



Since 1943

# JAYABHARAT CREDIT LIMITED

*The Name That Inspires Confidence.*

67th Annual Report 2009 - 2010

Registered Office:

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

Tel.: 22664977, 22643021 - 22- 23 • Fax: 22664813.

Email: [jcl@jayabharat.com](mailto:jcl@jayabharat.com) • Website: [www.jayabharat.com](http://www.jayabharat.com)

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



# JAYABHARAT CREDIT LIMITED

## Notice

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

Date 14th September, 2010  
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 consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Shri Sharad Sanghi, who retires by rotation, and is eligible for reappointment.
3. To appoint Director in place of Shri M K Madan, who retires by rotation, and is eligible for reappointment.
4. To appoint auditors and to fix their remuneration. M/s Sharp & Tannan, Chartered Accountants, retires and are eligible for re-appointment. Certificate under Section 224(IB) of the Companies Act, 1956 has been obtained from them.

## ANNEXURE TO THE NOTICE

Explanatory Statement annexed to the Notice of 67<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 5.

### Item No 5.

Ms Neelam K Master, B.Com. A.C.S. joined the Company on 01<sup>st</sup> February, 2010 as Company Secretary. The Board in order to comply with requirements discussed and on the recommendation of Remuneration Committee decided to appoint Ms Neelam K Master as Manager, to be designated as Manager & Company Secretary under Section 269 of the Companies Act, 1956 for a period of three years effective from 30<sup>th</sup> March, 2010 to 29<sup>th</sup> March, 2013.

## SPECIAL BUSINESS:

To consider, with or without modifications, the following Resolution as a Special Resolution.

### 5. Appointment of Ms Neelam K Master as Manager

“Resolved that on the recommendations of the Remuneration Committee, Ms. Neelam K. Master who is already holding the position of Company Secretary, be and is hereby appointed as Manager under the Companies Act, 1956 to be designated as Manager & Company Secretary for a period of Three(3) Years from 30<sup>th</sup> March, 2010 to 29<sup>th</sup> March, 2013 on the terms and conditions as set out in the agreement entered into between the Company and Ms. Neelam K. Master subject to the condition that Board of Directors of the Company be and are hereby authorized to vary/amend/alter the terms and conditions of her appointment as they may deem fit and which is acceptable to Ms. Neelam K. Master but in no case, remuneration payable including minimum remuneration shall exceed the limits laid down in Part 1(A) of Section II of Part II of Schedule XIII of the Companies Act, 1956 or any other amendments made thereto.

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

**NEELAM K MASTER**  
Manager & Company Secretary

New Delhi, 02nd August, 2010

### Registered Office :

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

The main terms and conditions set out are as under:

### Salary:

1. i) Basic Salary Rs 18,652/- with annual increments of Rs.685/- in the grade of Rs.7500-263-8813-330-10465-419-12558-534-15226-685-18652-886-23082
- ii) D. A. Rs.6000/-
- iii) Lunch Allowance Rs.325/-

### Perquisites

In addition to salary, Ms. Neelam K. Master shall be entitled to the following perquisites.

**Category 'A'**

**Housing (I)**

Free unfurnished residential accommodation at the expense of the Company, the monetary value of which as evaluated under Rule 3 of the Income Tax Rules, 1962 shall not exceed 20% of the salary per month.

**OR**

**Housing (II)**

In case the accommodation is owned by the Company, 20% of the salary of Manager or as may be permissible according to law amended from time to time shall be deducted by the Company.

**OR**

**Housing (III)**

In case, no accommodation is provided the company, Manager shall be entitled to House Rent Allowance @ 60% of basic salary in lieu of residential accommodation at the expense of the Company.

**Other Perquisites**

Medical expenses for the Manager and her family calculated at one month's salary in a year or three month's salary over a period of three years.

**Explanations:**

Family shall mean the spouse, dependent children and dependant parents of Ms. Neelam K. Master.

**Category 'B'**

The following perquisites shall also be allowed and they will not be included in the computation of the ceiling on perquisites.

Company's contribution to Provident Fund @ 12% of the salary or at such other rate as per the laws applicable in this behalf from time to time and further Superannuation Fund or Annuity Fund, if applicable, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at the rate not exceeding 15 days salary including for each completed year of service in accordance with the company's rules.

**Category 'C'**

Provision of Telephone/communication facilities for business purpose.

Gross salary, Basic + D.A. Lunch Allowance including perquisites, as stated above, payable to Manager, shall not exceed Rs.27,110/-

The Board of Directors on the recommendation of the Remuneration Committee of the Company may vary/or revise the remuneration and perquisites including the monetary value thereof to Ms. Neelam K. Master, Manager within the permissible limits under the provisions of the Companies Act, 1956 or any statutory amendments thereof from time to time and to settle any question or difficulty in connection therewith or incidental thereto.

**Minimum Remuneration**

In any financial year, during the currency of tenure of the appointee as manager, the Company has no profits or its profits are inadequate, it may pay remuneration by way of salary, allowances not exceeding limits as stated above and as prescribed under Part 1(A) of Section II of Part II of Schedule XIII of the Companies Act, 1956 or as may be amended by the Central Government from time to time.

**Other Conditions:-**

1. She will be discharging the functions as Manager of the Company within the meaning of Section 2(24) of the Companies Act, 1956 and will be responsible for the efficient working of the Company and subject to supervision, control and direction of the Board, shall manage the affairs of the Company.
2. Notwithstanding anything to the contrary contained above, either party shall be entitled to terminate appointment giving not less than three calendar month's notice in writing in this behalf to the other party without the necessity of showing any cause, and on the expiry of the period of such notice this appointment shall stand terminated.

Further Resolved that in view of the appointment of Ms. Neelam K. Master, as Company Secretary under Section 383A of the Companies Act, 1956, the terms and conditions for her appointment as Manager under Section 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956, she will not draw any salary in the capacity as Company Secretary.

**Interest of Directors**

None of the Directors is concerned or interested in the passing of the above resolution.

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

**NEELAM K MASTER**  
Manager & Company Secretary

New Delhi, 02nd August, 2010

**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 07th September, 2010 to 14th September, 2010 (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 2001-02 has been transferred to Investor Education & Protection Fund (Awareness and protection of the Investors) Rules, set up by the Central Government.  
Accordingly unpaid/unclaimed dividend starting with 2002-03 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 2002-03 onwards, before the respective amounts become due for transfer to the fund.
8. Companies Shares are under compulsory demat form.
9. Disclosure as required under Clause 49(IV) (G) of the Listing Agreements in respect of directors being re-appointed is given in the Corporate Governance chapter on page no. 27.

### **IMPORTANT**

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

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

13 AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Of. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072. Tel: 67720300 / 400 Fax: 28591568 email:Sharepro@shareproservices.com.

## DIRECTORS' REPORT

To

Our Shareholders,

Your Directors have pleasure in presenting the 67<sup>th</sup> Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2010.

|                                                  | <b>2009-10</b>         | 2008-09         |
|--------------------------------------------------|------------------------|-----------------|
|                                                  | <b>( Rs. in Lacs )</b> | ( Rs. in Lacs ) |
| 1. Asset Financing Business                      | <b>1,386.28</b>        | 1,846.00        |
| 2. Receivables                                   | <b>356.28</b>          | 349.36          |
| 3. Income:                                       |                        |                 |
| (a) Asset Financing                              | <b>964.77</b>          | 1,030.43        |
| (b) Recovery for NPA & Bad-Debts W/off           | <b>22.10</b>           | 39.12           |
| (c) Other Operational Income                     | <b>64.76</b>           | 86.30           |
| (d) Other Income                                 | <b>5.26</b>            | 3.62            |
| 4. Gross Profit before Depreciation & Income tax | <b>48.67</b>           | 83.01           |
| 5. Depreciation                                  | <b>20.88</b>           | 24.87           |
| 6. Tax Provision                                 | <b>6.98</b>            | 23.57           |
| 7. Profit After Depreciation and Income Tax      | <b>20.81</b>           | 34.60           |

### 1. OPERATIONS :

During the year under review, the Company earned a total income of Rs.1, 056.89 Lacs.

The Company has been focusing its attention to recover the dues and main thrust is to put pressure on the clients by using all available means including offering one time settlement through negotiations and where required initiating legal actions. Positive results are being achieved by this continues process of recovery of dues. Fresh hire purchase/lease business activities are being carried on selective basis. The Board intends to make your Company a 'Debt Free Company' and as such, there is no fresh acceptance/renewal of deposits.

### 2. DIVIDEND:

In view of the consolidation of existing business activities and to conserve the resources, your Directors are constrained not to recommend any dividend.

### 3. RESERVES:

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

- (i) Special/Statutory Reserve Rs.5.00 Lacs and General Reserve Rs.1.00 Lacs, leaving a balance of Rs.14.81 Lacs in Profit & Loss A/c.

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

The company has complied with RBI guidelines and as against minimum requirement of 15% Capital Adequacy Ratio is 23.86%

CARE Limited, rating agency, giving reasoning like global recessions, reduction in margin in the financing in view of competitive market and sluggish demand in transport sector has downgraded the Company's rating from BB+ to BB which denotes 'inadequate safety for timely servicing of debt obligations and carry high credit risk.'

### 5. DEPOSITS:

Reserve Bank of India, in view of downgrading of the rating, has directed your company to reduce the level of public deposits. This downgrading has perforced the Company to reduce the outstanding towards public deposits. Fixed Deposits and Cumulative Time Loan Receipts including interest accumulations are Rs 3,701 Lacs against which Receipts numbering 468 and totaling to Rs 85.53 Lacs maturing for payment remained unclaimed. We have complied with the liquidity requirements as per directives of the Reserve Bank of India.

### 6. DIRECTORATE:

Shri Sharad Sanghi and Shri M K Madan retire by rotation and are eligible for reappointment as Director of the Company.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- 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, 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. 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.

**9. AUDITORS:**

M/s Sharp & Tannan, Chartered Accountants, Auditors of the Company retire at this Annual General Meeting and have intimated their eligibility of reappointment. A certificate under Section 224(1B) of the Companies Act, 1956, has been obtained from them.

**10. DEMATERIALISATION OF SHARES:**

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.

| Financial year | No. of Shares |         | Total shares demated During the period | % age | Cumulative total |       |
|----------------|---------------|---------|----------------------------------------|-------|------------------|-------|
|                | N S D L       | C D S L |                                        |       | No of Shares     | %     |
| 2007-2008      | 20,461        | 1,114   | 21, 575                                | 0.43  | 46,53,585        | 93.07 |
| 2008-2009      | 6,260         | 3,950   | 10,210                                 | 0.20  | 46,63,795        | 93.28 |
| 2009-2010      | 6,426         | 19,175  | 25,601                                 | 0.51  | 46,89,396        | 93.79 |

**11. SECRETARIAL AUDIT:**

In compliance of SEBI guidelines, Secretarial Audit is being carried out at the specified period. There were no adverse remarks in the Secretarial Audit Report. Secretarial Audit Report submitted by Practising Company Secretary is annexed hereto separately.

**12. COMPLIANCE BY THE COMPANY:**

The Company has 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. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities relating to the above.

**13. PERSONNEL:**

There is no person in receipt of remuneration for giving particulars as is required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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

In terms of the requirements of Clause(e) of sub section(1) of Section 217 of the Companies Act, 1956, read with the Companies(Disclosure of Particulars in the Report of Board of Directors)Rules, 1988, the particulars are given as under:-

|                                             |   |                                                     |               |
|---------------------------------------------|---|-----------------------------------------------------|---------------|
| a) Technology                               | - | Being a finance company, the same is not applicable |               |
| b) Conservation of Energy                   | - | - do -                                              |               |
| c) Transactions in Foreign Currency         |   | This Year                                           | Previous Year |
| a) Expenditure in Foreign Currency Loan     |   | Nil                                                 | Nil           |
| b) Shares held by Non Resident Shareholders |   | 18,287                                              | 17,544        |
| No. of Shareholders                         |   | 17                                                  | 14            |

The company had 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. 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, 02nd August, 2010



## AUDITORS' REPORT

We have audited the attached Balance Sheet of **Jayabharat Credit Limited** as at 31<sup>st</sup> March, 2010, 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 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 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 Financial Statements read together with the Significant Accounting Policies in Schedule 'Q' and the Notes on the Financial Statements 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 31<sup>st</sup> March, 2010;
  - (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  
Registration No. 109982W  
by the hand of

**MILIND P. PHADKE**  
Partner  
Membership No. 33013

Mumbai, 03<sup>rd</sup> August, 2010



## 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. No material discrepancies were noticed on such verification.
- (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, Clauses 4 (ii) (a), (b) and (c) of the Order are not applicable.
3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Clauses 4 (iii) (b), (c) and (d) of the Order are not applicable.
- (b) According to the information and explanations given to us, Company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Clauses 4 (iii) (f) and (g) of the Order are 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 internal control system.
5. According to the information and explanations given to us, there are no contracts or arrangements that need to be entered in to the register maintained under Section 301 of Companies Act, 1956. Accordingly, Clause 4 (v) (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 (including additional directives issued by them vide it's letter No.DNBS.CO.ZMD(W). No.1523/13.10.003/2009-10 dated 10<sup>th</sup> September, 2009 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 any court or any Tribunal.
7. The Company is having an internal audit system commensurate with its size and the 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, 2010 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 disputed sales tax as under:

| Nature of the Statute            | Nature of the dispute dues | Amount (Rs) | Period to which the amount relates | Forum where disputes are pending |
|----------------------------------|----------------------------|-------------|------------------------------------|----------------------------------|
| The Central Sales Tax Act, 1956. | Tax, Interest and penalty  | 21,40,154   | 1969 -70 to 1985 -86               | Appellate Tribunal               |



10. The Company has no accumulated losses as at 31<sup>st</sup> March, 2010 and it has not incurred cash losses 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 as at Balance Sheet date. The Company has not issued any debentures.
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.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. The Company has invested in Government Securities as per the requirement of the Reserve Bank of India. According to the information and explanation given to us, proper records have been made of the transactions and the contracts and timely entries have been made therein.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee on behalf of third party. Accordingly, Clause 4 (xv) of the Order is not applicable.
16. The Company has not raised any term loan during the year. Accordingly, Clause 4 (xvi) of the Order is not applicable.
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, Clause 4 (xix) of the Order is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly, Clause 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 such case by management.

**SHARP & TANNAN**  
Chartered Accountants  
Registration No. 109982W  
by the hand of

**MILIND P. PHADKE**  
Partner  
Membership No. 33013

Mumbai, 03<sup>rd</sup> August, 2010



# JAYABHARAT CREDIT LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2010

|                                                            | Schedule | Rupees       | As at<br>31st March, 2010<br>Rupees | As at<br>31st March, 2009<br>Rupees |
|------------------------------------------------------------|----------|--------------|-------------------------------------|-------------------------------------|
| <b>I SOURCES OF FUNDS</b>                                  |          |              |                                     |                                     |
| SHAREHOLDERS' FUNDS                                        |          |              |                                     |                                     |
| Share Capital                                              | 'A'      | 5,00,00,000  |                                     | 5,00,00,000                         |
| Reserves and Surplus                                       | 'B'      | 13,29,91,471 | 18,29,91,471                        | 13,09,09,850                        |
|                                                            |          |              |                                     | 18,09,09,850                        |
| LOAN FUNDS:                                                |          |              |                                     |                                     |
| Secured Loans                                              | 'C'      | 15,64,80,613 |                                     | 21,74,05,810                        |
| Unsecured Loans                                            | 'D'      | 43,38,59,000 | 59,03,39,613                        | 48,61,20,501                        |
|                                                            |          |              |                                     | 70,35,26,311                        |
| <b>Deferred tax liabilities</b>                            |          |              |                                     |                                     |
| Deferred tax liabilities                                   |          | 25,71,569    |                                     | 24,18,627                           |
| Less :Deferred tax assets<br>(refer note 11 of Schedule R) |          | 13,33,382    | 12,38,187                           | 17,20,790                           |
|                                                            |          |              |                                     | 6,97,837                            |
| <b>Total</b>                                               |          |              | <b>77,45,69,271</b>                 | <b>88,51,33,998</b>                 |
| <b>II APPLICATION OF FUNDS</b>                             |          |              |                                     |                                     |
| <b>Fixed Assets</b>                                        |          |              |                                     |                                     |
| Gross Block                                                | 'E'      | 5,49,84,185  |                                     | 5,46,87,804                         |
| Less : Depreciation                                        |          | 2,48,10,325  |                                     | 2,27,60,885                         |
| Net block                                                  |          | 3,01,73,860  |                                     | 3,19,26,919                         |
| Capital work-in-progress                                   |          | -            | 3,01,73,860                         | 2,31,000                            |
|                                                            |          |              |                                     | 3,21,57,919                         |
| <b>Investments</b>                                         |          |              |                                     |                                     |
|                                                            | 'F'      |              | 6,43,98,828                         | 8,01,00,731                         |
| <b>Current Assets, Loans and Advances</b>                  |          |              |                                     |                                     |
| Sundry Debtors                                             | 'G'      | 3,56,27,655  |                                     | 3,49,36,093                         |
| Cash and Bank Balances                                     | 'H'      | 51,16,780    |                                     | 98,30,691                           |
| Other Current Assets                                       | 'I'      | 19,26,388    |                                     | 18,60,128                           |
| Loans and Advances                                         | 'J'      | 76,00,98,247 |                                     | 84,59,82,283                        |
|                                                            |          | 80,27,69,070 |                                     | 89,26,09,195                        |
| Less : <b>Current Liabilities and Provisions</b>           |          |              |                                     |                                     |
| Liabilities                                                | 'K'      | 11,81,58,393 |                                     | 11,25,31,483                        |
| Provisions                                                 | 'L'      | 46,14,094    |                                     | 72,02,364                           |
|                                                            |          | 12,27,72,487 |                                     | 11,97,33,847                        |
| Net Current Assets                                         |          |              | 67,99,96,583                        | 77,28,75,348                        |
| <b>Total</b>                                               |          |              | <b>77,45,69,271</b>                 | <b>88,51,33,998</b>                 |
| <b>Significant Accounting Policies</b>                     |          |              |                                     |                                     |
|                                                            | 'Q'      |              |                                     |                                     |
| <b>Notes on the Financial Statements</b>                   |          |              |                                     |                                     |
|                                                            | 'R'      |              |                                     |                                     |

The Schedules referred to above and Notes attached, form an integral part of the Financial Statements

**SHARP & TANNAN**  
Chartered Accountants  
Registration No: 109982W  
by the hand of

**MILIND P. PHADKE**  
Partner  
(Membership No. - 33013)

Mumbai, 03rd August, 2010

**NEELAM K. MASTER**  
Manager & Company Secretary

For and on behalf of the Board

**RAJIV GUPTA**  
Chairman

**SHRAD SANGHI**  
**ARUN MITTER**  
**M.K.MADAN**  
Directors

New Delhi, 02nd August, 2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

|                                                | Schedule | Rupees      | Year ended<br>31st March, 2010<br>Rupees | Year ended<br>31st March, 2009<br>Rupees |
|------------------------------------------------|----------|-------------|------------------------------------------|------------------------------------------|
| <b>INCOME</b>                                  |          |             |                                          |                                          |
| Income from asset financing                    |          |             | 9,64,76,600                              | 10,30,42,911                             |
| Recovery of N.P.A /bad debts written-off       |          |             | 22,10,000                                | 39,11,672                                |
| Other operational income                       | 'M'      |             | 68,08,841                                | 89,71,489                                |
| Other income                                   | 'N'      |             | 1,93,308                                 | 21,214                                   |
| <b>Total Income</b>                            |          |             | <b>10,56,88,749</b>                      | <b>11,59,47,286</b>                      |
| <b>EXPENDITURE</b>                             |          |             |                                          |                                          |
| Payments to and Provisions for Employees       | 'O'      |             | 99,23,235                                | 1,04,48,528                              |
| Other Expenditure                              | 'P'      |             | 1,62,99,665                              | 1,39,55,325                              |
| Interest : Fixed deposits                      |          | 4,40,53,904 |                                          | 5,09,59,847                              |
| : Others                                       |          | 2,96,81,119 |                                          | 3,21,57,406                              |
|                                                |          |             | <b>7,37,35,023</b>                       | <b>8,31,17,253</b>                       |
| Depreciation                                   |          |             | 20,88,724                                | 24,87,951                                |
| Bad debts written-off and Charge for NPA       |          |             | 8,62,363                                 | 1,20,545                                 |
| <b>Total Expenditure</b>                       |          |             | <b>10,29,09,010</b>                      | <b>11,01,29,602</b>                      |
| <b>Profit before taxes</b>                     |          |             | <b>27,79,739</b>                         | <b>58,17,685</b>                         |
| Provision for taxation                         |          |             |                                          |                                          |
| Current tax                                    |          |             | 6,00,000                                 | 21,00,000                                |
| Deferred tax                                   |          |             | 5,40,350                                 | 1,56,905                                 |
| (refer note 11 of Schedule R)                  |          |             |                                          |                                          |
| Fringe benefit tax                             |          |             | -                                        | 1,00,000                                 |
| Excess provision for taxation of earlier years |          |             | 4,42,232                                 | -                                        |
|                                                |          |             | <b>6,98,118</b>                          | <b>23,56,905</b>                         |
| <b>Profit after taxes</b>                      |          |             | <b>20,81,621</b>                         | <b>34,60,780</b>                         |
| Balance brought forward from the previous year |          |             | 3,43,45,666                              | 3,16,84,886                              |
| <b>AMOUNT AVAILABLE FOR APPROPRIATION</b>      |          |             | <b>3,64,27,287</b>                       | <b>3,51,45,666</b>                       |
| <b>Appropriations:</b>                         |          |             |                                          |                                          |
| Transfer to Reserve u/s 45-IC of RBI Act, 1934 |          |             | 500,000                                  | 7,00,000                                 |
| General Reserve                                |          |             | 100,000                                  | 1,00,000                                 |
| Balance carried to Balance Sheet               |          |             | 3,58,27,287                              | 3,43,45,666                              |
| <b>Total</b>                                   |          |             | <b>3,64,27,287</b>                       | <b>3,51,45,666</b>                       |

Earnings Per Share (Basic and Diluted)

0.42

0.69

Nominal value of shares

10.00

10.00

(refer note 10 of Schedule R)

Significant Accounting Policies

'Q'

Notes on the Financial Statements

'R'

The Schedules referred to above and Notes attached, form an integral part of the Financial Statements

**SHARP & TANNAN**

Chartered Accountants

Registration No: 109982W

by the hand of

**MILIND P. PHADKE**

Partner

(Membership No.- 33013)

Mumbai, 03rd August, 2010

**NEELAM K. MASTER**

Manager & Company Secretary

For and on behalf of the Board

**RAJIV GUPTA**

Chairman

**SHRAD SANGHI**

**ARUN MITTER**

**M.K.MADAN**

Directors

New Delhi, 02nd August, 2010



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS : 31ST MARCH, 2010

### SCHEDULE 'A' : SHARE CAPITAL

|                                                                                                                                                                                            | As at<br>31st March, 2010<br>Rupees | As at<br>31st March, 2009<br>Rupees |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Authorised :</b>                                                                                                                                                                        |                                     |                                     |
| 10,000,000 Equity Shares of Rs.10 each                                                                                                                                                     | 10,00,00,000                        | 10,00,00,000                        |
|                                                                                                                                                                                            | <u>10,00,00,000</u>                 | <u>10,00,00,000</u>                 |
| <b>Issued and Subscribed :</b>                                                                                                                                                             |                                     |                                     |
| 5,000,000 Equity Shares of Rs.10 each fully paid<br>(Of the above, 2,00,000 Equity Shares have been allotted as fully paid up by way of bonus shares by capitalisation of General Reserve) | 5,00,00,000                         | 5,00,00,000                         |
| <b>Total</b>                                                                                                                                                                               | <u>5,00,00,000</u>                  | <u>5,00,00,000</u>                  |

### SCHEDULE 'B' : RESERVES AND SURPLUS

|                                    | As at<br>1st April 2009<br>Rupees | Additions<br>Rupees | Deductions<br>Rupees | As at<br>31st March, 2010<br>Rupees |
|------------------------------------|-----------------------------------|---------------------|----------------------|-------------------------------------|
| Capital Reserve                    | 1,583                             | -                   | -                    | 1,583                               |
| Securities Premium Account         | 1,00,00,000                       | -                   | -                    | 1,00,00,000                         |
| General Reserve                    | 5,86,12,601                       | 1,00,000            | -                    | 5,87,12,601                         |
| Reserve u/s 45-IC of RBI Act, 1934 | 2,79,50,000                       | 5,00,000            | -                    | 2,84,50,000                         |
| Profit and Loss Account            | 3,43,45,666                       | 14,81,621           | -                    | 3,58,27,287                         |
| <b>Total</b>                       | <u>13,09,09,850</u>               | <u>20,81,621</u>    | <u>-</u>             | <u>13,29,91,471</u>                 |
| Previous year                      | 12,74,49,070                      | 34,60,780           | -                    | 13,09,09,850                        |

### SCHEDULE 'C' : SECURED LOANS

|                                                                                             | As at<br>31st March, 2010<br>Rupees | As at<br>31st March, 2009<br>Rupees |
|---------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>From Banks :</b>                                                                         |                                     |                                     |
| Secured by assignment of asset finance agreements, pro-notes, etc. in favour of the Company | 15,64,80,613                        | 21,74,05,810                        |
| <b>Total</b>                                                                                | <u>15,64,80,613</u>                 | <u>21,74,05,810</u>                 |

**SCHEDULE 'D' : UNSECURED LOANS**

|                                                                                          | <b>As at<br/>31st March, 2010<br/>Rupees</b> | <b>As at<br/>31st March, 2009<br/>Rupees</b> |
|------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Fixed Deposits<br>(Due within one year Rs. 164,572,000;<br>Previous year Rs.167,064,500) | <b>32,44,59,000</b>                          | 48,61,20,501                                 |
| Inter corporate deposit                                                                  | <b>10,94,00,000</b>                          | -                                            |
| <b>Total</b>                                                                             | <b>43,38,59,000</b>                          | 48,61,20,501                                 |

**SCHEDULE 'E' : FIXED ASSETS**

| Particulars of Assets                   | Gross Block (At cost)       |                 |               | Depericiation                |                                   | Net Block                    |                              |
|-----------------------------------------|-----------------------------|-----------------|---------------|------------------------------|-----------------------------------|------------------------------|------------------------------|
|                                         | As at<br>1st April,<br>2009 | Additions       | Deductions    | As at<br>31st March,<br>2010 | Total upto<br>31st March,<br>2010 | As at<br>31st March,<br>2010 | As at<br>31st March,<br>2009 |
|                                         | Rupees                      | Rupees          | Rupees        | Rupees                       | Rupees                            | Rupees                       | Rupees                       |
| Ownership flats and office premises *   | 4,05,21,842                 | -               | -             | 4,05,21,842                  | 1,33,42,060                       | 2,71,79,782                  | 2,86,10,297                  |
| Furniture and fixtures                  | 58,37,229                   | 2,35,776        | -             | 60,73,005                    | 46,01,539                         | 14,71,466                    | 15,40,614                    |
| Office equipments and electric fittings | 70,70,688                   | 60,550          | -             | 71,31,238                    | 57,86,144                         | 13,45,094                    | 15,79,241                    |
| Vehicles                                | 12,58,045                   | 41,750          | 41,695        | 12,58,100                    | 10,80,582                         | 1,77,518                     | 1,96,767                     |
| <b>Total</b>                            | <b>5,46,87,804</b>          | <b>3,38,076</b> | <b>41,695</b> | <b>5,49,84,185</b>           | <b>2,48,10,325</b>                | <b>3,01,73,860</b>           | <b>3,19,26,919</b>           |
| Previous year                           | 5,58,05,724                 | 4,28,483        | 15,46,403     | 5,46,87,804                  | 2,27,60,885                       | 3,19,26,919                  |                              |
| <b>Capital work -in- progress</b>       |                             |                 |               |                              |                                   | -                            | 2,31,000                     |
|                                         |                             |                 |               |                              |                                   | <b>3,01,73,860</b>           | <b>3,21,57,919</b>           |

(\*includes Rs.1,530 towards cost of shares in the Co-operative Society)



## SCHEDULE 'F' : INVESTMENTS

|                                                                           | As at<br><u>31st March, 2010</u><br>Rupees | As at<br><u>31st March, 2009</u><br>Rupees |
|---------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Long Term Investments (At cost)</b>                                    |                                            |                                            |
| <b>A. Government Securities</b>                                           |                                            |                                            |
| 11.50% Govt. of India 2011                                                | 57,90,000                                  | 57,90,000                                  |
| 09.39% Govt. of India 2011                                                | 22,97,000                                  | 22,97,000                                  |
| 11.03% Govt. of India 2012                                                | 60,00,000                                  | 60,00,000                                  |
| 07.83% Maharashtra State Deve. 2012                                       | -                                          | 30,13,500                                  |
| 11.83% Govt. of India 2014                                                | 67,90,000                                  | 67,90,000                                  |
| 06.05% Govt. of India 2019                                                | 68,62,500                                  | 68,62,500                                  |
| 06.30% Govt. of India 2023                                                | 68,62,500                                  | 68,62,500                                  |
| 06.20% Andhra Pradesh 2013                                                | -                                          | 9,51,000                                   |
| 07.17% Kerala SDL 2017                                                    | -                                          | 20,08,000                                  |
| 07.38% Govt of India 2015                                                 | 24,98,750                                  | 24,98,750                                  |
| 07.94% Govt. of India 2021                                                | 57,12,000                                  | 57,12,000                                  |
| 11.83% Govt. of India 2014                                                | 41,05,500                                  | 41,05,500                                  |
| 07.27% Govt. of India 2013                                                | 49,00,000                                  | 49,00,000                                  |
| 08.52% West Bengal SDL 2018                                               | -                                          | 36,46,100                                  |
| 08.43% Gujarat SDL 2018                                                   | -                                          | 42,93,900                                  |
| 12.25% Govt. of India 2010                                                | 31,80,900                                  | 31,80,900                                  |
| 07.56% Govt. of India 2014                                                | 31,53,000                                  | -                                          |
|                                                                           | <b>5,81,52,150</b>                         | <b>6,89,11,650</b>                         |
| Less: Provision for diminution in the value                               | <b>20,07,824</b>                           | <b>15,06,429</b>                           |
| Sub-Total                                                                 | <b>5,61,44,326</b>                         | <b>6,74,05,221</b>                         |
| <br>(Aggregate market value Rs.57,864,080<br>Previous year Rs.67,766,950) |                                            |                                            |
| <b>B. Investment in short -term deposits</b>                              |                                            |                                            |
| Bank of Baroda                                                            | 75,83,500                                  | 75,83,500                                  |
| Bank of India                                                             | -                                          | 45,00,000                                  |
| Sub-Total                                                                 | <b>75,83,500</b>                           | <b>1,20,83,500</b>                         |
| <b>C. Equity Shares - Unquoted</b>                                        |                                            |                                            |
| of Rs.25 each fully paid                                                  |                                            |                                            |
| The Greater Bombay Co-operative Bank Ltd.                                 | 10 250                                     | 10 250                                     |
| Sub-Total                                                                 | <b>250</b>                                 | <b>250</b>                                 |
| <b>Total Long Term Investments</b>                                        | <b>6,37,28,076</b>                         | <b>7,94,88,971</b>                         |
| <b>Current Investments</b>                                                |                                            |                                            |
| <b>Equity Shares - Quoted</b>                                             |                                            |                                            |
| of Rs.10 each fully paid                                                  |                                            |                                            |
| India Lease Development Ltd.                                              | 78,000 15,62,299                           | 78,000 15,62,299                           |
| Central Bank of India                                                     | 76 7,752                                   | 76 7,752                                   |
| Sub-Total                                                                 | <b>15,70,051</b>                           | <b>15,70,051</b>                           |
| Less: Provision for diminution in the value                               | <b>8,99,299</b>                            | <b>9,58,291</b>                            |
| Total Current Investments                                                 | <b>6,70,752</b>                            | <b>6,11,760</b>                            |
| <br>(Aggregate market value Rs.674,138<br>Previous year Rs.611,760)       |                                            |                                            |
| <b>Grand Total</b>                                                        | <b>6,43,98,828</b>                         | <b>8,01,00,731</b>                         |



**SCHEDULE 'G' : SUNDRY DEBTORS**

|                                               | As at<br><u>31st March, 2010</u><br>Rupees | As at<br><u>31st March, 2009</u><br>Rupees |
|-----------------------------------------------|--------------------------------------------|--------------------------------------------|
| Asset finance business                        |                                            |                                            |
| Amount for which instalments are due          |                                            |                                            |
| Secured by vehicles and machineries           |                                            |                                            |
| Outstanding for a period exceeding six months | 3,04,15,127                                | 2,86,67,450                                |
| Others                                        | 52,12,528                                  | 62,68,643                                  |
| <b>Total</b>                                  | <b>3,56,27,655</b>                         | <b>3,49,36,093</b>                         |

**SCHEDULE 'H' : CASH AND BANK BALANCES**

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| Cash on hand                    | 70,000           | -                |
| Balances with Scheduled Banks : |                  |                  |
| In current accounts             | 50,46,780        | 98,30,691        |
| <b>Total</b>                    | <b>51,16,780</b> | <b>98,30,691</b> |

**SCHEDULE 'I' : OTHER CURRENT ASSETS**

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| Interest accrued on investments | 19,26,388        | 18,60,128        |
| <b>Total</b>                    | <b>19,26,388</b> | <b>18,60,128</b> |

**SCHEDULE 'J' : LOANS AND ADVANCES**

**Secured :**

|                                                                                                                                                                                                                                                                |              |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| by vehicles and machineries covered under asset finance agreements [including finance charges and insurance premium accounted in advance, per contra Rs.51,939,025 ; (Previous year Rs.57,852,853) and net of NPA Rs. 15,635,752(Previous year Rs.14,992,540)] | 73,35,50,525 | 81,49,46,006 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|

|                                                   |        |          |
|---------------------------------------------------|--------|----------|
| Loan to depositors against fixed deposit receipts | 75,000 | 7,05,250 |
|---------------------------------------------------|--------|----------|

**Unsecured :**

|                                                                  |             |             |
|------------------------------------------------------------------|-------------|-------------|
| Advance payment of taxes (net of provisions)                     | 80,65,026   | 84,47,550   |
| Advances recoverable in cash or in kind for value to be received | 1,84,07,696 | 2,18,83,477 |

|              |                     |                     |
|--------------|---------------------|---------------------|
| <b>Total</b> | <b>76,00,98,247</b> | <b>84,59,82,283</b> |
|--------------|---------------------|---------------------|



## SCHEDULE 'K' : LIABILITIES

|                                                                          | As at<br><u>31st March, 2010</u><br>Rupees | As at<br><u>31st March, 2009</u><br>Rupees |
|--------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Sundry creditors                                                         | 2,01,03,421                                | 2,07,07,263                                |
| Security deposits                                                        | 20,000                                     | 20,000                                     |
| Charges accounted for in advance for which value has still to be given : |                                            |                                            |
| Insurance premium                                                        | 61,51,191                                  | 59,58,839                                  |
| Income from asset financing :                                            |                                            |                                            |
| Within one year                                                          | 3,58,02,199                                | 4,30,38,574                                |
| After one year                                                           | 99,85,635                                  | 88,55,440                                  |
| Interest accrued but not due on unsecured loans                          | 4,57,87,834                                | 5,18,94,014                                |
| Investor Education and Protection Fund :                                 | 3,71,14,778                                | 2,36,38,540                                |
| Unclaimed dividends                                                      | 4,28,293                                   | 4,79,939                                   |
| Unclaimed matured deposits                                               | 76,67,000                                  | 88,84,000                                  |
| Interest accrued on unclaimed matured deposits                           | 8,85,876                                   | 9,48,888                                   |
| <b>Total</b>                                                             | <b>11,81,58,393</b>                        | <b>11,25,31,483</b>                        |

Note : There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2010

## SCHEDULE 'L' : PROVISIONS

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Provision for taxation           | 6,00,000         | 21,00,000        |
| Provision for fringe benefit tax | -                | 1,00,000         |
| Provision for gratuity           | 39,53,818        | 48,75,929        |
| Provision for leave encashment   | 60,276           | 1,26,435         |
| <b>Total</b>                     | <b>46,14,094</b> | <b>72,02,364</b> |

## SCHEDULE 'M' : OTHER OPERATIONAL INCOME

|                                       | 2009-10<br>Rupees | 2008-09<br>Rupees |
|---------------------------------------|-------------------|-------------------|
| Interest from bonds                   | -                 | 1,41,298          |
| Interest from government securities   | 60,36,530         | 57,46,508         |
| Interest from investments             | 3,32,433          | 3,41,280          |
| Interest from trade advances          | -                 | 23,74,374         |
| Profit on securitisation              | 4,02,246          | 2,90,243          |
| Interest from loan to deposit holders | 37,632            | 77,786            |
| <b>Total</b>                          | <b>68,08,841</b>  | <b>89,71,489</b>  |

**SCHEDULE 'N' : OTHER INCOME**

|                          |                 |               |
|--------------------------|-----------------|---------------|
| Income from investments  | 152             | 152           |
| Interest income others   | 1,35,954        | -             |
| Profit on sale of assets | 6,587           | 516           |
| Miscellaneous income     | 50,615          | 20,546        |
| <b>Total</b>             | <b>1,93,308</b> | <b>21,214</b> |

**SCHEDULE 'O' : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES**

|                                                   |                  |                    |
|---------------------------------------------------|------------------|--------------------|
| Salary, bonus and allowances                      | 70,60,555        | 80,48,529          |
| Contribution to provident and family pension fund | 6,62,916         | 7,17,079           |
| Gratuity                                          | 15,80,544        | 10,79,343          |
| Staff welfare expenses                            | 6,19,220         | 6,03,577           |
| <b>Total</b>                                      | <b>99,23,235</b> | <b>1,04,48,528</b> |

**SCHEDULE 'P' : OTHER EXPENDITURE**

|                                                  |                    |                    |
|--------------------------------------------------|--------------------|--------------------|
| Rent                                             | 13,31,760          | 6,81,600           |
| Rates and taxes                                  | 55,333             | 19,929             |
| Electricity charges                              | 4,20,381           | 4,31,139           |
| Repairs and maintenance                          | 20,23,647          | 14,26,322          |
| Travelling, conveyance and motor car maintenance | 7,28,265           | 11,11,485          |
| Legal and professional charges                   | 19,95,926          | 16,79,506          |
| Printing and stationery                          | 3,44,908           | 5,96,132           |
| Postage, telegrams and telephones                | 5,73,850           | 8,67,422           |
| Computer charges                                 | 3,97,059           | 1,98,746           |
| Brokerage on deposit                             | 30,25,809          | 30,00,807          |
| Bank charges                                     | 21,19,685          | 17,40,591          |
| Directors fees and travelling                    | 1,77,440           | 1,15,610           |
| Auditors' Remuneration :                         |                    |                    |
| Audit fees                                       | 3,03,325           | 3,03,325           |
| Other services                                   | 1,49,727           | 56,180             |
| Expenses reimbursed                              | 75,722             | 25,128             |
|                                                  | <b>5,28,774</b>    | <b>3,84,633</b>    |
| Miscellaneous expenses                           | 20,98,625          | 14,85,305          |
| Provision for diminution in value of investments | 4,78,203           | 2,16,098           |
| <b>Total</b>                                     | <b>1,62,99,665</b> | <b>1,39,55,325</b> |



## SCHEDULE 'Q': SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of Preparation of Financial Statements

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ('GAAP') and in compliance with the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and the other provisions of the Companies Act, 1956. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

### 2. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management of the Company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liability and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods. Wherever changes in presentation are made, comparative figures of the previous year are regrouped accordingly.

### 3. Fixed Assets

#### A. On assets related to asset financing business:

The assets are not capitalised on payment to supplier on purchase since the titles and possessions are with the hirer and the same is reflected as current assets on entering into an Asset Financing agreement for the said assets.

#### B. On other assets:

- a. Capitalised at acquisition cost including directly attributable cost such as freight, insurance and specific installation charges for bringing the assets to its working condition and use.
- b. Expenditure relating to existing fixed assets is added to the cost of the assets where it increases the performance / life of the assets, as assessed earlier.
- c. Fixed assets are eliminated from financial statement, either on disposal or when retired from active use and such retired assets are disposed off soon thereafter.

### 4. Impairment of Assets

- a. The carrying amount of assets, other than Stock on hire is reviewed at each balance sheet date,

to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated.

- b. An impairment loss is recognized, whenever the carrying amount of assets or its cash generating units exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow generated from continuing use of an asset and from its disposal at the end of its useful life, discounted to its present value.
- c. An impairment loss is reversed, if there has been a change in the estimates made to determine and recognize the recoverable amount in the earlier year.

### 5. Investments

- a. Long term investments are valued at cost after providing for any diminution in value, if such diminution is of other than temporary in nature.
- b. Current investments are carried at lower of cost or market value. The determination of carrying costs such investments is done on the basis of specific identification.

### 6. Foreign currency transactions :

- a. The reporting currency of the Company is Indian Rupee.
- b. Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of transaction. At each balance sheet, foreign currency monetary items are reported using closing rate. Exchange difference that arises on settlement of monetary items are recognized as income or expense in the period in which they arise in other cases.

### 7. Revenue Recognition

- a. Income recognition from Asset Financing activity :  
Income is proportionately accounted on accrual basis over the period of the agreement.

Overdue compensation collected is taken to the credit of sundry creditors considered as income on receipts of the total outstanding installments. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

- b. Reserve Bank of India Guidelines:

The Company has complied with the guidelines issued by the Reserve Bank of India (RBI) in respect of Prudential Norms for Income Recognition and Provisions for Non-Performing Assets.

**8. Employee benefits**

**A. Short-term employee benefits**

- a. All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, short term compensated absences etc. and expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.
- b. The obligation for leave encashment is made on actual basis and the same is not payable on retirement.

**B. Defined contribution plan**

Company's contributions paid / payable during the year to provident fund are recognized in the profit and loss account.

**C. Defined benefit plan**

Company's liabilities towards gratuity is determined using the Projected Unit Credit Method, which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the profit and loss account as income or expenses.

**9. Depreciation**

Depreciation on fixed assets has been provided on written down value method, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

**10. Securitization transactions**

The Company enters into securitisation transaction through direct assignment route, where such portfolios of receivables are assigned directly to the purchaser. Such securitised receivables are de-recognised in the balance sheet when they are sold (true sale criteria) and sale consideration is received from the purchaser.

Gain or loss from the sale of receivables is computed as a difference between sale consideration and book value. Any loss arising on account of the sale is accounted accordingly and reflected in the profit and loss account for the period during which the sale is effected and profit/ premium, if any, arising on account of sale is amortised over the life of the securitised receivables. Expenses of securitisation transaction are, however, accounted upfront as required by guidelines issued by the RBI on securitization vide Circular No. DBOD.NO.BP.BC.60/ 21.04.048/ 2005-06 dated 1st February, 2006.

**11. Borrowing costs**

- a. Borrowing costs that are attributable to the acquisition, construction or production of qualifying

assets are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use or sale.

- b. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**12. Taxes on income**

- a. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.
- b. Deferred tax is recognized on timing difference between the accounting income and taxable income for the year, and quantified using the tax rates and laws enacted or substantially enacted as on the balance sheet date.
- c. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**13. Events occurring after the date of balance sheet**

Events occurring after the date of balance sheet are considered upto the date of adoption of the accounts, where material.

**14. Provisions and contingent liabilities**

- a. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
  - i) the Company has a present obligation as a result of a past event;
  - ii) a probable outflow of resource is expected to settle the obligation; and
  - iii) the amount of the obligation can be reliably estimated.
- b. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- c. Contingent liability is disclosed in the case of:
  - i) a present obligation arising from a past event, when it is not probable that an outflow of resource will be required to settle the obligation; and
  - ii) a possible obligation, unless the probability of outflow of resource is remote contingent assets are neither recognized nor disclosed.
- d. Provisions and contingent liabilities are reviewed at each balance sheet date.



## SCHEDULE 'R': NOTES ON THE FINANCIAL STATEMENTS

|   | 31-03-2010<br>Rupees | 31-03-2009<br>Rupees |
|---|----------------------|----------------------|
| 1 | 5,86,793             | 5,84,093             |
| 2 | 2,60,000             | 2,60,000             |
| 3 |                      |                      |
| 4 |                      |                      |
| 5 |                      |                      |
|   | -                    | 12,60,000            |
|   | -                    | 1,09,125             |
|   | -                    | 1,80,000             |
|   | -                    | 15,49,125            |
| 6 | -                    | 5,69,000             |
| 7 |                      |                      |

| Particulars                                                                            | Gratuity           |                    |
|----------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                        | 2009 -10<br>Rupees | 2008 -09<br>Rupees |
| <b>I Changes in obligation during the year ended 31st March, 2010</b>                  |                    |                    |
| 1. Liability at the beginning of the year                                              | 48,75,929          | 44,26,795          |
| 2. Interest cost                                                                       | 3,41,315           | 3,09,876           |
| 3. Current service cost                                                                | 1,66,168           | 2,19,191           |
| 4. Past service cost                                                                   | -                  | -                  |
| 5. Benefit paid                                                                        | (25,02,655)        | (6,30,209)         |
| 6. Actuarial (gain) / losses                                                           | 10,73,061          | 5,50,276           |
| 7. Liability at the end of the year                                                    | 39,53,818          | 48,75,929          |
| <b>II Change in assets during the year ended 31st March, 2010</b>                      |                    |                    |
| 1. Plan assets at the beginning of the year                                            | -                  | -                  |
| 2. Expected return of plan assets                                                      | -                  | -                  |
| 3. Contributions                                                                       | -                  | -                  |
| 4. Benefit paid                                                                        | -                  | -                  |
| 6. Actuarial gain / (loss)                                                             | -                  | -                  |
| 7. Plan assets at the end of the year                                                  | -                  | -                  |
| 8. Total actuarial gain/(loss) to be recognized                                        | -                  | -                  |
| <b>III Actual return on plan assets</b>                                                |                    |                    |
| 1. Expected return of plan assets                                                      | -                  | -                  |
| 2. Actuarial gain / (loss)                                                             | -                  | -                  |
| 3. Actual return on plan assets                                                        | -                  | -                  |
| <b>IV Net asset/(liability) recognized in the balance sheet as at 31st March, 2010</b> |                    |                    |
| 1. Liability at the end of the year                                                    | (39,53,818)        | (48,75,929)        |
| 2. Plan assets at the end of the year                                                  | -                  | -                  |
| 3. Amount recognized in the balance sheet                                              | (39,53,818)        | (48,75,929)        |



| Particulars                                                                                                  | Gratuity                    |                             |
|--------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                                                              | 2009 -10<br>Rupees          | 2008 -09<br>Rupees          |
| <b>V Expenses recognized in the statement of profit and loss account for the year ended 31st March, 2010</b> |                             |                             |
| 1. Current service cost                                                                                      | 1,66,168                    | 2,19,191                    |
| 2. Interest cost                                                                                             | 3,41,315                    | 3,09,876                    |
| 3. Expected return on plan assets                                                                            | -                           | -                           |
| 4. Actuarial (gain) / losses                                                                                 | 10,73,061                   | 5,50,276                    |
| 5. Past service cost                                                                                         | -                           | -                           |
| 6. Total expenses                                                                                            | 15,80,544                   | 10,79,343                   |
| <b>VI Balance sheet reconciliation</b>                                                                       |                             |                             |
| 1. Opening net liability                                                                                     | 48,75,929                   | 44,26,795                   |
| 2. Expenses as above                                                                                         | 15,80,544                   | 10,79,343                   |
| 3. Employer contribution                                                                                     | 25,02,655                   | 6,30,209                    |
| 4. Amount recognized in the balance sheet                                                                    | 39,53,818                   | 48,75,929                   |
| <b>VII Actuarial assumptions:</b>                                                                            |                             |                             |
| 1. Discount rate                                                                                             | 7% p a                      | 7% p a                      |
| 2. Rate of return on plan assets                                                                             | N A                         | N.A                         |
| 3. Salary escalation                                                                                         | 5% p a                      | 4% p a                      |
| 4. Mortality pre retirement rate                                                                             | L.I.C (1994-96)<br>ULTIMATE | L.I.C (1994-96)<br>ULTIMATE |

b. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured under the Projected Unit Credit Method.

8. Disclosures as required by Accounting Standard (AS) 17 Segmental Reporting :

- a. The Company operates in one segment, i.e., Fund based activities
- b. Entire business operations are centralized and controlled through the Head Office. There are no significant geographical difference between risks and returns associated with the business. Client base of Company is not concentrated in any particular area and is spread throughout India.

9. Disclosures as required by Accounting Standard (AS) 18 Related Party Disclosures :

- a. List of Related Parties  
The Motor & General Finance Limited - Single largest shareholder
- b. Details of transactions entered into with related parties :

| Nature of transactions          | Name of Related Party               | 2009 -10<br>Rupees | 2008 -09<br>Rupees |
|---------------------------------|-------------------------------------|--------------------|--------------------|
| Unsecured loan                  | The Motor & General Finance Limited | 10,94,00,000       | -                  |
| Interest paid on Unsecured loan | The Motor & General Finance Limited | 44,16,596          | -                  |

10. Disclosures as required by Accounting Standard (AS) 20 Earnings Per Share :

| Particulars                                             | 2009 -10  | 2008 -09  |
|---------------------------------------------------------|-----------|-----------|
| Profit after taxes as per profit and loss account (Rs.) | 20,81,621 | 34,60,780 |
| Equity Shares subscribed (Nos.)                         | 50,00,000 | 50,00,000 |
| Nominal value of shares (Rs.)                           | 10.00     | 10.00     |
| Earning Per Share (Basic / Diluted) (Rs.)               | 0.42      | 0.69      |

11. Disclosures as required by Accounting Standard (AS) 22 Accounting for Taxes on Income:

The Major components of deferred tax assets and deferred tax liabilities:

| Particulars                                                               | 31 <sup>st</sup> March, 2010                 | 31 <sup>st</sup> March, 2009                 |
|---------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                                           | Deferred tax assets/<br>(liabilities) Rupees | Deferred tax assets/<br>(liabilities) Rupees |
| Difference between book and tax depreciation                              | (25,71,569)                                  | (24,18,627)                                  |
| Provision for leave encashment                                            | 20,023                                       | 42,975                                       |
| Expenditure u/s 43B of the Income Tax Act, 1961                           | 13,13,359                                    | 16,57,328                                    |
| Profit on Securitisation (Deferred)                                       | -                                            | 20,487                                       |
| Net deferred tax liabilities                                              | (12,38,187)                                  | (6,97,837)                                   |
| Net incremental liabilities / (assets) charged to profit and loss account | 5,40,350                                     | 1,56,905                                     |



12. The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31<sup>st</sup> March, 2010. This information is given in respect of such vendors as could be identified as 'Micro' and 'Small Enterprises' on the basis of information available with the Company.
13. Schedule to the Balance Sheet of a Non - Banking Financial Company (as required in terms of Paragraph 9BB of Non - Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

( Rs. In lakhs )

| Particulars                                                                                                            | Amount<br>outstanding | Amount<br>overdue             |
|------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------|
| <b>Liabilities side:</b>                                                                                               |                       |                               |
| (1) Loans and advance availed by the NBFCs inclusive of interest accrued thereon but not paid:                         |                       |                               |
| (a) Debentures :                                                                                                       |                       |                               |
| Secured                                                                                                                | -                     |                               |
| Unsecured                                                                                                              | -                     |                               |
| (other than falling within the meaning of public deposits*)                                                            |                       |                               |
| (b) Deferred Credits                                                                                                   | -                     |                               |
| (c) Term Loans                                                                                                         | -                     |                               |
| (d) Inter - corporate loans and borrowing                                                                              | <b>1,094.00</b>       |                               |
| (e) Commercial Paper                                                                                                   | -                     |                               |
| (f) Public Deposits                                                                                                    | <b>3,701.27</b>       |                               |
| (g) Other Loans (specify nature) : Cash Credit facility from banks                                                     | <b>1,564.80</b>       |                               |
| (2) Break - up of ( 1 ) ( f ) above ( Outstanding public deposit inclusive of interest accrued thereon but not paid ): |                       |                               |
| (a) In the form of unsecured debentures                                                                                | -                     |                               |
| (b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security      | -                     |                               |
| (c) Other public deposits                                                                                              | <b>3,701.27</b>       |                               |
| <b>Assets Side :</b>                                                                                                   |                       |                               |
|                                                                                                                        |                       | <b>Amount<br/>outstanding</b> |
| (3) Break - up of loans and advances including bills receivables [ other than those included in (4) below ] :          |                       |                               |
| (a) Secured                                                                                                            |                       | <b>0.75</b>                   |
| (b) Unsecured                                                                                                          |                       | <b>414.52</b>                 |
| (4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities              |                       |                               |
| (i) Lease assets including lease rentals under sundry debtors :                                                        |                       |                               |
| (a) Financial lease                                                                                                    |                       | -                             |
| (b) Operating lease                                                                                                    |                       |                               |
| (ii) Stock on hire including hire charges under sundry debtors :                                                       |                       |                               |
| (a) Assets on Hire                                                                                                     |                       | -                             |
| (b) Repossessed Assets                                                                                                 |                       |                               |
| (iii) Hypothecation loans counting towards EL/HP activities                                                            |                       |                               |
| (a) Loans where assets have been repossessed                                                                           |                       | -                             |
| (b) Loans other than above                                                                                             |                       | <b>7,691.77</b>               |

(5) Break - up of Investments :

Current Investments :

1. Quoted :

(i) Shares :

(a) Equity 6.70

(b) Preference -

(ii) Debentures and bonds -

(iii) Units of mutual funds -

(iv) Government Securities -

(v) Others (please specify) -

2. Unquoted :

(i) Shares :

(a) Equity -

(b) Preference -

(ii) Debentures and bonds -

(iii) Units of mutual funds -

(iv) Government Securities -

(v) Others (please specify) -

Long Term investments :

1. Quoted :

(i) Shares :

(a) Equity -

(b) Preference -

(ii) Debentures and bonds -

(iii) Units of mutual funds -

(iv) Government Securities 561.44

(v) Others (please specify) -

2. Unquoted :

(i) Shares :

(a) Equity -

(b) Preference -

(ii) Debentures and bonds -

(iii) Units of mutual funds -

(iv) Government Securities -

(v) Others (please specify):Deposit in scheduled commercial bank 75.83

(6) Borrower group - wise classification of all Leased Assets, Hire and Loans and Advances :

| Category                        | Amount net of provisions |           |                 |
|---------------------------------|--------------------------|-----------|-----------------|
|                                 | Secured                  | Unsecured | Total           |
| 1. Related Parties              |                          |           |                 |
| (a) Subsidiaries                | -                        | -         | -               |
| (b) Companies in the same group | -                        | -         | -               |
| (c) Other related parties       | -                        | -         | -               |
| 2. Other than related parties   | 7,691.77                 | -         | 7,691.77        |
| <b>Total</b>                    | <b>7,691.77</b>          | <b>0</b>  | <b>7,691.77</b> |



# JAYABHARAT CREDIT LIMITED

(7) Investor group - wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Please see note 3 below

| Category                        | Market Value / Break up or fair value or NAV | Book value (Net of Provision) |
|---------------------------------|----------------------------------------------|-------------------------------|
| 1. Related Parties              |                                              |                               |
| (a) Subsidiaries                | -                                            | -                             |
| (b) Companies in the same group | -                                            | -                             |
| (c) Other related parties       | -                                            | -                             |
| 2. Other than related parties   | 585.38                                       | 643.99                        |
| <b>Total</b>                    | <b>585.38</b>                                | <b>643.99</b>                 |

(8) Other Information :

| Particulars                                    | Amount |
|------------------------------------------------|--------|
| (i) Gross Non - Performing Assets              | 225.00 |
| (a) Related parties                            | -      |
| (b) Other than related parties                 | 225.00 |
| (ii) Net Non - Performing Assets               | 69.00  |
| (a) Related parties                            | -      |
| (b) Other than related parties                 | 69.00  |
| (iii) Assets acquired in satisfaction of debts | -      |

14 Previous year's figures have been regrouped wherever necessary to make them comparable with those of the current year.

**SHARP & TANNAN**  
*Chartered Accountants*  
Registration No: 109982W  
by the hand of

**MILIND P. PHADKE**  
*Partner*  
(Membership No.- 33013)

Mumbai, 03rd August, 2010

**NEELAM K. MASTER**  
Manager & Company Secretary

For and on behalf of the Board  
**RAJIV GUPTA**  
Chairman

**SHRAD SANGHI**  
**ARUN MITTER**  
**M.K.MADAN**  
*Directors*

New Delhi, 02nd August, 2010

**15. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.       State Code   (Refer Code List)  
 Balance Sheet Date           
 Date Month Year

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue        Rights Issue         
 Bonus Issue        Private Placement

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities        Total Assets

**Sources of Funds**

Paid-up-Capital        Reserves & Surplus         
 Secured Loans        Unsecured Loans         
 Deferred Tax Liability

**Application of Funds**

Net Fixed Assets        Investments         
 Net Current Assets        Deferred Tax Asset         
 Accumulated Losses        Misc. Expenditure

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover        Total Expenditure         
 + - Profit/Loss before tax      + - Profit/Loss after tax

(Please tick Appropriate box + for Profit, - for Loss)

Earning per Share in Rs.    .   Dividend Rate %

**V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)**

Item Code No. (ITC Code)

Product Description

Signatures to Schedule A to R

For and on behalf of the Board  
**RAJIV GUPTA**  
 Chairman

**SHRAD SANGHI**  
**ARUN MITTER**  
**M.K.MADAN**  
 Directors

**NEELAM K. MASTER**  
 Manager & Company Secretary

New Delhi, 02nd August, 2010



# JAYABHARAT CREDIT LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

|                                                                       | 2009-10<br>Rupees     | 2008-09<br>Rupees |
|-----------------------------------------------------------------------|-----------------------|-------------------|
| <b>[A] CASH FLOW FROM OPERATING ACTIVITIES</b>                        |                       |                   |
| <b>Net profit before taxes</b>                                        | <b>27,79,739</b>      | 58,17,685         |
| Adjustments for:                                                      |                       |                   |
| Depreciation                                                          | 20,88,724             | 24,87,951         |
| Interest expenses                                                     | 7,35,99,069           | 8,31,17,253       |
| Provision for diminution in value of investments                      | 4,78,203              | 2,16,098          |
| Interest on investments                                               | (60,74,162)           | (83,39,966)       |
| Income from investments                                               | (152)                 | (152)             |
| Profit on sale of assets                                              | (6,587)               | (516)             |
|                                                                       | <b>7,00,85,095</b>    | 7,74,80,668       |
| Operating profit before working capital changes                       | <b>7,28,64,834</b>    | 8,32,98,353       |
| Adjustments for:                                                      |                       |                   |
| (Increase)/Decrease in sundry debtors                                 | (6,91,562)            | (55,75,790)       |
| Increase/(Decrease) in current liabilities                            | (77,86,315)           | (4,90,33,299)     |
| Increase/(Decrease) in provisions                                     | (9,88,270)            | 5,12,030          |
| (Increase)/Decrease in loans and advances                             | 8,57,32,509           | 7,88,77,173       |
|                                                                       | <b>7,62,66,362</b>    | 2,47,80,114       |
| Cash generated from operations                                        | <b>14,91,31,196</b>   | 10,80,78,467      |
| Direct taxes and fringe benefit tax refund/(paid)                     | (12,39,290)           | (51,73,295)       |
| Net cash from operating activities                                    | <b>14,78,91,906</b>   | 10,29,05,172      |
| <b>[B] CASH FLOW FROM INVESTING ACTIVITIES</b>                        |                       |                   |
| Add: Inflows from investing activities:                               |                       |                   |
| Sale of fixed assets                                                  | 9,000                 | 8,27,555          |
| Sale of investments                                                   | 1,83,76,700           | 2,04,23,700       |
| Interest on investments                                               | 60,07,902             | 91,06,786         |
| Income from investments                                               | 152                   | 152               |
|                                                                       | <b>2,43,93,754</b>    | 3,03,58,193       |
| Less: Outflows from investing activities:                             |                       |                   |
| Purchase of fixed assets                                              | (3,38,076)            | (5,78,483)        |
| Purchase of investments                                               | (31,53,000)           | (2,32,04,400)     |
|                                                                       | <b>(34,91,076)</b>    | (2,37,82,883)     |
| Net cash from investing activities                                    | <b>2,09,02,678</b>    | 65,75,310         |
| <b>[C] CASH FLOW FROM FINANCING ACTIVITIES</b>                        |                       |                   |
| Add: Inflows from financing activities:                               |                       |                   |
| Unsecured loans                                                       | -                     | 1,56,78,501       |
|                                                                       | -                     | 1,56,78,501       |
| Less: Outflows from financing activities:                             |                       |                   |
| Secured loans                                                         | (6,09,25,197)         | (3,59,96,006)     |
| Unsecured loans                                                       | (5,22,61,501)         | -                 |
| Dividend paid                                                         | -                     | (40,00,000)       |
| Tax on proposed dividend                                              | -                     | (6,79,800)        |
| Interest expenses                                                     | (6,03,21,797)         | (8,04,88,928)     |
|                                                                       | <b>(17,35,08,495)</b> | (12,11,64,734)    |
| <b>Net cash from financing activities</b>                             | <b>(17,35,08,495)</b> | (10,54,86,233)    |
| <b>Net (decrease)/increase in cash and cash equivalents - [A+B+C]</b> | <b>(47,13,911)</b>    | 39,94,249         |
| <b>Cash and cash equivalents at the beginning of the year</b>         | <b>98,30,691</b>      | 58,36,442         |
| <b>Cash and cash equivalents at the end of the year</b>               | <b>51,16,780</b>      | 98,30,691         |

Notes :

- The cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 Cash Flow Statements.
- Cash and cash equivalents represents cash and bank balances.

As per our Report Attached

**SHARP & TANNAN**  
Chartered Accountants  
Registration No: 109982W  
by the hand of

**MILIND P. PHADKE**  
Partner  
(Membership No.- 33013)  
Mumbai, 03rd August, 2010

**NEELAM K. MASTER**  
Manager & Company Secretary

For and on behalf of the Board

**RAJIV GUPTA**  
Chairman

**SHARAD SANGHI**  
**ARUN MITTER**  
**M.K.MADAN**  
Directors

New Delhi, 02nd August, 2010



**ANNEXURE 'A' TO THE DIRECTOR'S REPORT**

**Corporate Governance Policies and Practices followed by the Company in accordance with the provisions of Clause 49 of the Listing Agreement are given below:**

**1. CORPORATE GOVERNANCE**

The Company had always believed and followed the most transparent corporate governance practices even before the advent of clause 49 of the Listing Agreement of the Stock Exchange. Since inception we have always worked towards building a strong bond of trust with our valued Shareholders, Customers, Depositors, Dealers, Bankers and Clients for their co-operation and also for the confidence reposed in the Company on key elements of corporate governance viz., transparency, fairness, disclosure and accountability.

We believe that sound business ethics and values are at the core of success of any business organization. We have completed a period of 67 years which is possible only because of our strong belief and practice of business ethics and values and the confidence reposed in the Company by all its patrons.

The Company had not only complied with the corporate governance practices and disclosures as per the statutory and regulatory requirements, but also conveyed important and required information about the company wherever it is felt necessary.

**2. BOARD OF DIRECTORS**

**COMPOSITION:**

The Board of the Company comprises of four directors, all the four Directors are Independent and non-executive directors

**BOARD PROCEDURES:**

During the year 2009-2010 the Board of Directors met Seven times on the following dates: 29th April 2009, 16th June 2009, 31st July 2009, 22nd September, 2009, 31st October 2009, 27th January 2010 and 30th March, 2010

**ATTENDANCE RECORD OF DIRECTORS:**

Composition of Board and Attendance record of Directors for the year 2009-10

| Name of Director    | Category                           | No. of Board Meetings Held | No. of Board Meetings Attended | Attendance at the Last Annual General Meeting |
|---------------------|------------------------------------|----------------------------|--------------------------------|-----------------------------------------------|
| Shri. Rajiv Gupta   | Chairman                           | 7                          | 6                              | No                                            |
| Shri. Sharad Sanghi | Non Executive Independent Director | 7                          | 1                              | No                                            |
| Shri Arun Mitter    | Non Executive Independent Director | 7                          | 7                              | Yes                                           |
| * Shri. M.K. Madan  | Non Executive Independent Director | 7                          | 6                              | Yes                                           |

\* Shri M K Madan has been appointed as a Director with effect from 29.04.2009.

**OUT SIDE DIRECTORSHIP AND MEMBERSHIPS OF BOARD COMMITTEES**

| Name Of Director    | No. of Directorships held including Private Cos. in India | In Unlisted Public Limited Companies | As Chairman / Member of Board Committees |        |
|---------------------|-----------------------------------------------------------|--------------------------------------|------------------------------------------|--------|
|                     |                                                           |                                      | Chairman                                 | Member |
| Shri. Rajiv Gupta   | 13                                                        | 3                                    | 3                                        | 2      |
| Shri. Sharad Sanghi | 10                                                        | 2                                    | ---                                      | ---    |
| Shri Arun Mitter    | 28                                                        | 7                                    | 2                                        | 3      |
| * Shri. M.K. Madan  | 5                                                         | 3                                    | ----                                     | 3      |

\* Shri M K Madan has been appointed as a Director with effect from 29.04.2009.

**DISCLOSURE REGARDING APPOINTMENT OR REAPPOINTMENT OF DIRECTORS:**

The Particulars of Directors who are proposed to be appointed/re-appointed at the ensuing Annual General Meeting are given below, as required pursuant to clause 49 of the Listing Agreement.

Mr. Sharad Sanghi, Mr. M. K. Madan,

Retire by rotation and being eligible has offered themselves for reappointment.

Mr. Sharad Sanghi is M.Com. and holds 14,320 equity Shares of Rs.10/- each of the Company.

Mr. Sharad Sanghi is Director of Jayabharat Credit Limited. He has vast business experience. He holds Directorship in the following Companies Sanghi Brothers (Indore) Pvt. Ltd, Sanghi Finance & Investments Ltd., M.P.Flying Club Ltd., Jyoti



Copper Craft Pvt Ltd., Triveni Construction Co. Pvt. Ltd., Barwaha Agro Plantations Pvt. Ltd., Sky Master Pvt. Ltd., Rashi Masters Pvt. Ltd., Snehsun Estate Pvt. Ltd., Ragini Estates Pvt. Ltd., Triumph International Congo., Harsh Automobiles Private Limited.

Mr. M K Madan is B.Com, F.C.A, and A.C.S. He holds Nil Shares of the Company.

Mr. M. K. Madan is Director of Jayabharat Credit Limited. He has over 38 Years experience in Finance Sector. He holds Directorship in the following Companies. viz. India Lease Development Limited, M.G.F. Services Limited, M G F Securities Pvt Ltd, Upper India Hire Purchase Companies Association Limited, Bahubali services Ltd.

### 3. AUDIT COMMITTEE

#### Constitution and Composition:

The Company has set up the audit committee on 13th August, 2002 as per the requirement of clause 49 of the listing agreement. The present audit committee consists of three directors all the three Directors are Non-Executive and Independent Directors:

1. Shri. Arun Mitter
2. Shri. Sharad Sanghi
3. Shri M K Madan

Shri. Arun Mitter - Non Executive Director is Chairman of Audit Committee.

Ms. Neelam K Master is Compliance Officer.

#### Meetings, Attendance and topic discussed:

The meetings of Audit Committee were held on 29th April 2009, 16th June 2009, 31st July 2009, 22nd September 2009, 31st October 2009, 27th January 2010. Following Members were present at the meetings

| DIRECTORS        | 29.04.2009 | 16.06.2009 | 31.07.2009 | 31.10.2009 | 27.01.2010 |
|------------------|------------|------------|------------|------------|------------|
| MR ARUN MITTER   | ✓          | ✓          | ✓          | ✓          | ✓          |
| MR SHARAD SANGHI |            | ✓          |            |            |            |
| * MR M K MADAN   | ✓          | ✓          | ✓          | ✓          | ✓          |

✓ Means Meeting attended.

\* Shri M K Madan has been appointed as a Director with effect from 29.04.2009.

### 4. SHAREHOLDERS GRIEVANCE COMMITTEE

#### Composition:

The present Shareholders Grievance Committee consists of three directors all the three directors are non executive and independent directors:

1. Shri. Rajiv Gupta
2. Shri. Sharad Sanghi
3. Shri Arun Mitter

i) Shri. Rajiv Gupta - Non Executive Director is Chairman of Shareholders Committee.

The meetings of Shareholders Grievance Committee were held on 29th April 2009, 31st July 2009, 31st October 2009, 27th January 2010. Following Members were present at the meetings.

| DIRECTORS        | 29.04.2009 | 31.07.2009 | 31.10.2009 | 27.01.2010 |
|------------------|------------|------------|------------|------------|
| MR RAJIV GUPTA   | ✓          | ✓          | ✓          | ✓          |
| MR SHARAD SANGHI | ✓          | ✓          | ✓          | ✓          |
| MR ARUN MITTER   | ✓          | ✓          | ✓          | ✓          |

✓ Means Meeting attended.

Details of Investors complaints received during the year ended 31st March, 2010

| S.No | Nature of complaints                                                                            | Received | Disposed | Pending |
|------|-------------------------------------------------------------------------------------------------|----------|----------|---------|
| 1.   | Non receipt of dividend warrant(s)                                                              | Nil      | Nil      | -       |
| 2.   | Non receipt of share certificates after transfer/exchange/<br>sub-division/consolidation/merger | Nil      | Nil      | -       |
| 3    | Non receipt of Balance Sheet                                                                    | 1        | 1        | -       |
|      | Total                                                                                           | 1        | 1        | -       |

The Meetings of Remuneration Committee held on the following dates:

| DIRECTORS      | 27.01.2010 | 30.03.2010 |
|----------------|------------|------------|
| MR RAJIV GUPTA | ✓          | ✓          |
| MR ARUN MITTER | ✓          | ✓          |
| * MR M K MADAN | ✓          | ✓          |

\* Shri M K Madan has been appointed as a Director with effect from 29.04.2009.

Mr. Rajiv Gupta Non Executive Director is Chairman of the Remuneration Committee.

The meetings were scheduled well in advance. In addition to the members of the audit committee, these meetings were attended by the heads of finance and internal audit functions, the statutory auditors of the Company and those executives of the Company who were considered necessary for providing inputs to the committee. The Company secretary acted as the secretary to the audit committee.

The terms of reference of the audit committee are extensive and include all that is mandate in clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. Apart from overseeing and monitoring the financial reporting system within the Company and considering unaudited and audited Financial results for the relevant quarter, half year period before being approved by the board, and audit committee focused its attention on topics such as review of annual targets, annual internal audit plan, legal compliance reporting system, review of internal control systems, major accounting policies and practices, compliance with accounting standards and risk management.

## 5. REMUNERATION OF DIRECTORS

### Remuneration of Non Executive Directors:

Non-Executive Directors are paid sitting fees of Rs.2,000 /- for every meeting of the Board or Committee attended by them. Apart from sitting fees Non-Executive Directors are not paid any other remuneration.

Details of remuneration paid to the Directors during the year 2009-10

| Directors          | Sitting fees (Rs.) | Salary and Perquisites (Rs.) |                  |                  | Total (Rs.) |
|--------------------|--------------------|------------------------------|------------------|------------------|-------------|
|                    |                    | Salary                       | Benefits & Bonus | Pension / others |             |
| SHRI RAJIV GUPTA   | 20,000             | ----                         | ----             | ----             | 20,000      |
| SHRI SHARAD SANGHI | 4,000              | ----                         | ----             | ----             | 4,000       |
| SHRI ARUN MITTER   | 20,000             | ----                         | ----             | ----             | 20,000      |
| SHRI M K MADAN     | 16,000             | ----                         | ----             | ----             | 16,000      |

No Commission is paid to any Directors of the Company. The Company does not have Stock Option Plans. During the year under review, none of the directors was paid any performance –linked incentive.

- 5.1 a) Ms Neelam K Master was appointed as Company Secretary by the Board of Directors in its meeting held on 27.01.2010 with effect from 01.02.2010.
- b) The Board of Directors has also considered and appointed her as a Manager under Section 269 of the Companies Act, 1956 in its meeting held on 30th March, 2010 and designated as Manager & Company Secretary.

## 6. GENERAL BODY MEETINGS

Past three Annual General Meetings of the Company were held at M C Ghia Hall, 2nd Floor, Bhogilal Hargovindas Bldg, 18/20 Kaikhushru Dubash Marg, Mumbai 400001 on the following dates and time:

| SR NO | A G M | DATE       | TIME       |
|-------|-------|------------|------------|
| 1     | 64th  | 28.08.2007 | 11.30 A.M. |
| 2     | 65th  | 10.09.2008 | 11.30 A.M. |
| 3     | 66th  | 22.09.2009 | 11.30 A.M. |

The Company has not so far, adopted postal ballot for passing any resolution at the general meetings. At the ensuing Annual General Meeting there is no item on the agenda that needs approval by postal ballot.

### 6.1 Special Resolutions passed during last three Annual General Meetings:

- i) A Special resolution was passed in 64th AGM held on 28th August, 2007 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 that may exceed at any time the aggregate of the paid up capital of the Company and its free reserves provided that the maximum amount borrowed by the Board shall not exceed at any time Rs150 crores.



- ii) A Special Resolution was passed in 65th Annual General Meeting held on 10th September, 2008 pursuant to section 81(1A) of the Companies Act, 1956 for 50,00,000 Equity Shares of Rs.10/- each for cash at a premium of Rs.2.50 per Share in the ratio of 1:1 on rights basis.
- iii) No Special Resolution was passed in 66th Annual General Meeting held on 22nd September, 2009.

## 7. DISCLOSURE

The Company has never failed to comply with any authority i.e Stock Exchange, SEBI on any matter related to capital markets during last 3 years.

## 8. MEANS OF COMMUNICATION

Quarterly and half Yearly Financial results are published in Free Press Journal and Nav Shakti news papers along with press release and the same are also promptly communicated to the Stock Exchanges. The Company has its own website. There were no presentations made to the institutional investor or analysts. Management Discussion and Analysis forms part of this Annual Report.

## 9. GENERAL SHAREHOLDERS INFORMATION

### 9.1 Annual General Meeting:

|       |       |   |                                                                                                     |
|-------|-------|---|-----------------------------------------------------------------------------------------------------|
| 9.1.1 | Date  | : | 14th September, 2010                                                                                |
| 9.1.2 | Time  | : | 11.30 A.M.                                                                                          |
| 9.1.3 | Venue | : | M C Ghia Hall, 2nd Floor, Bhogilal Hargovindas Bldg,<br>18/20 Kaikhushru Dubash Marg, Mumbai 400001 |

### 9.2 Financial Calendar:

|                                            |                        |
|--------------------------------------------|------------------------|
| Financial Year                             | April to March         |
| Mailing of Annual Accounts                 | Mid July               |
| Annual General Meeting                     | Mid August - September |
| Unaudited First Quarter Financial Results  | Second week of July    |
| Unaudited Second Quarter Financial Results | Last week of October   |
| Unaudited third Quarter Financial Results  | Last week of January   |

### 9.3 Date of Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from 07th September, 2010 to 14th September, 2010 (both days inclusive), for the purpose of Annual General Meeting.

### 9.4 Dividend:

In view of the consolidation of existing business activities and to conserve the resources, your Directors are constrained not to recommend any dividend for this year.

### 9.5 Listing on Stock Exchange:

The Company is listed on Bombay Stock Exchange

Stock Code

1. BSE MUMBAI : 501311
2. ISIN : INE998D01011 (For electronic connectivity)

### 9.6 Market Price Data High and Low during the Financial Year 2009-10 and Comparison with BSE Sensex:

| Months         | Share Price of JCL |       | BSE Sensex |           |
|----------------|--------------------|-------|------------|-----------|
|                | High               | Low   | High       | Low       |
| April 2009     | 14.00              | 11.70 | 11,492.10  | 9,546.29  |
| May 2009       | 13.10              | 10.52 | 14,930.54  | 11,621.30 |
| June 2009      | 14.50              | 8.56  | 15,600.30  | 14,016.95 |
| July 2009      | 10.97              | 7.80  | 15,732.81  | 13,219.99 |
| August 2009    | 17.37              | 11.03 | 16,002.46  | 14,684.45 |
| September 2009 | 19.97              | 14.65 | 17,142.52  | 15,356.72 |
| October 2009   | 13.92              | 9.13  | 17,493.17  | 15,805.20 |
| November 2009  | 10.96              | 8.99  | 17,290.48  | 15,330.56 |
| December 2009  | 11.25              | 8.61  | 17,530.94  | 16,577.78 |
| January 2010   | 10.64              | 9.06  | 17,790.33  | 15,982.08 |
| February 2010  | 9.99               | 8.26  | 16,669.25  | 15,651.99 |
| March 2010     | 10.35              | 8.02  | 17,793.01  | 16,438.45 |

**9.7 Share Transfer System:**

M/s Share Pro Services (India) Pvt. Ltd is the Registrar and Transfer Agent of the Company. All work relating to electronic and the physical share transfer, transmission, and deletion, splitting of share certificate, dematerialization and rematerialization of shares.

**Address of Registrar and Share Transfer Agents:**

Share Pro Services (India) Pvt. Ltd. ( Contact person Mr. Girish Pilankar) 13 AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Of. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072  
Tel: 67720300 / 400 Fax: 28591568 email:Sharepro@shareproservices.com. Shareholders may lodge demat/transfers etc directly to M/s Share Pro Services (India) Pvt. Ltd at the above mentioned address.

**9.8 Share holding across category as on 31st March 2010:**

| Sr No | Particulars                            | No of shares held | % age         |
|-------|----------------------------------------|-------------------|---------------|
| 1     | Directors and relatives                | 22,270            | 0.45          |
| 2     | Bank and Public Financial Institutions | 2,27,664          | 4.55          |
| 3     | Private Corporate Bodies               | 36,72,354         | 73.44         |
| 4     | N R I s                                | 18,287            | 0.37          |
| 5     | Others                                 | 10,59,425         | 21.19         |
|       | <b>Total</b>                           | <b>50,00,000</b>  | <b>100.00</b> |

**9.9.1 Distribution of Shareholding as on 31st March 2010**

| Number of shares |     |       | Number of Shareholders |               | Number of Shares |               |
|------------------|-----|-------|------------------------|---------------|------------------|---------------|
| Upto             | To  |       | Number                 | Percentage    | Number           | Percentage    |
|                  |     | 500   | 2101                   | 85.40         | 3,06,180         | 6.12          |
| 501              | To  | 1000  | 195                    | 7.93          | 1,56,970         | 3.14          |
| 1001             | To  | 2000  | 68                     | 2.76          | 1,03,145         | 2.06          |
| 2001             | To  | 3000  | 24                     | 0.98          | 60,547           | 1.21          |
| 3001             | To  | 4000  | 16                     | 0.65          | 56,825           | 1.14          |
| 4001             | To  | 5000  | 14                     | 0.57          | 66,872           | 1.34          |
| 5001             | To  | 10000 | 16                     | 0.65          | 1,15,134         | 2.30          |
| 10001            | and | Above | 26                     | 1.06          | 41,34,327        | 82.69         |
| <b>Total</b>     |     |       | <b>2460</b>            | <b>100.00</b> | <b>50,00,000</b> | <b>100.00</b> |

**9.9.2 Shares held in Physical and Electronic mode as on 31st March,2010**

| Category     | No of Shares     | %             |
|--------------|------------------|---------------|
| Physical     | 2,81,470         | 5.63          |
| N S D L      | 3,90,403         | 7.81          |
| C D S L      | 43,28,127        | 86.56         |
| <b>TOTAL</b> | <b>50,00,000</b> | <b>100.00</b> |

**9.9.3 Address for Communication**

19/20 Rajabhadur Mansion,  
4th Floor, opp. SBI Main Branch,  
Near Stock Exchange, M S Marg,  
Fort, Mumbai 400 023  
Tel No. 22664977,22643021,22,23,Fax No. 22664813  
**Email:** jcl@jayabharat.com **web:** www.jayabharat.com

For and on behalf of the Board

**RAJIV GUPTA**  
Chairman

**SHARAD SANGHI**  
**ARUN MITTER**  
**M.K.MADAN**  
Directors

New Delhi, 02nd August, 2010



## ANNEXURE 'B' TO THE DIRECTOR'S REPORT

### 10. MANAGEMENT DISCUSSION AND ANALYSIS

#### 10.1 Business Scenario, Prospects and Outlook:

M/s Credit Analysis and Research Limited (CARE) completed the annual rating review of the Company and have intimated the downgrading of the rating of the Company's FD programme from BB+ to BB.

As per the requirement of Reserve Bank of India. The Company has to bring down the Fixed Deposit level up to Rs.10.00 Crores within three years from the downgrading vide earlier correspondence with them. The Company has brought down the level of fixed deposit from Rs.48.61 Crores (31.03.2009) to Rs.32.44 Crores as on 31.03.2010. The Directors are confident of repaying the remaining Public Deposit within the time limit stipulated by the Reserve Bank of India.

#### 10.2 Segmental Performance:

The Company operates only in fund based activities. Entire business activities are centralized and controlled through Head Office.

#### 10.3 Internal Controls:

The Company has strong internal control system in place and is always reviewed continuously to meet the challenges of changing requirements.

#### 10.4 Financials:

Despite the severe competition faced by the company it has satisfactory performance of its Asset Finance disbursements.

(Rs. in Lakhs)

|                                         | 2009-2010 | 2008-2009 |
|-----------------------------------------|-----------|-----------|
| Business Done                           | 1386.28   | 1846.00   |
| Income                                  | 1056.89   | 1159.47   |
| Payment to and Provisions for employees | 99.23     | 104.49    |
| Other Expenditure                       | 163.00    | 139.55    |
| Interest Expenditure                    | 737.35    | 831.17    |
| Profit Before Tax                       | 27.79     | 58.18     |
| Profit After Tax                        | 20.81     | 34.60     |
| Dividend                                | ---       | ---       |

#### 10.5 Risk & Concerns

The Company is consolidating its existing operations by realizing the overdues of the past business transacted. There was no fresh business exposure as funds available were utilized in repayment of deposits and meeting other commitments. The company's fear is that non business exposure to the existing clients sometimes leads to default in repayment which has a cascading effect on other customers for which suitable measures are being taken

#### 10.6 Human Resources

Your Company always regards human resources as its most valuable asset and continuously evolves policies and process to attract and retain its substantial pool of managerial resources through friendly work environment that encourages initiatives by individuals and recognizes their performance.

#### 10.7 Personnel:

The Company has a strong, dedicated, experienced and trained personnel force to meet the growing challenges and business requirements. The staff strength of the Company as on 31st March 2010 is 22.

#### 10.8 Disclaimer

Certain Statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations, objectives, etc may be understood within the meaning of applicable laws and regulations. Factors like changes in Government regulations, tax laws and other factors as such industrial relations and economic developments etc. may further influence the Company's operations or performance.

**11. CERTIFICATION BY CEO/CFO**

I, RAJIV GUPTA, Chairman of the Company certify:

1. That we have reviewed the Financial Statements and Cash Flow Statements for the year ended 31st March, 2010 and that to the best of our knowledge and belief,
  - a) These Statements do not contain any materially untrue statements nor omit any material fact, nor contain statements that might be misleading.
  - b) These Statements present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
  - c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
2. We accept responsibility for establishing and maintaining internal control for Financial Reporting and we have evaluated the functioning of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
3. we have indicated to the Auditors and Audit Committee;
  - i) Significant changes in internal control over Financial Reporting during the year;
  - ii) Significant changes in the Accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

New Delhi, 02nd August, 2010

**RAJIV GUPTA**  
CHAIRMAN





## SECRETARIAL AUDIT REPORT

The Board of Directors  
Jayabharat Credit Limited  
19/20, Rajabhadur Mansion 4th floor,  
Opp. SBI Main Branch, Near Stock Exchange.  
Fort Mumbai, 400023

We have examined the registers, records, books and papers of Jayabharat Credit Limited. ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act"), the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company ("the requirements") for the year ended 31st March 2010. Based on our examination as well as information and explanation furnished by the Company to us and the records made available to us, we hereby report that:

1. The requisite statutory registers and other records as required under the Act and the Rules made there under have been maintained in accordance with the Act in physical and electronic mode as applicable.
2. The requisite forms, returns and documents required under the Act and the Rules made there under to be filed with the Registrar of Companies and other authorities have been duly filed.
3. The requirements relating to the meetings of Directors and its Committees thereof and of the shareholders, the minutes of the proceedings thereat have been duly complied with by the Company. The Board of the Company comprises of Four Directors. The Board met 7 times during the year. The Minutes of the Meetings are properly recorded. As required under the Listing Agreement and Companies Act the Company set up the following Committees:
  - Audit Committee: The committee comprises of three members and met five times during the year. The minutes of the meetings are properly recorded.
  - Shareholder Grievance Committee: The committee comprises of three members and met Four times during the year. The minutes of the meetings are properly recorded.
  - Share Transfer committee: The committee is constituted for the purpose of physical shares and its minutes are properly recorded.
  - Remuneration Committee: The committee comprises of three members and met two times during the year. The minutes of the meetings are properly recorded.
  - There is one non-mandatory committee - Executive Committee.

The Company has not passed any resolutions through the postal ballot route under the provisions of Section 192A and the rules made there under.

4. The re-appointment of Directors who retired by rotation during the period under review at the Annual General Meeting has been re-appointed in accordance with the requirements of the Act. Mr. Bipin Bhavsar, Executive Director & Company Secretary had resigned on 29/04/2009. Ms. Neelam Master was appointed on 30/03/2010 under section 269/388 of the Act, as Manager and designated as Manager and Company Secretary.
5. Due disclosures under the requirements of the statutes have been made by the Company. The Company does not have any scheme for the issue of ESOP to its employees.
6. The Company had complied with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 as amended from time to time. The Company had received the information as required from the promoters and others are filed with the Stock Exchange under the regulation 8 A (4) and 8 (3) of the said Regulations within the stipulated period.
7. The Company had complied with the requirements of the Depositories Act 1996 pertaining to dematerialization of shares. Sharepro Services (I) Pvt. Ltd, who were appointed by the Company as Registrars and Transfer Agents (R T A). The transactions were processed by them under demat and physical form of the securities.
8. The Company had conducted the Annual General Meeting on 22/09/2009 the resolutions passed thereat had been recorded properly in the Minutes Book. The register of Members was closed from 15/09/09 to 22/09/09 (both days inclusive). No dividend was declared for the previous financial year i.e. 2008-2009 at the Annual General Meeting. The Company had transferred the unclaimed dividend account for the year 2001-2002 to the Investors' Education and Protection Fund.
9. The Company has credit facilities from Banks and the necessary compliances of the provisions of section 293(1) (a) and 293 (1) (d) of the Act are made. The Company had not created any charge during the year under review.
10. The Company was not required to comply with the provisions of section 372A and other provision of the Act in respect of guarantees given, loans granted and investment made by way of Equity Shares in subsidiaries and other companies during the financial year ending 31st March, 2010.

11. The Company had neither accepted any Fixed Deposits nor borrowed by way of debentures. The Company had not declared any dividend during the year. The Annual Return and the Annual Reports were duly filed as required under the Act. The Company had, therefore not defaulted in any of the provisions of Section 274 (1) (g) of the Act, which would otherwise disqualify the Directors of the Company from acting as Directors of any other Company.
12. The Company had complied with the relevant clauses of the listing agreement with the Stock Exchange pertaining to the submissions of the statements, documents, disclosure requirements, publication in newspapers, press releases, Corporate Governance Standards as prescribed in clause 49 of the Listing Agreement. The Company had complied with the relevant provisions of SEBI (Prohibition of Insider Trading) Regulations 1992 as amended from time to time. The Company follow its Code of Conduct for Directors and other Senior Executives.
13. There were no contracts entered into between the Company and / or firm/ private Companies /partnership firm where any of the Directors are interested and hence no entries are made in the register of contracts under section 297/299 other than Inter Corporate deposits.
14. The Company had not, during the period under review bought back any shares of the Company.

**V. Sundaram**  
**(Company Secretary)**  
**CP No. 3373**

Mumbai, 2nd August, 2010



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE CERTIFICATE

To the Members of Jayabharat Credit Limited

We have examined the compliance of conditions of Corporate Governance by Jayabharat Credit Limited for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**SHARP & TANNAN**  
Chartered Accountants  
Registration no. 109982W  
by the hand of

**MILIND P. PHADKE**  
Partner  
Membership No. 33013

Mumbai, 03rd August, 2010

**FIVE YEARS AT A GLANCE**

(Rs.in lakhs)

|                                  | 2005 - 2006 | 2006 - 2007 | 2007 - 2008 | 2008 - 2009 | 2009 - 2010 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| AMOUNT FINANCED                  | 2,515       | 3,053       | 3,314       | 1,846       | 1,386       |
| GROSS INCOME                     | 1,011       | 1,085       | 1,236       | 1,159       | 1,057       |
| PROFIT BEFORE DEPRECIATION & TAX | 222         | 222         | 232         | 83          | 49          |
| DEPRECIATION                     | 101         | 88          | 28          | 24          | 21          |
| INCOME - TAX                     | 45          | 39          | 46          | 24          | 7           |
| PROFIT AFTER DEPRECIATION & TAX  | 76          | 95          | 158         | 35          | 21          |
| PAID - UP SHARE CAPITAL          | 500         | 500         | 500         | 500         | 500         |
| RESERVES & SURPLUS               | 1,095       | 1,163       | 1,274       | 1,309       | 1,330       |
| ASSET FINANCE STOCK              | 5,653       | 7,290       | 8,893       | 8,149       | 7,335       |
| GROSS LEASED ASSETS              | 1,605       | 1,605       | 0           | 0           | 0           |
| DIVIDEND                         | 8%          | 8%          | 8%          | 0%          | # 0%        |
| EARNING PER SHARE (RS.)          | 1.53        | 1.89        | 3.16        | 0.69        | 0.42        |
| BOOK VALUE PER SHARE (RS.)       | 31.90       | 33.26       | 35.49       | 36.18       | 36.60       |

# Proposed





# JAYABHARAT CREDIT LIMITED

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

## ATTENDANCE SLIP

I hereby record my presence at the 67<sup>th</sup> Annual General Meeting on 14th September, 2010, at 11.30 AM at M. C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

Folio No. or Credit/DP ID No. : \_\_\_\_\_

Signature of the Shareholder or Proxy\*

\*Name of the Proxy to be written in BLOCK LETTERS below the Signature if the Proxy attends.

- NOTE : (i) The Shareholders are requested to bring Annual Report at the Annual General Meeting as the practice of distributing the same at the Meeting has been discontinued.
- (ii) PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE.

Name and Registered Folio of Shareholder : .....



# JAYABHARAT CREDIT LIMITED

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

## PROXY FORM

I/We .....  
 ..... in the District of ..... being a  
 member(s) of the above named Company, hereby appoint .....  
 ..... of ..... in the District of .....  
 ..... or failing him ..... of .....  
 ..... in the District of .....

as my/our proxy to vote for me/us and on my/our behalf at the 67th Annual General Meeting of the Company to be held on 14th September, 2010, at 11.30 AM at M. C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

Folio No. : \_\_\_\_\_

Signature  
on  
Rs.1/-  
Revenue  
Stamp

NOTE : The Proxy Form must be deposited at the Registered Office of the Company at the Regd. Office : 19,20 Rajabhadur Mansion, 4th Floor, Opp. SBI Main Branch, Near Stock Exchange, M S Marg, Fort, Mumbai 400023, not less than 48 hour before the time of holding the meeting.

