

ANNEXURE – I

Management Discussion and Analysis Report

Industrial Structure and Development

The Company is initial member of National Commodity & Derivatives Exchange Limited (NCDEX) and Multi Commodity Exchange of India Limited (MCX) since 2007-08. These exchanges were regulated by Forward Market Commission (FMC) since incorporation till year 2015, now both the Exchanges have come under control of operation and compliance of SEBI (Securities and Exchange Board of India) as Market Regulator.

The Company is registered with SEBI through Both Commodities Exchanges. The result will better disciplined business in commodity market, particularly in bullion, Base metals, Agro Commodities and Energy, the future will be defiantly bright.

Company's Performance

The operations on commodity exchange is getting stuck up with certain national and world economic scenario, did not gave growth in broking activities and related revenue during dealing in shares and securities also did not prove good deal in term of earning to the company. The cash market had affected the earning on volatility. The company suffered a deficit on rescheduling its portfolio with a market condition. The recurring revenue expenditure could not be controlled instantly. The final result of operation during the year was a deficit of Rs.47.03 lacs.

The management is reviewing the better alternatives to change focus on better business opportunities in time to come.

Discussion on financial performance with respect to operational performance

The Companies financial discipline has helped to sustain in the critical time of inflation. The Company do venture into share trading to have liquidities and earning support in time to come as share trading being most liquid form of finance and better managed activities.

The operations are getting reviewed with market movement and the trend is observed on positive growth. The static cost on operation will give better performance with potential growth in the years to come with changed alternative.

Opportunities, Threats and Future Outlook

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

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

Internal Control System and their adequacy

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

Human Resources

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

RISK AND CONCERNS

The Company's Broking business is fully safe and secured as Risk Management policies is implemented and perceived properly. The risk is high as brokerage of paisa will cost Rs. 100, if turns to „No“ recovery/bad debts. The need to involve in business/broking dealings of clients and most vigilant of leverage business, accommodation etc. against exchange norms and margin provisions. The exchange obligation and margin exposure compliance is to be met fully. The automation help a lot in controlling the risk of liquidity/money getting blocked and crises of liquidity but discipline business reduce the risk to a great extent and the company has a deep concern for the same.

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.

Date: - 30-05-2019
Place: - Vadodara

for and on behalf of Board of Directors
of M/s Jhaveri Credits & Capital Ltd

Kamlesh J. Jhaveri
Whole-Time Director
DIN: 00266242