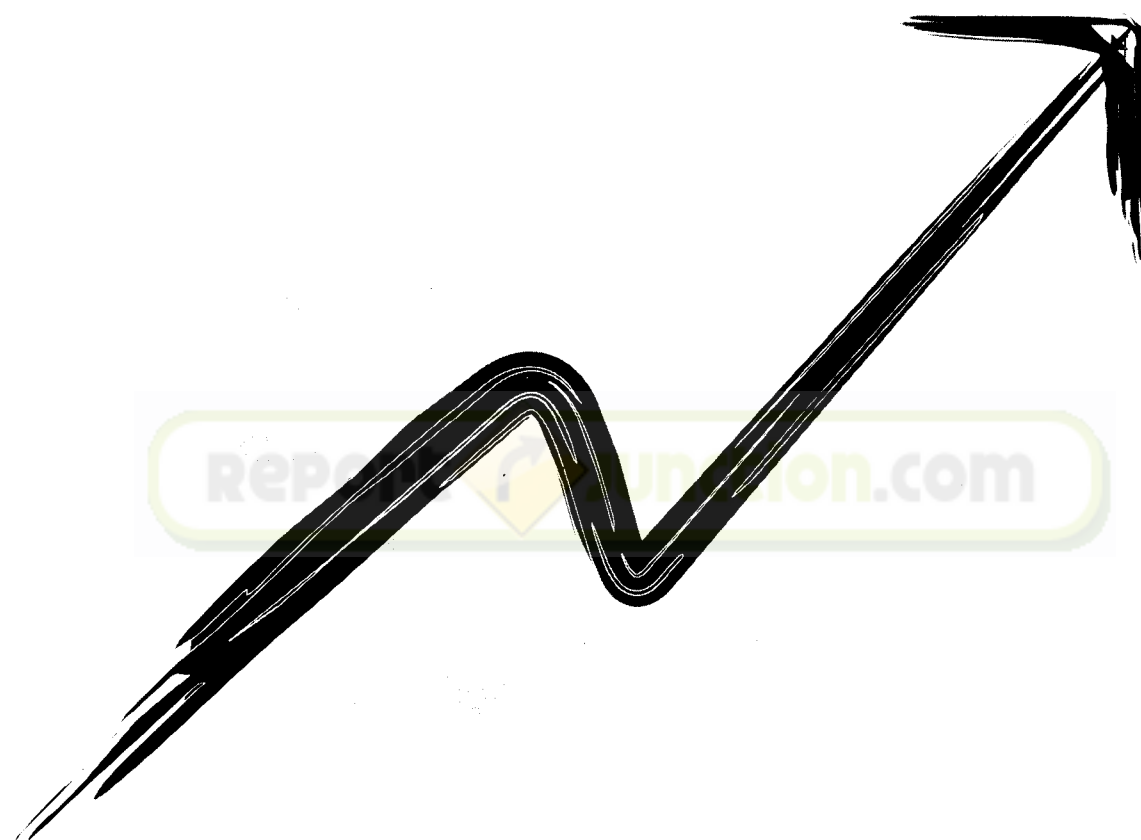


**GCCL**



**GUJARAT CREDIT CORPORATION LIMITED**

Annual Report 2005-06

## **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  
SHRI VIPUL H. RAJA - DIRECTOR  
SHRI L. N. PATEL - 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, "SAKAR-I", Opp. Nehru Bridge, Ashram Road, Ahmedabad- 380009.

**NOTICE**

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Gujarat Credit Corporation Limited will be held on Saturday, 30th September, 2006 at 11.00 a.m. at 1<sup>st</sup> Floor, "SANIDHYA", Ashram Road, Ahmedabad- 380 009 to transact the following business.

**ORDINARY BUSINESS**

1. To receive consider & adopt the Balance Sheet as at 31<sup>st</sup> March, 2006, the profit & Loss Account for the year ended on that date and the reports of the Directors' & Auditors thereon.
2. To appoint Director in place of Shri Amam S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Parikh Mehta & Associates, Chartered Accountants, Vadodra 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 &, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution.

Resolved That subject to provision of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves appointment of Shri Amam S. Shah as Managing Director for a period of five years w.e.f. 01/07/2006 and also accords its consent and approval to the payment of monthly remuneration of Rs 30000/- in the time scale of Rs 30000-5000-Rs 50000 to Shri Amam S. Shah, Managing Director of the Company for a period of 5 [five] years with effect from 01/07/2006 on the following additional terms & conditions.

**PERQUISITES**

- |            |  |
|------------|--|
| Salary     | : Rs 30000/- p.m. in the time scale of Rs 30000-5000- Rs 50000   |
| Category A | : Medical reimbursement, Leave and Leave Travel Concession for self and Spouse and Personal Accident Insurance shall be in accordance with the rules of the Company. |
| Category B | : The Company's contribution to Provident Fund, Superannuation Fund and Gratuity shall be in accordance with the rules of the Company.                               |
| Category C | : The Company shall provide a car, driver, mobile phone and telephone facility at residence for business use.  |

The remuneration is subject to provisions of the Income Tax Act, as applicable from time to time.

Shri Amam S. Shah, and Shri Bahubali S. Shah being concerned or interested did not participate and vote on this item.

Further Resolved That the remuneration benefits and perquisites shall be paid and allowed to him as minimum remuneration notwithstanding the absence or inadequacy of profits in any year.

- 5 To consider and if thought fit to pass, with or without modification, the following Resolution as an Ordinary Resolution.

Resolved that Shri Vipul H. Raja 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 Vipul H. Raja for the office of Director be and is hereby appointed as Director of the Company.

- 6 To consider and if thought fit to pass, with or without modification, the following Resolution as an Ordinary Resolution.

Resolved that Shri L. N. Patel 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 L. N. Patel for the office of Director be and is hereby appointed as Director of the Company.

Date : 27<sup>th</sup> June 2006

**By Order of the Board of Directors**

**Registered Office :**

606, Sakar-I, Ashram Road,  
Ahmedabad- 380009.

**Amam S. Shah**  
**Director**

**GUJARAT CREDIT CORPORATION LIMITED****: 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.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. An explanatory statement as required under Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
4. The Register of the Members & Share Transfer Books of the Company will remain closed from Saturday, 23/09/2006 to Saturday, 30/09/2006 [both days inclusive].
5. Shareholders desirous of asking any question at the Annual General Meeting are requested to send in their questions so as to reach the Company at least five days before the Annual General Meeting so that the same can be suitably replied.
6. Share transfer documents and all correspondence relating thereto, should be addressed to Registrar and Share Transfer Agents of the Company, M/s Pinnacle Shares Registry Private Ltd., Nr. Ashoka Mills, Naroda Road, Naroda, Ahmedabad-380 025, Tel.: 079-22204226, 22200338, 22200582, Fax: +91-79-2220 29 63 E-mail [gautam.shah@psrpl.com](mailto:gautam.shah@psrpl.com).
7. Members who hold shares in physical form are requested to notify immediately any changes in their addresses to the Registrar and Share Transfer Agents at the above address and to their depository participants, in case shares are held in electronic mode.
8. At the ensuing Annual General Meeting, Shri Amam S. Shah shall retire by rotation and being eligible, offer himself for reappointment. Shri Vipul H. Raja and Shri L. N. Patel whose term of office as an Additional Director of the Company also expires at ensuing Annual General Meeting and also offers themselves for reappointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors to be reappointed are given below.

1. Name : Shri Amam S. Shah  
 Address : 31, Anand Nagar Society, Paldi, Ahmedabad – 380 007  
 Age : 35 Years  
 Nationality : Indian  
 Occupation : Business  
 Qualification : B.Com.  
 Experience : 15 Years  
 Date of Appointment : 01/11/1993

List of other Companies in which Directorships held.

1. GCCL Infrastructure & Projects Limited
2. GCCL Construction & Realities Limited
3. GCCL Securities Limited
4. Amam Investments Private Limited
5. Lipi Mercantile Limited
6. DMCC Oil Terminals (Navlakhi) Limited

2. Name : Shri Vipul H. Raja  
 Address : 10<sup>th</sup> Floor, " SUMERU ", Paldi, Ahmedabad – 380 007  
 Age : 53 Years  
 Nationality : Indian  
 Occupation : Business  
 Qualification : B.Com.  
 Experience : 30 Years  
 Date of Appointment : 04/10/2005

List of other Companies in which Directorships held.

1. Gujarat Anjan Cement Limited
2. Sumeru Industries Limited

3 Name : Shri L. N. Patel  
 Address : 9-B, Jadav Chambers, Ashram Road, Ahmedabad -09  
 Age : 50 Years  
 Nationality : Indian  
 Occupation : Profession  
 Qualification : B.Com., C.A.  
 Experience : 25 Years  
 Date of Appointment : 04/10/2005

### EXPLANATORY STATEMENT

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

##### ITEM NO 4:

Shri Amam S. Shah was appointed as a Managing Director for a period of five years w.e.f. 01/07/2006 in Board Meeting dated 27/06/2006 on a remuneration of Rs 30,000/- per month.

Shri Amam S. Shah is B.Com. and Promoter Director of the Company.

The remuneration proposed is within the norms of Part II of the Schedule XIII of the Companies Act, 1956 as amended and reproduced here below.

#### PERQUISITES

Salary : Rs 30,000/- p.m. or Rs 360,000/- per annum.  
 Category A : Medical reimbursement, Leave and Leave Travel concession for self and spouse and Personal Accident Insurance shall be in accordance with the rules of the Company.  
 Category B : The Company's contribution to Provident Fund, Superannuation Fund and Gratuity shall be in accordance with the rules of the Company.  
 Category C : The Company shall provide a car, driver, mobile phone and telephone facility at residence for business use.

The Company has not made any default in repayment of any of its debts or interest payable thereon till date. The remuneration is subject to provisions of the Income Tax Act, as applicable from time to time.

The Directors commend the Resolution for approval of Members. None of the Director of the Company other than Shri Amam S. Shah and Shri Bahubali S. Shah concerned or interested in the said Resolution.

The resolution and explanatory statement may also be treated as the abstract and memorandum in terms of Section 302 of the Companies Act, 1956.

##### ITEM NO. 5 AND 6:

Shri Vipul H. Raja and Shri L. N. Patel were appointed by the Board of Directors as an Additional Directors of the Company on 04/10/2005 and hold office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956. Shri Vipul H. Raja and Shri L. N. Patel are 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 their candidature for the office of Director.

The Board commends the Resolution in the interest of the Company.

None of the other Director is in any way concerned or interested in the proposed Resolution.

**By Order of the Board of Directors**

Date : 27<sup>th</sup> June 2006

**Registered Office :**

606, Sakar-I, Ashram Road,  
 Ahmedabad-380009.

**Amam S. Shah**  
**Director**

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

To  
The Members  
Gujarat Credit Corporation Limited  
Ahmedabad-380009.

Your Directors presents their Thirteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March' 2006.

**FINANCIAL RESULTS:**

Particulars	2005-2006 (RS in Lacs)	2004-2005 (RS in Lacs)
Profit before depreciation & Tax:	290.48	61.51
Depreciation	2.98	2.33
Taxation	33.40	8.63
Profit for the year	254.10	50.55
Profit/[-]Loss brought forward from previous year.	31.56	-18.99
Profit Carried To Balance Sheet	285.66	31.56

**OPERATIONS:**

In order to conserve resources of the Company, your Directors do not recommend any dividend for the year 2005-2006.

**MANAGEMENT DISCUSSION & ANALYSIS****Industry Structure & Development**

The building & construction industry is a major driver of economic growth. In India, the construction sector accounts for about 6 per cent of GDP. Though the construction sector includes industrial construction, roads, ports and other infrastructure, it is in real estate that the new liberalized rules will have the maximum impact. The sector's contribution is likely to increase in the coming years. Real estate development in India focuses on two primary areas, retail and residential. The global real-estate consulting group Knight Frank has ranked India 5th in the list of 30 emerging retail markets and predicted an impressive 20% growth rate for the organized retail segment by 2010.

A report on real estate trends by Merrill Lynch said that the number of malls in Mumbai, Bangalore, New Delhi, Hyderabad and Pune was expected to grow to about 250 by 2010 as against 40 now. In terms of total area, there was 12.40 million square feet of mall space available in these cities, the report said quoting a survey by Knight Frank India.

The sector assumes its importance by way of being a large consumer of resources, supporting a large ancillary industry and a significant employment generator. The entry of foreign investors may also lead to the development of an organized real estate finance market.

**Opportunities & threats****Opportunities:**

Real estate has always been about location. But over the years, it's becoming more about reputation. Given the current trend and the willingness of the Government to facilitate growth, there appears to be opportunities galore for construction companies in the medium to long term. Development of the real estate sector has not been uniform across the country. While cities such as Mumbai, Delhi, Gurgaon and Bangalore have been a realtor's paradise, others such as Ahmedabad has lagged. However, Ahmedabad is now fast catching up.

**Threats:**

Though the potential for growth is significant, achieving it is not as easy as it appears. The success in construction industry calls for improved methods of construction to achieve desired levels. With economy opening up and consequently, its growing needs, it is required to keep pace with the scientific and technological advancement.

**SEGMENT WISE PERFORMANCE**

AIDED BY IMPROVED BUSINESS ENVIRONMENT, THE COMPANY PERFORMED WELL DURING 2005-06. THE COMPANY IS ENGAGED IN CONSTRUCTION ACTIVITIES AND IT EARNES ITS INCOME IN THE FORM OF DEVELOPMENT CHARGE. THE COMPANY HAS ALSO EARNED REVENUE FROM TRADING IN COMPUTERS AND FROM PARTICIPATION IN COMMODITY MARKET. DURING THE YEAR UNDER REPORT, THE DEVELOPMENT CHARGE INCOME HAS INCREASED FROM RS 82.50 LACS TO RS 88.57 LACS AND NET PROFIT AFTER TAX IS INCREASED FROM RS 50.55 LACS TO RS 254.10 LACS.

**OUTLOOK**

The changing structure of the construction industry has paved the way for the organized sector to play a more active role in the development of the sector. Your Company plans to develop new projects during current year. Acquisition of Land is under progress.

**RISK & CONCERNS**

Barring a handful of large companies, the industry set-up is characterized by the predominance of the small unorganized contractors. To counter the growing competition and keeping in view the rising outlays on construction projects, the larger companies in the sector are increasingly investing in capital equipment. Most contracts being awarded are of a fixed turnkey type, which carry penalties and incentives for delay and early completion, respectively.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:**

The company has proper & adequate system of internal controls proportionate to its size and business. The internal control systems 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.

**CODE OF CONDUCT**

The code of conduct for all Board members and senior management of the Company has been laid down and is being complied in words and spirit. The declaration on compliance of code of conduct signed by CEO of the Company is included as a part of this annual report.

**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 Amam 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, Vadodara holds office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment for the year 2006-2007. The Company has received certificate from the Auditors' to 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:



## GUJARAT CREDIT CORPORATION LIMITED

Part A and B pertaining to conservation and technology absorption are 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 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.

### ACKNOWLEDGMENTS:

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

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Date : 27/06/2006.

#### Registered office:

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

For and on behalf of the Board of Directors  
**Bahubali S. Shah**

Chairman