on Accounts in Schedule 'R' appearing thereon, 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, 2007;
  - (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 the Cash Flow Statement, of the cash flows for the year ended on that date.

**SHARP & TANNAN**  
Chartered Accountants

by the hand of  
**MILIND P. PHADKE**  
Partner

Mumbai, 19th June, 2007

(Membership No. 33013)



## 64th Annual Report 2006 - 2007

**ANNEXURE TO THE AUDITORS' REPORT**

(Annexure referred to in Paragraph 1 of the Auditors' report)

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 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.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern status.
2. The Company is a Non-Banking Finance Company and does not hold any inventories. Accordingly, reporting under Paragraph 4 (ii) (a), (b) and (c) of the Order is not applicable.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, reporting under Paragraph 4 (iii) (b), (c), (d), (f) and (g) of the Order is not applicable.
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 the nature of its business for the purchase of fixed assets and for services rendered. We have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system.
5. According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under Section 301 of Companies Act, 1956. Accordingly, reporting under paragraph 4 (iii) (b) of the Order is not applicable.
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. The Company is having an internal audit system commensurate with its size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, service tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed provident fund, investor education and protection fund, income tax, sales tax, service tax, cess and other statutory dues outstanding as at 31<sup>st</sup> March, 2007 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, and cess which have not been deposited with the appropriate authorities on account of any dispute

except with respect to a disputed sales tax dues aggregating to Rs.21,40,154/- are under appeal at various stages, the details of which are under:

Particulars	Amount	Forum where dispute is pending
Delhi Sales Tax	Rs. 21,40,154/-	The Appellate Tribunal
10. The Company has no accumulated losses as at 31st March, 2007 and it has not incurred cash loss in the financial year and also in the immediately preceding financial year.		
11. According to the information and explanations given to us, 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 loans and advances are granted on the basis of security by way of pledge of shares, debentures and other securities.		
13. The provisions of any special statute applicable to chit fund/ nidhi /mutual benefit fund/societies are not applicable to the Company. Accordingly, reporting on Paragraph 4 (xiii) of the Order is not applicable.		
14. The Company is dealing and trading in shares, securities, debentures and other investments. The Company has maintained proper records of the transactions and contracts and timely entries have been made therein and the shares, securities, debentures and other securities have been held by the Company, in its own name.		
15. The Company has given guarantee for housing loans taken by employees from a financial institution, 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 the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that there are no funds raised on short-term basis which are used for long-term investments. 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 during the year to parties and companies 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. Accordingly, reporting on Paragraph 4 (xix) of the Order is not applicable.		
20. The Company has not raised any money by public issues during the year. Accordingly, reporting on Paragraph 4 (xx) of the Order is not applicable.		
21. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to information and explanations given to us, we have neither come across any fraud on or by the Company noticed or reported during the year, nor have we been informed of any such case by the management.		

**SHARP & TANNAN**  
Chartered Accountants

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

Mumbai, 19th June, 2007





# JAYABHARAT CREDIT LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	Rupees	As at 31st March, 2007 Rupees	As at 31st March, 2006 Rupees
<b>I SOURCES OF FUNDS :</b>				
<b>SHAREHOLDERS' FUNDS :</b>				
Share Capital	'A'	5,00,00,000		5,00,00,000
Reserves and Surplus	'B'	11,63,45,250		10,95,10,859
			16,63,45,250	15,95,10,859
<b>LOAN FUNDS :</b>				
Secured Loans	'C'	16,20,13,397		9,79,53,844
Unsecured Loans	'D'	44,68,64,500		41,95,01,000
			60,88,77,897	51,74,54,844
<b>Total</b>			<u>77,52,23,147</u>	<u>67,69,65,703</u>
<b>II APPLICATION OF FUNDS :</b>				
<b>Fixed Assets :</b>	'E'			
Gross Block of Assets relating to:				
Leasing Business		16,04,50,294		16,04,50,294
Less: Depreciation		13,45,06,123		12,87,05,349
Net Block		2,59,44,171		3,17,44,945
Less: Lease Terminal Adjustment		1,43,42,629		1,43,42,629
Net Block After Lease Terminal Adjustment		1,16,01,542		1,74,02,316
Other than Leasing Business		6,03,73,503		5,97,32,251
Less: Depreciation		2,10,67,742		1,88,14,435
Net Block		3,93,05,761		4,09,17,816
			5,09,07,303	5,83,20,132
<b>Investments</b>	'F'		7,29,34,142	7,21,55,060
<b>Deferred Tax Assets</b>				
Deferred tax assets		17,66,024		17,37,381
Less: Deferred tax liabilities		7,91,298		12,06,473
(refer note 7 of Schedule R)			9,74,726	5,30,908
<b>Current Assets, Loans and Advances</b>				
Sundry Debtors	'G'	3,07,42,729		4,00,27,496
Cash and Bank Balances	'H'	90,87,171		4,70,48,922
Other Current Assets	'I'	43,84,929		19,86,176
Loans and Advances	'J'	76,65,60,467		60,18,21,817
		81,07,75,296		69,08,84,411
<b>Less: Current Liabilities and Provisions</b>				
Liabilities	'K'	13,42,28,284		12,17,18,617
Provisions	'L'	2,61,40,036		2,32,06,191
		16,03,68,320		14,49,24,808
<b>Net Current Assets</b>			65,04,06,976	54,59,59,603
<b>Total</b>			<u>77,52,23,147</u>	<u>67,69,65,703</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	'Q'			
<b>NOTES ON ACCOUNTS</b>	'R'			

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

by the hand of

**MILIND P. PHADKE**

Partner

(Membership No.- 33013)

Mumbai, 19th June, 2007

**BIPIN B. BHAVSAR**

Executive Director &amp;

Company Secretary

New Delhi, 19th June, 2007

For and on behalf of the Board

**RAJIV GUPTA**

Chairman

**ARUN MITTER**

Director

## 64th Annual Report 2006 - 2007

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

		Year ended 31st March, 2007	Year ended 31st March, 2006
	Schedule	Rupees	Rupees
<b>INCOME</b>			
Hire Purchase Charges		8,73,98,622	8,74,90,624
Lease Rentals (net of lease equalisation charges)		69,45,520	25,890
Recovery of N.P.A./bad debts written-off		25,24,481	39,47,355
Other Operational Income	'M'	1,03,57,810	77,35,990
Other Income	'N'	13,20,011	19,32,334
<b>Total Income</b>		<b>10,85,46,444</b>	<b>10,11,32,193</b>
<b>EXPENDITURE</b>			
Payments to and Provisions for Employees	'O'	94,64,465	89,98,899
Other Expenditure	'P'	1,33,21,747	1,21,17,270
Interest : Fixed deposits		4,73,47,595	4,68,75,316
: Others		1,45,20,003	1,01,94,368
		6,18,67,598	5,70,69,684
Depreciation		87,89,516	1,01,37,513
Amortisation of premium on foreign currency loans		7,89,099	6,52,492
Bad debts written-off		8,89,788	82,383
<b>Total Expenditure</b>		<b>9,51,22,213</b>	<b>8,90,58,241</b>
<b>Profit before taxes</b>		<b>1,34,24,231</b>	<b>1,20,73,952</b>
Provision for taxation			
Current tax		43,00,000	35,63,000
Deferred tax charge / (credit)		(4,43,818)	7,85,585
Fringe benefit tax		1,00,000	1,00,000
		39,56,182	44,48,585
<b>Profit after taxes</b>		<b>94,68,049</b>	<b>76,25,367</b>
Balance brought forward		1,94,96,675	1,60,88,420
Taxation adjustments of earlier years		20,46,142	20,93,888
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>		<b>3,10,10,866</b>	<b>2,58,07,675</b>
<b>Appropriations:</b>			
Transfer to Reserve u/s 45-IC of RBI Act, 1934		19,00,000	15,50,000
General Reserve		2,50,000	2,00,000
Proposed dividend		40,00,000	40,00,000
Tax on proposed dividend		6,79,800	5,61,000
Balance carried to Balance Sheet		2,41,81,066	1,94,96,675
<b>Total</b>		<b>3,10,10,866</b>	<b>2,58,07,675</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	'Q'		
<b>NOTES ON ACCOUNTS</b>	'R'		
Earnings Per Share (Basic and Diluted)		1.89	1.53
(refer note 9 of Schedule R)			

As per our report attached

For and on behalf of the Board

**SHARP & TANNAN****RAJIV GUPTA**

Chartered Accountants

Chairman

by the hand of

**MILIND P. PHADKE****BIPIN B. BHAVSAR**

Partner

Executive Director &amp;

(Membership No.- 33013)

Company Secretary

Mumbai, 19th June, 2007

New Delhi, 19th June, 2007

**ARUN MITTER**

Director