


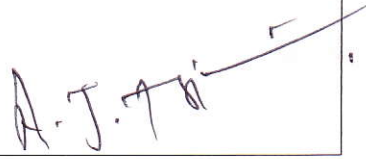


FORM A

**Covering letter of the annual audit report to be filed with
Bombay stock exchange**

1	Name of the Company:	M/s. Jhaveri Credits and Capital Ltd.
2	Annual financial statements for the year ended	31 st March, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Since beginning of Financial Year
5	To be signed by- Mr. Rajesh J. Jhaveri Managing Director Mr. Kamlesh J. Jhaveri Director Mr. Mukund Bakshi Mukund & Rohit Auditor of the company Mr. Ashesh J. Trivedi Audit Committee Chairman	   



JHAVERI CREDITS & CAPITAL LIMITED

**19th Annual Report
2012-2013**

JHAVERI
| C O M M O D I T I E S |

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-imburement 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.LB, 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.

FIXED DEPOSITS

The Company is not accepting public deposits. The amount of unclaimed deposits as on 31st March, 2013 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, 2013.
- 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 Bhaderesh J. Jhaveri, is director 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

M/s Mukund & Rohit, Chartered Accountants, Baroda, the Auditor of the company hold the office until the conclusion of ensuing Annual General Meeting, and are eligible for reappointment. You are requested to appoint the statutory Auditors for 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.

Place: Baroda.

Date: May 30, 2013

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

**Rajesh J. Jhaveri
Managing Director**

ANNEXURE I

Management Discussion and Analysis Report

Overall Review

The Indian economy registered a GDP rate at 5.9 % in the year 2012-13 and planned to raise the GDP rate up to 6.9% in the year 2013-14 due to the deteriorating 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.

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

Following the world wide financial crisis in the Euro Zone , which spread to other countries, the year 2012-13 was one of the difficult year faced by the most companies , locally as well as globally. This was particularly true for companies in the financial sector. Accordingly, the company's performance was affected during the year 2012-13. The company could achieve volumes and brokerage at higher scale in the year 2012-13, but the results are diluted with rocket speed increase in other cost of business and admin and resulted less surplus as compared to Previous year at the year end.

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

Commodity futures' trading is at a relatively infant stage in the Indian context. While there is an attempt to improve awareness of commodities trading, and hence business, at the broker level, even at the exchange level, there is a clear thrust for creating awareness on the benefits of trading and hedging through commodity exchanges. Thus, going forward, the opportunities are immense. In this context the company is also strengthening its dealer network and the network of its Authorised Persons as also organizing various seminars for awareness of the commodities market, in order to improve business. The industry, and hence the company, may face external threat in terms of a sluggish recovery from the global recession and consequent weak investor sentiment.

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: May 30, 2013

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

**Rajesh J. Jhaveri
Managing Director**

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.

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, 2013 out of which two are Non –Executive Directors, five of which 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 Chairman ships
1	Shri Jitendra B. Jhaveri	Chairman	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 2012-13, Twelve Board Meetings were held on the following dates:

16 th April, 2012	14 th August, 2012	02 nd December, 2012
29 th May, 2012	10 th September, 2012	02 nd January, 2013
02 nd June, 2012	02 nd October, 2012	02 nd February, 2013
02 nd July, 2012,	10 th November, 2012	02 nd March, 2013

The Eighteenth Annual General Meeting was held on Saturday, 11th August, 2012.

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

Sr. No	Name of the Director(s)	No. of Board Meetings attended	Attendance at the AGM held on 11.08.2012
1	Shri Jitendra B. Jhaveri	12	YES
2	Shri Rajesh Jhaveri	12	YES
3	Shri Kamlesh Jhaveri	12	YES
4	Shri Bhaderesh 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 2012 To March 2013 Viz. 29th May '2012, 14th August, 2012, 10th November, 2012 and 14th February, 2013.

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 :

- a. Oversight of the company's financial reporting processes are the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing Company's financial reporting process
- d. Reviewing with the management, Annual financial statement.
- e. Reviewing the Company's financial and risk management policies.
- f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors any significant findings and follow up there on.
- h. Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

4. Remuneration Committee

The Company constituted the "Remuneration Committee" to recommend the Board of Directors, the composition and remuneration of Directors and senior Managerial Personnel.

TERMS OF REFERENCES:

The remuneration policy of the company is directed towards rewarding performance, based on periodic review of performance and achievements and is primarily based on the following criteria:

- a. Performance of the Company, its divisions and units.
- b. Track record, potential, personal attitude & performance of individual manager and external competitive environment.

Composition and Attendance:

The Remuneration committee meeting was held on 29th May' 2012. The attendance of the remuneration committee as under:-

Sr. No	Name	Category	No. of Meetings	
			Held	Attended
1	Shri Ashesh Trivedi	Independent Non Executive Director Chairman of Audit Committee.	1	1
2	Shri Kantilal N. Patel	Independent Non Executive Director	1	1
3	Shri Bimal D. Mehta	Independent Non Executive Director	1	1

5. Remuneration to Directors

Details of Remuneration paid to the Directors for the year ended 31st March, 2013.

Sr. No	Name of the Director	Sitting Fees (including Committee Meetings)	Gross Remuneration*	Contribution to Provident and Superannuation funds
1	Shri Jitendra B. Jhaveri	6000	---	---
2	Shri Rajesh Jhaveri	---	1800000	144000
3	Shri Kamlesh Jhaveri	---	300000	---
4	Shri Bhaderesh Jhaveri	6000	---	---
5.	Shri Kantilal N. Patel	---	---	---
6.	Shri Ashesh Trivedi	2000	---	---
7.	Shri Bimal D. Mehta	2000	---	---

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

6. Share Transfer /Shareholders' Grievance Committee

A Share Transfer/Shareholders' Grievance Committee takes care of matters relating to share transfers, transmission, issue of duplicate/consolidated/split share certificates etc. The Committee meets regularly to approve share transfers. This Committee also looks into the grievances, complaints and other issues concerning the shareholders / investors. There were four Share Transfer / Shareholders' Grievance Committee meetings held during the year April 2012 To March 2013 Viz. 29th May, 2012, 14th August, 2012, 10th November, 2012 and 14th February, 2013.

As on date the Committee comprises of three Directors.

Sr. No	Name	Category
1	Shri Kamlesh J. Jhaveri	Chairman of Investor Grievance Committee
2	Shri Rajesh J. Jhaveri	Member & Compliance Officer
3	Shri Ashesh Trivedi	Member

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

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
2009-2010	30-09-2010	11.00 A.M.	301, Payal Tower-II, Sayajigunj, Vadodara-5
2010-2011	26-09-2011	11.00 A.M.	301, Payal Tower-II, Sayajigunj, Vadodara-5
2011-2012	11-08-2012	11.00 A.M.	301, Payal Tower-II, Sayajigunj, Vadodara-5

7. Code of Conduct

The Board of Director has laid down a Code of Conduct for all the Board Members and Senior Management of the Company to ensure adherence to a high ethical professional conduct by them in the discharge of their duties. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Year 2012-13.

8. CEO /MD Certification

The requisite certification from CEO and CFO has been placed before the Board for consideration. **(Annexure III)**

9. Auditors' Certification on Corporate Governance:

As required by Clause 49 of the Listing Agreement, the Auditors' certification is provided elsewhere in the Annual Report. (Annexure IV).

10. Disclosures

a) Basis of Related Party Transaction

Other than transactions entered into in the normal course of business for which necessary approvals are taken and disclosures made, the Company has not entered into any materially significant related party transactions (i.e. transactions of the Company of material nature) with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. However, the Company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transactions entered into with them.

Accounting Treatment

The Company has followed accounting treatment as prescribed in Accounting Standard applicable to the company.

b) Risk Management

The Company has risk assessment and minimization system in place. The risk management procedures are reviewed in the Board meetings.

e) CEO CFO certification

The requisite certification from CEO and CFO has been placed before the Board for consideration.

f) Details of Non-compliance by the Company, Penalties and strictures imposed on the Company by Stock Exchanges or FMC, or any statutory authority, on any matter related to capital markets, during the last three years:-

No instance of levy of duty by the stock exchange or SEBI due to non - compliance by the company.

g) The company has followed all the mandatory provisions of clause 49 with spirit of corporate governance and has initiated to follow some non mandatory requirement and looking forward positively in this regard.

11. Means of Communication

- (i) The quarterly unaudited financial results are published in Business Standard in English and in Lok Satta in Gujarati language, respectively.
- (ii) The Management Discussion and Analysis Report prepared by the management and forming part of the Annual Report are separately attached.

12. General Shareholder information

(i) Annual General Meeting:

Saturday, the 10th August, 2013 at 11.00 A.M. at 301, Payal Tower-II, Sayajigunj, Vadodara 390 020.

(ii) Financial Calendar (tentative):

Financial reporting for the quarter ending June 30 th , 2012.	1st Week of August, 2012
Financial reporting for the quarter ending Sept. 30 th , 2012.	1st Week of November, 2012
Financial reporting for the quarter ending Dec. 31 st , 2012	1st Week of February, 2013
Financial reporting for the quarter ending March, 31 st 2013.	Last week of May, 2013

(iii) Date of Book Closure :

Friday, 2nd August, 2013 to Friday, 9th August, 2013 (both days inclusive).

(iv) Dividend payment date: Not applicable

(v) Listing on Stock Exchanges:

Bombay Stock Exchange Ltd, (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai -400 001

Script Code: - 531550

The Company has paid Listing Fees for the financial year 2013-14 to the Stock Exchange.

(vi) Market Price Data:

Scrip Code: 531550 Company: Jhaveri Credits and Capital Limited

Name of Stock Exchange: Bombay Stock Exchange (BSE)

For the Period: 1st April, 2012 to 31st March, 2013

Month	High Price	Low Price	Volume
April 2012	6.99	5.75	3392
May 2012	6.80	6.00	6222
June 2012	6.70	5.66	2676
July 2012	6.99	5.72	21541
August 2012	7.34	5.92	10874
September 2012	6.75	5.81	6934
October 2012	7.08	6.06	9498
November 2012	7.43	6.31	15590
December 2012	7.35	6.21	79899
January 2013	8.24	6.28	90414
February 2013	6.73	5.74	10611
March 2013	6.80	5.97	2765

(vii) Share Transfer System:

The Company is now associated with the M/s. MCS Limited, Vadodara as its Registrar and Share Transfer Agent. The Company has a Share Transfer Committee comprising of three Directors. A shareholder may contact for any share transfer / demat related grievances and log on to igc@jhaverisec.com

Registrar and Transfer Agents:-

MCS Ltd.

Neelam Apartment,
88, Sampatrao Colony,
B/h Standard Chartered Bank,
Alkapuri, Baroda – 390 007

(viii) Distribution of Shareholding as at 31st March,2013:

Category of Shareholders		
Category	No. of Shares	%
Promoters/ Promoters Group*	4099509	63.43
NRI's	--	--
Mutual Funds	--	--
Body Corporate	500191	7.74
Public	1863600	28.83
Total	6463300	100.00

***also includes group companies**

(ix) Dematerialization of Shares:

The Equity Shares of the Company are compulsorily traded in Dematerialized form. Out of total 64,63,300 Equity Shares, 59,18,200 shares (91.57 %) have been Dematerialized till 31.03.2013.

ISIN No. : INE 865D01012

(x) Address for Correspondence by Shareholders:

301, Payal Tower, Sayajigunj, Vadodara-390 005.
 Phone : (0265) 2362027, 2361096
 Fax : (0265) 2362634
 E-mail: igc@jhaverisec.com

Other Non Mandatory Items:

- Shareholders' Rights:** As the Company's quarterly results are published in English Newspaper and Gujarati Newspapers' i.e. Business Standard and Lok Satta, the same are not sent to the shareholders of the Company.
- Audit Qualifications:** During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

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

Place: Baroda.

Date: May 30, 2013

**Rajesh J. Jhaveri
Managing Director**

ANNEXURE III

MANAGING DIRECTOR / CEO CERTIFICATION

To the Board of Directors of Jhaveri Credits and Capital Ltd.

(Issued in accordance with the provisions of Clause 49 of the Listing Agreement)

I, Rajesh J. Jhaveri, Managing Director / Chief Executive Officer of Jhaveri Credits and Capital Ltd., to best of my knowledge and belief, certify that:

I have reviewed the financial statements, read with cash flow statement of Jhaveri Credits and Capital Ltd. for the year ended March 31, 2013 and that to the best of our knowledge and belief, we state that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of my 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.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
 - (i) That there are no significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (iii) that there are no frauds of which I become aware and the involvement therein, if any, of the management or an employee.

For Jhaveri Credits & Capital Ltd.

Place: Baroda.

Date: May 30, 2013

**Rajesh J. Jhaveri
Managing Director**

Annexure IV

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by **Jhaveri Credits & Capital Limited** for the financial year 2012-13 as stipulated in Clause 49 of Listing Agreement entered into by the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of 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, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

We state that no grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and presented to the Shareholders/Investors Grievance Committee.

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

For Mukund & Rohit
Chartered Accountants
Registration No. 113375W

Place: Baroda.
Date: May 30, 2013

Mukund Bakshi
Partner
Membership No. 041392

INDEPENDENT AUDITORS' REPORT

To the Members of Jhaveri Credits & Capital Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Jhaveri Credits & Capital Limited ('the Company') which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in sub – section (2C) of section 2011 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) in the case of the Balance Sheet, of the State of affairs of the company as at March 31, 2013; and
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date;

Report on Other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3), 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 purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company as far as appears from our examination of those books and proper returns have been received from all the branches not visited by us;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ;
 - e) On the basis of written representations received from the directors of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**For Mukund & Rohit
Chartered Accountants
Registration No. 113375W**

**Place: Vadodara
Date: May 30, 2013**

**MUKUND BAKSHI
Partner
M. No. 041392**

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Jhaveri Credits & Capital Limited ('the Company') for the year ended March 31, 2013, we report that:

I. In respect of its Fixed Assets:

- (a) The Company is in process of updating the records maintained by it, showing full particulars, including quantitative details and situation of fixed assets.
- (b) In absence of Fixed Asset Register, it is not possible for us to comment on regular programme of physical verification of its fixed assets and its periodicity and discrepancies, if any.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern.

II. In respect of its Inventories:

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

III.

- (a) The company had granted loan to five parties covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs. 310.79 lacs and year end balance of the same is Rs. Nil.
- (b) The company had not taken any loan from parties covered in the Register maintained under section 301 of the companies Act, 1956.
- (c) In our opinion, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.

IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control system.

V. According to the information and explanations given to us,

- (a) We are of the opinion that transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- VI. Based on our scrutiny of the Company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any loans or deposit which are 'deposits' within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's) Rules, 1975.
- VII. In our opinion, the Company has adequate internal audit systems commensurate with the size and nature of its business.
- VIII. The Company belongs to Service Sector industry therefore clause 4(VIII) is not applicable.
- IX. According to the information and explanation given to us in respect of statutory dues:
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, investor education protection fund, employees' state insurance, income –tax, sales –tax, wealth-tax and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income – tax, wealth-tax and sales tax were outstanding, as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - (c) The Company has following dues which are outstanding on account of the dispute:

Sr. No.	Nature of Liability	Amount Outstanding (Rs.)	Authority where the matter is pending
1	Income Tax	2,95,960/-	Hon'ble CIT (A) - Baroda

- X. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- XI. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company had not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- XII. According to information and explanations given to us and based on the documents and records produced to us, the Company has not granted any Loans and Advances on the basis of security by way of pledge of shares, debentures & other securities.
- XIII. In our opinion, the Company is neither a chit fund nor a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- XIV. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
- XV. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- XVI. According to the records of the company, the Company has not obtained any term loans. Hence, comments under the clause are not called for.

- XVII. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes.
- XVIII. Based on our examination of records and information provided to us by management, we report that the company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- XIX. According to records of the Company, the Company has not issued any debentures.
- XX. The Company has not raised money by public issues during the period covered by our audit report.
- XXI. Based on the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Mukund & Rohit
Chartered Accountants
Registration No. 113375W**

**Place : Vadodara
Date : May 30, 2013**

**MUKUND BAKSHI
Partner
M. No. 041392**

Balance Sheet as at 31st March, 2013

	Particulars	Note No.	As at 31.03.2013 ₹	As at 31.03.2012 ₹
I	EQUITY AND LIABILITIES			
	(1) Shareholder's Funds			
	(A) Share Capital	3	64,633,000	64,633,000
	(B) Reserve & Surplus	4	14,633,917	12,596,381
	(2) Share Application Money pending allotment		---	---
	(3) Non-Current Liabilities			
	(A) Long Term Borrowings	5	397,485	407,964
	(B) Deferred Tax Liabilities (Net)	6	194,464	353,910
	(4) Current Liabilities			
	(A) Short-Term Borrowings	7	8,499,461	22,422,149
	(B) Trade Payables	8	66,855,251	63,095,176
	(C) Other Current Liabilities	9	13,829,584	7,882,947
	(D) Short-Term Provisions	10	443,379	186,372
	Total		169,486,541	171,577,899
II	Assets			
	(1) Non-Current Assets			
	(A) Fixed Assets	11		
	(B) Tangible Assets		2,834,572	2,762,623
	(C) Non-Current Investments	12	18,215,200	18,215,200
	(D) Long Term Loans and Advances	13	3,410,000	3,410,000
	(2) Current Assets			
	(A) Inventories	14	58,041,335	97,300,139
	(B) Trade Receivables	15	31,497,844	10,297,284
	(C) Cash and cash Equivalents	16	49,615,748	33,247,295
	(D) Short-Term Loans And Advances	17	42,216	107,732
	(E) Other Current Assets	18	5,829,626	6,237,626
	Total		169,486,541	171,577,899
	Significant Accounting Policies	2		

The accompanying notes 1 to 31 are an integral part of our financial statements

As per our Report of even date attached

For MUKUND & ROHIT
Chartered Accountants
Registration No. 113375W

Mukund Bakshi
Partner
M. No: 041392

Place: Vadodara
Date: May 30, 2013

For & on behalf of the Board
Jhaveri Credits & Capital Limited

Rajesh J. Jhaveri
Managing Director

Kamlesh J. Jhaveri
Director

Place: Vadodara
Date: May 30, 2013

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

	Particulars	Note No.	2012-13 Amount ₹	2011-12 Amount ₹
I	Revenue from Operation	19	39,946,048	37,960,779
II	Other Income	20	8,212,528	4,605,879
III	Total Revenue (I+II)		48,158,576	42,566,658
IV	Expenses:			
	Purchases of Stock-in Trade		12,062,826	4,516,758
	Employee benefits expense	21	7,284,206	7,348,964
	Finance costs	22	3,756,046	2,244,597
	Depreciation and amortization expense		586,951	666,055
	Other expenses	23	21,740,458	24,977,621
	Total expenses		45,430,486	39,753,995
V	Profit before exceptional and extraordinary items and tax (III-IV)		2,728,090	2,812,663
VI	Exceptional Items		----	----
VII	Profit before extraordinary items and tax (V-VI)		2,728,090	2,812,663
VIII	Extraordinary Items		----	----
IX.	Profit before tax (VII-VIII)		2,728,090	2,812,663
X	Tax expense :			
	(1) Current Tax		850,000	800,000
	(2) Deferred Tax		159,446	68,796
	(3) Excess Provision of the Income Tax For P.Y.		----	198,872
XI	Profit (Loss) for the period from continuing operations (IX-X)		2,037,536	2,280,331
XII	Profit/(Loss) from discontinuing operations		----	----
XIII	Tax expense of discontinuing operations		----	----
XIV	Profit/(loss) from Discontinuing operations (after tax)(XII-XIII)		----	----
XV	Profit/(loss) for the period (XI+XIV)		2,037,536	2,280,331
XVI	Earnings per equity share:			
	(1) Basic		0.32	0.35
	(2) Diluted		----	----
	Significant Accounting Policies	2		

The accompanying notes 1 to 31 are an integral part of our financial statements

As per our Report of even date attached

For MUKUND & ROHIT
Chartered Accountants
Registration No. 113375W

Mukund Bakshi
Partner
M. No: 041392

Place: Vadodara
Date: May 30, 2013

For & on behalf of the Board
Jhaveri Credits & Capital Limited

Rajesh J. Jhaveri
Managing Director

Kamlesh J. Jhaveri
Director

Place: Vadodara
Date: May 30, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the Year ended 31-3-2013 ₹	For the Year ended 31-3-2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / Loss before Tax & Extra ordinary items:	2,728,090	2,812,663
Adjustments For:		
Depreciation & Amortisation Expense	586,951	666,055
Interest Expense	2,934,742	1,195,651
Interest Income	(6,540,696)	(3,697,253)
Operating Profit Before Working Capital Changes i	(290,914)	977,116
Adjustments For:		
Trade Receivables and Short-term Loans & Advances	(21,135,044)	(2,484,842)
Inventories	39,258,804	(55,557,339)
Other Current Assets	408,000	27,321,362)
Trade Payables, Other Liabilities & Short Term Provisions	9,963,719	21,471,702
Long-Term Loans & Adv. & Other Non-Current Assets	----	----
Other Long-Term Liabilities and Long-Term Provisions	----	----
	ii	(9,249,117)
Cash Generated From Operations i+ii	28,204,565	(8,272,001)
Income Tax Paid	850,000	601,028
Net Cash From Operating Activities	27,354,565	(8,873,029)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(658,901)	(850,381)
Interest Income	6,540,696	3,697,253
Net Cash From Investing Activities	5,881,795	2,846,872
C. CASH FLOW FINANCING ACTIVITIES		
Repayment of Long term Borrowings	(10,479)	(83,228)
(Increase) / Decrease in Short-Term Borrowings	(13,922,688)	22,580,771
Finance Cost	(2,934,742)	(1,195,651)
Net Cash From Financing Activities	(16,867,909)	21,301,892
Increase in Cash & Cash Equivalents (A+B+C)	16,368,453	15,275,733
Cash & Cash Equivalents at the Beginning of the Year	33,247,295	17,971,562
Cash & Cash Equivalents at the End of the Year	49,615,748	33,247,295

As per our Report of even date attached

For MUKUND & ROHIT
Chartered Accountants
Registration No. 113375W

Mukund Bakshi
Partner
M. No: 041392

Place: Vadodara
Date: May 30, 2013

For & on behalf of the Board
Jhaveri Credits & Capital Limited

Rajesh J. Jhaveri
Managing Director

Kamlesh J. Jhaveri
Director

Place: Vadodara
Date: May 30, 2013

Notes to Financial Statements for the year ended on March 31, 2013

NOTE:- 1 Corporate Information

The Company is incorporated in the year of 1993 under The Companies Act, 1956. The company is listed with Bombay Stock Exchange. The Company provides broking platform on various exchanges to the clients for dealing in various commodities traded on those exchanges in present, spot and future dealings. The Company is a broking member of Commodity Exchange viz. 'National Commodity And Derivatives Exchange Limited' (NCDEX), 'Multi Commodity Exchange Of India Limited' (MCX) and 'National Spot Exchange Limited' (NSEL). The Company is able to its brand name in the eyes of the clients and exchanges.

NOTE:- 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

- i. The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on an accrual basis.
- ii. The Financial Statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted consistently by the Company.

2.2 Use of Estimates:

The preparations of financial statements in conformity with generally accepted Accounting Principle requires Estimates and Assumptions to be made that affect the reported Amount of Assets and Liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between Actual results and estimates are recognized in the period in which the results are known / materialized.

2.3 Fixed Assets:

Fixed Assets are stated at cost of acquisition, which includes taxes, duties, freight, and other identifiable expenditure relating to acquisition and installation as well as subsequent improvement.

2.4 Depreciation and Amortization:

- i) The depreciation has been charged at W D V method on prorata basis as per rates prescribed in schedule XIV of the Companies Act, 1956.
- ii) Depreciation on additions is provided on pro-rata basis.

2.5 Investments:

Current Investments are carried out at lower of Cost and quoted/fair value, computed category wise.

Long Term investments are stated at cost. A provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

2.6 Inventories:

Inventories of the shares & securities are valued at cost.

2.7 Revenue Recognition:

(a) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

(b) Dividend income is recognized when the right to receive dividend is established.

2.8 Provision for Current and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from “timing difference” between taxable incomes and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance Sheets date. Deferred Tax Asset is recognized and carried forward only to the extent that virtual certainty that the assets will be realized in future.

2.9 Treatment of Contingent Liabilities:

Contingent Liabilities are determined on the basis of available information and disclosed by way of Notes to the Accounts.

NOTES FORMING PARTS OF THE BALANCE SHEET

NOTE 3: Share Capital

A. Details Of Each Class Of Shares

Particulars		As at 31-03-2013		As at 31-03-2012	
		No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
1	SHARE CAPITAL				
	Authorised Capital :				
	Equity shares of Rs. 10/- each	7,000,000	70,000,000	7,000,000	70,000,000
	Preference share of Rs. 10/- each	3,000,000	30,000,000	3,000,000	30,000,000
		10,000,000	100,000,000	10,000,000	100,000,000
2	Issued Subscribed & Fully Paid up Capital:				
	Equity Shares of Rs. 10 each	6,463,300	64,633,000	6,463,300	64,633,000
	TOTAL	6,463,300	64,633,000	6,463,300	64,633,000

B. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Particulars		As at 31-03-2013		As at 31-03-2012	
		No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
	Equity Shares:				
	Shares outstanding at the beginning of the year	6,463,300	64,633,000	6,463,300	64,633,000
	Shares issued during the year	----	----	----	----
	Shares bought back during the year	----	----	----	----
	Any other movement	----	----	----	----
	Shares outstanding at the end of the year	6,463,300	64,633,000	6,463,300	64,633,000

C. Rights, preferences and restrictions:

- i. The Company has only one class of shares referred to as equity shares having par value of ` 10. Each holder of equity shares is entitled to one vote per share.
- ii. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES FORMING PARTS OF THE BALANCE SHEET

D : Details of Shareholding more than 5% in the Company.

Sr. No.	Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Rajesh J. Jhaveri	324,000	5.01	324,000	5.01
2	Kamlesh J. Jhaveri	415,021	6.42	460,921	7.13
3	K. J. Jhaveri HUF	1,287,819	19.92	1,241,919	19.21
4	Bhaderesh J. Jhaveri	345,100	5.34	345,100	5.34
	Total	2,371,940	36.69	2,371,940	36.69

NOTE 4 : Reserve & Surplus

Particulars		31.03.2013 Rupees	31.03.2012 Rupees
1	Special Reserves u/s. 451C of the RBI Act, 1934		
	Opening Balance	----	2,380,147
	Add: Transferred during the current year	----	----
	Less: Transfer to the General Reserve	----	2,380,147
	Closing Balance (A)	----	----
2	General Reserve		
	Opening Balance	2,380,147	----
	(Add) Transferred from the Special Reserve	----	2,380,147
	(Less) Written back in current year	----	----
	Closing Balance (B)	2,380,147	2,380,147
3	Surplus / (Deficit) in the statement of Profit & Loss		
	Balance as per last Financial Statements	10,216,234	7,935,903
	Net Profit / (Loss) for the year	2,037,536	2,280,331
	Closing Balance (C)	12,253,770	10,216,234
	TOTAL	14,633,917	12,596,381

NOTE 5 : Long Term Borrowings

Particulars		31.03.2013 Rupees	31.03.2012 Rupees
1	Secured:		
	Kotak Mahindra Prime Ltd. (Secured Against the Hypothecation of Vehicle)	----	407,964
	Kotak Mahindra Bank Ltd. (Secured Against the Hypothecation of Vehicles)	397,485	----
	TOTAL	397,485	407,964

NOTES FORMING PARTS OF THE BALANCE SHEET

Note 5.1

Loan to be repaid after 12 months from the date of Balance sheet including interest outstanding as on the date of Balance Sheet is shown under the other current liabilities as current maturities of long term borrowings in note no. 9.

NOTE 6: Deferred Tax Liabilities

	31.03.2013 Rupees	31.03.2012 Rupees
Opening Balance	353,910	422,706
(-) Deferred Tax Liabilities / Assets	159,446	(68,796)
Net Deferred Tax (Assets) / Liabilities	194,464	353,910

NOTE 7 : Short Term Borrowings

	31.03.2013 Rupees	31.03.2012 Rupees
Bank Overdraft with HDFC Bank (Secured by The Fixed Deposit)	4,353,075	----
Capital First Ltd. (Previously Known as Future Capital Holding Ltd.) (Secured by the Shares)	4,146,386	22,422,149
TOTAL	8,499,461	22,422,149

NOTE 8: Trade Payables

	31.03.2013 Rupees	31.03.2012 Rupees
Sundry Creditors	66,855,251	63,095,176
TOTAL	66,855,251	63,095,176

NOTES FORMING PARTS OF THE BALANCE SHEET

NOTE 9: Other Current Liabilities

	Particulars	31.03.2013 Rupees	31.03.2012 Rupees
1	Current maturities of Long Term debt		
	- Vehicle Loan		
	- Kotak Mahindra Prime Ltd.	364,985	449,994
	- Kotak Mahindra Bank Ltd. (Refer Note 5.1)	106,828	----
2	Govt. Liabilities		
	- P.F. Payable	73,689	73,926
	- TDS Payable	535,482	230,534
	- Professional Tax Payable	3,060	2,920
	- Stamp Duty Payable	43,725	29,545
	- ESIC Payable	5,348	5,906
	- VAT	-	7
3	Other Payables		
	T.O. Charges Payable	229,214	175,718
	Other Liabilities		
	- Advance from Customers	11,679,377	6,914,397
	- Other Advances	490,378	----
	- Creditors For Expenses	297,498	----
	TOTAL	13,829,584	7,882,947

NOTE 10: Short Term Provisions

	Particulars	31.03.2013 Rupees	31.03.2012 Rupees
1	Provision for Employee Benefit		
	Salary Payable	177,530	----
2	Other Provisions		
	Audit Fees Payable	150,000	150,000
	Provision for Expenses	67,364	50,825
	Income Tax Provision		
	-Income Tax Provision		(14,453)
	Less:- Income Tax Paid	2593032 <u>2544547</u>	
	TOTAL	443,379	186,372

NOTES FORMING PARTS OF THE BALANCE SHEET

**NOTE 11
Fixed Assets**

Particulars	GROSS BLOCK - AT COST				Depreciation				Net Block	
	Value At The Beginning As On 01-04-2012	Addition During The Year	Deduction During The Year	Value At The End As On 31-03-2013	Value At The Beginning As On 01-04-2012	Addition During The Year	Deduction During The Year	Value At The End As On 31-03-2013	WDV As On 31-03-2013	WDV As On 31-03-2012
Tangible Assets										
Office Building	1,796,717	----	----	1,796,717	794,375	50,117	----	844,492	952,225	1,002,342
Furniture & Fixtures	1,223,620	----	----	1,223,620	1,139,636	15,201	----	1,154,837	68,783	83,984
Computer Equipment	3,201,667	38,750	----	3,240,417	2,766,323	183,363	----	2,949,686	290,731	435,347
Office Equipments	60,608	----	----	60,608	42,318	8,526	----	50,844	9,764	18,288
Vehicles	1,780,362	620,151	----	2,400,513	557,699	329,743	----	887,442	1,513,071	1,222,661
Total (Current Year)	8,062,974	658,901	----	8,721,875	5,300,351	586,951	----	5,887,301	2,834,572	2,762,622
Previous Year	7,212,593	850,381	----	8,062,974	4,634,294	666,055	----	5,300,351	2,762,622	2,578,297

NOTES FORMING PARTS OF THE BALANCE SHEET

NOTE 12: Non Current Investments

Particulars		31.03.2013 Rupees	31.03.2012 Rupees
1	Trade Investments Shares of Makarpura Co-Op. Bank (5000 shares of Rs. 10/- Each)	50,000	50,000
2	In Equity Shares of Associate Companies Jhaveri Securities Ltd. (74150 Share of Rs. 10/- Each)	7,415,000	7,415,000
	Jhaveri Hightech Agro Ltd. (945020 Share of Rs. 10/- Each)	9,450,200	9,450,200
	Maulik Kruti Resources Ltd. (130000 Share of Rs. 10/- Each)	1,300,000	1,300,000
TOTAL		18,215,200	18,215,200

NOTE 13: Long Term Loans & Advances

Particulars		31.03.2013 Rupees	31.03.2012 Rupees
	Other Loans & Advances Deposit with the Exchange	3,410,000	3,410,000
TOTAL		3,410,000	3,410,000

NOTE 14: Inventories

Particulars		31.03.2013 Rupees	31.03.2012 Rupees
	Stock - in - Trade	58,041,335	97,300,139
TOTAL		58,041,335	97,300,139

NOTE 15 : Trade Receivables

Particulars		31.03.2013 Rupees	31.03.2012 Rupees
1	Outstanding For more than Six months Unsecured, Considered Good :	873,793	929,429
	SUB TOTAL (A)	873,793	929,429
2	Others Unsecured, Considered Good :	30,624,051	9,367,854
	SUB TOTAL (B)	30,624,051	9,367,854
TOTAL (A+B)		31,497,844	10,297,283

NOTES FORMING PARTS OF THE BALANCE SHEET

NOTE 16: Cash & Cash Equivalents

Particulars		31.03.2013 Rupees	31.03.2012 Rupees
1	Balance with Banks	16,669,857	412,412
2	Cash on hand	4,882	3,662
3	FDR with Banks	32,941,009	32,831,221
TOTAL		49,615,748	33,247,295

NOTE 16.1

* FDRs are kept with the banks for the bank guarantee given to commodity exchange for exchange exposure.

NOTE 17: Short Term Loans & Advances

Particulars		31.03.2013 Rupees	31.03.2012 Rupees
	Security Deposit with the Sales Tax	5,612	15,758
	Service Tax Receivable	36,604	91,974
TOTAL		42,216	107,732

NOTE 18: Other Current Assets

Particulars		31.03.2013 Rupees	31.03.2012 Rupees
	Interest Accrued but not Due		
	HDFC Fixed Deposit	668,891	565,103
	Rent Deposit	44,000	44,000
	Deposit with the Exchange	5,000,690	5,147,693
	Advance Recoverable in Cash or Kind	116,045	480,833
TOTAL		5,829,626	6,237,626

NOTES FORMING PARTS OF THE PROFIT & LOSS STATEMENT

NOTE 19: Revenue From Operations

	Particulars	31.03.2013 Rupees	31.03.2012 Rupees
	Brokerage Income	26,906,219	31,739,183
	Income From Trading	13,039,829	6,221,596
	TOTAL	39,946,048	37,960,779

NOTE 20: Other Income

	Particulars	31.03.2013 Rupees	31.03.2012 Rupees
1	Interest Income	6,540,696	3,697,253
2	Dividend Income	6,000	377,924
3	Other Non-Operating Income	1,665,832	530,702
	TOTAL	8,212,528	4,605,879

NOTE 21: Employee Benefit Expenses

	Particulars	31.03.2013 Rupees	31.03.2012 Rupees
	Salaries & Wages		
	Director's Remunerations	2,100,000	2,100,000
	Salaries & Wages	4,702,487	4,768,841
	Contribution to :-		
	Provident Fund	435,865	4,30,227
	ESIC Contribution	45,854	49,896
	TOTAL	7,284,206	7,348,964

NOTE 22: Finance Costs

	Particulars	31.03.2013 Rupees	31.03.2012 Rupees
1	Interest Expense	2,934,742	1,195,651
2	Other Borrowing Cost	821,304	1,048,946
	TOTAL	3,756,046	2,244,597

NOTES FORMING PARTS OF THE PROFIT & LOSS STATEMENT

NOTE 23: Other Expenses

Particulars		31.03.2013 Rupees	31.03.2012 Rupees
1	Commision	12,656,239	14,896,055
2	Insurance	17,405	40,130
3	Legal & Professional Fees	676,954	424,836
4	Postage & Courier	646,413	510,902
5	Printing & Stationery	277,623	343,831
6	Rent, Rate & Taxes	894,051	975,118
7	Repairs & Maintenance	744,866	339,571
8	Telephone & Communication Expenses	287,742	220,625
9	Trade Related Expenses	4,719,466	6,094,976
10	Auditor's Remuneration (Statutory & Tax Audit Fees)	150,000	150,000
11	Electricity Expenses	199,016	142,984
12	Miscellaneous Expenses	470,683	838,593
TOTAL		21,740,458	24,977,621

NOTE 24 Contingent Liabilities and Commitments:

24.1 Contingent Liabilities:

Particulars	As at March 31, 2013	As at March 31, 2012
I. Matters under disputes / appeals:		
a. Income Tax [Amount deposited Rs. 1,00,000/-]*	3,95,960	3,95,960
II. Bank Guarantees	5,00,00,000	6,65,00,000
Total	5,03,95,960	6,68,95,960

* In the case of the company, assessment proceedings u/s 143(3) has been completed for the A. Y. 2009-10 wherein tax demand of Rs. 3,95,960/- is raised. The company has paid Rs. 1,00,000/- against the same and has filed an appeal with the Hon'ble CIT (A), Baroda against the order u/s 143(3). Considering the decisions of Hon'ble courts, tribunals and related provisions of the Income Tax Act, the company has been legally advised that the demand will either be deleted or will be reduced by the substantial amount. Hence no provision is made for the balance outstanding of Rs. 2,95,960/- which is of contingent nature in view of the company.

24.2 Commitments:

- I. Related to Contracts: Nil
- II. Other Commitments: Nil

NOTE 25 Earning Per Shares (EPS):

Particulars		For the year ended March 2013	For the year ended March 2012
Net Profit after tax as per Profit and Loss accounts attributable to Equity Shareholders	Rs.	20,37,536	22,80,331
Weighted Average number of equity shares used as denominator for calculating EPS	Numbers	64,63,300	64,63,300
Basic Earning Per Share	Rs.	0.32	0.35
Face Value per equity Share	Rs.	10	10

NOTE 26 Related Party Disclosures

As per Accounting Standard 18, disclosures of transactions with the related parties as defined in Accounting Standard are given below:

(A) Relationships:

- (a) Associates:
Maulik Kruti Resources Limited.
Jhaveri Hightech Agro Limited.
Jhaveri Securities Limited.
Connoisseur Techno Solutions Private Limited
Jhaveri Infrastructure Private Limited
- (b) Key Management Personnel
Mr. Rajesh J. Jhaveri
Mr. Kamlesh J. Jhaveri
- (c) Relatives of key management personnel and their enterprise where transactions have taken place:

Name	Relation
J. B. Jhaveri HUF	Karta is a Director of the Company
Mrs. S. J. Jhaveri	Relative of Director
R. J. Jhaveri HUF	Karta is a Director of the Company
K. J. Jhaveri HUF	Karta is a Director of the Company
Parth Jhaveri	Relative of Director
Jeet B. Jhaveri	Relative of Director
Yash B. Jhaveri	Relative of Director
Kruti .R.Jhaveri	Relative of Director
Maulik .R. Jhaveri	Relative of Director
Jhaveri Dairy Farm	Partner is a Director of the Company
Jhaveri Organic Farm	Partner is a Director of the Company

Note: Related party relationship is as identified by the company and relied upon by the Auditors.

(B) Transactions carried out with related parties referred in 1 above, in ordinary course of business

Sr. No.	Nature of Transaction	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Unsecured Loan					
1	ICD Placed during year				
	Jhaveri Infrastructure P. Ltd.	2,100,000	----	----	2,100,000
	Maulik Kruti Resources Ltd.	22,400,000	----	----	22,400,000
	Connoisseur Techno Sol. P. Ltd.	6,268,086	----	----	6,268,086
	Trust Finstock Pvt. Ltd.	8,50,00,000			8,50,00,000
2	ICD Refunded During the year				
	Jhaveri Infrastructure P. Ltd.	2,100,000	----	----	2,100,000
	Maulik Kruti Resources Ltd.	22,400,000	----	----	22,400,000
	Connoisseur Techno Sol. P. Ltd.	6,268,086	----	----	6,268,086
	Trust Finstock Pvt. Ltd.	8,50,00,000			8,50,00,000
3	Loans Given				
	Jhaveri Dairy Farm	----	----	133,000	133,000
	Jhaveri Organic Farm	----	----	177,500	177,500
4	Loans Refunded				
	Jhaveri Dairy Farm	----	----	133,000	133,000
	Jhaveri Organic Farm	----	----	177,500	177,500
Expenses					
1	Rent				
	K.J. Jhaveri (HUF)	----		180,000	180,000
	S.J. Jhaveri			180,000	180,000
2	Website Maint. & SMS Charges				
	Connoisseur Techno Sol. Pvt. Ltd.	536,635	----	----	536,635
3	Remuneration & Salaries				
	Rajesh Jhaveri	----	1,800,000	----	1,800,000
	Kamlesh Jhaveri	----	300,000	----	300,000

Sr. No.	Nature of Transaction	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
	Parth Jhaveri		----	313,194	313,194
	Maulik Jhaveri		----	299,000	299,000
	Jeet Jhaveri		----	300,000	300,000
	Kruti R. Jhaveri		----	353,000	353,000
	Yash Jhaveri		----	300,000	300,000
4	Performance Incentives				
	Rajesh Jhaveri		600,000	----	750,000
	Kamlesh Jhaveri		150,000	----	150,000
	Parth Jhaveri		----	680,000	680,000
	Maulik Jhaveri		----	20,000	20,000
	Kruti R. Jhaveri		----	65,000	65,000
Income					
1	Rent				
	Jhaveri Securities Ltd.	120,000	----	----	120,000
2	Interest				
	Connoisseur Techno Sol. P. Ltd.	273,219	----	----	273,219
	Jhaveri Infrastructure P. Ltd.	163,397	----	----	163,397
Share Trading					
1	Purchase of Shares				
	Jhaveri Securities Limited	48,23,81,599	----	----	48,23,81,599
2	Sale of Shares				
	Jhaveri Securities Limited	45,37,82,803	----	----	45,37,82,803
Non Current Investments					
1	Jhaveri Securities Limited	7,415,000	----	----	7,415,000
2	Jhaveri Hightech Agro Limited	9,450,200	----	----	9,450,200
3	Maulik Kruti Resources Limited	1,300,000	----	----	1,300,000

NOTE 27

The outstanding balances of Debtors, Creditors, Deposits and Loans & Advances are subject to confirmation.

NOTE 28

In compliance of AS 28 on Impairment of Assets issued by Institute of Chartered Accountants of India the Company has carried out impairment review of its assets. Loss on impairment of assets charged to the P & L. A/c is Rs: NIL (previous year Rs. Nil)

NOTE 29

There are no registered small scale undertaking in the list of creditors, hence no information is given with reference to the notification no GSR 129 (E) dated 22.02.99 issued by the Department of company Affairs, Ministry of Law, Justice and Company Affairs.

NOTE 30

In the opinion of the Board:

- a. All current assets, loans and advances have value at least equal to the amount at which they are stated in the accounts.
- b. All known liabilities have been provided for and there is no liability, contingent or otherwise, is stated in the accounts.

NOTE 31

The Previous year's figures have been regrouped, reworked, rearranged, and reclassified whenever necessary. Amounts and other disclosures for the preceding year are included an integral part of the current year financial statement and are to be read in relation to the amounts and other disclosers relating to the current year.

For MUKUND & ROHIT
Chartered Accountants
Registration No. 113375W

Mukund Bakshi
Partner
M. No: 041392

Place: Vadodara
Date: May 30, 2013

For & on behalf of the Board
Jhaveri Credits & Capital Limited

Rajesh J. Jhaveri
Managing Director

Kamlesh J. Jhaveri
Director

Place: Vadodara
Date: May 30, 2013

JHAVERI CREDITS & CAPITAL LIMITED

Regd. Office : 301, Payal Towers, Sayajigunj, Baroda - 390 020.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

DP ID	
CLIENT ID	

Regd. Folio No.	
-----------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

No. of shares held :

I hereby record my presence at the 18th Annual General Meeting of the Company held on Saturday, the 10th day of August 2013 at 11.00 a.m. at 301, Payal Tower-II, Sayajigunj, Vadodara-390 020.

JHAVERI CREDITS & CAPITAL LIMITED

Regd. Office : 301, Payal Towers, Sayajigunj, Baroda - 390 020.

DP ID	
CLIENT ID	

Regd. Folio No.	
-----------------	--

I/We _____ of _____ being the member / members of Jhaveri Credits & Capital Limited, Baroda hereby appoint _____ of _____ or calling him _____ of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on _____ August, 2013 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Affix 1 Rupees Revenue Stamp

Note :

The proxy in order to be effective should be duly stamped completed and signed and must be deposited at the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

Book Post

If undelivered please return to:

JHAVERI CREDITS & CAPITAL LIMITED

301, Payal Towers II, Sayajigunj, Vadodara - 390 005.