

**28th  
ANNUAL REPORT**

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**Statement of Accounts  
1998-99**

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**UNITED CREDIT LIMITED**

**UNITED CREDIT LIMITED**  
(Successor to United Bank of India Limited)

**BOARD OF DIRECTORS**

Mr. Ravi Poddar, *Chairman*  
Mr. A. K. Dabriwala, *Managing Director*  
Mr. M. R. B. Punja  
Mr. Y. D. Patil  
Mr. J. M. Vakil  
Dr. Mohan Chellappa  
Mr. N. Himatsingka  
Mr. Samir Ghosh  
Mr. P. K. Saraf  
Kumar Rathindro Mullick  
Mr. N. K. Sarawgi

**SECRETARY**

Mr. Arunabha Biswas

**SOLICITORS AND ADVOCATES**

S. Jalan & Co.  
S. N. Sen & Co.  
P. D. Himatsingka & Co.

**AUDITORS**

M/s. Ray & Ray

**BANKERS**

Allahabad Bank  
United Bank of India  
Punjab & Sind Bank  
Bank of Baroda

**REGISTRARS & TRANSFER AGENT**

ABC Computers Pvt. Ltd.  
National Council of Education, Bengal  
Jadavpur University Campus  
P. O. Jadavpur  
Calcutta - 700 032  
Phone : 473-1163/1292/5363  
Fax : 033-4832970

REPORT

JUNCTION

**REGISTERED OFFICE**  
27B, Camac Street (8th Floor)  
Calcutta 700 016  
Phone : 247-0930/9359, 240-9185  
Fax : 033-240 2047

**UNITED CREDIT LIMITED**

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**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Twentyeighth Annual General Meeting of the Members of UNITED CREDIT LIMITED will be held at the "Shripati Singhania Hall", Rotary Sadan, 94/2, Chowringhee Road, Calcutta 700 020 on Thursday, the 29th July, 1999 at 11-00 a.m.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31st march 1999 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors.
2. To elect a Director in place of Mr. Ravi Poddar, who retires by rotation, and being eligible, offers himself for reappointment.
3. To elect a Director in place of Mr. Samir Ghosh, who retires by rotation, and being eligible, offers himself for reappointment.
4. To elect a Director in place of Mr. J. M. Vakil, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration. The retiring Auditors, Messrs. Ray & Ray, Chartered Accountants, Calcutta, are eligible for reappointment.

**SPECIAL BUSINESS**

To consider, and if thought fit, to pass, with or without modification the following Resolutions :

**As Special Resolution**

6. "Resolved that subject to the approval of the shareholders pursuant to Section 31 of the Companies Act, 1956 and other applicable provisions, if any, the Articles of Association of the Company be altered in the manner following :
  - (a) After Article 39 of the Articles of Association a new Article 39A be inserted.

39A. Every holder of shares in or holder of debentures of a company may, in accordance with the provision of Section 109A of the Act at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death and transmission of shares to any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, 1956 will be governed by the provision of Section 109B of the Act.

**UNITED CREDIT LIMITED**

(b) After Article 43 of the Articles of Association a new Article 43A be inserted.

43A. Subject to the provisions of Sections 77A and 77B of the Act and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, any of its own fully/partly paid share and any other security as may be specified under the relevant Act, Rules and Regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more instalments as the Board may in its discretion decide and deem fit. Such shares and / or securities as are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the relevant Act, Rules and Regulations as may prevail at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the Rules and Regulations governing such issue and subject further to a special resolution being passed by the share-holders to this effect."

27B, Camac Street  
Calcutta 700 016  
The 29th May, 1999

By Order of the Board of Directors  
**Arunabha Biswas**  
Company Secretary

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**UNITED CREDIT LIMITED**

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**NOTES**

- I. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be member of the Company.
- II. A proxy, to be valid, should reach the Registered Office of the Company at least 48 hours before the hour of commencement of the meeting.
- III. Members are requested to notify immediately any change in their address to the Company.
- IV. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items of special business is annexed hereto.
- V. The Register of Members and Transfer Book of the Company will remain closed from 21st July to 29th July, 1999 (both days inclusive).
- VI. Please bring the attendance slip with you duly filled in and hand over the same at the entrance of the meeting hall.
- VII. In view of the increase in cost of printing, you are requested to bring your copy of the Annual Report with you at the meeting.
- VIII. Should you wish to have any information in respect of the accounts of the Company, please send your queries in writing to the Company at the Registered Office so as to reach us at least 7 days before the date of the meeting so that the required information can be made available at the meeting.
- IX. It will be helpful if your Registered Folio Number is quoted in all your correspondence with the Company.
- X. All documents referred to in the above notes and explanatory statement are open for inspection at the Registered Office of the Company during office hours.
- XI. Pursuant to the provision of newly inserted Section 109A and 109B of the Companies Act, 1956 members are informed that every holder of shares in and debentures of, a company may, at any time nominate, in the prescribed manner a person to whom his shares in or debentures of, the Company shall vest in the event of his death.
- XII. Pursuant to Section 205A(5) of the Companies Act 1956, as amended by the Companies (Amendment) Act 1999 w.e.f 31.10.98 any money transferred to the unpaid dividend account of the company in pursuance of Section 205A(1), which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company to the Investor Education and Protection Fund established under Section 205C(1) of the Act and no claim shall lie against the Fund or the Company in respect of individual amounts which remain unclaimed and unpaid for a period of seven years from the dates that they first become due for payment.

**ANNEXURE TO THE NOTICE**

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956:

**ITEM NO. 6**

- (a) With the insertion of two new Sections 109A and 109B of the Companies Act, 1956 permitting the shareholders and debentureholders to nominate any person at any time in the prescribed manner, the Board of Directors at its meeting held on 29.5.99 decided that the Articles of Association be amended in accordance with the provisions of the new Sections and accordingly recommend the resolution under this item for adoption.
- (b) With the insertion of sections 77A and 77B of the Companies Act, 1956 permitting the company to buy its own shares subject to limitations and conditionalities being complied with and subject to the company further complying with the provisions of sections 77A and 77B and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, it is open for a company to purchase its own shares.

Under the said provisions it is permissible for a company to make such purchases of its own shares only if the same is authorised by its Articles of Association.

The special resolution under this item is proposed so as to enable the directors to buy-back the shares of the company if so required and reissue them if so permitted under law subject to such terms and conditions as may be stipulated under the Act or the Rules and Regulations made thereunder and subject further to the same being approved by shareholders by means of a special resolution. Though under the provisions partly paid shares cannot be bought back articles provide for such shares in case the regulations are amended later. Similarly the provision for reissue of bought back shares are also incorporated as an enabling provision.

The Directors recommend this resolution for adoption.

None of the Directors are interested in the resolution..

**UNITED CREDIT LIMITED****DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors are happy to present the 28th Annual Report with the Audited Statement of Accounts for the year ended March 31, 1999.

**FINANCIAL RESULTS**

	(Rs. in lacs)	
	<u>1998-99</u>	<u>1997-98</u>
Gross Income	1006.69	914.45
PBDIT	589.74	550.30
Interest	237.57	217.71
Depreciation	318.00	284.29
PBT	34.17	48.30
Provision for Taxation	21.00	20.00
PAT	13.17	28.30
Income Tax Adjustments	1.13	—
<b>Appropriations</b>		
Surplus b/f from previous year	40.12	26.85
Transfer from Lease Equalisation Reserve	—	33.91
Profit available for appropriation	54.43	89.06
Transfer to Lease Equalisation Reserve	44.00	Nil
Transfer to Reserve Fund as per RBI Norms	2.63	5.66
Proposed Dividend	—	39.34
Tax on Dividend	—	3.93
Surplus carried to B/S	7.82	40.13

**DIVIDEND**

In view of the inadequacy of distributable profit, no dividend is recommended.

**RESERVES & SURPLUS**

The Balance in Reserves & Surplus stands at Rs. 1,24,020,636/- (as on 31.3.98 : Rs. 1,22,590,518/-) after the appropriations mentioned above.

**NOTES ON ACCOUNTS AND AUDITORS' REPORT**

The Auditors have made references to the Notes on Accounts in their report, which are explained below :

- 2.1 The Lease Equalisation Reserve has been treated in a manner that is in consonance with the accepted practices currently followed by the other leading companies in similar business activities.

**UNITED CREDIT LIMITED**

2.2 Regarding Depreciation, the company has acted on the basis of a legal opinion obtained on this issue.

2.3 The relevant note on the Accounts is self-explanatory.

**Y2K PREPAREDNESS**

The Company has taken appropriate measure required to face the problem and an external agency has been entrusted with the job of compliance.

**PERFORMANCE**

The total income of your company during the year increased by 10 % to Rs. 10.06 crores. The lease rent income and income from HP business showed a growth of 15 %, which is satisfactory under the difficult circumstances. The interest income showed a decrease of 35 % due to reduced exposure to the intercorporate deposit market. As a matter of policy, your company got out of the stock market operations and is in the process of selling its investments. The profit after tax was low at Rs. 13.17 lacs (PY-Rs. 28.30 lacs) due to RBI write-offs and provisioning. Despite such adversities, there is a silver lining :

- 1) The company received its much awaited RBI-Registration as a Non Deposit company.
- 2) In line with the core competency policy adopted by your company, a branch was opened at Burdwan District to concentrate on the financing of tractors and jeeps.
- 3) Your company complied with all the RBI guidelines with regard to provisioning. However, the company reasonably expects to realise these amounts in time to come.
- 4) The company continues to finance in the commercial vehicles sector where the recoveries are satisfactory. Tractor finance has also been taken up to help agricultural farmers.
- 5) Maximum efforts are being made to recover old outstandings.

**FUTURE OUTLOOK**

The Board of Directors are of the opinion that the company's performance during the current year should be better than last year and the company should be in a position to make reasonably good profit and recommend payment of dividend.

**LISTING WITH THE STOCK EXCHANGES**

The Company is listed with The Calcutta Stock Exchange Association Ltd., The Stock Exchange, Mumbai and The Stock Exchange, Ahmedabad and Annual Listing Fee to all these three stock exchanges has been paid on time.

**DEPOSITS**

The Company does not have any deposit, which is matured but unclaimed as at 31.3.99.

**DIRECTORS**

Mr. Ravi Poddar, Mr. Samir Ghosh and Mr. J. M. Vakil retire by rotation in the forthcoming Annual General Meeting and being eligible offer themselves for re-election.



**UNITED CREDIT LIMITED**

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**AUDITORS**

M/s. Ray & Ray, Chartered Accountants, Calcutta, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**SUBSIDIARY COMPANY**

The housing projects are yet to take off. All efforts are being made to overcome the difficulties faced in execution of the projects.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The Company being engaged in hire-purchase and leasing business, the question of conservation of energy and technology absorption does not arise.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

There has been no foreign exchange earning or outgo in any manner during the year under review.

**EMPLOYEES**

The Company has no employee in respect of whom information under Section 217(2A) of the Companies Act, 1956 is required to be annexed.

**ACKNOWLEDGEMENT**

Your Directors wish to take this opportunity to place on record their deep appreciation for the whole-hearted and sincere co-operation the Company has received from the bankers, automobile manufactures and their dealers.

Your Directors also wish to thank all the employees for the effective contribution made by them for the growth and prosperity of the Company.

Calcutta  
The 29th May, 1999

On behalf of the Board of Directors  
**Ravi Poddar**  
Chairman

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**AUDITORS' REPORT**  
TO THE SHAREHOLDERS OF UNITED CREDIT LIMITED

1. We report that we have audited the Balance Sheet of United Credit Limited as at 31st March, 1999 signed by us under reference to this report and the related Profit & Loss Account for the year ended on that date :
2. Attention is drawn to the following notes on Schedule 17 to the accounts.
  - 2.1 Regarding treatment of Lease Equalisation Reserve for the year reference may be made to Note No. 1
  - 2.2 Regarding under-provision of depreciation as indicated in Note No. 5.
  - 2.3 Regarding non provision of diminution in value of investments and stock-in-trade as indicated in Note No. 7(d).
  - 2.4 The non-provision as indicated above have consequential effects on profit for the year and the net assets position as at the end of the year.
  - 2.5 Regarding written back of debenture interest on unmatured debentures as indicated in Note No. 12.
3. The said Balance Sheet and Profit & Loss Account are in agreement with the books of account and returns.
4. Subject to the remarks in the para 2.1 to 2.3 above in our opinion :
  - a) proper books of account as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purpose of our audit have been received from sales office of the company.
  - b) the Profit & Loss Account and Balance Sheet of the Company complied with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
5. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit.
6. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account together with notes thereon and attached thereto give, subject to paragraph 2.1 above, in the prescribed manner, the information required by the Companies Act, 1956 and also give respectively, subject to paragraph 2.4 above, a true and fair view of the state of the company's affairs as at 31st March, 1999 and its profit for the year ended on that date.
7. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Central Government and on basis of such checks as we considered appropriate and according to the information and explanations given to us we further report that :-