

COSTPLUS CREDIT CAPITAL LIMITED

Registered Office : E-4, IInd Floor, Defence Colony, New Delhi-110 024

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the members of Costplus Credit Capital Limited will be held on Tuesday, the 26th of September, 2006 at O-13, IInd Floor, Lajpat Nagar II, New Delhi at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited accounts for the year ended 31 st March.2006 along with the reports of Directors and Auditors.
2. To appoint a director in place of Mr.Rajiv Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr.B.L.Gupta, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Maj. Gen.Virendra Singh, who retires by rotation and being eligible,offers himself for reappointment.
5. To appoint M/s Kudsia and Associates, Chartered Accountants, as auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE: NEW DELHI
DATE: SEPTEMBER 2,2006


VIPIN AGGARWAL
DIRECTOR

Report Junction.com

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 the proxy need not be a member of the Company.
2. All documents referred to in the accompanying Notice are open for inspection at the registered office of the company during office hours on all working days except Saturday between 11.00 A. M. and 1 P.M. upto the date of the Annual General Meeting.
3. Members/proxies should bring the attendance slips duly filled in for attending the meeting.
4. Shareholders seeking any information with regard to the accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
5. The register of members of the Company will remain closed from September 18th, 2006 to September 25th, 2006 (both days inclusive).
6. Members are requested to bring their copies of the Annual Report to the meeting.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear members,

Your Directors have pleasure in presenting the Eighteenth Annual Report of your Company for the year ended March 31, 2006.

1. FINANCIAL RESULTS (Rs. In lacs)

	For the year ended March 31,2006	For the year ended March 31,2005
a) Gross Revenue	66.22	52.19
b) Profit before Interest & Depreciation	22.49	16.14
c) Interest	6.43	5.69
d) Depreciation	6.68	9.35
f) Profit before Tax	9.38	1.10
g) Provision for Tax including deferred tax	2.21	0.69
h) Profit after Tax for the year	7.17	0.41
l Balance of profit brought forward	11.41	11.00
j) Surplus carried to Balance Sheet	18.58	11.41

2. DIVIDEND

Keeping in view the financial results for the financial year 2005-2006, the Board does not recommend any dividend for the year.

3. BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year, the gross income increased from Rs. 52.19 lacs in the previous year to Rs. 66.22 lacs. This was basically due to increase in revenues from financial operations which increased from Rs. 5.76 lacs to Rs. 12.76 lacs. Overall, business in financial sectors has been witnessing a decline mainly due to stagnant financial markets and increased competition, combined with lowering of interest rates by banks and financial institutions. The Company continues its policy of trading cautiously in advancing moneys.

However, your Company continues to do well in the hospitality sector.

The Resort and its hospitality was highly appreciated by all individuals, corporates and institutions who visited the Resort. The Resort is getting overwhelming response from all over India and is on the prime property list of all prestigious travel consultants. This area of operations of the Company is projected to give majority of income to the Company in the coming years also.

4. FIXED DEPOSITS

Your Company has not accepted any deposits from the public.

5. DIRECTORS

- Mr. Rajiv Gupta, who retires by rotation, and being eligible, offers himself for reappointment at the forthcoming Annual General Meeting.

- Mr. H.L. Gupta, who retires by rotation, and being eligible, offers himself for reappointment at the forthcoming Annual General Meeting.

- Maj. Gen. virendra Singh, who retires by rotation, and being eligible, offers himself for reappointment at the forthcoming Annual General Meeting.

6. AUDITORS AND AUDITORS' REPORT

M/s Kudsia and Associates, Chartered Accountants, auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The company has received confirmation from them to the effect that their appointment, if made, will be within the limits prescribed under section 224 of the companies Act, 1956

The comments of the auditors in their report are self explanatory and require no further explanations

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanations relating to material departures:

(ii) the Directors had selected such accounting policies and applied them consistantly 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 the end of the financial year and of the profit of the Company for that year;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, 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.

8. LISTING AGREEMENT

The equity shares of the Company are listed with the Bombay Stock Exchange and the listing fees has been paid. The cash flow statement for the year ended March 31, 2006 is also being annexed.

9. DEMATERIALISATION OF EQUITY SHARES

The Company is in process of getting its equity shares in dematerialised form. After the dematerialisation, the shareholders may send their share certificates through their depository participants for having the shares in electronic form.

10. PARTICULARS OF EMPLOYEES

There was no employee covered by the limit prescribed under the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) rules, 1975

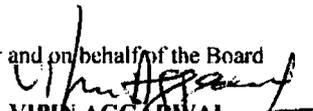
11. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Keeping in view the nature of business of the Company, information pursuant to Section 217(1)(e) of the Companies Act, 1956 regarding conservation of energy and technology absorption is not applicable to the Company.

13. ACKNOWLEDGEMENTS

Your directors would like to express their grateful appreciation for the assistance and cooperation received from the Company's Bankers, Institutions and Clients. Your Directors also acknowledge the sincere efforts put in by all the employees of the Company.

PLACE : NEW DELHI
DATE : SEPTEMBER 2, 2006

for and on behalf of the Board

VIPIN AGGARWAL
(DIRECTOR)

CORPORATE GOVERNANCE REPORT

In compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company is pleased to submit this report on the matters mentioned in the said clause and the practices followed by the Company in this regard

1 Company's philosophy on Code of Governance

The Company believes in and practices good Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavours to improve on these aspects on an ongoing basis.

2 Board of Directors

The Board of Directors consists of eight directors. During the year 2005-2006, four Board Meetings were held on 30.05.2005, 29.07.2005, 28.10.2005 and 28.01.2006.

The following table gives details of directors, details of attendance of directors in Board Meetings, at the Annual General Meeting, number of memberships held by the Directors in the Board/Committees of various other Companies

Name	Category	Attendance Particulars		Number of other directorship and Committee Member/Chairmanships		
		Board Meeting	Last AGM	Other Director	Committee Membership	Committee Chairman
Mrs.Meena Aggarwal	Chairperson	4	Yes	8	-	-
Gen.Virendra Singh	Director	3	No	-	-	-
Mr.V.P.Mittal	Director	3	No	3	1	-
Mr.Rajiv Gupta	Director	4	No	1	1	-
Mr.Vipin Aggarwal	Director	4	Yes	8	-	-
Mr.B.L.Gupta	Director	3	Yes	-	-	-
Mrs.Shakuntala Rani	Director	3	Yes	-	-	-
Mr.V.K.Sachdeva	Director	3	No	-	-	-

Directors seeking reappointment

Mr.Rajiv Gupta, Mr.B.L.Gupta and Maj.Gen.Virendra Singh retire by rotation and, being eligible, offer themselves for reappointment.

3 Audit Committee

The audit committee consists of three directors viz. Mr.Vipin Aggarwal, Mr. B.L.Gupta and Mr.Rajiv Gupta. The terms of reference specified by the Board for the Audit Committee are as follows:

- (a) Recommend the appointment of Statutory Auditors, fixation of audit fees and approval for payment of fees for any other services.
- (b) Appointment of Internal Auditors, determine the scope of internal audit and fixation of internal audit fees.
- (c) Review of internal control systems through discussions with Statutory Auditors and Internal Auditors and key employees, if any.
- (d) Implementing measures to strengthen internal control systems, and ensuring compliance to the internal control systems.
- (e) Selection of accounting policies to be adopted by the Company after due deliberations and compliance with accounting standards and generally accepted accounting principles.
- (f) Compliance with listing and other legal requirements concerning financial statements.
- (g) Reviewing periodic financial statements before submission to the Board.
- (h) Discussion with Statutory and Internal Auditors about major findings and observations during the course of audit.

The following table gives details of Directors/attendance of Directors of Audit Committee Meetings:

Name	Category	Attendance			
		30.05.05	29.07.05	28.10.05	28.01.06
Mr.Vipin Aggarwal	Chairman	Yes	Yes	Yes	Yes
Mr.B.L.Gupta	Director	Yes	No	Yes	Yes
Mr.Rajiv Gupta	Director	Yes	Yes	Yes	Yes

4 Remuneration Committee**A Terms of Reference:**

To review, assess and recommend the appointment of Executive and Non-Executive Directors and to review their remuneration package, to recommend compensation to the Non-Executive Directors in accordance with the provisions of the Companies Act, 1956.

B Composition:

The Committee comprises three directors. The Committee met two times during the year on 30.05.2005 and 28.10.2005. The attendance of Members at the Meeting was as follows:

Name	Category	No. of Meetings Attended
Mr. Vipin Aggarwal	Chairman	2
Mr. B.L. Gupta	Director	2
Mrs. Meena Aggarwal	Director	2

C Remuneration Policy

Remuneration of employees largely consists of base remuneration and perquisites. The components of the total remuneration vary for different cadre and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled etc. The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent and reward merit.

D Details of remuneration paid to Directors for the year ended 31.03.2006

The details of remuneration paid to directors during the year ended March 31, 2006 are as follows:

Name	Service Contract/ Notice Period	Remuneration paid (in Rs.)		
		Sitting Fee	Salary	Total
Mrs. Meena Aggarwal	Retire by rotation	NIL	NIL	NIL
Maj. Gen. Virendra Singh	Retire by rotation	500	NIL	500
Mr. V.P. Mittal	Retire by rotation	500	NIL	500

5 Shareholders/Investors Grievance Committee

The Board of the Company has constituted an Executive Committee, which, amongst others, also looks after share transfers. The Committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with securities transfers. The Committee also looks into redressing of shareholders' complaints like transfer of shares, non-receipt of Annual Report etc. The Company oversees the performance of the Registrars and Transfer Agents and recommends measures for overall improvement in quality of investor services. The constitution of the shareholders' grievance Committee is as follows:

Name	Category
Mr. Vipin Aggarwal	Chairman
Mr. B.L. Gupta	Director

No complaints were received during the year from shareholders.

6 General Body Meetings

Location and time for last three Annual General Meetings are:

Financial Year	Date	Time	Location
2002-2003	25.09.2003	10.00 A.M.	O-13, IIInd Floor, Lajpat Nagar II, N.Delhi
2003-2004	25.09.2004	10.00 A.M.	O-13, IIInd Floor, Lajpat Nagar II, N.Delhi
2004-2005	28.09.2005	10.00 A.M.	O-13, IIInd Floor, Lajpat Nagar II, N.Delhi

No Special Resolutions were required to be put through postal ballot last year.

No Special Resolutions on matters requiring postal ballot are placed for shareholders' approval at this meeting.

7 Disclosures

- (a) There are no materially significant related party transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- (b) There were no instances of non-compliance of any matter related to capital markets during the last three years.

8 Means of communication

- (a) The Company has published its quarterly results in Financial Express and Jan Satta
- (b) The Company does not possess any website.
- (c) No official news releases or presentations are made to institutional investors/analysts.
- (d) **Management Discussion and Analysis Report**
- (i) **Industry Structure and Developments**
Your Company is engaged in the business of hire purchase/lease finance, loans as well as in the business of hospitality. The Company has a resort in Ranikhet, Dist. Almora., Uttaranchal.
- (ii) **Opportunities and threats:**
The finance business is static over the last few years due to increasing competition and sluggish financial market. However, the hospitality industry is showing good opportunities. As such, the resort is doing good business and the clients are offering encouraging response to the resort.
- (iii) **Segment wise performance:**
Your Company is engaged in both the finance business as well as hospitality business. Appropriate segment-wise disclosures have been made in the accounts.
- (iv) **Internal control system and their adequacy**
Your Company has an adequate internal control system commensurate with its size and the nature of its business. The internal audit is carried out by an independent firm of Chartered Accountants, who interact with the Audit Committee on a regular basis, with respect to the scope of audit, significant audit observations and remedial action required, if any.
- (v) **Discussion on financial performance with respect to operational performance**
Your Company has been able to maintain its level of operating profitability despite a fall in finance income. Resort operations did better than last year, leading to a slight increase in profits.

9 Shareholders' information

- (i) **Annual General Meeting Date and Time Venue**
10.00 A.M. Tuesday, September 26, 2006 at O-13, 11nd Floor, Lajpat Nagar II, New Delhi 110 024
- (ii) **Financial Calender (tentative, subject to change)**
- | | |
|---------------------------------|------------------------------|
| Annual results of previous year | End August, 2006 |
| Mailing of annual reports | First week of September 2006 |
| First quarter results | July 30, 2006 |
| Annual General Meeting | September 26, 2006 |
| Second quarter results | End October |
| Third quarter results | End January |
- (iii) **Book closure** September 18 to September 25, 2006
- (iv) **Listing of equity shares on Stock Exchanges at** The Stock Exchange, Mumbai
- (v) **Payment of annual listing fees** Paid to stock exchange where shares are listed
- (vi) **Stock code** BSE Code 26959
- (vii) **Demat ISIN number of equity shares** Not Available