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# JHAVERI CREDITS & CAPITAL Ltd.

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**5TH ANNUAL REPORT 1997-98**

*Member of*



**J. B. JHAVERI  
GROUP**





## 5th ANNUAL REPORT (1997-98)

BOARD OF DIRECTORS	: Mr. Jitendra B. Jhaveri	- Chairman
	Mrs. Shakuntala J. Zaveri	- Director
	Mr. Kamlesh J. Jhaveri	- Director
	Mr. Bhadresh J. Jhaveri	- Director
	Mr. Haribhai D. Patel	- Director
	Mr. Kantilal N. Patel	- Director
	Mr. Navinchandra N. Shah	- Director
	Mr. Deval N. Sheth	- Director
	Mr. Rajesh J. Jhaveri	- Managing Director
AUDITORS	: M/s N. Jani & Co.	
	Chartered Accountants, 3rd Floor, Orient Business Centre, Sayajigunj, Baroda-390 005.	
BANKERS	: Bank of Baroda	
	Shri Bharat Co-op. Bank Ltd.	
	Oriental Bank of Commerce Ltd.	
	IndusInd Bank Ltd.	
REGISTERED OFFICE	: 301, Payal Towers, Sayajigunj, Baroda-390 005.	

Annual General Meeting :-  
Thursday, the 31st December  
1998 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.

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JHAVERI Credits &amp; Capital Limited



## NOTICE FOR 5TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 5th Annual General Meeting of the members of the Company will be held on Thursday, the 31st day of December, 1998 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 period ended 30th September, 1998 (18 Months) alongwith Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mrs. Shakuntala J. Zaveri, who retires by rotation and being eligible offers herself for reappointment.
3. To appoint a Director in place of Mr. Bhadresh J. Jhaveri, who retires by rotation and being eligible offers himself for reappointment.

4. To appoint a Director in place of Mr. Kantilal N. Patel, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint the Auditors and to fix their remuneration.

### 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.
2. The Register of Members and the Share Transfer Books will remain closed from 30-12-1998 to 31-12-1998 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report and Admission Slip to the meeting. Annual Reports will not be distributed at the venue of the meeting.

Regd. Office :

301, Payal Towers,

Sayajigunj,

Baroda-390 005.

Date : 21st November, 1998

By order of the Board,

For JHAVERI CREDITS & CAPITAL LTD.

Sd/-

RAJESH JHAVERI  
MANAGING DIRECTOR

Jhaveri Credits &amp; Capital Limited

**DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure to present herewith the 5th Annual Report together with Audited Statements of Accounts for the year ended 30th September, 1998.

**FINANCIAL RESULTS :**

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

	(Rs. in lacs)	
Particulars	30-9-1998 (18 Months)	31-3-1997 (12 Months)
Total Income	180.97	149.84
Profit before Tax	47.02	93.20
Provision for Taxation	5.00	11.00
Profit after Tax	25.62	82.20
Less : Adjustments relating to previous years.	3.45	0.12
Add : Surplus Brought Forward	4.75	3.15
Profit available for Appropriation	26.92	85.23
Appropriations :		
i) Transfer to General Reserve	6.00	16.50
ii) Proposed Dividend	—	58.17
iii) Tax on Proposed Dividend	—	5.81
Balance carried forward to Balance Sheet	20.92	4.75

**DIVIDEND :**

In view of inadequate profits during the current year, the Board of Directors do not recommend payment of any dividend.

**OPERATIONS :**

Your Directors are pleased to inform you that your Company has received the Certificate of Registration as Non-Banking Financial Company from the Reserve Bank of India.

The Year 1997-98 was one of the toughest years in the history of private finance sector. The financial sector suffered from slow overall economic growth, extreme illiquidity conditions, lack of expansion in industrial activities and slackness in demand coupled with a host of stringent regulatory measures announced by the Reserve Bank of India.

The recession and continuing economic uncertainties have adversely affected the progress of the Company. The total income for the current year (comprising of 18 months) was Rs. 180.97 lacs as compared to Rs. 149.84 lacs during the previous year. Profit after Tax stood at Rs. 25.62 lacs as against Rs. 82.20 lacs in the year 1996-97.

**FIXED DEPOSITS :**

Your Company has stopped accepting fresh Deposits from Public as per the directions issued by the Reserve Bank of India.

The amount of public deposits outstanding as on 30th September, 1998 was Rs. 112.48 lacs. There were 20 deposits aggregating Rs. 1,48,000/- due for repayment but which remained unclaimed on the due dates.

**DIRECTORS :**

Mrs. Shakuntala Zaveri, Mr. Bhadrash Jhaveri and Mr. Kantilal N. Patel Directors of the Company, retire by rotation at the ensuing general meeting and being eligible, offer themselves for reappointment.

JHAVERI Credits &amp; Capital Limited

**AUDITORS & AUDITORS REPORT :**

M/s N. Jani & Co., Chartered Accountants, Baroda the auditors of the Company will retire at the conclusion of this meeting and being eligible they have given their consent for re-appointment.

Observations made by the Auditors in their report are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

**REGISTERED OFFICE OF THE COMPANY :**

In order to efficiently and economically manage the affairs of the Company, the Registered Office of your Company has been shifted to 301, Payal Towers, Sayajigunj, Baroda-390 005 with effect from 1st September, 1998.

**PARTICULARS OF EMPLOYEES :**

None of the employee of the Company is in receipt of remuneration of Rs. 3,00,000 or more p.a. or Rs. 25,000/- p.m. during the year under review as contemplated under Section 217 (2A) of the Companies Act 1956.

**COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 :**

The Company not being a manufacturing company, the disclosure of information under the aforesaid Rules are not applicable to the Company.

**ACKNOWLEDGEMENT :**

The Board express their gratitude for the continued cooperation and assistance extended by the Banks, Shareholders, Depositors, Customers, Business Associates and Employees during the year under review and also place on record their deep appreciation for their sustained support.

For and on behalf of the Board  
For JHAVERI CREDITS & CAPITAL LTD.

Date : 21st Nov, 1998

Place : Baroda

Sd/-

RAJESH JHAVERI  
MANAGING DIRECTOR



## AUDITORS' REPORT

The Shareholders.

JHAVERI CREDITS & CAPITAL LIMITED

Baroda.

We have audited the attached Balance Sheet of M/s Jhaveri Credits & Capital Limited, as at 30th Sept, 1998 and also the annexed Profit & Loss Account of the Company for the year ended on that date, and report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of accounts as required by the law have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts read alongwith the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - (a) In case of Balance Sheet, of the state of affairs of the Company as at September 30, 1998 and
  - (b) In case of Profit and Loss Account, of the Profit for the year ended on September 30, 1998.
5. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we further report that :
  1. The Company is in the process of updating the records maintained by it, showing full particulars, including quantitative details,

situation of fixed assets. We have been informed by the management that the lease and owned fixed assets have been physically verified by the management at reasonable intervals, and according to the information and explanations given to us, no material discrepancies were noticed by the management on such physical verification as compared to the book records.

2. None of the fixed assets have been revalued during the year.
3. In our opinion and in accordance with the information and explanation given to us, the terms and conditions of the loans, secured or unsecured, from companies, listed in the register maintained U/S 301 of the Companies Act, 1956 and Companies under the same management as defined under sub-section (1B) of Section 370 of the Company Act, 1956 are not prima facie prejudicial to the interest of the Company.
- 4.(a) In our opinion, considering the object and purpose and the circumstances in granting loans, the rate of interest and other terms and conditions on which the Company has granted unsecured loans and advances, to companies, firms and other parties listed in the register maintained U/s 301 and to the companies under the same management as defined under Section 370 of the Companies Act, 1956 are prima facie not prejudicial to Interest of the Company.
- (b) In respect of lease and hire purchase finance provided by the company, recovery in few cases has not been effected on the due dates. On the basis of information and explanation given to us, the company is taking reasonable steps for the recovery of dues.
5. The company has placed inter corporate deposits with the companies. The rate of interest and other terms & conditions of such deposits are not prima facie prejudicial to the interest of the company.