

16th ANNUAL REPORT (2009-10)

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

AUDITORS : Mukund & Rohit
Chartered Accountants,
No. 8, 2nd Floor, Tower E
Avishkar, Old Padra Road
Vadodara- 390 0076

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



NOTICE FOR 16th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 16th Annual General Meeting of the Members of the Company will be held on Thursday, the 30th day of September, 2010 at 11.00 a.m. at 301, PAYAL TOWERS II, SAYAJIGUNJ, VADODARA-390005 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, 2010 along with Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr. Rajesh Jhaveri, who retires by rotation and being eligible offers himself for re- appointment.
3. To appoint a Director in place of Mr. Kamlesh Jhaveri, who retires by rotation and being eligible offers himself for re- appointment.
4. To appoint the Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** in session to all earlier resolutions and subject to the approval of shareholders 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 2010 on the terms and conditions set out below:

A. Period of Appointment:

From 1st August 2010 to 31st July 2013.

B. Remuneration:

- (a) By way of Salary, perquisites and Allowance, subject to a maximum of **Rs. 2,00,000/- p.m. or Rs. 24,00,000/-** 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 and use of car for private purposes 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.

C. 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 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.

D. 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 her by the Board of Directors from time to time.

E. Confidentiality:

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

F. 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.

G. 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.

H. 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.

I. 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.”

6. 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 subject to the approval of shareholders 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 appointment of Mr. Kamlesh Jhaveri as Whole Time Director of the Company, not liable to retire by rotation, for a period of three years with effect from 1st August 2010 on the terms and conditions set out below:

a. Period of Appointment:

From 1st August 2010 to 31st July 2013.

b. Remuneration:

- (a) By way of Salary, perquisites and Allowance, subject to a maximum of Rs. 1,00,000/- p.m. or Rs. 12,00,000/- 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

JHAVERI CREDITS & CAPITAL LIMITED

- remuneration payable to Mr. Kamlesh 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 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. Kamlesh Jhaveri.
 - (b.6) Reimbursement of all reasonable expenses including entertainment expenses incurred bonafide in connection with business of the Company.

c. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of 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.

Regd. Office :
301, Payal Towers II,
Sayajigunj,
Baroda-390 005
Date: 02-09-2010

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 POINT 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 Saturday the 25th September 2010 to Wednesday the 30th September 2010 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report and Admission Slip to the meeting. Annual Reports will not be distributed at the venue of the meeting.
4. The explanatory Statement, relating to Special Business mentioned in items no. 5 of the Notice, as required under Section 173 (2) of the Companies Act, 1956, is attached herewith.
5. Details pursuant to listing agreement regarding directors to be appointed are as under:
 - A. Mr. Rajesh Jhaveri : is a learned post graduate in commerce, with about 20 year exposure in financial business. He has on his credit a 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.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 5 & 6

The Board of Directors at its meeting held on 30th July 2010, upon recommendations of Remuneration Committee, has re-appointed Mr. Rajesh Jhaveri as Managing Director of the Company for a period of three years, made effective from 1st August 2010 at the revised terms of remuneration and perquisites as stated in the resolution at item no. 05. The Agreement recording the terms and conditions of appointment will be executed with Mr. Rajesh 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 20 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. 5 of this Notice and re-produced herein below.

Further, The Board of Directors at its meeting held on 30th July 2010, upon recommendations of Remuneration Committee, has appointed Mr. Kamlesh Jhaveri as Whole Time Director of the Company for a period of three years, made effective from 1st August 2010 at the terms of remuneration and perquisites as stated in the resolution at item no. 06. The Agreement recording the terms and conditions of appointment will be executed with Mr. Kamlesh Jhaveri subject to necessary approval of the shareholders being sought herein.

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 20 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. 2,00,000/- p.m. or Rs. 24,00,000/- 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. 1,00,000/- p.m. or Rs. 12,00,000/- 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.

JHAVERI CREDITS & CAPITAL Limited

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. 5 & 6 of this notice.

Regd. Office :
301, Payal Towers II,
Sayajigunj,
Baroda-390 005
Date: 02-09-2010

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

RAJESH JHAVERI
MANAGING DIRECTOR

DIRECTORS' REPORT

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

The Directors of your Company present to you the 16th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Sales & Other Income	192.02	130.13
Total Expenditure	145.28	96.27
Operating Profit	46.74	33.86
Interest, Finance Charges & Exchange variation	3.17	1.09
Gross Profit/ (Loss) for the year	43.57	32.77
Depreciation	4.20	3.80
Profit / (Loss) for the year	39.37	28.97
Less: Provision for Taxation	20.00	8.50
Less: Differed Tax Liability	0.12	0.10
Add: Excess provision of Income Tax	1.59	0.00
Profit after Tax but before Prior Period Adjustment	20.84	20.37
Prior Period Adjustments	0.21	0.00
Profit After tax and prior period adjustments	20.63	20.37
Balance Brought Forward	27.22	10.92
Transfer to Special General Reserve	NIL	4.07
Balance Carried forward to Balance Sheet	47.85	27.22

DIVIDEND

The Directors do not recommend any dividend in view of insufficient profit.

REVIEW OF OPERATIONS

The income for the year under review has increased to 163.23 Lacs from Rs 110.18 lacs in year 2009-10. The Company has earned profit of Rs 20.64 Lacs as against a profit of Rs. 20.37 lacs in the previous year ended on 31.03.2009. The performance of the Company has been adversely affected mainly due to large NPAs in assets and investments and tightening of norms by the regulatory authorities. Your Company is also focusing on non-fund based activities and establish its brand in commodities broking on MCX and NCDEX. The positive results and sustainability is with commodities broking involvement and development in past few years.

Auditors' Certificate regarding compliance 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.

Regd. Office :
301, Payal Towers II,
Sayajigunj,
Baroda-390 005
Date: 02-09-2010

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

RAJESH JHAVERI
MANAGING DIRECTOR

ANNEXURE I

Management Discussion and Analysis Report

Overall Review

The Indian economy registered a GDP rate moderated to 6.5% in 2009-10 and due to the deteriorating global outlook, further it is expected to rise to 8.5% in 2010-11. The current economic scenario is loaded with high fiscal, trade and current account deficits, a weak rupee vulnerable to speculative trends of market mechanism.

The Company's operations 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 US , which spread to other countries, the year 2009-10 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 2009-10. 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 nascent 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 nascent 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 sub-brokers 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.

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

Rajesh J. Jhaveri
Managing Director

Place : Baroda.
Date : 02.09.2010

ANNEXURE II

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

1. Corporate Governance Philosophy

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

- (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	-	-
2	Shri Rajesh Jhaveri	Managing Director	5	-	-
3	Shri Kamlesh Jhaveri	Whole Time Director	6	-	-
4	Shri Bhadresh Jhaveri	Non- Executive Director	6	-	-
5	Shri Kantilal N. Patel	Independent Director	3	-	-
6	Shri Ashesh Trivedi	Independent Director	1	-	-

- (ii) Board Meetings held and attendance of Directors

During the year under review, 12 Board Meetings were held. The Sixteenth Annual General Meeting was held on 30th September, 2010. 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 30.09.2010
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

3. Audit Committee

The Board has constituted an Audit Committee. There were four Audit Committee meetings held during the year April 2009 To March 2010 Viz. 27th April'09, 28th July'09, 28th October '09 and 30th January, 2010. The attendance of the Audit Committee Members are as under:

Sr. No.	Name	Category	No. of Meetings	
			Held	Attended
1	Shri Ashesh Trivedi	Independent Non Executive Director Chairman of Audit Committee	4	4
2	Shri Kantilal N. Patel	Independent Non Executive Director	4	3
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 292A of the Companies Act, 1956, major terms of reference, inter alia as follows :

- a. Oversight of the company's financial reporting process and 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.

JHAVERI CREDITS & CAPITAL LIMITED

- b. Track record, potential, personal attitude & performance of individual manager and external competitive environment.

Composition and Attendance:

The Remuneration committee meeting was held on 28th October'2009. 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 Deepak Nagar	Independent Non Executive Director	1	1

5. Remuneration of Directors

Details of Remuneration paid to the Directors for the year ended 31st March, 2010.

Amt. (Rs. In Lac)

Sr. No.	Name of the Director	Sitting Fees (including Committee Meetings)	Gross Remuneration*	Contribution to Provident and Superannuation funds
1	Shri Jitendra B. Jhaveri	--	--	--
2	Shri Rajesh Jhaveri	--	720000	--
3	Shri Kamlesh Jhaveri	--	240000	--
4	Shri Bhadrash Jhaveri	6000	--	--
5	Shri Kantilal N. Patel	--	--	--
6	Shri Ashesh Trivedi	6000	--	--

* 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.

As on date the Committee comprises of three Directors.

Sr. No.	Name of the Director	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
2006-2007	29.09.2007	10.00 A.M.	301-302, Payal Tower-II, Sayajigunj, Vadodara-5
2007-2008	30.06.2008	11.00 A.M.	301, Payal Tower-II, Sayajigunj, Vadodara-5
2008-2009	01.09.2009	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 2009-10.

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.

b) Accounting Treatment

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

c) 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 SEBI, 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 Indian Express and Financial Express in English and Gujarati language, respectively.
- (ii) The Management Discussion and Analysis Report prepared by the management and forming part of the Annual Report is separately attached.

12. General Shareholder information

- (i) **Annual General Meeting:**
Thursday, the 30th September, 2010 at 11.00 A.M. at 301, Payal Tower-II, Sayajigunj, Vadodara-390005
- (ii) **Financial Calendar (tentative):**

Financial reporting for the quarter ending June 30 th , 2010.	2 nd Week of August, 2010
Financial reporting for the quarter ending Sept. 30 th , 2010.	2 nd Week of November, 2010
Financial reporting for the quarter ending Dec. 31 st , 2010	2 nd Week of February, 2011
Financial reporting for the quarter ending March, 31 st 2011.	2 nd week of May, 2011

- (iii) **Date of Book Closure :**
Saturday, 25th September, 2010 to Thursday, 30th September, 2010 (both days inclusive).
- (iv) **Dividend payment date :** Not applicable
- (v) **Listing on Stock Exchanges:**
Bombay Stock Exchange Ltd, (BSE) (Stock Code – 531550)
The Company has paid Listing Fees for the year April, 2010 to March, 2011 to the Stock Exchange.
- (vi) **Market Price Data:**
Scrip Code: 531550 Company: JHAVERI CRED For the Period: 1st April, 2009 to March, 2010

JHAVERI CREDITS & CAPITAL LIMITED

Month	High Price	Low Price	Volume
April 2009	1.20	1.05	2700
May 2009	2.18	1.20	5800
June 2009	4.88	2.28	10800
July 2009	4.59	3.87	12400
August 2009	5.35	3.81	12400
September 2009	5.32	4.00	13800
October 2009	8.78	5.58	90883
November 2009	8.20	5.99	3516
December 2009	7.82	6.28	5092
January 2010	7.00	5.71	22610
February 2010	7.10	5.81	25354
March 2010	7.26	5.00	335725

(vii) Share Transfer System:

The Company has appointed M/s. Sharepro Services, Mumbai as its Registrar and Share Transfer Agent. The Company has a Share Transfer Committee comprising of three Directors. The certificates are sent within a month of the lodgement of transfer. Demat requests are normally confirmed within an average of 15 days from the date of receipt.

(viii) Distribution of Shareholding as at 31st March, 2010:

By Category of Shareholders			By Size of Holding			
Category	No. of Shares	%	No. of Shares	No. of Shareholders	Shares held in each class	%
Promoters/ Promoters Group*	3376950	52.25	Up to 5000	2380	963386	14.91
FII's/NRI's	336500	5.21	5001-10000	31	260159	4.03
Mutual Funds	NIL	NIL	10001-20000	31	447112	6.92
Body Corporate	432363	6.69	20001-30000	7	194475	3.01
Public	2317487	35.85	30001-40000	8	279600	4.33
			40001-50000	4	178943	2.77
			50001-100000	1	80000	1.24
			above 100000	13	4059625	62.81
Total	6463300	100.00	Total	2475	6463300	100.00

*also includes group companies

(ix) Dematerialisation of Shares:

The Equity Shares of the Company are compulsorily traded in Dematerialised form. Out of total 64,63,300 Equity Shares, 53,47,700 shares (82.74 %) have been Dematerialised till 31.03.2010.

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

13. Brief resume of Directors seeking appointment/ reappointment:

Shri Rajesh J. Jhaveri, is a B.Com, L.L.B., having vide professional experience in the field of Finance and Accounts.

Shri Kamlesh J. Jhaveri, is B.Com., professional having vast experience in the field of Finance and Accounts

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

**Place :Baroda.
Date : 02.09.2010**

**Rajesh J. Jhaveri
Managing Director**

ANNEXURE III

MANAGING DIRECTOR / CEO CERTIFICATION

I, Rajesh J. Jhaveri, Managing Director/CEO of Jhaveri Credits & Capital Ltd. to the best of our knowledge and belief certify that:

1. I have reviewed the Balance sheet and profit and loss account (consolidated and unconsolidated), and all its schedules and notes on accounts, as well as the Cash flow statements and the Directors' Report.
2. Based on our knowledge and information, these statements do not contain any untrue statement of material facts or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statement made.
3. Based on our knowledge and information, the financial statements and other financial information included in this report, present in all material respects, a true and fair view of, the Company's affairs, the financial condition, results of operations and cash flows of the Company, as of and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls over financial reporting for the company, and we have.
 - a. Designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparing of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures and
 - d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent financial year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit Committee of the Company's Board of Directors:-
- a. Significant changes in internal controls during the year covered by this report.
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - c. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
7. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

**For Jhaveri Credits & Capital Ltd.
Rajesh J. Jhaveri**

**Place: Baroda.
Date:- 02.09.2010**

Managing Director

ANNEXURE – IV TO DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Jhaveri Credits & Capital Limited.

We have examined the compliance of conditions of Corporate Governance by Jhaveri Credits & Capital Limited for the financial year 2009-10, 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**

**Mukund Bakshi
Partner
Membership No. 41392**

**Place: Baroda.
Date: 02.09.2010**

**To,
The Board of Directors,
Jhaveri Credits & Capital Limited
Vadodara**

Report under “Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008”.

1. The company has discontinued the business of Non-Banking Financial Institution.
2. The Company was holding the Certificate of Registration from the Reserve Bank of India and have applied for cancellation of the same.
3. The Board of Directors has passed a resolution for non-acceptance of any public deposits.
4. The Company has not accepted any public deposit during the year.
5. The prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is not applicable to the Company

**For Mukund & Rohit
Chartered Accountants**

**Place : Vadodara
Date : 02/09/2010**

**Mukund Bakshi
Partner
M. No. 41392**

AUDITOR'S REPORT

To,
The Members,
JHAVERI CREDITS & CAPITAL LTD.
Vadodara

- 1 We have audited the attached Balance Sheet of JHAVERI CREDITS & CAPITAL LIMITED as at March 31, 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose herein the annexure on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (d) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (e) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss account and Cash Flow Statement read together with the notes thereon, give the information required by the Companies Act,

JHAVERI CREDITS & CAPITAL LIMITED

1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as on March 31, 2010;
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

For MUKUND & ROHIT
Chartered Accountants
Firm Registration No.-113375W

Place: Vadodara
Date : 02/09/2010

MUKUND BAKSHI
Partner
Membership No. 41392

ANNEXURE TO THE AUDITOR'S REPORT

(Annexure referred to in Paragraph 3 of even date)

- (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) No Fixed assets disposed of during the year and, therefore, do not affect the going concern assumption.
- (ii) The company belong to service sector industry therefore Clause 4(ii) is not applicable to the Company.
- (iii)
 - (a) The Company has given inter-corporate deposit companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.200 lakhs.
 - (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,
- (v)
 - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the prices at which the transactions have been made are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public in terms of provisions of Section 58A and 58AA or any other relevant provisions of the companies Act, 1956.
- (vii) In our opinion, the Company has adequate internal audit systems commensurate with the size and nature of business of the Company.
- viii) The company belongs to the 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 been regular in depositing undisputed dues, including Income Tax and Service Tax and other material statutory dues applicable to it with appropriate authorities.

JHAVERI CREDITS & CAPITAL LIMITED

- (b) There are no undisputed statutory dues outstanding as at March 31, 2010 for a period for more than six months from the date they became payable.
- (c) We have been informed that there is no statutory due outstanding which is disputed.
- (x) The Company has not accumulated losses at March 31, 2010 and it has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (xi) Since Company does not have any loan from financial institutions, banks or debenture holders, the question of default for the repayment does not arise.
- (xii) The company has not granted any loans/advances on basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Provisions of any special statute applicable to chit fund or a nidhi/mutual benefit fun/societies are not applicable to the company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not taken any term loan from any bank or financial institution.
- (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 and vice versa.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For MUKUND & ROHIT
Chartered Accountants
Firm Registration No.-113375W

Place: Vadodara
Date : 02/09/2010

MUKUND BAKSHI
Partner
Membership No. 41392

JHAVERI CREDITS & CAPITAL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	As at 31st March,2010 (Rs.)	As at 31st March,2009 (Rs.)
SOURCES OF FUNDS:-			
Shareholder's Fund			
Share Capital	A	64,633,000	64,633,000
Reserves & Surplus	B	6,753,020	4,689,202
Loan Funds			
Unsecured Loan	C	NIL	100,000
Deferred tax Liability (Note 2,Scheduel M(B))		463,015	450,843
Total Funds Employed		71,849,035	69,873,045
APPLICATION OF FUNDS:-			
Fixed Asset			
Gross Block	D	6,082,612	6,310,295
Less :Deprecation and amortisation		4,215,331	4,318,486
Net Block		1,867,281	1,991,809
Investments	E	18,215,200	29,572,000
Current Assets, Loans & Advances			
Sundry Debtors	F	9,273,747	36,618,905
Cash and Bank Balances		58,106,280	9,219,050
Loans and Advances		9,673,110	9,466,572
		77,053,137	55,304,527
Less: Current Liabilities & Provisions			
Current Liabilities	G	22,146,274	15,120,544
Provisions		3,140,309	1,874,747
		25,286,583	16,995,291
Net Current Assets		51,766,554	38,309,236
Total Funds Utilized		71,849,035	69,873,045

Significant Accounting Policies and Notes to Accounts Schedule referred to above form an integral part of the Balance Sheet

In terms of our report attached

FOR MUKUND & ROHIT
Chartered Accountants
Firm Registration No. 113375W

MUKUND BAKSHI
Partner
Membership No. 41392
Vadodara
September 2,2010

On behalf of the Board

SHRI RAJESH J. JHAVERI
Managing Director

SHRI KAMLESH J. JHAVERI
Director

Vadodara
September 2, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

Particulars	Schedule	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
INCOME:			
Income from Operation	H	16,323,315	11,018,671
Other Income	I	2,879,020	1,994,251
Total		19,202,335	13,012,922
EXPENDITURE:			
Employees Related Exp	J	1,441,473	2,416,800
Administrative & Other Exp.	K	13,086,649	7,209,795
Finance Charges	L	316,657	109,841
Depreciation		420,023	379,309
Total		15,264,802	10,115,745
Profit before Tax		3,937,533	2,897,177
Provision for Taxation		(2,000,000)	(850,000)
Provision for Deferred tax		(12,172)	(10,182)
Written back of Excess Provision for Income Tax		159,235	NIL
Profit after Tax		2,084,596	2,036,995
Prior Period Adjustment		(20,778)	NIL
Profit after Tax and prior period adjustment		2,063,818	2,036,995
Balance brought forward		2,721,819	1,092,223
Amount Available for Appropriation		4,785,637	3,129,218
APPROPRIATION			
Special General Reserve (u/s 451C of RBI Act, 1934)		412,764	407,399
Balance Carried to Balance Sheet		4,372,873	2,721,819
Earning Per Share of Rs. 10 Basic and Diluted		0.32	0.32
Significant Accounting Policies and Notes to Accounts Schedule referred to above form an integral part of the Profit and Loss Accounts			
M			

In terms of our report attached

On behalf of the Board

FOR MUKUND & ROHIT

Chartered Accountants
Firm Registration No. 113375W

SHRI RAJESH J. JHAVERI
Managing Director

MUKUND BAKSHI

Partner
Membership No. 41392
Vadodara
September 2, 2010

SHRI KAMLESH J. JHAVERI
Director

Vadodara
September 2, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31st March,2010 (Rs.)	As at 31st March,2009 (Rs.)
SCHEDULE A		
SHARE CAPITAL		
Authorised		
70,00,000 equity shares of Rs.10/- each and	70,000,000	70,000,000
30,00,000 Preference share of Rs.10/- each	30,000,000	30,000,000
	100,000,000	100,000,000
Issued, Subscribed & Paid up		
64,63,300 Equity Shares of Rs.10 each fully paid	64,633,000	64,633,000
TOTAL	64,633,000	64,633,000
SCHEDULE B		
RESERVES & SURPLUS		
Reserve Fund (u/s 45IC of the RBI Act, 1934)		
As per last Balance sheet	1,967,383	1,559,984
Add : Transfer form Profit and Loss A/c	412,764	407,399
	2,380,147	1,967,383
Profit & Loss Account		
	4,372,873	2,721,819
TOTAL	6,753,020	4,689,202
SCHEDULE C		
UNSECURED LOANS		
Security Deposits	NIL	100,000
TOTAL	NIL	100,000
SCHEDULE E		
INVESTMENT		
LONG TERM INVESTMENTS		
a) Financial Investment:-	NIL	NIL
b)Trade Investments :-		
In Equity Share -Unquoted, fully paid up		
74,150 Jhaveri Securities Ltd of Rs. 100 each	7,415,000	NIL
9,45,020 Jhaveri Hightech Agro Ltd. of Rs. 10 each (Previous Year 20,80,700)	9,450,200	20,807,000
5,000 Makarpura Co-Op Bank. of Rs. 10 each	50,000	50,000
1,30,000 Maulik Kruti Resources Ltd.. of Rs. 10 each	1,300,000	1,300,000
	18,215,200	22,157,000
In Preference Shares -Unquoted, fully paid up		
74,150 Jhaveri Securities Ltd of Rs. 100 each	NIL	7,415,000
TOTAL	18,215,200	29,572,000

**SCHEDULE D
FIXED ASSETS FOR THE YEAR ENDED ON 31.03.2010**

Sr. No.	Particulars	GROSS BLOCK - AT COST				DEPRECIATION /AMORTISATION				Net Block	
		As at April 1,2009	Additions	Deduction/ Adjustments	As at March 31,2010	Up to April 1,2009	For the year	Deduction	Up to March 31,2010	As at March 31,2010	As at March 31,2009
1	Office Building	1,796,717	-	-	1,796,717	627,635	58,454	-	686,089	1,110,628	1,169,081
2	Furniture & Fixtures	1,223,620	-	-	1,223,620	1,070,743	6,026	-	1,076,769	146,851	152,877
3	Computer Equipment	2,706,172	295,495	-	3,001,667	2,069,618	327,872	-	2,397,490	604,177	636,553
4	Office Equipments	60,608	-	-	60,608	27,312	27,671	-	54,983	5,625	33,296
	Total	5,787,117	295,495	-	6,082,612	3,795,308	420,023	-	4,215,331	1,867,281	1,991,807
	Previous Year	7,218,227	405,397	1,313,332	6,310,295	3,939,176	379,309	-	4,318,486	19,991,807	3,279,051

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE F		
CURRENT ASSETS, LOANS AND ADVANCES		
SUNDRY DEBTORS (Unsecured and Considered Good)		
- More than six months	584,035	NIL
- Others	8,689,712	36,618,905
TOTAL	9,273,747	36,618,905
 CASH AND BANK BALANCES		
Cash on hand	103,883	191,429
Balance with Banks		
In Current Accounts :		
With Schedule Banks	49,907,208	3,255,643
In Fixed Deposit Accounts :		
With Schedule Banks	8,095,189	5,771,978
	58,106,280	9,219,050
 LOANS AND ADVANCES		
UNSECURED - (Considered Good Unless Otherwise Stated)		
Loan	NIL	428,032
Deposits	6,814,000	7,564,000
Advance Income Tax	2,604,850	1,270,287
Pre Paid Expenses	45,566	NIL
Advance recoverable in cash or in Kind for value to be recd	208,694	204,253
	9,673,110	9,466,572
 SCHEDULE G		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	21,941,098	14,764,202
Govt. Liabilities	205,176	126,625
Other current liabilities	NIL	229,717
	22,146,274	15,120,544
Provisions		
For Audit Fees	100000	100000
For Expenses	125499	54000
For Salary	64810	96825
For Income Tax	2850000	1623922
	3,140,309	1,874,747
TOTAL	25,286,583	16,995,291

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31st March,2010 (Rs.)	As at 31st March,2009 (Rs.)
SCHEDULE H		
INCOME FROM OPERATION		
Brokerage Income	16,323,315	11,018,671
Financial Income	NIL	NIL
	16,323,315	11,018,671
SCHEDULE I		
OTHER INCOME		
Interest Income	1,570,256	423,165
Dividend income	897,300	566,091
Miscellaneous Income	411,464	1,004,995
	2,879,020	1,994,251
SCHEDULE J		
EMPLOYEES RELATED EXP		
- Employee Related Exp.	1,441,473	2,416,800
	1,441,473	2,416,800
SCHEDULE K		
ADMINISTRATIVE & OTHER EXPENSES:		
Audit Fees	100,000	100,000
Commission	5,524,558	4,162,328
Directors Remuneration	960,000	960,000
Electricity Exp.	110,419	109,292
Fringe Benefits Tax	160	24,390
Income tax expenses	19,170	NIL
Insurance Premium	2,572	2,570
Legal & Professional Fees	29,332	18,348
Loss on sale of Shares (JHAL)	2,839,200	NIL
Office Expenses	549,906	346,338
Postage & Courier Charges	69,669	113,915
Printing & Stationery	93,737	112,651
Rent, Rates & Taxes	507,803	388,704
Repairs & Maintenance Exp	99,268	4,625
Telephone & Communication Exp.	222,762	29,400
Trade Related Exp.	1,958,093	837,234
	13,086,649	7,209,795
SCHEDULE L		
INTEREST AND FINANCE CHARGES		
Bank Guarantee & Other charges	298,322	87,781
Other Finance Charges	18,335	22,060
	316,657	109,841

SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE M

A. SIGNIFICANT ACCOUNTING POLICIES

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. 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.

3. 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.

4. 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.

5. Revenue Recognition:

Professional services/dividend/interest on securities i.e. Debentures, Bonds has been accounted for on receipt basis.

6. 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.

7. Treatment of Contingent Liabilities:

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

(B) NOTES FORMING PART OF ACCOUNTS

1. 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.

2. Deferred Tax Liability:

	2009-10 (Rs.)	2008-09 (Rs.)
Deferred Tax Liabilities in respect of		
- Deprecation	12,172	10,182
Total	12,172	10,182

3. Auditors Remuneration:

	2009-10 (Rs.)	2008-09 (Rs.)
Audit Fees	50,000	50,000
Tax Audit Fees	50,000	50,000
Total	1,00,000	1,00,000

4. Managerial Remuneration:

	2009-10 (Rs.)	2008-09 (Rs.)
Salaries	9,60,000	9,60,000
Performance Incentives	5,25,000	NIL
Total	14,85,000	9,60,000

5. Earning Per Shares (EPS)

		2009-10	2008-09
Net Profit after tax as per Profit and Loss accounts attributable to Equity Shareholders	Rs.	20,84,745	20,36,995
Weighted Average number of equity shares used as denominator for calculating EPS	Number	64,63,300	64,63,300
Basic and Diluted Earning per Share	Rs.	0.32	0.32
Face Value per equity Share	Rs.	10	10

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

7. 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)

8. 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 Ltd.
Jhaveri Hightech Agro Ltd.
Jhaveri Fiscal Services Pvt. Ltd.
Jhaveri Infrastructure Pvt. Ltd.
Jhaveri Security Ltd.
Karan Jeet Ressources Pvt. Ltd.

(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	Relationship
M/s J. B. Jhaveri	Director's Proprietorship Concern
J. B. Jhaveri HUF	Director's HUF
Mrs. S. J. Jhaveri	Relative of Director
Mrs. B. R. Jhaveri	Relative of director
Mrs. S. B. Jhaveri	Relative of director
R. J. Jhaveri HUF	Director's HUF
Parth Jhaveri	Relative of Director
Karan 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

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

JHAVERI CREDITS & CAPITAL LIMITED

(B) Transactions carried out with related parties referred in 1 above, in ordinary course of business: (Rs. In Lacs)

Sr. No	Nature of Transaction	Subsidiaries	Associates	Key Management Personnel	Relatives of Key Management personnel	Total
1	Sales and Services					
	Jhaveri Securites Limited	--	57.63			57.63
	Total	--	57.63	-	-	57.63
2	Interest Income					
	Jhaveri Securites Limited	--	9.32	-	-	9.32
	Total	--	9.32	-	-	9.32
3	Expenses					
	Jhaveri Securites Limited	--	-	-	2.10	2.10
	Total	--	-	-	2.10	2.10
4	Remuneration to Director	--	-	9.60	-	9.60
	Performance Incentive	--	-	5.25	-	5.25
	Total	--	-	14.85	-	14.85
5	Inter corporate placed during year					
	Jhaveri Securites Limited	--	200.00	-	-	200.00
	Total	--	200.00	-	-	200.00
6	Sale of investment to					
	Jhaveri Infrstructure Pvt.Ltd.	--	4.70	-	-	4.70
	Karan Jeet Resources Pvt.Ltd.	--	3.96	-	-	3.96
	Other	--	-	-	76.52	76.52
	Total	--	8.66	-	76.52	85.18
7	Dividend Received					
	Jhaveri Securites Limited	--	8.97	-	-	8.97
	Total	--	8.97	-	-	8.97

8. The Company is not a Manufacturing Company and hence information under items 4C & 4D of Part II of Schedule VI the Companies Act, 1956 is not applicable.
9. There are no registered small scale undertaking in the list of creditors, hence no information is give 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.
10. In the opinion of the Board:
- All current assets, loans and advances have value at least equal to the amount at which they are stated in the accounts.
 - All known liabilities have been provided for and there is no liability, contingent or otherwise, is stated in the accounts.

In terms of our report attached

On behalf of the Board

FOR MUKUND & ROHIT
Chartered Accountants
Firm Registration No. 113375W

SHRI RAJESH J. JHAVERI
Managing Director

SHRI KAMLESH J. JHAVERI
Director

MUKUND BAKSHI
Partner
Membership No. 41392
Vadodara
September 2,2010

Vadodara
September 2, 2010

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties ** (a) Subsidiaries (b) Companies in the same group (c) Other related parties	181.65	181.65
	2. Other than related parties	0.5	0.5
	Total ** As per Accounting Standard of ICAI (please see Note 3)		
	Other information	Amount	
	Particulars		
	(i) Gross Non-Performing Assets (a) Related parties (b) Other than related parties		
	(ii) Net Non-Performing Assets (a) Related parties (b) Other than related parties		
	(iii) Assets acquired in satisfaction of debt		

Notes:

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No.	04-20371	State Code No:	04
Balance Sheet Date:	31/03/2010		

2. Capital Raised During The Year (Amount Rs. In Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

3. Position of Mobilization and Deployment of Funds (Amount in Thousand)

Total Liability	71,849	Total Assets	71,849
Paid up Capital	64,633	Net Fixed Assets	1,867
Reserves & Surplus	6.753	Net Current Assets	51,767
Secured Loans	NIL	Investments	18,512
Unsecured Loans	NIL	Miscellaneous Expenditure	NIL
Deferred Tax Liabilities	463	Accumulated Losses	NIL

4. Performance of Company (Amount Rs. In Thousand)

Total Income	19,202	Total Expenditure	15,265
Profit / Loss before Tax	3,937	Profit/Loss after Tax	2,085
Earning Per Share (Rs.)	0.32	Dividend Rate (%)	NIL

5. Generic Names of Principal Products of Company. (As Per Monetary Terms)

Item Code No (ITC Code)	NA	Product Description	NA
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On behalf of the Board

SHRI RAJESH J. JHAVERI
Managing Director

SHRI KAMLESH J. JHAVERI
Director

Vadodara
September 2,2010

Vadodara
September 2, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2010

Particulars	For The Year ended 31 March 2010 (Rs.)	For The Year ended 31 March 2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit and Loss Account	3,937,533	2,897,177
Adjustments for :		
Depreciation	420,023	379,309
Assets Written off	NIL	156,698
Profit on Sale of Assets	NIL	(443,366)
Loss on Sale of Investment	2,839,200	NIL
Interest / Dividend Income	(2,467,556)	(989,256)
Interest and Finance Charges	316,657	109,841
Operating Profit before Working Capital Changes	5,045,857	2,110,403
Changes in Working Capital		
Adjusted for :		
Trade and Other Receivables	27,138,620	(20,542,030)
Trade Payables	8,291,292	144,128,37
Cash generated from Operations	40,475,769	(4,018,790)
Taxes Paid	(1,840,765)	(850,000)
Net Prior Year Adjustments	(20,778)	NIL
Net Cash from Operations	38,614,226	(4,868,790)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(295,495)	(405,397)
Sale of Fixed Assets	NIL	1,600,000
Sale of Investment	8,517,600	1,600,000
Interest / Dividend Received	2,467,556	989,256
Net Cash from Investment Activities	10,689,661	3,783,859
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Loan Funds	(100,000)	NIL
Interest and Finance Charges Paid	(316,657)	(109,841)
Net Cash from Financing Activities	(416,657)	(109,841)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	48,887,230	(1,194,772)
Cash & Cash Equivalents at the beginning of the year	9,219,050	10,413,822
Cash & Cash Equivalents at the end of the year	58,106,280	9,219,050

In terms of our report attached

FOR MUKUND & ROHIT
Chartered Accountants
Firm Registration No. 113375W

MUKUND BAKSHI
Partner
Membership No. 41392
Vadodara
September 2,2010

On behalf of the Board

SHRI RAJESH J. JHAVERI
Managing Director

SHRI KAMLESH J. JHAVERI
Director
Vadodara
September 2, 2010

===== JHAVERI CREDITS & CAPITAL LIMITED =====

JHAVERI CREDITS & CAPITAL LIMITED

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

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

DP ID	
Client ID	

Regd. Folio No.	
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NAME AND ADDRESS OF THE SHAREHOLDER

No. of Shares held :

I hereby record my presence at the 16th Annual General Meeting of the Company held on Thursday, the 30th day of September, 2010 at 11.00 a.m. at 301, Payal Tower-II, Sayajigunj, Vadodara-390 005.

Signature of the Shareholder/Proxy :

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JHAVERI CREDITS & CAPITAL LIMITED

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

DP ID	
Client ID	

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

I/We _____ of _____ being the member/ members of Jhaveri Credits & Capital Limited, Baroda hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 16th Annual General Meeting of the Company to be held on 30th day of September, 2010 and at any adjournment thereof.

Signed this _____ day of _____, 2010.

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

To,

If undelivered please return to :

JHAVERI CREDITS & CAPITAL LIMITED

301, Payal Towers II, Near Stock Exchange Building, Sayajigunj, Vadodara-390 005.