

JHAVERI CREDITS & CAPITAL LIMITED

19th Annual Report 2012-2013

JHAVERI
COMMODITIES

Let's Grow Together

19th ANNUAL REPORT (2012-13)

BOARD OF DIRECTORS : Mr. Jitendra B. Jhaveri Chairman
Mr. Rajesh J. Jhaveri Managing Director
Mr. Kamlesh J. Jhaveri Whole Time Director
Mr. Bhaderesh J. Jhaveri Director
Mr. Kantilal N. Patel Director
Mr. Ashesh J. Trivedi Director
Mr. Bimal D. Mehta Director

AUDITORS : Mukund & Rohit
Chartered Accountants,
No. 8, 2nd Floor, Tower E,
Avishkar, Old Padra Road,
Vadodara - 390 007.
Gujarat

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

NOTICE FOR 19th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 19th Annual General Meeting of the Members of the Company M/s. JHAVERI CREDITS & CAPITAL LIMITED will be held on Saturday, the 10th day of August, 2013 at 11.00 a.m. at 301, PAYAL TOWERS II, SAYAJIGUNJ, VADODARA - 390 020 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss Accounts for the year ended 31st March, 2013 along with Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr. Bhaderesh J. Jhaveri, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Mukund & Rohit, Chartered Accountants, Vadodara the retiring auditors as auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of next annual general meeting of the company and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT in session to all earlier resolutions and pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 as amended and subject to such permissions, consents and approvals from various authorities, as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and upon the recommendation of Remuneration Committee of the Board of Directors, the Company hereby accords its consent and approval to the re-appointment of Mr. Rajesh Jhaveri as Managing Director of the Company, not liable to retire by rotation, for a further period of three years with effect from 1st August 2013 on the terms and conditions set out below:

1. Period of Appointment:

From 1st August 2013 to 31st July 2016.

2. Remuneration:

- (a) By way of Salary, perquisites and Allowance, subject to a maximum of Rs.2,50,000/- p.m. or Rs. 30,00,000/- p.a. with such break-up and inclusive of salary, perquisites and allowances as may be agreed between the Managing Director and the Company.

Provided that the Board or any Committee thereof, be and is hereby authorized in its absolute discretion and from time to time, to fix within the limits prescribed under Schedule XIII [Section II.--Part II (A)] of the Companies Act, 1956, the remuneration payable to Mr. Rajesh Jhaveri.

- (b) In addition to above mentioned remuneration, the Managing Director shall be entitled to the following perquisites and allowances, which shall not be included in computation of said

ceiling limit for the remuneration:

(b.1) Company's contribution to provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.

(b.2) Gratuity payable as per the rules of the Company.

(b.3) Leave encashment at the end of the tenure.

(b.4) The provision for use of Company's car with driver for official use. However, use of car for private purposes shall be borne by Mr. Rajesh Jhaveri.

(b.5) Company's telephone at his residence (including local and long distance official calls). However, personal long distance calls on telephone provided by the Company shall be borne by Mr. Rajesh Jhaveri.

(b.6) Reimbursement of all reasonable expenses including entertainment expenses incurred bonafide in connection with business of the Company.

3. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Mr. Rajesh Jhaveri, if the Company has no profits or its profits are inadequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Schedule XIII [Section II.--Part II (A)] of the Companies Act, 1956 and any amendments thereto.

4. Entrusted Duties:

Subject to the supervision and control of the Board of Directors of the Company, the Chairman & Managing Director shall look after the day to day affairs and overall operations of the Company and shall carry out such other duties as may be entrusted to him by the Board of Directors from time to time.

5. Confidentiality:

Mr. Rajesh Jhaveri will perform his duties truly and faithfully and comply with the directives given to him from time to time by the Board, and further not disclose to any person, firm or Company any confidential information.

6. Not Liable to Retire by Rotation:

During his tenure as Managing Director of the Company, the office of Mr. Rajesh Jhaveri shall not be reckoned for the purpose of arriving Directors liable to retire by rotation.

7. Sitting Fees:

As long as Mr. Rajesh Jhaveri functions as Managing Director, he will not be paid any sitting fees for attending the meetings of the Board of Directors or any committee(s) thereof.

8. Re-imbursement of Expenses, Costs etc.:

Mr. Rajesh Jhaveri shall be entitled to be paid / reimbursed all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

9. Termination:

Either party shall have liberty to terminate the aforesaid appointment, by giving three months notice in writing to the other.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps including issuing a Letter of Appointment to Mr. Rajesh Jhaveri or enter into a contract with him, subject to consent of members as they may think fit and necessary for the purpose of implementing this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 as amended and subject to such permissions, consents and approvals from various authorities, as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and upon the recommendation of Remuneration Committee of the Board of Directors, the Company hereby accords its consent and approval to the re-appointment of Mr. Kamlesh J. Jhaveri as Whole time director of the Company, not liable to retire by rotation, for a period of three years with effect from 01st August 2013 on the terms and conditions set out below:

1. Period of Appointment:

From 1st August 2013 to 31st July 2016.

2. Remuneration:

- (a) By way of Salary, perquisites and Allowance, subject to a maximum of Rs. 2,50,000/- p.m. or Rs. 30,00,000/- p.a. with such break-up and inclusive of salary, perquisites and allowances as may be agreed between the Whole time Director and the Company.

Provided that the Board or any Committee thereof, be and is hereby authorized in its absolute discretion and from time to time, to fix (including any decrease or increase in remuneration) within the limits prescribed under Schedule XIII [Section II of Part II (B)] of the Companies Act, 1956, the remuneration payable to Mr. Kamlesh J. Jhaveri.

- (b) In addition to above mentioned remuneration, the Whole time Director shall be entitled to the following perquisites and allowances, which shall not be included in computation of said ceiling limit for the remuneration:

(b.1) Company's contribution to provident Fund and Superannuation Fund or Annuity fund to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.

(b.2) Gratuity payable as per the rules of the Company.

(b.3) Leave encashment at the end of the tenure.

(b.4) the provision for use of Company's car with driver for official use. However, use of car for private purposes shall be borne by Mr. Kamlesh J. Jhaveri.

(b.5) Company's telephone at his residence (including local and long distance official calls). However, personal long distance calls on telephone provided by the Company shall be borne by Mr. Kamlesh J. Jhaveri.

(b.6) Reimbursement of all reasonable expenses including entertainment expenses incurred bonafide in connection with business of the Company.

3. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Mr. Kamlesh J. Jhaveri, if the Company has no profits or its profits are in-adequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Schedule XIII [Section II of Part II (B)] of the Companies Act, 1956 and any amendments thereto.

4. Entrusted Duties:

Subject to the supervision and control of the Board of Directors of the Company, the Whole time Director shall look after the day to day affairs and overall operations of the Company and shall carry out such other duties as may be entrusted to him by the Board of Directors from time to time.

5. Confidentiality:

Mr. Kamlesh J. Jhaveri will perform his duties truly and faithfully and comply with the directives given to him from time to time by the Board, and further not disclose to any person, firm or Company any confidential information.

6. Not Liable to Retire by Rotation:

During his tenure as Whole time Director of the Company, the office of Mr. Kamlesh J. Jhaveri shall not be reckoned for the purpose of arriving Directors liable to retire by rotation.

7. Sitting Fees:

As long as Mr. Kamlesh J. Jhaveri functions as Whole time Director, he will not be paid any sitting fees for attending the meetings of the Board of Directors or any committee(s) thereof.

8. Re-imbusement of Expenses, Costs etc.:

Mr. Kamlesh J. Jhaveri shall be entitled to be paid / reimbursed all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

9. Termination:

Either party shall have liberty to terminate the aforesaid appointment, by giving three months notice in writing to the other.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps including issuing a Letter of Appointment to Mr. Kamlesh J. Jhaveri or enter into a contract with him, subject to consent of members as they may think fit and necessary for the purpose of implementing this resolution."

Regd. Office:
301, Payal Towers II,
Sayajigunj,
Baroda-390 005
Date: May 30, 2013

By order of the Board
For JHAVERI CREDITS & CAPITAL LTD

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 Friday the 02nd August 2013 to Friday the 9th August 2013 (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. Details pursuant to listing agreement regarding directors to be appointed/reappointed as Managing Director and Whole time Director are as under:
 - A. Mr. Rajesh Jhaveri: is a learned post graduate in commerce, with about 25 year exposure in financial business. He has on his credit an exposure to agricultural business too, managing about 250 people & 120 acre of land. He has well versed background in the field of taxation. With all this he offers him self to the services of the company.
 - B. Mr. Kamlesh J. Jhaveri: is a B.com, professional having vast experience in the field of Finance and Accounts and broking industry in securities segment.
 - C. Mr. Bhaderesh J. Jhaveri: is a B.com, L.L.B, professional having vast experience in the field of Finance and Accounts.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****Item No. 4 & 5**

The Board of Directors at its meeting held on 30.05.2013 upon recommendations of Remuneration Committee, has re-appointed Mr. Rajesh Jhaveri as Managing Director and Mr. Kamlesh J. Jhaveri as Director of the Company for a period of three years, made effective from 1st August 2013 at the revised terms of remuneration and perquisites as stated in the resolution at item no. 04. The Agreement recording the terms and conditions of appointment will be executed with Mr. Rajesh Jhaveri and Mr. Kamlesh J. Jhaveri subject to necessary approval of the shareholders being sought herein.

Shri Rajesh Jhaveri has been associated with the Company as one of the Promoter Directors since its incorporation. He is a B.Com & LL.B with and possesses more than 25 years of experience in the various areas of business including finance and capital market.

Shri Rajesh Jhaveri has been shouldering the responsibility of Managing Director since inception and with his zeal and hard working, put the Company on a path of success. Apart from looking after and monitoring day to day affairs, he has been playing pivotal role in timely execution of huge contracts undertaken by the Company during the previous year. Considering his untiring efforts in the operations vice versa the remuneration presently drawn by him, it was thought fit by the Board and Remuneration Committee to make his re-appointment with suitable revision in terms of remuneration and accordingly, his re-appointment was made as Managing Director of the Company for a further period of three years, subject to the terms of remuneration and other conditions as detailed out in the resolution set out at Item No. 4 of this Notice and re-produced herein below.

Shri Kamlesh Jhaveri has been associated with the Company as one of the Promoter Directors since its incorporation. He is a B.Com with and possesses more than 25 years of experience in the various areas of business including finance and capital market.

The aforesaid appointment of Mr. Rajesh Jhaveri as Managing Director and Mr. Kamlesh Jhaveri as Whole Time Director is subject to the approval of shareholders. Following is the gist of terms and conditions for appointment of Mr. Rajesh Jhaveri as Managing Director and Mr. Kamlesh Jhaveri as Whole Time Director.

Job Profile and His Suitability:

As a Managing Director, Mr. Rajesh Jhaveri is responsible for the overall management of the Company and assisted by Senior Executives. He is working under the Superintendence and control of the Board of Directors. He is responsible for all the day to day activities of the Company.

As a Whole Time Director, Mr. Kamlesh Jhaveri is responsible for the day to day management of the Company and assisted by Senior Executives. He is working under the Superintendence and control of the Board of Directors.

Remuneration Proposed:

- (a) Mr. Rajesh Jhaveri: By way of Salary, perquisites and Allowance, aggregating to Rs. 2,50,000/- p.m. or Rs. 30,00,000/- p.a. with such break-up and inclusive of salary, perquisites and allowances as may be agreed between the Chairman & Managing Director and the Company.
- Mr. Kamlesh Jhaveri: By way of Salary, perquisites and Allowance, aggregating to Rs.

2,50,000/- p.m. or Rs. 30,00,000/- p.a. with such break-up and inclusive of salary, perquisites and allowances as may be agreed between the Whole Time Director and the Company.

Provided that the Board or any Committee thereof, be and is hereby authorized in its absolute discretion and from time to time, to fix within the limits prescribed under Schedule XIII [Section II.--Part II (A)] of the Companies Act, 1956, the remuneration payable to Mr. Rajesh Jhaveri and Kamlesh Jhaveri.

(b) In addition to above mentioned remuneration, the Managing Director and Whole Time Director shall be entitled to the following perquisites and allowances, which shall not be included in computation of said ceiling limit for the remuneration:

(b.1) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.

(b.2) Gratuity payable as per the rules of the Company.

(b.3) Leave encashment at the end of the tenure.

(b.4) The provision for use of Company's car with driver for official use. However, use of car for private purposes shall be borne by Mr. Rajesh Jhaveri and Mr. Kamlesh Jhaveri.

(b.5) Company's telephone at his residence (including local and long distance official calls). However, personal long distance calls on telephone provided by the Company and use of car for private purposes shall be borne by Mr. Rajesh Jhaveri and Mr. Kamlesh Jhaveri.

(b.6) Reimbursement of all reasonable expenses including entertainment expenses incurred bonafide in connection with business of the Company.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Mr. Rajesh Jhaveri and Mr. Kamlesh Jhaveri, if the Company has no profits or its profits are in-adequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Schedule XIII [Section II.--Part II (A)] of the Companies Act, 1956 and any amendments thereto.

Mr. Rajesh Jhaveri and Mr. Kamlesh Jhaveri themselves and Mr. Jitendra Jhaveri and Mr. Bhadresh Jhaveri are deemed to be considered as interested directors.

The particulars set above may be treated as an abstract of the terms of appointment of Mr. Rajesh Jhaveri as Managing Director and Mr. Kamlesh Jhaveri as Whole Time Director of the Company as required to be given under the provisions of section 302(2) of the Companies Act, 1956.

The Board of Directors feels that aforesaid re-appointment of Mr. Rajesh Jhaveri as Managing Director and Mr. Kamlesh Jhaveri as Whole time Director, is in the interest of the Company and therefore, recommends the resolution set out at item no. 4 & 5 of this notice.

Regd. Office:
301, Payal Towers II,
Sayajigunj,
Baroda-390 005
Date: May 30, 2013

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

**RAJESH JHAVERI
MANAGING DIRECTOR**

DIRECTOR'S REPORT

To,
The Members
Jhaveri Credits & Capital Ltd.
Vadodara.

The Directors of your Company present to you the 19th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Sales & Other Income	481.59	425.67
Total Expenditure	410.87	368.43
Operating Profit	70.72	57.24
Interest, Finance Charges & Exchange variation	37.56	22.46
Gross Profit/ (Loss) for the year	33.16	34.78
Depreciation	5.87	6.66
Profit / (Loss) for the year	27.29	28.12
Less: Provision for Taxation	8.50	8.00
Less: Differed Tax Liability	(1.59)	(0.69)
Add: Excess provision of Income Tax -		1.99
Profit after Tax	20.38	22.80

DIVIDEND

The Directors do not recommend any dividend in view of retention of funds in the business.

REVIEW OF OPERATIONS

The income for the year 2012-13 has increased to **481.59** Lacs from Rs **425.67** lacs in year 2011-12.

The company earned a surplus of Rs. 33.16 Lacs for the year ended 31.03.2013 against Rs. 34.78 Lacs in the previous year before claimed for depreciation.

The performance of the company picking up upward trend in broking and delivery based transaction in precious metals and spot exchange dealings in terms of volume profit and business operations. The growth is cost oriented development and positive venture for future. The activation of National Spot Exchange Ltd. has provided good opportunity and promising future for delivery based commodity transactions. The company has expanded the network of branches and authorised persons at pan Gujarat.

Company is marking "Jhaveri Brand" at all locations has resulted the growth, stability and prosperity in matters, pulses and cereals. We are very optimistic to have huge volumes and positive returns with the brand in commodity market in the time to come.