

40th
ANNUAL REPORT

Statement of Accounts
2010 - 2011



UNITED CREDIT LIMITED

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BOARD OF DIRECTORS

Mr. Dipankar Chatterji, Chairman
Mr. A. K. Dabriwala, Managing Director
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) 2280-6692/93/94/2486
4011-6700/6711/6718/6723
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. Dipankar Chatterji
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 Fortieth 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 Tuesday, the 26th July, 2011 at 10.00 A.M.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 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 year ended 31st March, 2011.
3. To declare dividend on equity shares for the financial year ended 31st March, 2011.
4. To elect a Director in place of Mr. R. M. Choubey, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration. The retiring Auditors, M/s. Ray & Ray, Chartered Accountants, Kolkata are eligible for reappointment.

27B, Camac Street
Kolkata – 700 016
The 20th May, 2011

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 a 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) 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.
- IV) The Register of Members and Transfer Books of the Company will remain closed from 16th July, 2011 to 26th July, 2011 (both days inclusive).

The dividend as recommended by the Board, if approved at the meeting by the members, will be paid on or after 2nd August, 2011 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 15th July, 2011 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 15th July, 2011.
- V) 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.
- VI) 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.
- VII) 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.
- VIII) 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.
- IX) 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 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 became 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 (equity shares only) and 2008-09 (preference shares only) and 2009-10 (both equity and preference shares) may write to the Company for payment immediately.

- X) 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.
- XI) The 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/ Registrars and Share Transfer Agent for registration of transfer of shares.
- XII) Shareholders are requested to notify the Registrars and Share Transfer Agent, C.B. Management Services (P) Ltd latest by 9th July, 2011 NECS instruction / their bank account number, the name of the bank and branch with whom such account is held to enable them 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, Investor's 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.
- XIII) 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 / change in such bank account details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
 - XIV) **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.**



- XV) Pursuant to the Circulars No.17/2011 and No. 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively issued by the Ministry of Corporate Affairs, shareholders are requested to register their e-mail address with the Company/ Registrars & Share Transfer Agent of the Company, C. B. Management Services (P) Limited and/or with the concerned depository participant where applicable and changes therein from time to time, to enable the Company to serve notice/ documents through e-mail, in compliance with Section 53 of the Companies Act, 1956. Shareholders holding shares in physical mode are requested to visit the following web page to register their email IDs and exercise their option accordingly.

www.cbmsl.com/green.php

Shareholders holding shares in demat mode and intend to receive the Annual Report in physical form may likewise visit the abovementioned web page to exercise their option.

- XVI) Pursuant to Article 78(c) of the Articles of Association of the Company, Mr. R. M. Choubey, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Brief resume of Mr. Choubey, nature of his expertise in specific functional areas, names of Companies in which he holds directorships / memberships / chairmanships of the Board and Committee of the Board, shareholding and relationships between directors 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 re-appointment of Mr. R. M. Choubey.

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

Your Directors are happy to present the 40th Annual Report with the Audited Statement of Accounts for the year ended March 31, 2011.

FINANCIAL RESULTS

| | (₹ in Lacs) | |
|---|----------------|-----------|
| | 2010-2011 | 2009-2010 |
| Gross Income | 246.36 | 343.39 |
| PBDIT | 134.17 | 215.40 |
| Interest | (0.46) | (0.93) |
| Depreciation | (5.73) | (8.42) |
| PBT | 127.98 | 206.05 |
| Provision for Taxation (Net) | (24.78) | (17.34) |
| Deferred Tax | (2.37) | (26.21) |
| PAT | 100.83 | 162.50 |
| Appropriations | | |
| Surplus b/f from previous year | 178.24 | 174.55 |
| Profit available for appropriation | 279.07 | 337.05 |
| Proposed Dividend | 53.15 | 74.02 |
| Tax on Dividend | 8.62 | 12.29 |
| General Reserve | 15.00 | 40.00 |
| Transfer to Reserve Fund as per RBI norms | 20.17 | 32.50 |
| Surplus carried to Balance Sheet | 182.13 | 178.24 |

DIVIDEND

The Board is pleased to recommend a dividend of ₹ 1.25 per preference share of ₹ 10/- each and ₹ 0.75 per equity share of ₹ 10/- each.

RESERVES & SURPLUS

The Balance in Reserves & Surplus stands at ₹ 17,72,50,656/- (as on 31.3.2010 at ₹ 17,33,44,864/-) after the appropriations mentioned above.

PERFORMANCE

Total income generated by the Company during the financial year was ₹ 246.36 Lacs, as compared to ₹ 343.39 Lacs in the previous year. The Company has however been able to earn profit after tax of ₹ 100.83 Lacs for the year under review as against ₹ 162.50 Lacs during the previous year.

FUTURE OUTLOOK

During the year under review, the Company has been able to generate sizeable income on account of interest on loan, which is supplemented by rental income. The management feels that in view of recent change in credit policy of the Reserve Bank of India whereby NBFCs have lost their priority tag, it will be prudent for the Company to put emphasis on increasing income from rent and interest on loan to ensure regular flow of fund at fixed interval and to maximise profit.

**LISTING WITH THE STOCK EXCHANGES**

The Company's Equity Shares are listed with The Calcutta Stock Exchange Limited and Bombay Stock Exchange Limited.

DEPOSITS

The Company does not have any matured unclaimed deposit as on 31.03.2011.

DIRECTORS

Mr. R. M. Choubey retires by rotation in the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

Mr. N. Himatsingka resigned from the Board with effect from 30th March, 2011 owing to his old age.

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 a 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.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The Company being engaged in hire purchase, leasing and other non-banking financial activities 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 in any manner during the year under review. However, the total outgo of foreign exchange during the year under review was ₹ 2,35,913/-

TRANSFER OF UNPAID DIVIDEND AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND

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 have been duly transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C(1) of the said Act.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Company has implemented the Code of Corporate Governance and a separate section has been included in this report. The report on Corporate Governance and the declaration by the Managing Director in respect of Code of Conduct for all Board Members and Senior Management personnel and the certificate issued by M/s. Ray & Ray, Statutory Auditors of the Company in confirmation of the compliance as per requirement of Clause 49 of the Listing Agreement with the stock exchanges have been set out separately in Annexure – I.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report has been appended to this report in terms of the Listing Agreement and marked Annexure – II.



SUBSIDIARY COMPANIES

The Company has no subsidiary as on the date of this report.

PARTICULARS OF 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.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm that –

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- ii) they have selected such accounting policies 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 as at March 31, 2011 and of the profit or loss of the Company for that period;
- iii) they have 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; and
- iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their deep appreciation for the whole-hearted and sincere co-operation the Company has received from the Statutory Authorities, Stakeholders, Customers and Bankers.

Your Directors also wish to thank all the employees for their dedicated and committed service to the Company.

Kolkata-700 016
The 20th May, 2011

For and on behalf of the Board
Dipankar Chatterji
Chairman