



JHAVERI CREDITS & CAPITAL LIMITED

11th Annual Report 2004-05





11th ANNUAL REPORT (2004-05)

BOARD OF DIRECTORS : Mr. Jitendra B. Jhaveri - Chairman
Mr. Kamlesh J. Jhaveri - Director
Mr. Bhadresh J. Jhaveri - Director
Mr. Kantilal N. Patel - Director
Mr. Ashesh Trivedi - Director
Mr. Rajesh J. Jhaveri - Managing Director

AUDITORS : S.C. Trivedi
Chartered Accountants,
A-18, Vrundavan Township,
Harni Road,
Vadodara-390 006.

REGISTERED OFFICE : 301, Payal Towers,
Sayajigunj,
Vadodara-390 005.



NOTICE FOR 11th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 11th Annual General Meeting of the Members of the Company will be held on Friday, the 30th day of September, 2005 at 10.00 a.m. at 136-137, Paradise Complex, Sayajigunj, Vadodara-390 005 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss Account for the year ended 31st March, 2005 along with Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr. Jitendra B. Jhaveri, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kamlesh J. Jhaveri, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the Auditors and to fix their remuneration.

Regd. Office :

301, Payal Towers,
Sayajigunj,
Vadodara-390 005.
Date : 11-08-2005

By order of the Board,
For **JHAVERI CREDITS & CAPITAL LTD.**

Sd/-
RAJESH JHAVERI
MANAGING DIRECTOR

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the Share Transfer Books will remain closed from Monday, the 26-09-2005 to Friday, the 30-09-2005. (both days inclusive).
3. Members are requested to bring their copies of the Annual Report and Admission Slip to the meeting. Annual Reports will not be distributed at the venue of the meeting.
4. The information as required under Corporate Governance (Clause-49) of the Listing Agreement regarding the Directors retiring by rotation and eligible for re-appointment:
 - (i) Shri Jitendra B. Jhaveri, aged 75 years is the Chairman of the Company. He is a Chartered Accountant having over 40 years experience in the field of Accounts, finance, taxation and management consultancy. The Company has immensely benefited from his rich experience. He is also a Director in Jhaveri Securities (P) Limited, Jhaveri Hightech Agro Limited, Jhaveri Holdings (P) Limited and Jhaveri Fiscal Services (P) Limited. He is also a Audit Committee Member of the Company.
 - (ii) Shri Kamlesh Jhaveri, aged 43 years, is a non-executive Director on the Board of the Company since 07-10-1993. He is a Managing Director of Jhaveri Securities (P) Limited. He has to his credit an experience of over 20 years in the field of financial consultancy and capital market. He is also a Director in Jhaveri Hightech Agro Limited, Jhaveri Fiscal Services (P) Limited, Jhaveri Holdings (P) Limited and Karan Jeet Resources (P) Limited.



DIRECTORS' REPORT

To,
The Members

The Directors of your Company present to you the 11th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Year ended 31.03.2005	Year ended 31.03.2004
Sales & Other Income	31.09	56.02
Total Expenditure	16.53	23.90
Operating Profit	14.56	32.12
Interest, Finance Charges & Exchange variation	2.77	4.29
Gross Profit/ (Loss) for the year	11.79	27.83
Depreciation	1.81	2.19
Profit/ (Loss) for the year	9.98	25.64
Transfer to Special General Reserve (u/s 45-IC)	1.99	5.13
Less : Previous Year's Tax	2.06	--
Add : Surplus b/f from previous year	(48.92)	(69.43)
Balance carried forward to Balance Sheet	(42.99)	(48.92)

DIVIDEND

The Directors do not recommend any dividend in view of accumulated losses.

REVIEW OF OPERATIONS

The income for the year under review has decreased to Rs.31.09 lacs from 56.02 lacs in year 2003-04.

The Company has earned profit of Rs.9.98 lacs as against a profit of Rs.25.64 lacs in the previous year. The performance of the Company has been adversely affected mainly due to large NPAs in assets and investments and tightening of norms by the regulatory authorities.

Your Company is focusing on non-fund based activities to improve its financial performance in the coming years.

FIXED DEPOSITS

The Company is not accepting public deposits. The amount of unclaimed deposits on 31st March, 2005 was Nil.



DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period;
- iii) the Directors have taken proper care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS

In pursuance of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Jitendra B. Jhaveri and Shri Kamlesh J. Jhaveri, Directors retire by rotation and being eligible, offer themselves for reappointment.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Stock Exchange Listing Agreement, a report on Corporate Governance and Management Discussion and Analysis is given in the Annexure-A forming part of the Report.

Auditor's Certificate regarding compliance of conditions of Corporate Governance is given in the Annexure-B.

AUDITORS

The Board proposes to re-appoint M/s. S.C. Trivedi, Chartered Accountants, Vadodara as Statutory Auditors of the Company for the year 2005-06. They will hold office until the conclusion of the next Annual General Meeting. The Board recommends their appointment.

**SUBSIDIARY COMPANY**

During the year under review, M/s Jhaveri Hightech Agro Limited became the subsidiary company of your Company w.e.f. 31.03.2005.

The Audited Accounts of (i) Maulik Kruti Resources Limited & (ii) Jhaveri Hightech Agro Limited, both subsidiary companies for the year ended 31-03-2005, together with the Directors report are attached to the Accounts pursuant to the provisions of Section 212 of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable to the Company.

PARTICULARS OF EMPLOYEES

The Company has no employees whose particulars are to be disclosed in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

APPRECIATION

Your Directors would like to place on record their appreciation and thanks to the Banks, Company's customers, suppliers, investors and employees for their valuable support and co-operation.

For and on behalf of the Board

Vadodara
11th August, 2005

Sd/-
CHAIRMAN



Annexure A to the Directors' Report for the year ended 31st March, 2005

I. Report on Corporate Governance

1. Corporate Governance Philosophy

The Company's philosophy on Corporate Governance envisages commitment to ensure customer satisfaction through better services and satisfaction of grievances, if any, of all its share holders consistent with all the stakeholders and with due concern for social responsibility.

2. Board of Directors

(i) Composition, Category of Directors and their other Directorships and Membership/Chairmanship of Committees

Sr. No.	Name of the Director	Category	Number of other		
			Directorships	Committee Memberships	Committee Chairmanships
1	Shri Jitendra B. Jhaveri	Chairman	4	2	1
2	Shri Rajesh Jhaveri	Managing Director	5	1	
3	Shri Kamlesh Jhaveri	Non-Executive Director	5	-	
4	Shri Bhadresh Jhaveri	Non- Executive Director	5	1	
5	Shri Kantilal N. Patel	Independent Director	3	2	
6	Shri Ashesh Trivedi	Independent Director	1	2	1

(ii) Board Meetings held and attendance of Directors

During the year under review, 5 Board Meetings were held on 30-04-2004, 31-07-2004, 27-08-2004, 30-10-2004 and 31.01.2005. The Tenth Annual General Meeting was held on 30th September, 2004. The attendance of each Director at these meetings was as follows :

Sr.No.	Name of the Director attended	No. of Board Meetings held on 30.09.2004	Attendance at the AGM
1	Shri Jitendra B. Jhaveri	5	Yes
2	Shri Rajesh Jhaveri	5	Yes
3	Shri Kamlesh Jhaveri	5	Yes
4	Shri Bhadresh Jhaveri	5	Yes
5	Shri Kantilal N. Patel	2	No
6	Shri Ashesh Trivedi	3	Yes



3. Audit Committee

The Board has constituted an Audit Committee in its meeting held on 31-01-2001 consisting of 3 Directors. The Audit Committee was then re-constituted on 31-07-2002. Details of Audit Committee meetings held during the year April 2004 to March 2005 and the attendance of the Audit Committee Members are as under :

Sr. No.	Name	Category	No. of Meetings	
			Held	Attended
1	Shri Ashesh Trivedi	Independent Non Executive Director Chairman of Audit Committee	5	5
2	Shri Kantilal N. Patel	Independent Non Executive Director	5	2
3	Shri Jitendra B. Jhaveri	Independent Non Executive Director	5	5

The terms of reference as laid down by the Board are in line with the requirements specified in the Companies Act, 1956 and Clause 49 of the Listing Agreement. These inter alia include review of annual financial statement, adequacy of internal control systems and internal audit function.

4. Remuneration of Directors

Details of Remuneration paid to the Directors for the year ended 31st March, 2005.

Amt. (Rs.)

Sr.No	Name of the Director	Sitting Fees (including Committee Meetings)	Gross Remuneration*	Contribution to Provident and Superannuation funds
1	Shri Jitendra B. Jhaveri	5,000	--	--
2	Shri Rajesh Jhaveri	--	3,36,000	--
3	Shri Kamlesh Jhaveri	5,000	--	--
4	Shri Bhadresh Jhaveri	5,000	--	--
5	Shri Kantilal N. Patel	--	--	--
6	Shri Ashesh Trivedi	5,000	--	--

* Gross remuneration includes salary, bonus, allowances and perquisites.

5. Share Transfer /Shareholders' Grievance Committee

A Share Transfer Committee was constituted in January, 2001 consisting of Directors and Executives of the Company to take care of matters relating to share transfers, transmission, issue of duplicate/consolidated/split share certificates etc. The



Committee meets regularly to approve share transfers. As on date the Committee comprises of three Directors. This Committee also looks into the grievances, complaints and other issues concerning the shareholders / investors.

All transfers received have been processed in time with no pending share transfers. There are no unresolved shareholders' complaints pending.

6. General Body Meetings

The Annual General Meetings (AGMs) of the Company have been held at the following places in the last three years :

Year	Date	Time	Venue
2001-02	30.09.2002	10.00 A.M.	401, Sterling Centre, R.C. Dutt Road, Vadodara-5
2002-03	30.09.2003	10.00 A.M.	401, Sterling Centre, R.C. Dutt Road, Vadodara-5
2003-04	30.09.2004	10.00 A.M.	136-137 Paradise Complex, Sayajigunj, Vadodara-5

7. Disclosures

- There are no materially significant transactions with related party i.e. transactions of the Company of material nature with its Promoters, the Directors or the management, their subsidiaries or relatives etc. which may have potential conflict with the interests of the Company at large.
- Related party transactions are disclosed as per Note No.15 of Schedule-P which in the opinion of Management may not have potential conflict with the interests of the Company at large.
- No penalties, strictures have been imposed on the Company by the Stock Exchange, SEBI or any statutory authority, on any matter related to capital market during the last three years.

8. Means of Communication

- The quarterly unaudited financial results are generally published in Western Times (English & Gujarati).
- The Management Discussion and Analysis Report prepared by the management and forming part of the Annual Report is separately attached.



9. General Shareholder information

(i) Annual General Meeting

Friday, the 30th September, 2005 at 10.00 a.m. at 136-137, Paradise Complex, Sayajigunj, Vadodara-390 005.

(ii) Financial Calendar (tentative)

Financial reporting for the quarter ending June 30, 2005	End July, 2005
Financial reporting for the quarter ending Sept.30, 2005	End October, 2005
Financial reporting for the quarter ending Dec. 31, 2005	End January, 2006
Financial reporting for the quarter ending March, 2006	End June, 2006

(iii) Date of Book Closure :

Monday, 26th September, 2005 to Friday, 30th September, 2005 (both days inclusive).

(iv) Dividend payment date : Not applicable

(v) Listing on Stock Exchanges

Vadodara Stock Exchange Ltd.	(No Stock Code)
The Stock Exchange, Ahmedabad	(Stock Code 28439)
The Stock Exchange, Mumbai	(Stock Code 531550)

The Company has paid Listing Fees for the year April, 2005 to March, 2006 to the Stock Exchanges.

(vi) Market Price Data

During the financial year ended on 31.03.2004, there were no transactions reported on any of the aforesaid three stock exchanges

(vii) Share Transfer System

The Company has appointed M/s. Sharepro Serevices, Mumabi as its Registrar and Share Transfer Agent. The Company has a Share Transfer Committee comprising of three Directors. The Share Transfer Committee meets at regular intervals depending upon the receipt of share transfers in a manner that the certificates are sent within a month of the lodgement of transfer. Demat requests are normally confirmed within an average of 15 days from the date of receipt.