

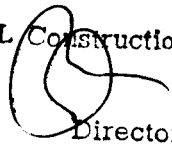
# ANNUAL REPORT 2003-04

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**GCCL**

For, GCCL Construction & Realities Ltd.

  
Director/Auth. Signatory

**GCCL CONSTRUCTION & REALITIES LIMITED**  
**AHMEDABAD**

## **GCCL CONSTRUCTION & REALITIES LIMITED**

**BOARD OF DIRECTORS** : SHRI BAHUBALI S. SHAH CHAIRMAN  
SHRI AMAM S. SHAH DIRECTOR  
SHRI HIMANSHU J. KAMDAR DIRECTOR  
SHRI ASHOKKUMAR DAMANI DIRECTOR  
SHRI BHARATBHAI KASTURBHAI DIRECTOR

**AUDITORS** : M/S. DINESH R. SHAH & NANAVATI  
CHARTERED ACCOUNTANTS  
51 - MADHUBAN,  
NR. RLY. CROSSING,  
ELLISBRIDGE,  
AHMEDABAD - 380 006.

**REGD. OFFICE** : 606, SAKAR - 1,  
OPP. NEHRU BRIDGE,  
ASHRAM ROAD,  
AHMEDABAD - 380 009.

## NOTICE

NOTICE is hereby given that the tenth Annual General Meeting of the Members of GCCL CONSTRUCTION & REALITIES LIMITED will be held on Thursday, 30th September, 2004 at 10.00 a.m. at 606, Sakar I, Ashram Road, Ahmedabad to transact the following business.

### **ORDINARY BUSINESS**

1. To receive consider & adopt the Balance Sheet as at 31st March 2004, the Profit & Loss Account for the year ended on that date and the reports of the Directors' & Auditors' thereon..
2. To appoint a Director in place of Shri Ashokkumar Damani who being eligible offers himself for reappointment.
3. To appoint M/s Dinesh R. Shah & Nanavati, Chartered Accountants, Ahmedabad as Auditors of the Company to hold office from conclusion of this Annual General Meeting till conclusion of next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company.

### **SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.  
**"RESOLVED FURTHER"** that pursuant to the provisions of Section 61 & other applicable provisions of the Companies Act, 1956 (including statutory modifications, reenactment thereof for the time being in force & as may be enacted herein after.) Securities Contract (Regulations) Act 1956, SEBI Act, 1992, & the rules framed thereunder, listing agreement clause 6.1 & other applicable provisions of SEBI (Delisting of securities) Guidelines, 2003 & all other applicable laws, rules, regulations & Guidelines & subject to such other approvals, permissions, & sanction as may be necessary & subject to such conditions & modifications as may be prescribed or imposed by any authority while granting such approvals, permissions & sanctions which may be agreed to by the Board of Directors of the company (herein after referred to as "the Board" which expression shall also include a committee thereof for the time being exercises the power conferred on the Board by this resolution) consent of the company be & is hereby accorded to the Board to delist the equity shares of the company from The Stock Exchange, Ahmedabad  
**"RESOLVED FURTHER"** that the Board be and is hereby authorized to seek voluntary delisting of the Company's equity shares from the said Stock Exchanges and to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper of desirable and to settle all questions, difficulties, doubts that may arise in regard to delisting of the Equity Shares without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution."  
**"RESOLVED FURTHER"** that the Board be and is hereby authorized to execute all such deeds, documents, writings, as may be necessary, desirable or expedient and to take all necessary steps in this regard in order to comply with the legal and procedural formalities and further to authorize any of its Committees or any of its Directors or any of the officers of the Company to give effect to the aforesaid resolution."
5. To consider & if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution. Resolved that Shri Bharatbhai Kasturbhai whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing the candidature of Shri Bharatbhai Kasturbhai for the office of Director be and is hereby appointed as Director of the Company.

By order of the Board of Directors

**Bahubali S. Shah**

Chairman

30th June 2004

Registered office:

606, Sakar-1, Ashram Road, Ahmedabad- 380 009.

### **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 proxy need to be a member of the company.
2. Shareholders/proxies are requested to produce the attendance slip at the entrance of the Meeting Hall.
3. The Register of Members and Transfer Book of the Company will be closed from Wednesday 22/09/2004 to Thursday 30/09/2004 both days inclusive.
4. Shareholders desiring any information as regards the account are requested to write to the Company at least five days in advance of the Annual General Meeting to enable the Management to keep the information ready at the meeting.
5. An explanatory statement as required under Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.

## **EXPLANATORY STATEMENT**

**(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.)**

### **ITEM 4**

#### **DELISTING OF THE EQUITY SHARES FROM THE STOCK EXCHANGE, AHMEDABAD.**

The Equity Shares of the Company are presently listed on The Stock Exchange, Ahmedabad (ASE) and The Stock Exchange, Mumbai (BSE). With the extensive network of BSE and the extension of BSE terminals to other cities as well investors have access to online dealings in the Company's equity shares across the country. The shareholders of the Company do not get any additional benefit by continuing the listing of the equity shares on the ASE. The continued listing of the ASE is, therefore, not considered necessary. The proposed delisting from the ASE would further contribute to the reduction in administrative costs/efforts of the Company.

The proposed delisting of the Company's equity shares from the ASE, if and when it takes place will not therefore adversely affect any investor. The equity shares shall continue to remain listed on BSE.

SEBI (Delisting of Securities) Guidelines, 2003 inter alia provides that a Company may seek voluntary delisting of its securities from all or some of the Stock Exchanges and further that an exit opportunity is not required to be provided in cases where such securities continue to be listed at the Stock Exchange having nationwide terminals i.e. BSE and NSE and any other Stock Exchange that may be specified by SEBI in this regard. There is no compulsion for companies to remain listed on any Stock Exchange merely because it is a regional Stock Exchange.

In view of the above, the Board of Directors of the Company at its meeting held on 30th June 2004 has approved the proposal to get Equity Shares of the Company voluntarily delisted from the said Stock Exchange, subject to the approval of the Members and in accordance with applicable laws, rules, regulations and guidelines.

Pursuant to the SEBI (Delisting of Securities) Guidelines, 2003, it is now proposed to seek the Members approval by way of a Special Resolution for the voluntary delisting of the Company's equity shares from the said guidelines, as the Company's securities (presently equity shares) shall continue to remain listed on BSE, no exit option is required to be offered to the shareholders.

The exact date on which delisting will take effect will be suitably notified.

The proposed delisting is in the interest of the Company and the Board of Directors of the Company commends the Resolution to the members for their approval. None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

### **ITEM 5**

Shri Bharatbhai Kasturbhai was appointed by the Board of Directors as an Additional Directors of the Company with effect from 31/7/03 and hold office up to the date of this Annual General Meeting under Section 260 of Companies Act, 1956. Shri Bharatbhai Kasturbhai is eligible for reappointment and in respect of whom the Company has received notices in writing under Section 257 of the Companies Act, 1956 from members proposing his candidature for the office of Director. The Board commends the Resolution in the interest of the Company.

By order of the Board of Directors

**Bahubali S. Shah**

Chairman

30th June 2004

Registered office:

606, Sakar-1, Ashram Road, Ahmedabad- 380 009.

#### **Profile of the Directors seeking reappointment.**

Name	:	Shri Ashokkumar Damani
Address	:	G/2, Sankalp Appt., Gulbai Tekra, Ahmedabad - 9.
Age	:	55 years
Nationality	:	Indian
Occupation	:	Advocate
Qualification	:	Advocate
Experience	:	33 years
Date of appointment	:	31/3/02

#### **Profile of the Directors seeking appointment.**

Name	:	Shri Bharatbhai Kasturbhai
Address	:	Shreekunj, 25, Tolak Nagar, Paldi, Ahmedabad - 9.
Age	:	57 years
Nationality	:	Indian
Occupation	:	Business
Qualification	:	B. Com.
Experience	:	35 years
Date of appointment	:	31/7/03

## DIRECTOR'S REPORT

To  
The Members  
GCCL CONSTRUCTION & REALITIES LIMITED,  
Ahmedabad.

Your Directors presents their Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March 2004.

### **FINANCIAL RESULTS:**

	2003-2004 (Rs. in Lacs)	2002-2003 (Rs. in Lacs)
Profit/[-]Loss for the year	45.28	21.88
Profit/[-]Loss brought forward from previous year.	18.19	[-]3.69
Profit/[-]Loss Carried To Balance Sheet	63.47	18.19

### **OPERATIONS:**

Your Directors do not recommend any dividend for the year 2003-2004.

### **MANAGEMENT DISCUSSION & ANALYSIS**

- **Construction & Realities Industry:**  
The Indian economy fared well with an estimated GDP growth of around 7% after a sluggish 4.4 % during 2002-03. Construction which accounts for over 5 % of India's GDP, registered a growth of 6.5 % during 2003-04.
- **Company's performance & future outlook:**  
The company has not undertaken any activity during the year. The fund is deployed in short-term investment instruments. The company has not designed any business strategy for the current year.
- **Risk & concerns:**  
The Company continues to carry risks of competition, litigation and regulatory & legislative reforms in the industry.
- **Internal Control Systems & their Adequacy:**  
The company has proper & adequate system of their internal controls proportionate to its size and business. The internal control system of the company are designed to ensure that the financial and other records are reliable for preparing financial statements and other data.
- **Cautionary Statement:**  
The Management Discussion & Analysis Report may contain certain statement that might be considered forward looking within the meaning of applicable securities, laws and regulations. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the Company's operations such as Government policies, tax laws, political and economic development.

### **VOLUNTARY DELISTING OF THE COMPANY'S SHARES FROM STOCK EXCHANGE, AHMEDABAD**

The Equity Shares of the Company are presently listed on The Stock Exchange, Ahmedabad (ASE) and The Stock Exchange, Mumbai (BSE). With the extensive network of BSE and the extension of BSE terminals to other cities as well investors have access to online dealings in the Company's equity shares across the country. The shareholders of the Company do not get any additional benefit by continuing the listing of the equity shares on the ASE. The continued listing on the ASE is, therefore, not considered necessary. The proposed delisting from the ASE would further contribute to the reduction in administrative costs/efforts of the Company. The proposed delisting of the Company's equity shares from the ASE, if and when it takes place will not therefore adversely affect any

investor including the members located in the regions where the said Stock Exchanges are situated as the equity shares shall continue to remain listed on BSE.

As per SEBI (Delisting of Securities) Guidelines, 2003 there is no compulsion for companies to remain listed of any Stock Exchange merely because it is a regional Stock Exchange. A proposal in this respect is contained in the accompanying Notice of the forthcoming Annual General Meeting.

### **CORPORATE GOVERNANCE**

Pursuant to clause 49 of the listing agreement, a report on corporate governance along with auditors' certificate of its compliance is included as part of the annual report.

### **AUDITORS AND AUDITORS' REPORT:**

The Auditors' M/s Dinesh R. Shah & Nanavati, Chartered Accountants, Ahmedabad holds office until the conclusion of the ensuing Annual General Meeting and is recommended for reappointment for the year 2003-2004. The Company has received certificate from the Auditors' to the effect that the reappointment if made, would be within prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

The notes at schedule 9 are self-explanatory and do not require further clarifications.

### **FIXED DEPOSITS:**

The Company has not accepted any deposits from the public.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988:

Part A and B pertaining to conservation and technology absorption is not applicable to the Company. However the Company endeavored to conserve energy consumption wherever feasible.

The Company has neither used nor earned any foreign exchange during the year under review.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to sub-Section (2AA) of Section 217 of Companies Act 1956 the Board of Directors of the Company hereby State and confirm that:

- (i) in preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements 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 end of the financial year and of the profit or loss of the company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis.

### **PARTICULARS OF EMPLOYEES:**

The information as required under Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees' amendment) Rules, 1988 as amended from time to time is nil.

For and on behalf of the Board of Directors

**BAHUBALI S. SHAH**

Chairman

Place: Ahmedabad

Date : 30/06/2004.

Registered office:

606, Sakar-1, Ashram Road, Ahmedabad- 380 009.



## CORPORATE GOVERNANCE

(As required by clause 49 of the Listing Agreement with the stock exchange)

This section on Corporate Governance forms part of the Director's Report to the shareholders. This report is given in terms of clause 49 of the Listing Agreement entered with the Ahmedabad & Mumbai Stock Exchanges where the shares of the Company have been listed.

### MANDATORY REQUIREMENTS

#### 1. Company's Philosophy & Code of Governance

The Cornerstone of your Company's corporate governance policy is directed towards :

1. Adherence to ethical business practices.
2. Transparency in respect of board matters and disclosures to shareholders.
3. Maximizing sustainable values to all its stock holders including shareholders, customers and employees.

#### 2. BOARD OF DIRECTORS

Composition of Board:

The Board of Directors consists of 5[five] members, & all are non-executive Directors. Who bring in a wide range of skills and experience to the Board. The company has a non-executive Chairman and the number of independent director is one third of the total number of directors. The composition of the Board is in conformity with clause 49 of the Listing Agreement.

None of the Directors on the Board is a member on more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (as specified in clause 49), across all the Companies in which he is a Director.

The Directors have made the necessary disclosures regarding Committee positions.

The Composition of the Board as on 31st March 2004 was as under.

Name of the Directors	Category Cate	Attendance Particulars		Other Directorships	Other Committee Membership	
		No. of Board Meeting	Last AGM		Member	Chairman
Shri Bahubali S. Shah	CM-NENI	4	Y	3	2	1
Shri Amam S. Shah	NENI	4	Y	5	2	1
Shri Ashokkumar Damani	IND	4	Y	0	0	0
Shri Bharatbhai Kasturbhai	IND	3	Y	0	0	0
Shri Himanshu J. Kamdar	IND	2	Y	1	0	0
Shri Niranjambhai Jhaveri	IND	1	N	0	0	0

CM- Chairman, NENI-Non Executive Non Independent, IND- Independent.

#### Details of Board Meetings held during the year 2003-04

4 (four) Board meetings were held during the year and the gap between two meetings did not exceed four months.

Leave of absence was granted by the Board to the Directors who were absent at the respective Board Meeting(s).

Date of Meeting	No. of Directors Present
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30/06/2003	5
31/07/2003	4
15/10/2003	5
31/01/2004	4

The information as required under annexure I to clause 49 is being made available to the Board.

### 3. REMUNERATION OF DIRECTORS

The company has not set up a remuneration committee, as there is no executive Director.

#### 4. The brief particulars of retiring Directors proposed for reappointment are as under:

Name of the Director	Shri Ashokkumar Damani	Shri Bharatbhai Kasturbhai
Age (years)	55	57
Expertise in specific functional areas	Legal	General Manager
Qualifications	Advocate	B. Com.
Directorships held in other companies	NIL	NIL
Committee position held in other companies	NIL	NIL

### 5. AUDIT COMMITTEE

The Audit Committee comprises of 3[three] Non Executive Directors & majority of them are Independent. The members of audit committee have adequate financial/accounting knowledge. The terms of reference, role and scope are in line with those prescribed by clause 49 of the Listing Agreement with the Stock Exchanges. The Company also complies with the provisions of Section 292A of the Companies Act, 1956 pertaining to Audit committee and its functioning.

The Board delegated the following powers to the Audit Committee :

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Board defined the role of Audit Committee as under :

- a. Overseeing 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/removal of external auditors, fixing audit fees and approving payments for any other services;
- c. Reviewing with the management the annual financial statements before submission to the Board;