



# JHAVERI CREDITS & CAPITAL LTD.

REPORT 4TH ANNUAL REPORT 1996-97



MD	✓		BKC	✓
CS	✓		DPY	N/A
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		





## FOURTH ANNUAL REPORT (1996-97)

BOARD OF DIRECTORS	: Mr. Jitendra B. Jhaveri Mr. Rajesh J. Jhaveri Mrs. Shakuntala J. Zaveri Mr. Kamlesh J. Jhaveri Mr. Bhadresh J. Jhaveri Mr. Haribhai D. Patel Mr. Kantilal N. Patel Mr. Navinchandra N. Shah Mr. Deval N. Sheth	- Chairman - Managing Director - Director - Director - Director - Director - Director - Director - Director
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AUDITORS : M/s N. Jani & Co.  
Chartered Accountants,  
3rd Floor, Orient Business Centre,  
Sayajigunj, Baroda-390 005.

BANKERS : Bank of Baroda  
Shree Bharat Co-op. Bank Ltd.  
Oriental Bank of Commerce Ltd.

REGISTERED OFFICE : 137, Paradise Complex,  
Sayajigunj, Baroda-390 005.

CORPORATE OFFICE : 301-302, Payal Tower-II,  
Sayajigunj, Baroda-390 005.

Annual General Meeting :-  
Tuesday, the 26th August,  
1997 at 12.00 Noon at  
401, Sterling Centre, R. C.  
Dutt Road, Baroda-390 005.

**A Request :-**

As a measure of economy, copies  
of Annual Report will not be  
distributed at the Annual General  
Meeting. Members are requested  
to bring their copy at the meeting.



## Jhaveri Credits &amp; Capital Limited

NOTICE FOR 4TH ANNUAL  
GENERAL MEETING

NOTICE is hereby given that the 4th Annual General Meeting of the members of the Company will be held on Tuesday, the 26th day of August, 1997 at 12.00 Noon at 401, Sterling Centre, R. C. Dutt Road, Baroda-390 005 to transact the following business :

## ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss Account for the year ended 31st March, 1997 alongwith Auditors' and Directors' Report thereon.
2. To declare a dividend for the year ended 31st March, 1997.
3. To appoint a Director in place of Mr. Jitendra B. Jhaveri, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kamlesh Jhaveri, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Navinchandra N. Shah, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint the Auditors and to fix their remuneration.

## SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of Section 94 (1) (a) of the Companies Act, 1956 and other applicable provisions, if any, the

Authorised Share Capital of the Company be and is hereby, increased from Rs. 7,00,00,000 (Rupees Seven crores only) divided into 70,00,000 Equity Shares of Rs. 10/- each to Rs. 10,00,00,000/- (Rupees Ten crores only) divided into 70,00,000 Equity Shares of Rs. 10/- each and 30,00,000 Preference Shares of Rs. 10/- each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company as to Share Capital be and is hereby deleted and in place the following Clause V be substituted :

V. The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten crores only) divided into 70,00,000 (Seventy lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 30,00,000 (Thirty lacs) Preference Shares of Rs. 10/- (Rupees Ten) each."

8. To consider and if thought fit, to pass the following resolution, with or without modification as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956, the enabling provisions in the Memorandum & Articles of Association of the Company and subject to necessary approvals, consents, permissions and/or sanctions of appropriate authorities, institutions or bodies and subject to such terms and conditions and modifications as may be prescribed or imposed by any of them in granting such approvals, consents, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company, the consent of the members of the company be and is hereby accorded to the Board of Directors and any authorised committee thereof for the time being exercising the powers conferred on the Board by this resolution to offer, issue and allot Redeemable

## JHAVERI CREDITS &amp; CAPITAL Limited



Preference Shares, Cumulative or Non-cumulative and in such numbers as the Board may decide for a nominal amount not exceeding Rs. 3,00,00,000/- (Rupees Three crores only) on a private placement basis to the Bodies corporate, Financial Institutions, Foreign Institutional Investors, Mutual Funds or any other person/parties, whether they are holders of Equity Shares of the Company or not, in one or more tranches, in the manner and on the terms and conditions set out below and/or on such other terms and conditions as may be prescribed in granting the approvals by the appropriate authorities or which the Board may at its absolute discretion consider proper and expedient :

1. The Preference Shares issued and allotted by the Company in the manner aforesaid, will be subject to the provisions of the Companies Act, 1956 and Memorandum & Articles of Association of the Company.
2. The Preference Shares will carry such rate of dividend as the Board may decide at its absolute discretion.
3. The rate of dividend may vary for each series of Preference Shares to be issued.
4. The dividend will be either Cumulative or Non-cumulative as the Board may decide.
5. The Preference Shares will be redeemed at such price, in one or more installments on expiry of specified periods as may be agreed to by the Board and the subscriber (s).

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to agree and to make such modifications and alterations from time to time as it deems fit and to take all such

steps as it may deem necessary, desirable or expedient and to resolve all questions of doubt relating to the Private Placement and to do all such acts, deeds, things and matters in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members of the Company and the decision of the Board shall be final and conclusive.

## 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 THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy form should be lodged with the Company at its Registered Office atleast 48 hours before the time of the Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20-08-1997 to 26-08-1997 (both days inclusive).
3. Payment of Dividend for the year 1996-97, if sanctioned, will be made only to those members whose names are registered in the Register of Members of the Company on the 26th day of August, 1997.
4. Members are requested to notify any change in their addresses and mandates forthwith at Registered Office.
5. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.

Regd. Office :  
137, Paradise Complex,  
Sayajigunj,  
Baroda-390 005.  
Date : 7th July, 1997

By order of the Board,  
For JHAVERI CREDITS & CAPITAL LTD.  
Sd/-  
RAJESH J. JHAVERI  
MANAGING DIRECTOR

## JHAVERI CREDITS &amp; CAPITAL Limited



## EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956.

## ITEM NO. 7 :

The Authorised Share Capital of the Company at present is Rs. 7,00,00,000/- [ Rupees seven crores only] divided into 70,00,000 Equity Shares of Rs. 10/- each.

In order to strengthen and consolidate Company's capital base and to augment the resources of the Company for funding its business operations, the management is planning for further issue of share capital and therefore, the Board of Directors of the Company recommends increase in the Authorised Capital of the Company to Rs. 10,00,00,000/- by the creation of 30,00,000 new Preference Shares of Rs. 10/- each so that the Company may further issue these preference shares whenever considered necessary.

These Preference Shares shall rank parri passu inter se without any preference of one over the other or others of them. The rights of preference share holders shall be in accordance with the Articles of Association of the Company.

The proposal for increase in the Authorised Share Capital require the approval of the members in the general meeting, therefore the Board recommends the acceptance of the resolution.

The amendments in the Memorandum & Articles of Association of the Company are consequential.

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137, Paradise Complex,  
Sayajigunj,  
Baroda-390 005.  
Date : 7th July, 1997

None of the Directors of the Company is interested or concerned in the proposed resolution.

## ITEM No. 8 :

The Company has given major thrust to its expansion programmes and has been able to garner good annual growth which is evident from the working results for the period under review.

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the subscribed share capital of the company by allotment of further shares, these shares shall be first offered to the existing shareholders of the Company in the manner laid down under the said Section 81 of the Companies Act, 1956 unless the shareholders in General Meeting decide otherwise.

In order to give flexibility and discretion to the Board to finalise issue of securities in the best interest of the Company, the consent of the shareholders is being sought by way of a Special resolution in accordance with the requirements of Section 81 of the Companies Act, 1956.

The resolution under item No. 8 of the Notice will enable the Board to issue Redeemable Preference Shares on Private Placement basis on such terms and conditions as may be deemed fit in the interest of the Company.

Your Directors therefore, recommend the resolution for your approval. None of the Directors of the Company is concerned or interested in the said resolution except in so far as it may relate to offer to be made to them or to their relatives by way of private placement.

By order of the Board,  
For JHAVERI CREDITS & CAPITAL LTD.  
Sd/-  
RAJESH J. JHAVERI  
MANAGING DIRECTOR



## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure to present herewith the 4th Annual Report of the Company together with Audited Statements of Accounts for the year ended 31st March, 1997.

### FINANCIAL RESULTS :

The financial results of the Company for the year under review are summarised for your consideration :

	(Rs. in lacs)	
Particulars	31-3-97	31-3-96
Total Income	149.84	48.47
Profit before Tax	93.20	27.56
Provision for Taxation	11.00	3.50
Profit after Tax	82.20	24.06
Less : Adjustments relating to previous years.	0.12	1.27
Add : Surplus Brought Forward	3.15	3.37
Profit available for Appropriation	85.23	26.16
Appropriations :		
i) Transfer to General Reserve	16.50	10.00
ii) Proposed Dividend	58.17	13.01
iii) Tax on Proposed Dividend	5.81	—
iv) Balance carried forward to Balance Sheet	4.75	3.15

### DIVIDEND :

Your Directors are pleased to recommend a dividend @ 9% p.a. per share for the year under review. The dividend, if approved at the ensuing Annual General Meeting will be paid to all those shareholders whose names appear in the Register of Members on 26-08-1997.

### YEAR IN RESTROPECT :

During the year under review, the financial sector is dominated by extreme illiquidity conditions in conjunction with a complete meltdown of the capital market. It has been an unprecedented occurrence that capital market, real estate, credit & lease, stock and debt market have collapsed with huge illiquidity discounts.

In spite of severe competition, adverse environment and uncertainty on almost all fronts, your company has been able to generate commendable results and has garner reasonable growth. Gross Income at Rs. 149.84 lacs are up by Rs. 101.37 lacs compared to Rs. 48.47 lacs in the previous financial year. The Profit after Tax at Rs. 82.20 lacs is increased by 241.65 %.

### FUTURE PROSPECTS

The last 1-2 years have been a sobering experience for all financial sector participants. The current year undoubtedly is the year of challenges. The tight money policies pursued by the RBI on Non-banking financial companies, restricting availability of funds from banks and financial institutions to NBFC's and lack of interest of investors portend to tighter availability of funds.

No doubt the year ahead is challenging but is teeming with opportunities too. Your Company has chalked out its strategy and business outlook for the coming years. The Company is planning to increase its leasing and hire-purchase activities and expect to do sizable business by the the end of next financial year.

With the excellent team of experienced professionals and young & dynamic team of employees at all levels, coupled with goodwill it has generated in the financial sector by its personalised & professional services, the Company is on the fast track and expects to have substantial growth in its activities.