

**PARIKH MEHTA & ASSOCIATES**  
**Chartered Accountants**

D.B.Parikh  
M.Com., F.C.A.

Mrs. H.M.Desai  
B.Com., F.C.A., LL. B.

S.J.Mehta	Ashish D Parikh	Mrs Tejal A Parikh	Hemangi Mulaokar
B.Com. F.C.A. Grad. C.W.A.	B.Com. A.C.A.	B.Com. F.C.A.	B.Com. ACA

---

E-8, Tarun Nagar Society, Opp.Arihant Nagar, Gurukul Road, Ahmedabad-380052 Mobile: 9998729405

**AUDITORS' CERTIFICATE**

To the Members of Gujarat Credit Corporation Limited, we have examined the compliance of condition of corporate governance by Gujarat Credit Corporation Limited for the year ended on 31<sup>st</sup> March 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : AHMEDABAD  
Date : 28/07/2012

For Parikh Mehta & Associates  
Chartered Accountants

Hemangi Mulaokar  
Partner  
M.No.:127083

**PARIKH MEHTA & ASSOCIATES**  
**Chartered Accountants**

D.B.Parikh  
M.Com., F.C.A.

Mrs. H.M.Desai  
B.Com., F.C.A., LL. B.

S.J.Mehta	Ashish D Parikh	Mrs Tejal A Parikh	Hemangi Mulaokar
B.Com. F.C.A. Grad. C.W.A.	B.Com. A.C.A.	B.Com. F.C.A.	B.Com. ACA

E-8, Tarun Nagar Society, Opp.Arihant Nagar, Gurukul Road, Ahmedabad-380052 Mobile: 9998729405

**AUDITORS' REPORT**

To,  
The Members,  
Gujarat Credit Corporation Ltd.  
Ahmedabad

We have audited the attached Balance Sheet of Gujarat Credit Corporation Limited as at 31st March 2012 and the Profit & Loss Account annexed thereto for the year ended on that date. These financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a Statement on the matters specified in paragraph 4 & 5 of the said order only to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- ii) In our opinion, proper books of accounts, as required by law, have been kept by the Company so far as it appears from our examination of such books.
- iii) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the Books of Account.
- iv) In our opinion, the Balance Sheet and Profit and Loss Account read in conjunction with the notes on accounts, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except (i) non provision of leave encashment and gratuity (AS 15), (ii) Non Provision of Permanent Diminution in value of Investment ( AS 13 )

**PARIKH MEHTA & ASSOCIATES**  
**Chartered Accountants**

D.B.Parikh  
M.Com., F.C.A.

Mrs. H.M.Desai  
B.Com., F.C.A., LL. B.

S.J.Mehta	Ashish D Parikh	Mrs Tejal A Parikh	Hemangi Mulaokar
B.Com. F.C.A. Grad. C.W.A.	B.Com. A.C.A.	B.Com. F.C.A.	B.Com. ACA

E-8, Tarun Nagar Society, Opp.Arihant Nagar, Gurukul Road, Ahmedabad-380052 Mobile: 9998729405

- v) According to the information and explanation given to us, in relation to the affairs of the company, none of the Directors are disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
- b) in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date.

Place : Ahmedabad  
Date : 28/07/2012

For Parikh Mehta & Associates  
Chartered Accountants

Hemangi Mulaokar  
Partner  
M.No.:127083

**PARIKH MEHTA & ASSOCIATES**  
**Chartered Accountants**

D.B.Parikh  
M.Com., F.C.A.

Mrs. H.M.Desai  
B.Com., F.C.A., LL. B.

S.J.Mehta	Ashish D Parikh	Mrs Tejal A Parikh	Hemangi Mulaokar
B.Com. F.C.A. Grad. C.W.A.	B.Com. A.C.A.	B.Com. F.C.A.	B.Com. ACA

E-8, Tarun Nagar Society, Opp.Arihant Nagar, Gurukul Road, Ahmedabad-380052 Mobile: 9998729405

**ANNEXURE TO THE AUDITORS' REPORT**  
**TO THE MEMBERS OF GUJARAT CREDIT CORPORATION LTD**  
**(REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE)**

- (I)
- (a) The Company has maintained generally proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - (b) We have been informed that physical verification of the fixed assets was conducted by the management during the period and no discrepancies were observed between book records and physical verification of fixed assets.
- (II)
- (a) The inventories have been physically verified by the management during the year. The frequency of such verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us the procedures followed by the management for physical verification of stocks were found reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) We are informed that no discrepancies have been noticed between physical stocks and the book records.
- (III)
- (a) The company has granted loans to one company involving balance outstanding at year end of Rs 10.83 lacs to companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.
  - (b) Whereas no interest is charged on such loan granted but regarding other terms and conditions of loans given by the company , in our opinion the same are not prima facie prejudicial to the interest of the company.
  - (c) The repayment of such loans granted by the company is as per the stipulated terms and conditions of the loan granted.
  - (d) On the basis of information and explanations given to us, there are no overdue amount recoverable from the loan granted by the company.
  - (e) The company has taken loans from one company of which outstanding as at the end of the year is Rs 203.76 Lacs from companies, firms or other parties listed in the register maintained under Section 301 of the companies Act, 1956
  - (f) The rate of interest and other terms and conditions of loan taken by the company, in our opinion, are not prejudicial to the interests of the company.
  - (g) According to the information and explanation given to us, the repayment of principal and interest is as per stipulations mentioned.
- (IV)
- In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
- (V)
- (a) According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act 1956 have been so entered.
  - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at relevant time.

**PARIKH MEHTA & ASSOCIATES**  
**Chartered Accountants**

D.B.Parikh  
M.Com., F.C.A.

Mrs. H.M.Desai  
B.Com., F.C.A., LL. B.

S.J.Mehta                      Ashish D Parikh      Mrs Tejal A Parikh      Hemangi Mulaokar  
B.Com. F.C.A. Grad. C.W.A.      B.Com. A.C.A.      B.Com. F.C.A.      B.Com. ACA

E-8, Tarun Nagar Society, Opp.Arihant Nagar, Gurukul Road, Ahmedabad-380052 Mobile: 9998729405

- (VI) The company has not accepted any deposit from public under the purview of Section 58 A of the Companies Act 1956 and the Companies ( Acceptance of Deposits ) Rules , 1975.
- (VII) The company has an internal audit system commensurate with the size of the company and nature of its business.
- (VIII) The Central Government has not prescribed maintenance of the cost records under Section 209 ( 1 ) ( d ) of the Companies Act 1956 in respect of the products manufactured by the company.
- (IX) (a) According to the records of the company, the company is regular in depositing with appropriate authorities the undisputed dues according to the information and explanations given to us, there are no undisputed amounts of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Custom Duty, Service Tax, Excise Duty, cess and any other statutory dues outstanding as at 31st March, 2012 for a period more than six months from the date they become payable.  
(b) According to the information and explanations given to us, the following statutory dues are unpaid on account of any dispute.

Nature of Dues	Amount ( Rs in Lacs )	Forum where dispute is pending
Income Tax	24.97	ITAT Ahmedabad
Income Tax	3.03	--- do ---
Interest Tax	0.53	-----do-----
Interest Tax	4.59	-----do-----

- (X) The accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (XI) The company has not defaulted in repayment of dues to financial institutions and banking institutions.
- (XII) The company has not granted any loans or advance on the basis of security by way of pledge of shares, debentures and other similar securities and hence the question of maintaining adequate documents and records does not arise.
- (XIII) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 ( xiii ) of the CARO 2003 are not applicable to the company.
- (XIV) The company has maintained proper records of transactions and contracts in respect of trading in shares, debentures and other securities and that timely entries have been made therein. The shares and debentures have been held by the company in its own name except to the extent of exemption granted under section 49(4) of the companies Act, 1956.
- ( XV ) In our opinion, the company has not given any guarantee for loans taken by others from banks or financial institutions and hence the provisions relating to clause 4 ( xv ) are not applicable to the company.

**PARIKH MEHTA & ASSOCIATES**  
**Chartered Accountants**

D.B.Parikh  
M.Com., F.C.A.

Mrs. H.M.Desai  
B.Com., F.C.A., LL. B.

S.J.Mehta	Ashish D Parikh	Mrs Tejal A Parikh	Hemangi Mulaokar
B.Com. F.C.A. Grad. C.W.A.	B.Com. A.C.A.	B.Com. F.C.A.	B.Com. ACA

---

E-8, Tarun Nagar Society, Opp.Arihant Nagar, Gurukul Road, Ahmedabad-380052 Mobile: 9998729405

- ( XVI ) This clause is not applicable since no term loans have been raised during the year.
- ( XVII ) According to the information and explanation given to us and on overall examination of balance sheet of the company , we report that no short term funds have been used for long term purposes nor long term funds are used for short term purposes.
- ( XVIII) According to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered under Section 301 of the Companies Act 1956.
- ( XIX ) No Debentures have been issued during the year.
- ( xx ) The company has not raised any money by public issue during the year.
- ( XXI) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Ahmedabad  
Date 28/07/2012

For Parikh Mehta & Associates  
Chartered Accountants

Hemangi Mulaokar  
Partner  
M.No.:127083