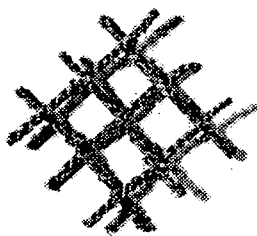


27th ANNUAL REPORT

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

Statement of Accounts 1997-98



CERTIFIED TRUE COPY
For UNITED CREDIT LIMITED
Anna Bas Arina
Secretary.

UNITED CREDIT LIMITED



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

BOARD OF DIRECTORS

Mr. Ravi Poddar, *Chairman*
Mr. A. K. Dabhiwala, *Managing Director*
Mr. M. R. B. Punja
Mr. Y. D. Patil
Mr. S. N. Roy
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

Khaitan & 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 : 91-33-4137900

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

UNITED CREDIT LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twentyseventh Annual General Meeting of the Members of UNITED CREDIT LIMITED will be held at the 'Mini-Auditorium' of the Science City, Calcutta, E.M. Bypass & Park Circus Connector, Calcutta - 700 046 on Monday, the 24th August, 1998 at 11-00 a.m.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 1998 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors.
2. To declare dividend for the financial year ended 31st March, 1998.
3. To elect a Director in place of Mr. Y. D. Patil, who retires by rotation, and being eligible, offers himself for reappointment.
4. To elect a Director in place of Dr. Mohan Chellappa, who retires by rotation, and being eligible, offers himself for reappointment.
5. To elect a Director in place of Mr. N. Himatsingka, who retires by rotation, and being eligible, offers himself for reappointment.
6. To elect a Director in place of Mr. N. K. Sarawgi, who retires by rotation, and being eligible, offers himself for reappointment.
7. 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 an Ordinary Resolution

8. "RESOLVED THAT Mr. P. K. Saraf be and is hereby appointed a Director of the Company."

As a Special Resolution

9. "RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable and subject to such approvals, sanctions, permissions and consents as may be necessary from the appropriate authority or body, the Articles of Association of the Company be and are hereby altered as follows :-

- (i) In the Interpretation Clause, at the end of the existing interpretation of "any writing" and "written" in Article 2, the following shall be inserted :

"Beneficial owner" shall have the meaning assigned thereto in Clause (a) of Sub-section (1) of Section 2 of the Depositories Act, 1996.

UNITED CREDIT LIMITED

“Depositories Act” means the Depositories Act, 1996 and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force.

“Depository” means a depository as defined in Clause (e) of Sub-section (1) of Section 2 of the Depositories Act, 1996.

- (ii) After the existing Article 35 the following Article 35A shall be inserted :

35A. Notwithstanding anything contained in these Articles, as and when the Company gets its shares or other securities admitted as an eligible security in the Depository System in accordance with the provisions of the Depositories Act, 1996, the prevailing Rules, Regulations & Bye Laws of the Depository and other applicable laws, if any, the said shares and securities of the Company shall be held in fungible form and the same shall be governed by the provisions of Depositories Act, 1996 as amended from time to time or any Rules framed thereunder and on the same being done the Company shall further be entitled to maintain a Register of Members/Other Securities with the details of Members/Holders of Securities holding shares/securities both in material and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of the existing shares/securities or any future issue.”

27B, Camac Street
Calcutta 700 016
The 20th June, 1998

By Order of the Board of Directors
Arunabha Biswas
Company Secretary

UNITED CREDIT LIMITED

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. Dividend, if declared at the meeting, will be paid on or after 24th September, 1998 to those members whose names will appear on the Register of Members of the Company on 24th August, 1998 subject to the provisions of Section 206 A of the Companies Act, 1956.
- IV. Members are requested to (i) notify immediately any change in their address to the Company, (ii) to furnish dividend mandate, if any.
- V. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items of special business is annexed hereto.
- VI. The Register of Members and Transfer Book of the Company will remain closed from 12th August to 24th August 1998.
- VII. Please bring the attendance slip with you duly filled in and hand over the same at the entrance of the meeting hall.
- VIII. 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.
- IX. 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.
- X. It will be helpful if your Registered Folio Number is quoted in all your correspondence with the Company.
- XI. 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.
- XII. As a measure to prevent theft of dividend warrants, shareholders are requested to indicate their Bank account number and branch so that warrants sent to them include such details.
- XIII. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends up to and including the dividend declared for the year ended 31st March, 1994 have been transferred to the Central Government under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 and the same may be claimed through the Office of the Registrar of Companies, West Bengal.

ANNEXURE TO THE NOTICE

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

ITEM NO. 8

Mr. P. K. Saraf was appointed as an Additional Director in terms of the provisions of Section 260 of the Companies Act, 1956. Mr. Saraf is to hold office till the date of the forthcoming Annual General Meeting. He is eligible for appointment as Director of the Company and in this respect the Company has received from a member notice under Section 257 of the Companies Act, 1956 proposing his appointment as Director of the Company under Articles 79(b) and 83 of the Company's Articles of Association.

Except Mr. Saraf none of the Directors are interested in the resolution.

ITEM NO. 9

With the coming into force of The Depositories Act, 1996 the investors have been granted the option of holding securities in a physical or dematerialised form. Accordingly it is felt that the Company may have to opt for fungible form and consequential dematerialisation of the Equity Shares of the Company in future.

The existing Articles of Association of the Company do not contain any clause relating to fungible form of shares and securities and hence there is a need to alter the Articles of your Company so that it is consistent with the said System. The alteration can be carried out by passing a Special Resolution as set out in the Notice.

Board recommends the resolution mentioned in item no. 9 for your approval.

None of the Directors are interested in the resolution.

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

Your Directors are happy to present the 27th Annual Report with the Audited Statement of Accounts for the year ended March 31, 1998.

FINANCIAL RESULTS

	(Rs. in lacs)	
	1997-98	1996-97
Gross Income	914.45	824.26
PBDIT	550.30	585.05
Interest	217.71	242.33
Depreciation	284.29	247.39
PBT	48.30	95.33
Provision for Taxation	20.00	24.00
PAT	28.30	71.33
Income Tax Adjustments	—	21.57

Appropriations

Surplus b/f from previous year	26.85	141.47
Transfer from Lease Equalisation Reserve	33.91	Nil
Profit available for appropriation	89.06	204.22
Transfer to Lease Equalisation Reserve	Nil	85.87
Transfer to Reserve Fund as per RBI Norms	5.66	14.27
Proposed Dividend	39.34	70.21
Tax on Dividend	3.93	7.02
Surplus carried to B/S	40.13	26.85

DISCLOSURE PURSUANT TO CLAUSE 43 OF THE LISTING AGREEMENT

Particulars	Performance as on 31.03.98	Projections as per Letter of Offer and Prospectus issued in 1995
Income	914.45	2154.45
Profit after tax	28.30	547.87

The Company could not achieve the projected profitability due to the reasons explained below :

1. The Company could not take up any Merchant Banking activities due to the depressed market condition. Moreover companies engaged in fund based financing, have been stopped from carrying on the business of Merchant Banking as per the directives recently issued by the Securities and Exchange Board of India and accordingly the Company has surrendered the Merchant Banking category I Licence issued by SEBI.

UNITED CREDIT LIMITED

2. Owing to the compulsory additional provisioning for non-performing assets as per recent Reserve Bank of India guidelines, there has been a substantial erosion of profit during the year.

DIVIDEND

Your Directors are pleased to recommend a Dividend of 50 paise per share of Rs. 10/- each on pro-rata basis.

RESERVES & SURPLUS

The Balance in Reserves & Surplus stands at Rs. 12,25,90,518/- (as on 31.3.97 : Rs. 12,40,88,488/-) 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.
- 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.

PERFORMANCE

In spite of the adverse conditions prevailing in the economy and more specifically in the context of Non-Banking Financial Companies, your Company has done reasonably well. The Gross Income has gone up by 11% compared to last year. However, the net profit after tax has reduced on account of writing off of the old loans inherited by the present management as also due to the provisioning for Non-performing Assets.

The Reserve Bank of India from time to time has laid down policies and has issued stricter guidelines on the functioning, provisioning norms for and supervision/monitoring of, all NBFCs. The Company has therefore been compelled to make additional provisions for Non-Performing Assets as per the revised guidelines issued by the Reserve Bank of India on May 12, 1998.

Your Directors are happy to inform that during the year under review, the Company has secured Rs. 450 lacs from different banks as additional resources for deployment to its core area of business i.e. hire purchase of commercial vehicles and leasing of equipment.

FUTURE OUTLOOK

Your Company's Management feels that since the Company's core competency is in the financing of commercial vehicles, it should further consolidate its market share in this sector. It has, therefore, begun to expand the regional network in the districts of West Bengal to better leverage opportunities in this business, which it expects will yield positive results.

The management is hopeful that through improved recovery of delayed instalments, the level of non-performing assets shall come down, which will further enhance the Company's profitability.

UNITED CREDIT LIMITED

DEPOSITS

The Company does not have any deposit, which is matured but unclaimed as at 31.3.98.

DIRECTORS

Mr. Y. D. Patil, Dr. Mohan Chellappa, Mr. N. Himatsingka and Mr. N. K. Sarawgi retire by rotation in the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

Mr. P. K. Saraf has to hold office up to the date of the forthcoming Annual General Meeting. Notice has been received from a member in compliance of Section 257 of the Companies Act, 1956 proposing his appointment as Director.

AUDITORS

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

SUBSIDIARY COMPANY

UCL Housing Ltd., a subsidiary of your Company has two prestigious housing projects at Queens Park and Thakurpukur both in Calcutta. The projects are yet to take off. The Company is striving hard to solve the difficulties faced by it so that the projects can be started as soon as possible.

The Company has also been selected by the Calcutta Metropolitan Development Authority for a joint venture project to develop urban infrastructure in Calcutta.

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

The Company incurred Rs. 1,43,149/- in foreign exchange towards foreign travel.

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 20th June 1998

For and on behalf of the Board of Directors
Ravi Poddar
Chairman