

# **ANNUAL REPORT 2002-2003**

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**GUJARAT CREDIT CORPORATION LIMITED  
AHMEDABAD**

## **GUJARAT CREDIT CORPORATION LIMITED**

**BOARD OF DIRECTORS** : **SHRI BAHUBALI S. SHAH** - **CHAIRMAN**  
**SHRI AMAM S. SHAH** - **DIRECTOR**  
**SHRI DILIP A. SHAH** - **DIRECTOR**  
**SHRI SHRIRAJ S. JHAVERII** - **DIRECTOR**

**AUDITORS** : **M/S. PARIKH MEHTA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**2, HAPPY HOME APPARTMENTS,**  
**10, SAMPATRAO COLONY,**  
**R.C. DUTT ROAD,**  
**BARODA - 390 005.**

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

## GUJARAT CREDIT CORPORATION LIMITED

**Regd Office : 606, SAKAR - I, Opp. Nehru Bridge, Ashram Road, Ahmedabad - 9.**

### **NOTICE**

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of Company will be held on Tuesday, 30<sup>th</sup> September, 2003 at 10.30 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 31<sup>st</sup> March 2003, 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 Mr. Shiraj S. Jhaveri, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditor of the Company to hold office from conclusion of this Annual General Meeting till conclusion of next Annual General Meeting and to fix their remuneration.

PLACE: AHMEDABAD

DATE : 30<sup>th</sup> June 2003

Regd Office :

606, SAKAR - I, ASHRAM ROAD,  
AHMEDABAD - 9.

By and order of the Board of Directors

AMAM S. SHAH  
MANAGING DIRECTOR

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 22<sup>nd</sup> September 2003 to Tuesday, 30<sup>th</sup> September 2003 (both days inclusive).
3. (i) The unclaimed dividend up to financial year 1994-95 have been transferred to General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those shareholders who have so far not claimed their dividend for the financial year upto 1994-95 may claim their dividend from the Registrar of Companies (Guj.) Ahmedabad.  
(ii) Members are hereby informed that consequent upon amendment in Section 205A of the Companies Act 1956 and introduction of Section 205C, by the Companies (Amendment) Act 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investors Education and Protection Fund.
4. Member/Proxy should bring the attendance slip sent herewith duly filled for attending the meeting along with the copy of this Annual Report.
5. Members desiring any information as regards accounts are requested to write to the company at least seven days in advance of the Annual General Meeting as to enable the management to keep the information ready.
6. Members are requested to notify the Company immediately the changes, if any, in the address in full with the postal area, pin code number quoting their folio number,

Profile of the Director seeking appointment/reappointment,

Name	:	Shri Shiraj S Jhaveri
Address	:	D/201, Chandanbala Flats, Paldi, Ahmedabad - 380 007.
Age	:	51 Years
Nationality	:	Indian
Occupation	:	Service
Qualification / Experience	:	B.com. / 9 Years
Date of Appointment	:	01/11/1993

PLACE: AHMEDABAD

DATE : 30/06/2003

By Order of the Board of Directors

AMAM S. SHAH  
MANAGING DIRECTOR

# GUJARAT CREDIT CORPORATION LIMITED

## DIRECTORS' REPORT

To  
The Members  
Gujarat Credit Corporation Limited

Your Directors presents their Tenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March 2003.

### FINANCIAL RESULTS:

	2002-2003 (Rs in Lac)	2001-2002 (Rs in Lac)
Profit/[-]Loss before depreciation & Tax:	11.17	[-]3.70
Depreciation	2.03	2.02
Taxation	NIL	NIL
Profit / [-] Loss for the year	9.14	[-]5.72
Profit/[-]Loss brought forward from previous year.	[-]51.69	[-]44.89
Transfer to Special Reserve	NIL	[-]01.08
Transfer to Deferred Tax Liabilities	[-]05.49	NIL
Loss Carried To Balance Sheet	[-]48.04	[-]51.69

### OPERATION:

The Company has undertaken an activity of developer. It has earned a net profit of Rs.9.14 Lac against a loss of Rs.5.72 Lac during previous year.

### DIVIDEND:

In view of Carried Forward Losses, your Directors do not recommend any dividend for the year 2002-2003.

### MANAGEMENT DISCUSSION & ANALYSIS:

#### ▪ Construction & Realities Industry:

2002-03 was a mixed year for the Indian economy. The industrial & manufacturing sectors staged a modest recovery. Unfortunately the revival witness in the industrial & manufacturing sector has not extend to Construction & Realities Industry.

#### ▪ Company's performance & future outlook:

The company has undertaken two development project during the year. The company is in planning to designed such type of business strategy for the current year.

#### ▪ Opportunities & Threats:

In the current scenario, it is good future for Construction business.

▪ **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.

**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.

**DIRECTORS:**

Shri Shriraj S. Jhaveri Director will retire by rotation and being eligible, offer himself for reappointment.

**AUDITORS AND AUDITORS' REPORT:**

The Auditors' M/s Parikh Mehta & Associates Chartered Accountants, Baroda holds office until the conclusion of the ensuing Annual General Meeting and are 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 12 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.

**ACKNOWLEDGEMENTS:**

The Board expresses their appreciation for continued co-operation and support extended to the Company by bankers, employees & shareholders.

For and on behalf of the Board of Directors

**Bahubali S. Shah**  
Chairman

Place: Ahmedabad  
Date: 30/06/2003.

Registered office:  
606, Sakar - I, Ashram Road,  
Ahmedabad- 380 009.

## Gujarat Credit Corporation Limited

### CORPORATE GOVERNANCE

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

#### MANDATORY REQUIREMENTS

##### 1) Company's Philosophy & Code of Governance:

The Company is required to comply with the Clause 49 of the Listing Agreement within Financial Year 2002-03 but not later than March 31, 2003 and accordingly the Company has complied with all the provisions of the clause 49 by 31<sup>st</sup> March 2003.

##### 2) Board of Directors:

Composition of Board:

The Board of Directors consists of 4 [four] Directors & all are non-executive Directors. They function either as full Board or through Committees. Board and Committee meet at regular intervals.

		Attendance Particulars			Committee Membership	
Directors	Category	Board Meeting	Last AGM	Other Directorships	Member	Chairman
Shri Bahubali S. Shah	CM-NENI	5	Y	3	2	1
Shri Amam S. Shah	NENI	5	Y	5	1	1
Shri Shiraj S. Jhaveri	IND	5	Y	2	1	1
Shri Dilip A. Shah	IND	5	Y	0	1	0

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

Details of Board Meetings held during the year 2002-03

Date of Meeting	No. of Directors Present
27/06/2002	4
31/07/2002	4
31/10/2002	4
31/01/2003	4
31/03/2003	4

##### 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	Brief Particulars	Other Directorship	Details of Membership of Committees
Shri Shiraj Jhaveri	Service	GCCL Infrastructure & Projects Limited. GCCL Housing Finance Ltd.	Member of audit Committee.



**5) Audit Committee:**

The company has constituted its audit committee on 31/12/2003. The Audit Committee comprises of 3 Non Executive Directors & majority of them is Independent. The members of audit committee have adequate financial/accounting knowledge. The Audit Committee whose terms of reference have been specified as per clause 49 II (C) & (D) of Listing Agreement & Section 292A of the Companies Act, 1956 consists of:

Name	Designation
Shri Amam S. Shah	Non Executive
Shri Shriraj S. Jhaveri	Chairman Non Executive Independent
Shri Dilip A. Shah	Non Executive Independent

Since 2002-2003 was the First year in which the Audit Committee was constituted pursuant to the schedule of implementation under Clause 49 of the Listing Agreement, the Audit Committee meet only once on 31<sup>st</sup> January 2003. The Audit Committee at its meeting held on 31<sup>st</sup> January 2003 reviewed the unaudited financial results for the quarter ended on December 31, 2002.

**6) Share holders / Investor's Grievances Committee:**

The Company has constituted a Shareholders/Investor's Grievances Committee. This committee looks into the redressal of Shareholders/Investor's Grievances, if any, like Transfer/Transmission/Demat of Shares; Loss of Share Certificates; Non receipt of Annual Report; Dividend Warrants; etc. During the year, 27 complaints were received from the shareholders, all of which have been resolved to date. The Company has no transfers pending at the close of the financial year.

**7) Disclosure:**

- i) The Company has no 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 conflicts with the interest of the Company at large. The related party transaction are reported at note no.12 of schedule 12 of balance sheet.
- ii) There were instances of non-compliance by the Company & trading in securities of the Company is suspended by the Mumbai stock exchange w.e.f. 17/02/2003.

**8) Share Transfer System:**

The Company has appointed M/s Pinnacle Shares Registry Private Ltd. as registrar & transfer Agents for Demat. The physical share transfer work is handled Inhouse. Valid share transfer in physical form and complete in all respects as well as transfer in dematerialised form were approved and registered within stipulated period.

**9) Dematerialisation of shares & liquidity:**

Consequent upon the compulsory demat of the equity shares of the Company as notified by SEBI, about 6.54 % of the equity capital of the Company has been dematerialised as on March 31, 2003. The shares are traded on Ahmedabad and Mumbai Stock Exchanges.



**10) Date time and venue of -Annual General Meeting:** Tuesday, 30th September 2003 at 10.30 a.m.  
606, Sakar - I, Opp: Nehru Bridge,  
Ashram Road, Ahmedabad-380 006

**11) Book Closure Date:** Monday, 22<sup>nd</sup> September, 2003 to  
Tuesday, 30th September, 2003  
(both days inclusive)

**12) Dividend payment date:** Not Applicable

**13) Details of Last three Annual General Meeting.**

AGM	Year	Venue of AGM	Date	Time
Seventh	1999-2000	606, Sakar-I Ashram Road, Ahmedabad-6	30/09/2000	10.30 a.m.
Eighth	2000-2001	606, Sakar-I Ashram Road, Ahmedabad-6	27/09/2001	10.30 a.m.
Ninth	2001-2002	606, Sakar-I Ashram Road, Ahmedabad-6	30/09/2002	10.30 a.m.

**14) Means of communication :**

**Quarterly results :** Published in Western Times English - Gujarati/English.

**15) Financial calender (tentative):**

Financial reporting for the quarter ending June 30, 2003	31/07/2003
Financial reporting for quarter / half year ending September 30, 2003	31/10/2003
Financial reporting for the quarter ending December 31, 2003	31/01/2004
Financial reporting for year ending March 31, 2004	30/06/2004
Annual general meeting for the year ending on March 31, 2004	30/09/2004

**16) High/Low of monthly Market Price of the Company's Equity Shares traded on the Mumbai & Ahmedabad Stock Exchanges during the financial year 2002-03 is furnished below:**

<u>Ahmedabad</u>				<u>BSE</u>		
Month	High	Low	Volume	High	Low	Volume
April-02 to March-03	<b>No Transaction reported during the period on any stock exchange.</b>					

**17) Distribution of shareholding (as on March 31, 2003):**

On the basis of Shares held

Category	No of Share Holders	% Holding	No. of Shares	% Holding
1-500	7682	97.76	965310	3.87
501-1000	96	1.22	73400	0.29
1001-2000	21	0.26	30100	0.12
2001-3000	2	0.02	5100	0.02
3001-4000	1	0.01	3500	0.01
4001-5000	3	0.03	14300	0.05
5001-10000	1	0.01	5100	0.02
10001 & Above	55	0.69	23903190	95.62
<b>TOTAL</b>	<b>7861</b>	<b>100</b>	<b>25000000</b>	<b>100</b>