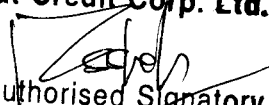


*True Copy*  
For, Gujarat Credit Corp. Ltd.  
  
Authorised Signatory

**GUJARAT CREDIT CORPORATION LIMITED**

Annual Report 2004-05

## **GUJARAT CREDIT CORPORATION LIMITED**

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

Reg. Office : 606, Opp. Nehru Bridge, Sakar-I, Ashram Road, Ahmedabad- 380009.

**NOTICE**

Notice is hereby given that the twelfth Annual General Meeting of the Members of Gujarat Credit Corporation Limited will be held on Saturday, 17th September, 2005 at 11.00 a.m. at "ATMA" Hall (Ahmedabad Textiles Mill Association), Ashram Road, Ahmedabad – 380 009 to transact the following business.

**ORDINARY BUSINESS**

1. To receive consider & adopt the Balance Sheet as at 31st March, 2005, 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 Bahubali S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint 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.

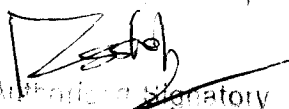
Date: 30<sup>th</sup> June 2005**By Order of the Board of Directors****Registered Office :**606, Sakar-I, Ashram Road,  
Ahmedabad-380009.**Amam S. Shah**  
**Director****: NOTES :**

1. A member entitled to attend and Vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. Shareholders/Proxies are requested to produce the attendance slip at the entrance of the Meeting Hall.
3. The Register of the Members & Transfer Book of the Company will be closed from Saturday, 10/09/2005 to Saturday 17/09/2005 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. Details in respect of Directors seeking reappointment at the Annual General Meeting is as under :

Name	:	Shri Bahubali S. Shah
Address	:	Gujarat Samachar Bhavan, Khanpur, Ahmedabad-380001.
Age	:	54 Yrs.
Nationality	:	Indian
Occupation	:	Business
Qualification	:	B.Com.
Experience	:	34 Yrs.
Date of appointment	:	25/11/1993

List of other Limited Companies in which Directorship held.

1. GCCL Construction & Realities Ltd.
2. Lokprakashan Ltd.
3. Indian Chronicle Ltd.
4. Zora Traders Ltd.

Date : 30<sup>th</sup> June 2005**By Order of the Board of Directors****Registered Office :**606, Sakar-I, Ashram Road,  
Ahmedabad-380009.**Amam S. Shah**  
**Director**


Authorized Signatory

**GUJARAT CREDIT CORPORATION LIMITED****DIRECTORS' REPORT**

To  
The Members  
Gujarat Credit Corporation Limited  
Ahmedabad-380009.

Your Directors present their twelfth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March 2005.

**FINANCIAL RESULTS:**

Particulars	2004-2005 (RS in Lacs)	2003-2004 (RS in Lacs)
Profit before depreciation & Tax:	61.51	31.50
Depreciation	02.33	02.06
Taxation	06.20	00.75
Income Tax for Previous Year	02.05	00.00
Deffer Tax	00.38	+0.36
Profit for the year	50.55	29.05
Profit/[-]Loss brought forward from previous year.	-18.99	-48.04
Profit / [-] Loss Carried To Balance Sheet	31.56	-18.99

**OPERATIONS:**

Your Directors do not recommend any dividend for the year 2004-05.

**MANAGEMENT DISCUSSION & ANALYSIS**

- CONSTRUCTION INDUSTRY**

The real estate sector, is at the forefront of India's development agenda on account of its potential to propel economic growth. The importance of this sector as an engine of the nation's growth can be gauged from the fact that it is the second largest employer next only to agriculture and supports more than 200 ancillary industries such as cement, steel, brick, supporting services etc. Real estate development market is around \$12 billion, growing at 30 per cent annually.

The sector has off late witnessed a spurt in the demand of not just residential property but also commercial property. Indian cities have found a place for themselves on the world map as attractive investment destinations for international real estate players. Growth in retail, entertainment and information technology (IT)-enabled service sectors have increased the demand for shopping malls, multiplexes, food outlets, office spaces, convention and business centers and this demand has been met to a large extent by increased private sector participation in this sector.

Despite the boom in the real estate sector, a number of reforms are required to realize the full potential of this sector.

High transaction costs, relatively non-transparent markets, archaic laws, high and varied rates of stamp duty still make investors uncomfortable to undertake real estate transactions in India.

Master Plans and Development Plans of all the districts and towns should be prepared within a specified time frame so that the private developers and builders are able to get quick approval for their plans and are motivated to invest in real estate.

To improve the quality of life in the cities, civic amenities like potable water, good sanitation, sewage treatment and disposal, adequate electric supply and good roads need to be developed. It is here that the public-private participation can play an active role just like in power sector.

● **COMPANY'S PERFORMANCE :**

Aided by improved business environment, the company performed well during 2004-05. The company also undertook major initiative to enhance its value propositions. Net income from Development of Land increased by 97.39% from Rs 41.80 Lacs in 2003-04 to Rs.82.51 Lacs in 2004-05.

The Company has taken significant steps to undertake computer software and hardware business under the title "Source Communication" The business will be focussed on value added activities.

The petition to amalgamate GCCL Infrastructure & Projects Limited with your company was rejected by Hon'ble High Court, Gujarat at Ahmedabad in view of withdrawal application filed by the Company. There are certain material developments subsequent to amalgamation petition and the withdrawal of Amalgamation proposal is in the interest of shareholders.

● **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 is 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 on its compliance is included as part of this annual report.

**DIRECTORS :**

Shri Bahubali S. Shah Director will retire by rotation and being eligible, offers 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 2005-2006. 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.

**PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956 :**

The information as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees' Rules, 1975 as amended from time to time) is nil. Additional information on Conservation of Energy, Technology absorption and foreign exchange earnings and outgo as stipulated under section 217 (1) (e) of the Companies Act, 1956 is nil. 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.

## GUJARAT CREDIT CORPORATION LIMITED

### 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for 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.

### ACKNOWLEDGMENTS :

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

Date : 30/06/2005.

**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)

This section on Corporate Governance forms part of the Directors' 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. PHILOSOPHY :

The Company's philosophy on Corporate Governance envisages commitment to ensure investor satisfaction through better services and satisfaction of grievances if any, of all its stake holders and with due concern for social responsibility.

##### 2. BOARD OF DIRECTORS :

###### Composition of Board :

The Board of Directors consists of 4 [Four] members, and 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 2005 was as under.

Directors	Category	Attendance Particulars		Other Directorships	Committee Membership	
		Board Meeting	Last AGM		Member	Chairman
Shri Bahubali S. Shah	CM-NENI	9	Y	4	2	1
Shri Amam S. Shah	NENI	9	Y	4	1	1
Shri Shriraj S. Jhaveri	IND	9	Y	4	1	1
Shri Dilip A. Shah	IND	8	Y	0	1	0

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

#### Details of Board Meetings held during the year 2004-05

9 (Nine) Board meetings were held during the year and the gap between two meetings did not exceed three months.

The Board granted leave of absence to the Directors who were absent at the respective Board Meeting(s).

Date of Meeting	No. of Directors Present
30/04/04	4
08/05/04	4
30/06/04	4
31/07/04	4
18/08/04	4
08/10/04	4
31/10/04	4
31/01/05	4
31/03/05	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 Bahubali S. Shah
Date of birth	09/09/1951
Expertise in specific functional areas	Finance & Administration
Qualifications	B.Com
Directorships held in other companies	4*
Committee position held in other companies	2

\*Note : The Directorship above do not include directorship in private companies.