



Since 1943

JAYABHARAT CREDIT LIMITED

The Name That Inspires Confidence.

74th Annual Report 2016 - 2017

Registered Office:

19/20, Rajabhadur Mansion, 4th Floor, Opp. SBI Main branch, Near Stock Exchange,
Mumbai Samachar Marg, Fort, Mumbai 400023

CIN: L66000MH1943PLC003899

Tel.: 22643023, 22643022 • Fax: 22643023

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

BOARD OF DIRECTORS

: Mr. RAJIV GUPTA
Mr. ARUN MITTER
Mr. M K MADAN
MS. SUMANA VERMA
Mr. GAURAV AGARWAL Independent Director
Mr. VISHNU SINGHAL Independent Director

AUDITORS

: SANDEEP R. TAMHANE
Chartered Accountants

BANKERS

: BANK OF BARODA
BANK OF INDIA
CENTRAL BANK OF INDIA

BRANCH OFFICES

Ahmedabad

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

Kolkata

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

New Delhi

: 17-B, Asaf Ali Road,
New Delhi 110 002.



NOTICE

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

| | |
|-------|---|
| Date | 12.09.2017 |
| 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. |

ORDINARY BUSINESS:

1. To consider and adopt the financial statements for the year ended 31st March, 2017 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Rajiv Gupta, who retires by rotation, and is eligible for re-appointment.
3. To appoint a Director in the place of Shri Arun Mitter, who retires by rotation, and is eligible for re-appointment.
4. To appoint statutory auditors and fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Sections 139.142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee M/s Sandeep R. Tamhane, Chartered Accountants (FCA 46206), be appointed as statutory auditors of the Company, in place of retiring auditors M/s Sharp and Tannan (Registration No 109982w) to hold office from the conclusion of 74th Annual General Meeting (AGM) until the conclusion of the 79th Annual General Meeting (AGM), subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company”.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Gaurav Agarwal (DIN:02276353) who was appointed as an additional Director of the Company, categorized as Independent Director by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and in respect of whom Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing Mr. Gaurav Agarwal for the office of the Director, be and is hereby appointed as Independent Director of the Company with effect from 01.10.2016 to 30.09.2021, not applicable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Vishnu Singhal (DIN:02421372) who was appointed as an Additional Director of the Company, categorized as Independent Director by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and in respect of whom Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing Mr. Vishnu Singhal for the office of the Director, be and is hereby appointed as Independent Director of the Company with effect from 01.10.2016 to 30.09.2021, not applicable to retire by rotation.”

By order of the Board of Directors
For **JAYABHARAT CREDIT LIMITED**

ARUN MITTER
Director
[DIN 00022941]

New Delhi, 06th June, 2017

Registered Office :
19,20 Rajabhadur Mansion,
4th Floor, opp. SBI Main Branch,
Near Stock Exchange, M S Marg,
Fort, Mumbai 400023

ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT AND EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND ANNEXURE TO NOTICE.

1) Director being re-appointed by rotation (Resolution at item no 2)

Name : Mr. Rajiv Gupta

Age & Date of Birth : 71 years (13.08.1946)

Qualification : B.E. (IIT, Delhi)

Experience in specific Functional Area

Sh. Rajiv Gupta is Bachelor in Engineering from IIT, Delhi. He has been associated with Leasing & Hire Purchase business since, 1969.

He has extensive business experience and all around knowledge on issues concerning hire purchase, leasing, corporate finance, real estate and administration. His continued association with the company as its helmsman is concerned absolutely necessary.

Other Directorship:

The Motor & General Finance Limited, India Lease Development Ltd, Bahubali Services Ltd, Associated Traders & Engg Ltd, Upper India Hire Purchase Co Association Ltd., MGF Securities Pvt Ltd, Grosvenor Estates Pvt Ltd, Gee Gee Holdings Pvt Ltd, Ram Prakash & Co Pvt Ltd, MGF Estates Pvt Ltd, Cards Services Ltd and Local Goods Carriers Pvt Ltd.

Committee Membership

The Motor & General Finance Ltd

Nomination and Remuneration Committee

Stakeholders Relationship Committee

India Lease Development Ltd

Audit Committee

Nomination and Remuneration Committee

Stakeholders Relationship Committee

Jayabharat Credit Ltd

Audit Committee - Chairman

Nomination and Remuneration Committee - Chairman

Stakeholders Relationship Committee

Sh. Rajiv Gupta holds 4550 shares i.e. 0.09 % of the total paid up Capital of the Company.

2) Director being re-appointed by rotation (Resolution at item no 3)

Name : Mr. Arun Mitter

Age & Date of Birth : 55 years (27.11.1962)

Qualification : B.Com ACA

Experience in specific Functional Areas

Mr. Arun Mitter, a qualified Chartered Accountant, He has extensive business experience in general and financial management of corporate bodies. His continued association with the Company is considered necessary in the interest of the Company.

Other Directorships:

The Motor & General Finance Limited, MGF Developments Ltd, India Lease Development Ltd, Bahubali Services Ltd, Upper India Hire Purchase Co Association Ltd, Technofab Engineering Ltd, Ram Prakash & Co Pvt Ltd, Discovery Holdings Pvt. Ltd, Grosvenor Estates Pvt Ltd, Gee Gee Holdings Pvt Ltd, MGF Securities Pvt Ltd, North Delhi Metro Mall Pvt Ltd, Cards Services India Pvt Ltd, MGF Promotions & Events Pvt Ltd, MGF Estates Management Pvt Ltd, Metroplex Construction Pvt Ltd, Vishnu Apartments Pvt Ltd and MGF Market Place Mall Management Pvt Ltd.

Committee Memberships:

The Motor & General Finance Ltd

Audit Committee

Stakeholders Relationship Committee

India Lease Development Ltd

Audit Committee - Chairman

Nomination and Remuneration Committee - Chairman

Jayabharat Credit Ltd

Stakeholders Relationship Committee - Chairman

Technofab Engineering Ltd

Audit Committee - Chairman

Nomination & Remuneration Committee

Stakeholders Relationship Committee

Mr. Arun Mitter holds Nil shares i.e. 0.00 % of the total paid up Capital of the Company.



EXPLANATORY STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013.

The Companies Act, 2013 ("the Act") provides for appointment of Independent Directors for a term up to five consecutive years. Further the Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a Listed Company.

The following Directors are Independent Directors viz Mr. Gaurav Agarwal, Mr. Vishnu Singhal on the board of the Company.

Item No 5.

The Board of Directors of the Company on 01st October, 2016, have appointed Mr. Gaurav Agarwal (DIN:0226353) as an Additional Director of the Company, categorized as Independent Director, in terms of Section 161 of the Companies Act, 2013. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Gaurav Agarwal for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013. The Company has received (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mr. Gaurav Agarwal to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) Declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In terms of Schedule IV of the Companies Act, 2013, the Board is of the opinion that Mr. Gaurav Agarwal fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and is independent of the management. A copy of the draft letter of appointment, setting out the terms and conditions of appointment of Mr. Gaurav Agarwal, is available for inspection, without any fee, by the members at the Company's Registered Office during normal hours on working days up to the date of the AGM. Mr. Gaurav Agarwal is a Commerce graduate having good knowledge and vast experience of Banking and Finance his presence on the Board will be of immense value to the Company. Considering his knowledge and experience, the Board recommends the resolution in relation to appointment of Mr. Gaurav Agarwal as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Gaurav Agarwal being appointee, none of the other Directors of the Company and their relatives is concerned or interested, in the resolution set out at Item No 5

Item No.6.

The Board of Directors of the Company on 01st October, 2016, have appointed Mr. Vishnu Singhal (DIN:02421372) as an Additional Director of the Company, categorized as Independent, in terms of Section 161 of the Companies Act, 2013. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Vishnu Singhal for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013. The Company has received (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mr. Vishnu Singhal to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) Declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In terms of Schedule IV of the Companies Act, 2013, the Board is of the opinion that Mr. Vishnu Singhal fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and is independent of the management. A copy of the draft letter of appointment, setting out the terms and conditions of appointment of Mr. Vishnu Singhal, is available for inspection, without any fee, by the members at the Company's Registered Office during normal hours on working days up to the date of the AGM. Mr. Vishnu Singhal is a member of "the Institute of Chartered Accountants of India" and having good knowledge and vast experience of Banking and Finance his presence on the Board will be of immense value to the Company. Considering his knowledge and experience, the Board recommends the resolution in relation to appointment of Mr. Vishnu Singhal as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Vishnu Singhal being appointee, none of the other Directors of the Company and their relatives is concerned or interested, in the resolution set out at Item No 6.

By order of the Board of Directors
For **JAYABHARAT CREDIT LIMITED**

ARUN MITTER
Director
[DIN 00022941]

New Delhi, 06th June, 2017

Registered Office :
19,20 Rajabhadur Mansion,
4th Floor, opp. SBI Main Branch,
Near Stock Exchange, M S Marg,
Fort, Mumbai 400023

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 05.09.2017 to 12.09.2017 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. Pursuant to Section 205A and 205C of the Companies Act, 1956, the dividend amounts remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, accordingly unpaid/unclaimed dividend starting with 2007-08 has already been transferred to Investor Education and Protection Fund. Shareholders are requested to verify their records and send claims, if any, upto the aforesaid year, please arrange to send a letter duly signed by all the shareholder/s quoting your Folio No. / DP ID – CL ID to our Registrars: Sharex Dynamic (India) Pvt. Ltd., Unit No 1, Luthara Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai 400 072 Tel: 2851 5644 / 2851 5606 Fax: 2851 2885 email: Sharexindia @vsnl.com., www.sharexindia.com
- 8) Please inform us your PAN and E-Mail ID to update our records.
- 9) Please note that for change of address in case of holding shares in physical mode, you are requested to send a letter duly signed by shareholder(s) along with certified copies of Electricity or Telephone Bill and Ration Card and PAN Card in support of your changed address. Only on receipt of these documents and on satisfying that the same are in order, the Company will record the change of address and send you a confirmation.
- 10 Company's Shares are under compulsory demat form.
- 11 In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically as per the resolutions mentioned in the notice of 74th Annual General Meeting of the Company.
- 12 The voting period begins on Friday 08.09.2017 at 9.00 a.m. and ends on Monday 11.09.2017 at 5.00 p.m. during this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 05.09.2017, may cast their vote electronically. Thereafter the e-voting module shall be disabled by CDSL for voting.
- 13 The voting rights of shareholders shall be proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 05.09.2017.
- 14 Shri V Sundaram, Practicing Company Secretary (Certificate of Practicing Number 3373) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- 15 The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith of the Chairman.
- 16 The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

IMPORTANT

Shareholders are requested to directly send Share Transfer/ Demat request/ Communication etc. at the following Address:

Sharex Dynamic (India) Pvt. Ltd., Unit No.1, Luthara Ind. Premises, safed Pool, Andheri Kurla Road, Andheri (E), Mumbai 400 072, Tel: 2851 5644/ 2851 5606 Fax: 2851 2885 Email: Sharexindia @vsnl.com web: www.sharexindia.com



DIRECTORS' REPORT

To
Our Shareholders,

Your Directors have pleasure in presenting the 74th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2017.

| | | 2016-17 (Rs. in Lacs) | 2015-16 (Rs. in Lacs) |
|----|---|----------------------------|----------------------------|
| 1. | Income: | | |
| | (a) Asset Financing | 65.15 | 0 |
| | (b) Recovery for NPA & Bad-Debts W/off | 0 | 0 |
| | (c) Other Operational Income | 0 | 0 |
| | (d) Other Income | 0 | 43.75 |
| 2. | Gross Profit/loss before Depreciation & Income tax | (177.81) | (337.40) |
| 3. | Depreciation | 1.92 | 1.95 |
| 4. | Tax Provision | 0 | 0 |
| 5. | Profit+ / Loss(-) After Depreciation and Income Tax | (179.73) | (339.35) |

1. OPERATIONS:

The Company has already repaid its liability in favour of Banks viz: Bank of Baroda, Bank of India and Central Bank of India. Public deposits are also repaid out of regular collection (support from Promoters) and also from the settlement of legal cases of Hire Purchase and Leasing Transactions. The Company has opened an Escrow Account with Bank of India and deposited the outstanding of Public Deposit of Rs.3.89 Lacs, during the year. At present as on 31.03.2017 the outstanding of Public Deposit is Rs.1.89 Lacs.

2. DIVIDEND:

The business activities of the Company are gradually discontinued and the main thrust is given upon the collection, therefore, the earnings are not adequate enough and your directors are constrained not to recommend dividend.

3. RESERVES:

During the year under review, the Company has not transferred any amount to Reserves:

- (i) Special/Statutory Reserve -Nil and General Reserve –Nil.

4. RBI'S GUIDELINES ON PRUDENTIAL NORMS & CREDIT RATING

The Company has complied with RBI guidelines. For the time being, the Company has differed disbursement / investment in Business activities and Public deposit as such maintenance of Capital Adequacy Ratio is not applicable as the Company does not have any deposit except Rs.1.89Lacs in Escrow Account as directed by R.B.I.

5. DEPOSITS

Total unpaid Fixed Deposit liability as on 31.03.2017 is Rs.1.89 Lacs. The balance amount of outstanding deposit lying in Escrow Account with Asaf Ali Road, New Delhi. The respective depositor's claim will now be cleared through Escrow Account opened with them.

6. DIRECTORATE:

- Mr. Rajiv Gupta and Shri Arun Mitter Directors, retires by rotation and are eligible for reappointment as Director of the Company.
- Mr. Gaurav Agarwal and Mr. Vishnu Singhal on the recommendations of Nomination and Remuneration Committee were appointed as Independent Directors not liable to retire by rotation. However, as per Section 149 of Companies Act, 2013, it is necessary to appoint these Directors as Independent Directors. The Company has received the requisite notices from members along with the deposit of requisite amount under Section 160 of the Act, proposing their candidature for the office of Independent Directors of the Company.
- The Company has received declarations from above named Directors confirming that they meet with the criteria of Independent Directors prescribed under section 149(6) of the Companies Act, 2013.

Profiles of these Directors, as required by Clause 49 of the Listing Agreement with Stock Exchange, are given in the Notice Convening the forthcoming Annual General Meeting.

The above appointments form a part of the Notice convening the forthcoming Annual General Meeting and Resolutions are recommended for your approval.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(3)(C), the Board confirm and submit the Directors' Responsibility Statement :-

- i. That the preparation of the Annual Accounts, the applicable Accounting Standards have been followed 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, 2013 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. AUDITORS REPORT

Auditors Report for the year is as under with qualification, if any.

Basis for Adverse Opinion

Trade receivables and long term loans and advances outstanding as on March 31, 2017 amounts to Rs. 59.99 crores. In the absence of appropriate documentation/ reconciliation/ confirmation with the concern parties, we are unable to ascertain the recoverability of such receivables and long term loans and advances. In the opinion of the management this amount will be received and hence no provision in the books has been made till date.

On November 18, 2016, the Company has voluntarily surrendered its Certificate of Registration (COR) as Non-Banking Financial Company (Deposit Accepting) to Reserve Bank of India and as on date Reserve Bank of India has not confirmed the cancellation of certificate of registration of the Company as Non-Banking Financial Company. However in the opinion of management the provisions of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction 2007 are not applicable and as such no provision for aforesaid trade receivables and long term loans and advances amounting to Rs. 59.99 crores as specified in regulation is made by the Company.

Had Company made the aforesaid provision as prescribed by Reserve Bank of India vide Non-Banking Financial Company Directions 2007, the loss for the year ended March 31, 2017 would have increased from Rs. 1.79 crores to Rs. 61.79 crores and loss carried in the balance sheet for the year ended March 31, 2017 would have been increased from Rs. 6.96 crores to Rs. 66.96 crores.

Management's comments

In reply to the adverse report by the Auditors on the recovery of the receivables and its non provision has been duly explained and covered by the Auditors in their Report and as such, do not call for further comments.

The management is pursuing with the RBI to take appropriate action in regard to the Company's surrender of Certificate of Registration.

9. AUDITORS :

M/s Sharp and Tannan Chartered Accountants, Mumbai ,who retire at the conclusion of this Annual General Meeting of the Company and have expressed their inability to offer themselves for re-appointment due to expiry of their 10 years term as Statutory Auditors of the Company.

It is proposed by the Company, to appoint Mr. Sandeep R. Tamhane, Chartered Accountants as Statutory Auditors of the Company. The Company has received a letter from the Auditors that their appointment as Statutory Auditors, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013. On recommendation of The Audit Committee, the Board has approved and recommended the appointment of Mr. Sandeep R. Tamhane, Chartered Accountants, as Statutory Auditors to hold office for five years from the conclusion of this Annual General Meeting till the conclusion of the 79th Annual General Meeting, subject to the ratification of their appointment at every Annual General Meeting.

Members are requested to consider and appoint Mr.Sandeep R. Tamhane, Chartered Accountants, as Statutory Auditors of the Company.

10. CHANGE IN REGISTRAR AND TRANSFER AGENTS

Securities and Exchange Board of India (SEBI), has passed an interim order dated March 22, 2016 against Sharepro Services ("Sharepro") inter alia restraining Sharepro and several entities linked with the management of Sharepro Services (India) Pvt Ltd., till further directions. They have also been advised to carry out /switchover their activities related to Registrar to Issue and Share Transfer Agent, either in-house or through another Registrar to Issue or Share Transfer Agent registered with SEBI.



JAYABHARAT CREDIT LIMITED

Accordingly, the Company has appointed M/s Sharex Dynamic (India) Pvt. Ltd as Registrar and Transfer Agent with effect from 02nd May, 2016.

11. DEMATERIALISATION OF SHARES:

The Company's Shares are in demat mode. Following are the details of the shares dematerialized on N S D L and C D S L Depositories, after sending remainder request to the shareholders.

| Financial year | No. of Shares | | Total shares demated | % age | Cumulative total | |
|----------------|---------------|---------|----------------------|-------|------------------|-------|
| | N S D L | C D S L | During the period | | No of Shares | % |
| 2014-2015 | 736 | 298 | 1,034 | 0.02 | 47,45,776 | 94.91 |
| 2015-2016 | 2850 | 948 | 3798 | 0.07 | 47,49,705 | 94.99 |
| 2016-2017 | 10716 | 0 | 10716 | 0.21 | 47,60,421 | 95.21 |

12. COMPLIANCE BY THE COMPANY

The Company has generally complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to the Capital markets during the last three years, except during the period under review on account of shortage of staff, there was some delay in filing the quarterly results with the Stock Exchange. The application has been submitted in the office of the Stock Exchange to condone the delay.

13. PERSONNEL:

There is no person in receipt of remuneration for giving particulars as is required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1), (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

14. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 143(3)(m) of the Act read with Rules 8 of the Companies (Accounts) Rules, 2014 is given as under :-

| | | | |
|---|--|---|---------------|
| a) | Technology | Being a Finance Company, the same is not applicable | |
| b) | Conservation of Energy | Being a Finance Company, the same is not applicable | |
| c) | Transactions in Foreign Currency | This Year | Previous Year |
| i) | Expenditure in Foreign currency Loan | Nil | Nil |
| ii) | Shares held by Non-Resident Shareholders | 19492 | 19492 |
| | No. of shareholders | 18 | 18 |
| NOTE: The Company has no earnings in foreign exchange | | | |

15. CORPORATE GOVERNANCE:

As per the Listing Agreement with the Stock Exchange, Auditor's Certificate regarding the compliance of conditions of Corporate Governance (Annexure 'A') and Management Discussion and Analysis Report (Annexure 'B') forms part of this report.

16. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Messrs V. Sundaram & Co., a firm of Company Secretaries in Practice (C.P.No.3373) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included in the Directors' Report and forms an integral part of this Report and is annexed as Annexure II.

17. 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 viz: Bank of Baroda, Bank of India and Central Bank of India, 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, 06th June, 2017

INDEPENDENT AUDITOR'S REPORT To the Members of Jayabharat Credit Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Jayabharat Credit Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Adverse Opinion

Trade receivables and long term loans and advances outstanding as on March 31, 2017 amounts to Rs. 59.99 crores. In the absence of appropriate documentation/ reconciliation/ confirmation with the concern parties, we are unable to ascertain the recoverability of such receivables and long term loans and advances. In the opinion of the management this amount will be received and hence no provision in the books has been made till date.

On November 18, 2016, the Company has voluntarily surrendered its Certificate of Registration (COR) as Non-Banking Financial Company (Deposit Accepting) to Reserve Bank of India and as on date Reserve Bank of India has not confirmed the cancellation of certificate of registration of the Company as Non-Banking Financial Company. However in the opinion of management the provisions of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction 2007 are not applicable and as such no provision for aforesaid trade receivables and long term loans and advances amounting to Rs. 59.99 crores as specified in regulation is made by the Company.

Had Company made the aforesaid provision as prescribed by Reserve Bank of India vide Non-Banking Financial Company Directions 2007, the loss for the year ended March 31, 2017 would have increased from Rs. 1.79 crores to Rs. 61.79 crores and loss carried in the balance sheet for the year ended March 31, 2017 would have been increase from Rs. 6.96 crore to Rs. 66.96 crores.

Adverse Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Adverse Opinion paragraph above, the aforesaid financial statements do give the information required by the Act, in the manner so required and do give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in case of the balance sheet, the state of affairs of the Company as at 31st March, 2017;
- b. in case of the statement of profit and loss, the loss for the year ended as on that date; and
- c. in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act and on the basis of such checks of the books of account and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure 'A'** a Statement on



matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) we have sought and 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 it appears from our examination of those books;
- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- (i) The Company has disclosed the impact of pending litigation on its financial position in its financial statement. Refer Note 2.15 to the financial statement.
- (ii) We are informed that the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) According to the information and explanations given to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

SHARP & TANNAN

Chartered Accountants

Firm's Registration No.109982W

by the hand of

Vinayak M. Padwal

Membership No. 049639

Partner

Place: Mumbai

Date: 6th June 2017