

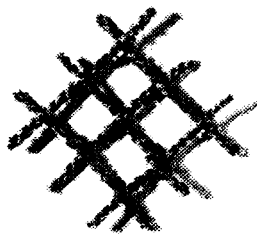
# **36th ANNUAL REPORT**

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**Statement of Accounts**

**2006 - 2007**

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**UNITED CREDIT LIMITED**

**UNITED CREDIT LIMITED**

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**CONTENTS**

	<b>Page</b>
Board of Directors	1
Notice	2-6
Directors' Report	7-9
Report on Corporate Governance	10-22
Abridged Balance Sheet, Profit & Loss Account and Auditors' Report	23-27
Notes on Account	28-32
Report and Account of Subsidiary Companies	33-72
Consolidated Abridged Financial Statement of United Credit Ltd. and its Subsidiaries	73-80

<b>UNITED CREDIT LIMITED</b>
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**BOARD OF DIRECTORS**

Mr. Ravi Poddar, Chairman  
 Mr. A. K. Dabriwala, Managing Director  
 Mr. N. Himatsingka  
 Mr. N. Mishra  
 Mr. Dipankar Chatterji  
 Mr. N. K. Sarawgi  
 Mr. R. M. Choubey  
 Mr. Devashish Dabriwal  
 Miss Pooja Poddar

**SECRETARY**

Mr. Arunabha Biswas

**SOLICITORS AND ADVOCATES**

Khaitan & Co.  
 C. K. Deora & Co.  
 Victor Moses & Co.

**AUDITORS**

M/s. Ray & Ray

**BANKERS**

American Express Bank Limited  
 United Bank of India

**REGISTRARS & SHARE TRANSFER AGENT**

C B Management Services (P) Limited  
 P-22, Bondel Road,  
 Kolkata 700 019  
 Phone : (033) 2280 6692/93/94,  
 2280 2486, 2280 2937  
 Fax : (033) 2287 0263  
 E-mail : cbmsl1@cal2.vsnl.net.in

**AUDIT COMMITTEE**

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

**REMUNERATION COMMITTEE**

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

**GRIEVANCE COMMITTEE**

Mr. N. K. Sarawgi  
 Mr. A. K. Dabriwala  
 Mr. Devashish Dabriwal

**REGISTERED OFFICE**  
**27B Camac Street (8th Floor)**  
**Kolkata 700 016**  
**Phone: (033) 2287 9359/9360/9185**  
**Fax: (033) 2287 2047**  
**E-mail : [unitedcredit@vsnl.com](mailto:unitedcredit@vsnl.com)**

**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Thirty-sixth Annual General Meeting of the Members of UNITED CREDIT LIMITED will be held at the 'Kalakunj Hall', Sangitkala Mandir Trust, 48, Shakespeare Sarani, Kolkata 700 017 on Saturday, the 30<sup>th</sup> June, 2007 at 11.00 a.m.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2007 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31<sup>st</sup> March, 2007.
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 Mr. N. K. Sarawgi, who retires by rotation, and being eligible, offers himself for reappointment.
5. To elect a Director in place of Mr. Devashish Dabriwal, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration. The retiring Auditors, Messrs. Ray & Ray, Chartered Accountants, Kolkata are eligible for reappointment.

**SPECIAL BUSINESS**

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

**As Ordinary Resolution****7. Sub-Division of Preference Shares**

"RESOLVED THAT subject to the provisions contained in Article 42 of the Articles of Association of the Company and applicable provisions of the Companies Act, 1956, 500,000 Preference Shares of Rs. 100/- each in the Authorised Capital of the Company be altered and sub-divided into 50,00,000 Preference Shares of Rs. 10/- each."

**8. Alteration of Clause (V) of the Memorandum of Association of the Company**

"RESOLVED THAT pursuant to the provisions of Sec.94(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, the Authorised Share Capital of the company as stated in Clause V of the Memorandum of Association of the company be altered by substitution for the existing Clause V the following new Clause V namely-

The authorised share capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crores) divided into 150,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs) Preference Shares of Rs.10/- each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or any other relative Act for the time being in force or provided by the Articles of Association of the Company for the time being."

**As Special Resolution****9. AMENDMENT OF EXISTING ARTICLE 4 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

"RESOLVED THAT the Articles of Association of the Company be altered by substitution for the existing Article 4 the following new Article 4, namely -

The Authorised Share Capital of the Company is Rs.20,00,00,000 (Rupees Twenty Crores) divided into 150,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs) Preference Shares of Rs.10/- each."

27B, Camac Street  
Kolkata 700 016  
The 7<sup>th</sup> May, 2007

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

**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 item of special business is annexed hereto (marked Annexure I) and particulars of Directors retiring by rotation and seeking reappointment are given in Annexure-II.
- V) The Register of Members and Transfer Book of the Company will remain closed from 19<sup>th</sup> June, 2007 to 30<sup>th</sup> June 2007 (both days inclusive).

The dividend as recommended by the Board, if approved at the meeting by the members, will be paid on or after 5<sup>th</sup> July, 2007 to those persons whose names stand registered on the Company's Register of Members or their mandates :

- (a) as Beneficial Owners as at the end of business hour on 18<sup>th</sup> June, 2007 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 transfer in physical form lodged with the Company on or before 18<sup>th</sup> June, 2007.
- 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.
- IX) It will be helpful if Registered Folio Number/ DP ID – Client ID Number is quoted in all the correspondence with the Company.
- X) Pursuant to the provision of Section 109A and 109B 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.
- XI) 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

**UNITED CREDIT LIMITED**

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 2000-01, 2003-04, 2004-05 and 2005-06 may write to the Company for payment immediately.

- XII) Members are informed that the scrips of the Company have been activated both in CDSL and NSDL and may be dematerialised under the ISIN INE858C01019.
- 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.
- XIV) The members are requested to inform their PAN allotted by the Income Tax authorities immediately.
- XV) Shareholders are requested to notify the Registrars, C B Management Services (P) Limited latest by 19<sup>th</sup> June, 2007 ECS Instruction / their bank account number, the 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.

Electronic Clearance Service (ECS) 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 is 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 ECS Mandate Form duly filled in to the C B Management Services (P) Limited, the Registrar and Share Transfer Agents of the Company. ECS Mandate Form is enclosed (marked **Annexure III**).
  - ii) Shareholders who are holding shares in demat mode, ECS Mandate has to be sent to their Depository Participant (DP) directly in the Format prescribed by the DP.
- XVI) 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 ECS 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.
  - XVII) The shareholders who have not yet surrendered their share certificates of erstwhile United Credit Financial Services Limited, are requested to contact the Registrar and Share Transfer Agents of the Company, C B Management Services (P) Limited for necessary action immediately.

**ANNEXURE TO THE NOTICE****ANNEXURE I**

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

**ITEM NO. 7**

The option for conversion of Equity Shares into Redeemable Preference Shares of Rs.10/- each have been approved by the members in the Extraordinary General Meeting held on 23.04.07. On confirmation of the resolution by the Hon'ble High Court at Calcutta Redeemable Preference Shares of Rs.10/- each will be issued to the Equity Shareholders holding not more than 200 Equity Shares in the Company except for those shareholders who have intimated the Company and exercised their option to continue as Equity Shareholders of the Company. The Authorised Share Capital of the Company at present is Rs.20,00,00,000 (Rupees Twenty Crores) divided into 150,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs.10/- each and 500,000 (Five Lakhs) Preference Shares of Rs.100/- each. To enable the company to issue Preference Shares of Rs.10/- each the Authorised Preference Share Capital of Rs.500,00,000 of the Company has to be divided into 50,00,000 Preference Shares of Rs.10/- each.

To effect such alteration in the Authorised Preference Share Capital of the Company the Resolution is placed before the members for their approval.

None of the Directors is interested in the resolution.

**ITEM NO. 8**

The Board of Directors in its meeting held on 22.02.07 decided to give an option to all shareholders holding upto 200 Equity Shares to convert their shares into Redeemable Preference Share of Rs.10/- each carrying dividend of 12.5%. The Clause V of the Memorandum of Association of the Company states that the authorised Share Capital of the Company is Rs.20,00,00,000 (Rupees Twenty Crores) divided into 150,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs.10/- each and 5,00,000 (Five Lakhs) Preference Shares of Rs.100/- each.

The option for conversion of Equity Shares into Redeemable Preference Shares of Rs.10/- each have been approved by the members in the Extraordinary General Meeting held on 23.04.07. The requisite numbers of Preference Shares will be issued on receipt of approval of the Hon'ble High Court at Calcutta.

The alteration of the Authorised Share Capital is required to enable the Company to issue Preference Shares of Rs.10/- each in due course.

Accordingly, Clause V of the Memorandum of Association of the Company is required to be amended. The Board recommends the resolution for members' approval in the Annual General Meeting.

None of the Directors is interested in the resolution.

**ITEM NO. 9**

Consequent upon amendment of Clause V of the Memorandum of Association of the Company Article 4 of the Article of Association of the Company requires to be amended. Accordingly the resolution is placed before the general members for their approval by way of Special Resolution.

None of the Directors is interested in the Resolution.

**ANNEXURE II**

Particulars of Directors retiring by rotation and seeking re-appointment at the forthcoming Annual General Meeting.

**Mr. N. Himatsingka**

Mr. Nathmal Himatsingka is a renowned solicitor and advocate of Calcutta High Court. He is the seniormost partner of P D Himatsingka & Co., Solicitors and Advocates. He is also promoter of Himatsingka Seide Ltd. Presently, Mr. Himatsingka is not in the Board of Directors of any other company.

A brief resume of Mr. N. Himatsingka as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is provided in the report on Corporate Governance forming part of the Annual Report.

**Mr. N.K. Sarawgi**

Mr. N.K. Sarawgi is engaged in the business of real estate development, warehouses and commercial space owning and letting, financing and hire purchase of commercial vehicles.

A brief resume of Mr. N.K. Sarawgi as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is provided in the report on Corporate Governance forming part of the Annual Report.

**Mr. Devashish Dabriwal**

Mr. Devashish Dabriwal possesses a Master Degree in Accounting & Financial Management of Lancashire University, UK and is a young, energetic businessman having vast experience in stock broking business and capital market operation.

A brief resume of Mr. D. Dabriwal as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is provided in the report on Corporate Governance forming part of the Annual Report.

27B, Camac Street  
Kolkata 700 016  
The 7<sup>th</sup> May, 2007

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



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

Your Directors are happy to present the 36th Annual Report with the Audited Statement of Accounts for the year ended March 31, 2007.

**FINANCIAL RESULTS**

	(Rs. in lacs)	
	2006-2007	2005-2006
Gross Income	294.65	411.62
PBDIT	98.34	180.62
Interest	0.43	-
Depreciation	14.90	15.35
PBT	83.01	165.27
Provision for Taxation (Net)	13.83	12.00
Provision for F.B.T.	2.80	6.73
Deferred Tax	(0.56)	(4.28)
PAT	66.94	150.82
<b>Appropriations</b>		
Surplus b/f from previous year	188.11	230.77
Profit available for appropriation	255.05	381.59
Proposed Dividend	38.30	76.60
Tax on Dividend	5.91	11.72
General Reserve	—	75.00
Transfer to Reserve Fund		
as per RBI norms.	13.39	30.16
Surplus carried to Balance Sheet	197.45	188.11

**DIVIDEND**

The Board is pleased to recommend a Dividend of Rs.0.60 per equity share i.e.6% on the face value of the equity share of Rs.10/- each.

**RESERVES & SURPLUS**

The Balance in Reserves & Surplus stands at Rs.156,801,345/- (as on 31.03.2006 at Rs.154,529,051/-) after the appropriations mentioned above.

**PERFORMANCE**

During the year under review the Company has generated profit after tax of Rs.66.94 lacs, a decrease of 56% as compared to last year.

In view of the reduction of income from operations and capital market activities, the company could not maintain the earlier level of earnings and profit.

**FUTURE OUTLOOK**

In the present economic scenario, the management feels it is difficult for small NBFCs to survive as they cannot face the fierce competition from larger companies. The management believes that the company should change its direction and shift its focus from the traditional business of Hire Purchase and Leasing to other areas.

**LISTING WITH THE STOCK EXCHANGES**

The Company is listed with The Calcutta Stock Exchange Association Ltd. and the Bombay Stock Exchange Limited. The annual Listing Fee to both the stock exchanges has been paid on time.

**CONVERSION OF EQUITY SHARES INTO REDEEMABLE PREFERENCE SHARES**

The Board of Directors in its meeting held on 22.02.07 has decided to offer an option with the approval of the members by way of a special resolution and subject to confirmation by the Hon'ble High Court of Calcutta or the tribunal, as the case may be, to all shareholders holding upto 200 Equity Shares to convert their Equity Shares of Rs.10/- each into Redeemable Preference Shares of Rs.10/- each carrying a dividend of 12.5% and redeemable at a premium of 50% at the end of 5 years from the date of issue or earlier at the option of the Company. However, any shareholder not willing to convert could exercise an option to this effect. This has been approved by the members in the Extraordinary General Meeting held on 23.04.2007.

**DEPOSITS**

The Company does not have any matured unclaimed deposit as on 31.03.2007.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' responsibility, it is hereby confirmed -

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) that the directors had 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 at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the directors had 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;
- iv) that the directors had prepared the annual accounts on a going concern basis.

**DIRECTORS**

Mr. N. Himatsingka, Mr. N.K. Sarawgi and Mr. Devashish Dabriwal retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

**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,

In view of inadequacy of profits in the current year such commission has not been paid.

**AUDITORS**

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

**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.