

39th
ANNUAL REPORT

Statement of Accounts
2009 - 2010



UNITED CREDIT LIMITED



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BOARD OF DIRECTORS

Mr. Dipankar Chatterji, Chairman
Mr. A. K. Dabriwala, Managing Director
Mr. N. Himatsingka
Mr. N. Mishra
Mr. R. M. Choubey
Mr. Devashish Dabriwal

VICE PRESIDENT AND COMPANY SECRETARY

Mr. Arunabha Biswas

SOLICITORS AND ADVOCATES

Khaitan & Co.
Victor Moses & Co.

AUDITORS

M/s. Ray & Ray

BANKERS

United Bank of India
HDFC Bank Limited

REGISTRARS & SHARE TRANSFER AGENT

C B Management Services (P) Limited
P-22, Bondel Road,
Kolkata 700 019
Phone : (033) 2280-6692/93/94/
4011-6700/11
Fax : (033) 2287 0263
E-mail : rta@cbmsl.com
Website : www.cbmsl.com

AUDIT COMMITTEE

Mr. Dipankar Chatterji
Mr. R. M. Choubey
Mr. N. Mishra

REMUNERATION COMMITTEE

Mr. N. Himatsingka
Mr. R. M. Choubey
Mr. N. Mishra

INVESTORS GRIEVANCE COMMITTEE

Mr. R. M. Choubey
Mr. A. K. Dabriwala
Mr. Devashish Dabriwal

REGISTERED OFFICE

27B Camac Street (8th Floor), Kolkata 700 016
Phone:(033) 2287 9359/9360, Fax: (033) 2287 2047
E-mail : unitedcredit@vsnl.com
Website : www.unitedcreditltd.com



NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirty-ninth Annual General Meeting of the Members of UNITED CREDIT LIMITED will be held at the 'Shripati Singhanian Hall', Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700 020 on Monday, the 26th July, 2010 at 10.00 A.M.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on 12.5% redeemable preference shares for the financial years ended 31st March, 2009 and 31st March, 2010.
3. To declare dividend on equity shares for the financial year ended 31st March, 2010
4. To elect a Director in place of Mr. Dipankar Chatterji, who retires by rotation, and being eligible, offers himself for reappointment.
5. To elect a Director in place of Mr. Devashish Dabrial, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint retiring Auditors, M/s. Ray & Ray, Chartered Accountants, Kolkata to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification(s), the following resolution:

As a Special Resolution :

7. "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310 and 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to any statutory approval, that may be required, the approval of the members be and is hereby accorded to the reappointment of Mr. A. K. Dabrial as Managing Director of the Company for a period of 5 years with effect from 1st November, 2010 to discharge the duties and responsibilities under the control and directions of the Board of Directors of the Company on the terms and conditions as set out below with liberty to the Board of Directors to alter and vary the terms and conditions of this reappointment in such manner as may from time to time be prescribed by the Central Government and any modification in Schedule XIII, as may be agreed by the Board and Mr. A. K. Dabrial.

I. REMUNERATION :

- A. Basic Salary : Rs.62,500/- (Rupees Sixty-two Thousand Five Hundred) per month in the salary range of Rs.62,500 – 2,500 – Rs.72,500.
- B. Perquisites : Perquisites, as detailed below, will be allowed in addition to salary and shall be restricted to an amount equal to the annual salary :



- a) House rent allowance subject to a ceiling of 60% of the basic salary
- b) Medical reimbursement for self and family subject to a ceiling of one month's basic salary in a year or three month's basic salary over a period of three years.
- c) Leave Travel Assistance for self and family in accordance with the rules of the Company.
- d) Fees of clubs subject to a maximum of two clubs, excluding admission and life membership fees.
- e) Personal Accident Insurance of an amount, the annual premium of which is not to exceed Rs.1,000/-.
- f) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. Gratuity payable should not exceed half a month's basic salary for each completed year of service.
- g) Use of car and telephone at residence on Company's business will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company."

II. MINIMUM REMUNERATION :

The appointment and remuneration of Managing Director is made in accordance with the conditions specified in Parts I and II of Schedule XIII of the Companies Act, 1956.

The total amount of remuneration shall not exceed the ceiling laid down under the Companies Act, 1956 and applicable Schedule(s) appended thereto or any statutory modification(s) / amendment(s) made therein from time to time or any re-enactment thereof.

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters, and things that may be considered desirable or expedient to implement the resolution."

"RESOLVED FURTHER THAT in consonance with Article 102(b) of the Articles of Association of the Company Mr. A. K. Dabhiwala shall not while he continues to hold the office of Managing Director be subject to retirement by rotation."

27B, Camac Street
Kolkata – 700 016
The 28th May, 2010

By Order of the Board of Directors
Arunabha Biswas
Vice President & Company Secretary

**NOTES**

- I) A member entitled to attend and vote at this Annual General Meeting may appoint proxy, who need not be a member of the Company, to attend and vote on a poll on his behalf. Proxies in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Meeting.
- II) Members are requested to notify immediately any change in their address to the Company.
- III) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- IV) Corporate Members, in case they intend to send their representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- V) The Register of Members and Transfer Books of the Company will remain closed from 17th July, 2010 to 26th July, 2010 (both days inclusive).

The dividend as recommended by the Board, if approved at the meeting by the members, will be paid on or after 3rd August, 2010 to those persons whose names stand registered in the Company's Register of Members or their mandates :

 - (a) as Beneficial Owners as at the end of business hour on 16th July, 2010 as per names and addresses to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form and
 - (b) as Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 16th July, 2010.
- VI) Members are requested to bring the attendance slip with them 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, members are requested to bring their copy of the Annual Report with them at the Meeting.
- VIII) Should the members wish to have any information in respect of the accounts of the Company, queries in writing may be sent to the Company at the Registered Office so as to reach the Registered Office of the Company at least 7 days before the date of the Meeting so that the required information can be made available at the Meeting. It will be helpful, if Registered Folio Number/ DP ID – Client ID Number is quoted in all the correspondence with the Company.
- IX) Pursuant to the provisions of Sections 109A and 109B of the Companies Act, 1956 members are informed that every holder of shares at any time may nominate, in the prescribed manner, a person to whom his shares in the Company shall vest in the event of his death.
- X) Pursuant to Section 205A(5) of the Companies Act, 1956 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 Companies Act, 1956 and no claim shall lie against the Fund or the Company in respect of the individual amounts which remain unclaimed and unpaid for a period of seven years from the dates that they first become due for payment.

The members who have not received / encashed dividend warrants for the financial years 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 may write to the Company for arranging payment thereof.

Rs.45,38,055/- on account of matured debentures has been transferred to Investor Education and Protection Fund in the month of April, 2010.

- XI) Members are requested to inform their PAN allotted by the Income Tax authorities immediately. Pursuant to Circular No.MRD/DOP/Cir-05/2007 dated 20.05.2009 of SEBI it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company / RTAs (Registrars and Share Transfer Agent) for registration of transfer of shares.
- XII) Members are informed that the scrips of the Company have been activated both in CDSL and NSDL and may be dematerialised under the ISINs INE858C01027 for Equity Shares and INE858C04013 for Preference Shares.
- XIII) All documents referred to in the above NOTICE are open for inspection at the Registered Office of the Company during office hours.
- XIV) Shareholders are requested to notify the Registrars, C.B. Management Services (P) Ltd latest by 10th July, 2010 NECS instruction / their bank account number, name of the bank and branch with whom such account is held to enable the Registrars to print the said details in the Dividend Warrant after the name of the payee, if dividend is declared.

National Electronic Clearing Services (NECS) facility provided by Reserve Bank of India may be obtained by the shareholders. Under this option, Investors' Bank account is directly credited and an advice thereof is issued by the Company after the transaction, if effected.

For availing this facility, the following steps are to be initiated by the shareholders:

- i) Shareholders who are holding shares in physical form, should send their NECS Mandate Form duly filled in to C B Management Services (P) Ltd, the Registrars and Share Transfer Agent of the Company. NECS Mandate Form is enclosed.
 - ii) Shareholders who are holding shares in demat mode, NECS mandate has to be sent to their Depository Participant (DP) directly in the Format prescribed by the DP.
- XV) Members holding shares in electronic form may please note that their bank account details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories or may be paid through NECS where such facility is available and the Company will not entertain any direct request from such members for deletion of or change in such bank account details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividends, directly to their Depository Participants.



- XVI) **The shareholders who have not yet surrendered their share certificates of erstwhile United Credit Financial Services Limited, are requested to contact the Registrars and Share Transfer Agent of the Company, C B Management Services (P) Limited for necessary action immediately.**
- XVII) Mr. Dipankar Chatterji and Mr. Devashish Dabriwal, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Brief resume of these Directors, nature of their expertise in specific functional areas, names of Companies in which they hold directorships / memberships / chairmanships of the Board and Committee of the Board, shareholding and relationships between director inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors recommends reappointment of Mr. Dipankar Chatterji and Mr. Devashish Dabriwal.

ANNEXURE TO THE NOTICE

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

ITEM NO. 7

Mr. A. K. Dabriwala was reappointed Managing Director of the Company for a period of five years with effect from 1st November, 2005 on a remuneration fixed by the Board of Directors at its Meeting held on 29th April, 2005 and approved by the shareholders in the 34th Annual General Meeting of the Company held on 23rd, June, 2005. His tenure of office will expire on 31st October, 2010. The members of the Remuneration Committee considered and approved the payment of remuneration and other terms and conditions of his reappointment at their Meeting held on 28th May, 2010. The Board of Directors also considered his reappointment as Managing Director of the Company at the Board Meeting held on 28th May, 2010. The terms and conditions mentioned in the resolution are now placed before the members for their approval.

Accordingly, the special resolution as set out in the notice is proposed for approval by the shareholders. The explanatory statement together with the accompanying notice is and should be treated as an abstract of the terms of service of Mr. A. K. Dabriwala and memorandum of interest under Section 302 of the Companies Act, 1956.

Mr. Dabriwala has also confirmed that he is not disqualified to act as Director under Section 274(1)(g) of the Companies Act, 1956.

The Board recommended the resolution for members' approval.

Mr. A. K. Dabriwala is interested in the resolution to the extent of the remuneration receivable by him as Managing Director. Mr. Devashish Dabriwal, Director of the Company, is also interested in this resolution as his relative.

27B, Camac Street
Kolkata – 700 016
The 28th May, 2010

By Order of the Board of Directors
Arunabha Biswas
Vice President & Company Secretary

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors are happy to present the 39th Annual Report with the Audited Statement of Accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

	(Rupees in Lacs)	
	2009-2010	2008-2009
Gross Income	343.39	137.52
PBDIT	215.40	(17.53)
Interest	(0.93)	(3.10)
Depreciation	(8.42)	(13.30)
PBT	206.05	(33.93)
Provision for Taxation (Net)	(17.34)	1.33
Provision for F.B.T (Net)	—	(1.50)
Deferred Tax	(26.21)	4.84
PAT	162.50	(29.26)
Appropriations		
Surplus b/f from previous year	174.55	203.81
Profit available for appropriation	337.05	174.55
Proposed Dividend	74.02	—
Tax on Dividend	12.29	—
General Reserve	40.00	—
Transfer to Reserve Fund as per RBI norms	32.50	—
Surplus carried to Balance Sheet	178.24	174.55

DIVIDEND

The Board is pleased to recommend payment of dividend to the preference shareholders @ 12.5% on preference shares of Rs. 10/- each for the financial years 2008-2009 and 2009-2010. The preference shares were allotted on 04.09.2008. As such payment of dividend for financial year 2008-2009 will be on pro-rata basis whereas dividend for financial year 2009-2010 will be for the full year. The Board also recommends payment of dividend @ 10% on equity shares of Rs.10/- each i.e. Re. 1/- per equity share.

RESERVES & SURPLUS

The Balance in Reserves & Surplus stands at Rs.17,33,44,864/- (as on 31.3.2009 at Rs.16,57,25,893/-) after the appropriations mentioned above.

PERFORMANCE

Total income generated by the Company during the financial year was Rs. 343.39 Lacs, as compared to Rs. 137.52 Lacs in the previous year. There is considerable increase in income and the Company has been able to earn profit after tax of Rs. 162.50 Lacs for the year as against loss of Rs. 29.26 Lacs sustained by the Company during the previous year.

FUTURE OUTLOOK

The traditional business of non-banking financial activities is no longer lucrative and the management is exploring other options which will ensure steady profitability in the coming years.

**LISTING WITH THE STOCK EXCHANGES**

The Company's Equity Shares are listed with The Calcutta Stock Exchange Ltd. and Bombay Stock Exchange Limited. Upon conversion of a portion of Equity Shares into Preference Shares, the Equity ISIN of the Company has been changed from INE858C01019 to INE858C01027 and new Preference ISIN is INE858C04013.

DEPOSITS

The Company does not have any matured unclaimed deposit as on 31.03.2010.

DIRECTORS

Mr. Dipankar Chatterji and Mr. Devashish Dabrial retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Mr. Ravi Poddar resigned from the Board with effect from 07.08.2009 on personal reasons.

During his long association the Company has been immensely benefited by his able guidance and active participation in the decision making process.

AUDITORS & AUDITORS' REPORT

M/s. Ray & Ray, Chartered Accountants, Kolkata, hold office upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from M/s. Ray & Ray to the effect that their reappointment, if made, would be within the limit prescribed under Section 224(1B) of the Companies Act, 1956.

The Notes on Accounts referred to in the Auditors' Report are self explanatory. However, it may be noted that as no interest accrued on the principal amount of debentures after maturity and the interest on unmatured debentures were lying unclaimed and barred by law of limitation, the Board of Directors decided to write back the same to the Profit & Loss Account of the Company during the current year on the basis of the expert opinion obtained by the Company.

PAYMENT OF COMMISSION

In accordance with the Special Resolution passed in the 34th Annual General Meeting and approval received from the Central Government, 1% of the net profit is to be divided amongst the Directors not in whole-time employment of the Company in equal proportion.

No such commission was paid during the financial year 2009-10 as per decision taken by the Board of Directors.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

TRANSFER OF UNPAID DIVIDEND AMOUNTS TO IEPF

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends which remain unpaid or unclaimed for a period of 7 years will be duly transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act. An amount of Rs.45,38,055/- being matured debentures, which remain unclaimed for a period of seven years from the date they became due for payment have been credited to the IEPF in the month of April, 2010.