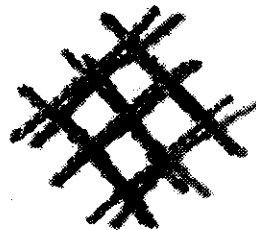


29th ANNUAL REPORT

**Statement of Accounts
1999-2000**

Report  junction.com



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
Kumar Rathindro Mullick
Mr. N. K. Sarawgi

SECRETARY

Mr. Arunabha Biswas

SOLICITORS AND ADVOCATES

Khaitan & Co.
S. Jalan & 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

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 Twentyninth 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 Tuesday, the 12th September, 2000 at 11-00 a.m.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000 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. M. R. B. Punja, who retires by rotation, and being eligible, offers himself for reappointment.
3. To elect a Director in place of Mr. N. Himatsingka, who retires by rotation, and being eligible, offers himself for reappointment.
4. To elect a Director in place of Kumar Rathindro Mullick, 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 pursuant to the provisions of section 310 of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the increase in the remuneration of Mr. A. K. Dabriwala, Managing Director of the Company, from Rs. 19,000/- per month to Rs. 40,000/- per month by way of salary with effect from 1st November, 1999 with consequential increase in the perquisites allowed in addition to salary, the other terms and conditions remaining unchanged."

As Special Resolution

7. "RESOLVED THAT Mr. A. K. Dabriwala, who fulfills the conditions specified in Part I and Part II of Schedule XIII to the Companies Act, 1956 be and is hereby reappointed as the Managing Director of the Company for a period of five years effective from 1st November, 2000 and that he may be paid remuneration by way of salary and perquisites as detailed below, which are in accordance with Part II of Schedule XIII of the said Act :
 - I. Salary : Rs. 40,000/- (Rupees forty thousand only) per month in the salary range of Rs. 40,000 - 2,500 - Rs. 50,000
 - II. Perquisites : Perquisites will be allowed in addition to salary and shall be restricted to an amount equal to the annual salary.

UNITED CREDIT LIMITED

- (a) Housing
- i) The expenditure by the Company on hiring furnished residential accommodation will be subject to a ceiling of 60% of the salary over and above 10% payable by him.
 - ii) The expenditure incurred by the Company on gas, electricity, water will be evaluated as per the Income-tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary.
 - iii) Wherever the Company does not provide accommodation, house rent allowance may be paid in accordance with (i) above.
- b) Medical reimbursement for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- c) Leave travel concession for self and family once in a year 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. Gratuity payable should not exceed half a month's salary for each completed year of service.
- g) Provision of a car for use on Company's business and telephone at residence 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."

"FURTHER RESOLVED 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."

As Special Resolution

8. "RESOLVED THAT pursuant to the provisions contained in Section 372A of the Companies Act, 1956, approval of the Company be and is hereby given to the making of loans from time to time upon such terms and conditions as the Board of Directors may think fit and proper to Calcutta Metropolitan Group Ltd. provided the aggregate of the loans so made to the said Calcutta Metropolitan Group Ltd. and outstanding at any time should not exceed the sum of Rs. 4.00 crores (Rupees four crores only)".

27B, Camac Street
Calcutta 700 016
The 26th July, 2000

By Order of the Board of Directors
Arunabha Biswas
Company Secretary

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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 8th September to 12th September, 2000 (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. Pursuant to the provision of newly inserted Section 109A and 109B 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.
- XI. Pursuant to Section 205A(5) as amended by the Companies (Amendment) Ordinance 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.

The members who have not received/encashed dividend warrants for the financial years 1994-95 to 1997-98 may write to the Company for payment.
- XII. Members are informed that the scrips of the Company have been identified by SEBI vide its Circular No. SMDRP/Policy/CIR-23/2000 dated 29th May 2000 for compulsory trading in dematerialised form for all class of investors from 26.3.2001.
- XIII. 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.

UNITED CREDIT LIMITED**ANNEXURE TO THE NOTICE**

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

ITEM NO. 6

Mr. A. K. Dabriwala was reappointed Managing Director of the Company for a period of five years w.e.f. 1st November, 1995. During the tenure of his service as Managing Director of the Company there has been substantial growth of business. Considering his contribution to the all round progress of the Company the Board recommended increase of his remuneration subject to the approval of the members in the General Meeting.

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

Mr. A. K. Dabriwala is interested in the resolution to the extent of the increased remuneration receivable by him and Mr. Ravi Poddar, a director of the Company, is also interested in this resolution as his relative.

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, 1995 on a remuneration fixed by the Board of Directors in their meeting held on 28th June, 1995 and approved by the Shareholders in the 24th Annual General Meeting of the Company held on 27th September, 1995. His tenure of office will expire on 31st October, 2000. The Board of Directors considered his reappointment as Managing Director of the Company in the Board Meeting held on Wednesday, the 26th July, 2000. 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 explanation 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. A. K. Dabriwala is interested in the resolution to the extent of the remuneration receivable by him as Managing Director. Mr. Ravi Poddar, a director of the Company, is also interested in this resolution as his relative.

ITEM NO. 8

The Company in its usual course of business advances loans from time to time to other bodies corporate. Section 372A of the Companies Act, 1956 puts a limit that the Board of Directors will be able to advance loans to or make investments in other bodies corporate upto sixty per cent of the paid up share capital and free reserves of the Company or hundred per cent of its free reserves, whichever is more. This limit may be exceeded only with the prior authorisation by a special resolution passed in a general meeting.

The aggregate of loans and investments so far made by the Company is within the limit fixed by Section 372A of the Companies Act, 1956.

Calcutta Metropolitan Group Ltd. has approached the Company for an inter-corporate loan of rupees four crores which, if made, will exceed the statutory limit fixed under Section 372A of the Companies Act, 1956.

The purpose of the proposed resolution is to authorise the directors to make loan upto a limit of Rupees four crores to Calcutta Metropolitan Group Ltd. on compliance of the requirement of Section 372A of the Companies Act, 1956.

Mr. Ravi Poddar, a director of the Company, is interested in the resolution being a director of Calcutta Metropolitan Group Limited and Mr. A. K. Dabriwala, Managing Director of the Company, is also interested in the resolution by virtue of his relationship with Mr. Poddar.

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

Your Directors are happy to present the 29th Annual Report with the Audited Statement of Accounts for the year ended March 31, 2000.

FINANCIAL RESULTS

	(Rs. in lacs)	
	<u>1999-2000</u>	<u>1998-99</u>
Gross Income	981.36	1006.69
PBDIT	582.51	589.74
Interest	204.17	237.57
Depreciation	325.02	318.00
PBT	53.32	34.17
Provision for Taxation	24.00	21.00
PAT	29.32	13.17
Income Tax Adjustments	—	1.13
Appropriations		
Surplus b/f from previous year	7.82	40.12
Profit available for appropriation	37.14	54.42
Transfer to Lease Equalisation Reserve	8.52	43.97
Transfer to Reserve Fund as per RBI Norms	—	2.63
Surplus carried to B/S	28.62	7.82

DIVIDEND

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

RESERVES & SURPLUS

The Balance in Reserves & Surplus stands at Rs. 1,26,952,905/- (as on 31.3.99 : Rs. 1,24,020,636/-) after the appropriations mentioned above.

PERFORMANCE

The disbursements and recoveries during the year were up by 23% and 41% respectively in comparison to the last year. The Company continues to make disbursements mainly in the priority sector i.e. commercial vehicles and agricultural equipments serving the dual objectives of safer avenues of financing and also realising our social responsibility in the overall growth of the rural and semi urban areas.

You would be pleased to note that despite the overall slow-down in the economy your Company's recoveries during the year under review has gone up substantially. Your company has also been able to recover its old debts.

The Burdwan branch of your company is fully operational and is exploiting the business opportunities available in and around the surrounding districts. As a matter of policy, your company

UNITED CREDIT LIMITED

is reducing its credit exposure in the corporate sector and concentrating more in the retail segment in rural and semi urban areas.

Your company has been able to contain its overheads despite increase in the level of business enabling it to register a growth of 122% in PAT after making necessary provisions as per the RBI guidelines.

FUTURE OUTLOOK

Keeping in view the success of Siliguri and Burdwan branch your company has plans to open branches in other major districts of West Bengal. During the current year a representative office will be opened at Malda. Your company expects to achieve sustainable growth in its earnings with such expansions.

Further, to enhance its revenue base, your company has started consultancy services to various corporates and has earned Rs. 19 lacs during the year under review. Your company aims to achieve further growth in this new line of business with the existing resources itself.

According to the present reckoning, your directors are hopeful that in the current year the company will be able to improve its performance substantially.

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 The relevant note in the Accounts is self explanatory.

Y2K PREPAREDNESS

During the year, your Company has taken appropriate measures required to ensure Y2K compliance and an external agency was entrusted with the job. The Company has successfully passed through the Y2K transition.

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 has no public deposit as at 31.3.2000.

DIRECTORS

Mr. M. R. B. Punja, Mr. N. Himatsingka and Kumar Rathindro Mullick retire by rotation in the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

Mr. P. K. Saraf resigned from the Board w.e.f. 17.7.2000. The Board wishes to record its sincere appreciation for the valuable advices given by Mr. Saraf during the tenure of his office as Director of the Company.

UNITED CREDIT LIMITED

AUDITORS

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

SUBSIDIARY COMPANY

A petition for amalgamation of United Credit Securities Limited with UCL Housing Limited effective date for which is 01.04.99, has been filed in the High Court at Calcutta. The Accounts of the merged company will be prepared on completion of the amalgamation process. As such documents and information in respect of the company required under Section 212 of the Companies Act. 1956 cannot be furnished.

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 of any nature 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 express their 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 place on record their gratitude for the effective contribution made by the employees towards the growth of the company.

Calcutta
The 26th July, 2000

On behalf of the Board of Directors
Ravi Poddar
Chairman