

JHAVERI CREDITS & CAPITAL LIMITED

**20th Annual Report
2013-2014**

JHAVERI
[COMMODITIES]

Let's Grow Together

JHAVERI CREDITS & CAPITAL LIMITED

20th ANNUAL REPORT (2013-14)

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 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

JHAVERI CREDITS & CAPITAL Limited

NOTICE FOR 20th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 20th Annual General Meeting of the Members of the Company will be held on Saturday, the **16th day of August, 2014 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, 2014 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. Bimal D. Mehta, who retires by rotation and being eligible offers himself for re- appointment.
4. To appoint the Statutory 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.

Regd. Office:
301, Payal Towers II,
Sayajigunj,
Baroda-390 005
Date:30.05.2014

By order of the Board
For JHAVERI CREDITS & CAPITAL LTD

RAJESH JHAVERI
MANAGING DIRECTOR
DIN NO. 00266182

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO PPOINT 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 08th August 2014 to Friday the 15th August 2014 (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 Director are as under:
 - a. Mr. Jitendra Jhaveri: is a Chartered Accountant and having vast experience in the field of Finance And Accounts.
 - b. Mr. Bimal D. Mehta : is a Chartered Accountant and having vast experience in the field of finance and taxation.

JHAVERI CREDITS & CAPITAL LIMITED
DIRECTORS' REPORT

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

The Directors of your Company present to you the 20th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Sales & Other Income	321.85	481.59
Total Expenditure	269.59	410.87
Operating Profit	52.26	70.72
Interest, Finance Charges & Exchange variation	10.25	37.56
Gross Profit/ (Loss) for the year	42.01	33.16
Depreciation	3.92	5.87
Profit / (Loss) for the year	38.08	27.29
Less: Provision for Taxation	12.00	8.50
Less: Differed Tax Liability	(0.33)	(1.59)
Add: Short provision of Income Tax	1.37	-
Profit after Tax	25.04	20.38

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 2013-14 has decreased to **321.85** Lacs from Rs **481.59** lacs in year 2012-13.

The company earned a surplus of Rs. 38.08 Lacs for the year ended 31.03.2014 against Rs. 27.29 Lacs in the previous year before claim for depreciation.

The performance of the company is in stabilized trend in broking and delivery based transaction in precious metals and agro products. The spot exchange dealings are in terms of business operations. The growth is cost oriented development and positive venture for future. The company has expanded the network of branches and authorised persons at pan Gujarat and is able to establish its brand "Jhaveri" in the field of broking, trading and retailing.

Company is marking "Jhaveri Brand" at all locations and has resulted the growth, stability and prosperity in metals, 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.

FIXED DEPOSITS

The Company is not accepting public deposits. The amount of unclaimed deposits as on 31st March, 2014 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 if any.
- ii) 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 of the Company for the year ending on 31st March, 2014.
- iii) The Directors have taken proper care for the maintenance of adequate accounting records in accordance with the provisions of the 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 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 Bimal D. Mehta are directors of the company, retire by rotation and being eligible, offer themselves for reappointment.

MANAGEMENT DISCUSSION & ANALYSIS

This Annual Report contains a separate section on the Management Discussion and Analysis (Annexure I) which forms part of the Directors' Report.

CORPORATE GOVERNANCE

A report on Corporate Governance as required under Clause 49 of this Listing agreement is incorporated as a part of the Directors' Report (**Annexure II**).

Auditors' Certificate regarding compliance of conditions of Corporate Governance is given in the (**Annexure IV**).

AUDITORS

To appoint statutory auditors of the company to hold the office from the conclusion of this Annual General Meeting to the next Annual General Meeting of the Company and to fix their remuneration.

AUDITORS' REPORT

The observations made in the Auditors' Report are self explanatory and therefore, need not require any further comments under section 217 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.

**By Order of the Board of Directors
For Jhaveri Credits & Capital Ltd.**

**Place : Baroda.
Date : 30.05.2014**

**Rajesh J. Jhaveri
Managing Director
DIN NO. 00266182**

ANNEXURE I
Management Discussion and Analysis Report

Overall Review

The Indian economy registered a GDP rate at 4.5 % in the year 2013-14 and planned to raise the GDP rate up to 6% in the year 2014-15 due to the highly volatile global outlook. The current economic scenario is loaded with high fiscal, trade and current account deficits, a weak rupee vulnerable to speculative trends of market mechanism. However optimistic to sustain and grow in terms of volume and Income in view of having stable and visionary Central Government in the Country.

The Company's operations are continued to be focused on Commodity market- related activities and finding out of risk hedging tools. Further, your Company will continue to explore additional opportunities in areas related to its operations.

Company's Performance

The company stabled its activity and sustain better even with closing of National Spot Exchange with no damage. The worldwide and National growth rate is still not warmed up. However the company could achieve a reliable, better growth rate during the year by keeping cost under control. The Management proactive measures on risk management, Financial stability, Clients matching has protected the company against the risk of Bad debts, Spot Exchange contingencies of the company and clients.

The company's focus is to give further impetus to the commodities business considering the huge untapped potential and also the fact that commodity futures' trading through exchanges is in its infant stage in India. Our attempt to control administrative cost has given desired results and we expect that in the coming year with renewed focus on higher business generation, we shall be able to perform better.

Opportunities, Threats and Future Outlook

The Indian investors and traders are still to get a dynamic view for dealing in the commodity market of spot and futures as available for cash and derivatives. The trend is on positive and we see a bright future in commodity derivatives with enhanced network of franchisees and authorised persons spread over in PAN Gujarat. The initiator of seminars and incentive schemes, leaflets etc. will increase the potential of the business. The future visionary stable government at central will also contribute positively to business and community.

Notwithstanding the potential threats, we anticipate that the commodities trading business should see positive growth in the coming year as the awareness of its benefits spreads. Horizontal expansion of the market will be essential for future growth and our efforts will be in that direction.

Internal Control System and their adequacy

The Company has a proper and adequate system of internal controls developed over a period of time. The system is supported by management.

Human Resources

The Company's human resource policy lays stress on motivating people by encouraging better work culture and environment aimed at continuous improvement in production and quality.

Cautionary statement

Statements in the Management Discussion and Analysis describing the Companies objectives, projections, estimates, and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions in the domestic and overseas market in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

Place :Baroda.

Date : 30.05.2014

By Order of the Board of Directors

For Jhaveri Credits & Capital Ltd.

**Rajesh J. Jhaveri
Managing Director
DIN NO. 00266182**

ANNEXURE II

REPORT ON CORPORATE GOVERNANCE
[Pursuant to clause 49 of the listing agreement]

1. Corporate Governance Philosophy

The essence of the Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the higher morals of management. The demands of corporate governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics and statutory compliances.

The Company's philosophy on Corporate Governance envisages commitment to ensure customer satisfaction through better services and satisfactory solution 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

The Board of Directors of the Company (the Board) consisted of Seven members as on 31st March, 2014 out of which two are Non Executive Directors, Three are independent Directors in terms of clause 49(I) (A) of the listing agreement.

None of the Directors on the Board are member of more than ten committees and chairman of more than five Committees across all companies in which they are 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		
			Director ships	Committee Member ships	Committee Chairmanships
1	Shri Jitendra B. Jhaveri	Chairman Non Executive Director	4	1	-
2	Shri Rajesh Jhaveri	Managing Director	5	1	1
3	Shri Kamlesh Jhaveri	Whole Time Director	6	-	1
4	Shri Bhaderesh Jhaveri	Non- Executive Director	6	-	-
5.	Shri Kantilal N. Patel	Independent Director	-	1	-
6.	Shri Ashesh Trivedi	Independent Director	3	2	1
7.	Shri Bimal D. Mehta	Independent Director	1	-	-

(ii) Board Meetings held and attendance of Directors

During the Financial year 2013-14, Twelve Board Meetings were held on the following dates:

2 nd April, 2013	14 th August, 2013	02 nd December, 2013
30 th May, 2013	2 nd September, 2013	02 nd January, 2014
3 rd June, 2013	31 st October, 2013	02 nd February, 2014
02 nd July, 2013,	2 nd November, 2013	02 nd March, 2014

The Nineteenth Annual General Meeting was held on Saturday, 10th August, 2013.

The attendance of each Director at these meetings was as follows:

Sr. No.	Name of the Director	No. of Board Meetings attended	Attendance at the AGM held on 10.08.2013
1	Shri Jitendra B. Jhaveri	12	Yes
2	Shri Rajesh Jhaveri	12	Yes
3	Shri Kamlesh Jhaveri	12	Yes
4	Shri Bhadresh Jhaveri	12	Yes
5	Shri Kantilal N. Patel	10	Yes
6	Shri Ashesh Trivedi	12	Yes
7	Shri Bimal D. Mehta	04	No

3. Audit Committee

The Board has constituted an Audit Committee. There were four Audit Committee meetings held during the year April 2013 To March 2014 Viz. 30th May, 2013, 14th August, 2013, 31st October, 2013 and 13th February, 2014. The attendances 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.	4	4
2	Shri Kantilal N. Patel	Independent Non Executive Director	4	4
3	Shri Jitendra B. Jhaveri	Non Executive Director	4	4

The term of reference stipulated by the board to the Audit Committee are, as contained in clause 49 of the Listing agreement and Section 292 A of the Companies Act, 1956, major terms of reference, inter alia as follows