

14th ANNUAL REPORT

2007-2008

UNIVERSAL CREDIT AND SECURITIES LIMITED

Universal Credit & Securities Limited

14th Annual Report 2007-08

BOARD OF DIRECTORS

Haresh Udeshi	-	Director (Resigned on 20-04-2008)
Abhishek Shah	-	Managing Director
Pradeep S. Jain	-	Director (Resigned on 20-04-2008)
Narendra Shah	-	Director
Madhusudan Vyas	-	Director
Chetan Pandit	-	Chairman (Appointed on 20-04-2008)
Jitendra Shah	-	Director (Appointed on 20-04-2008)

AUDITOR

Bhadresh B. Sangahvi & Associates
9-Sumati Building, Mulund (W),
M.G.Road, Mumbai 400 077

BANKERS-

Punjab National Bank
Kotak Mahindra Bank Limited
Centurian Bank Of Punjab Limited
HDFC Bank Limited

REGISTERED OFFICE-

B-301 Shivam Flats, Nr. Ayappa Temple,
B/H. Mother's School, Gotri Road,
Vadodara – 390021 (Gujarat)
0265-2363678

CORPORATE OFFICE

201, Indrapauri, 2nd Floor,
Govind Nagar, Boriwali (W),
Mumbai – 400 092
Ph- 022 28022322

REGISTRAR AND TRANSFER AGENT

M/s.SHAREX DYNAMIC (I) PVT. LTD.
17/B, 2nd Floor, Dena Bank Bldg.,
Horiman Circle Fort,
Mumbai – 400 001
Ph- 022-22702485, 22641376

Notice

Notice is hereby given that the 14th Annual General Meeting of the members of UNIVERSAL CREDIT AND SECURITIES LIMITED will be held at the Registered Office of the Company at B-301 SHIVAM FLATS, NR. AYAPPA TEMPLE, B/H. MOTHER'S SCHOOL, GOTRI ROAD, VADODARA - 390021 (GUJARAT) at 11.00 a.m. on Monday, the 29th Sept., 2008 to transact the following business.

ORDINARY BUSINESS

1. To receive consider and adopt the audited Balance Sheet as at 31st March 2008 and Profit & Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Narendra Shah, who retires by rotation and is eligible for reappointment.
3. To appoint Bhadresh B. Sanghavi & Associates., retiring auditor, to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution with or without modification(s), as an ordinary resolution.
 "Resolved that Chetan Pandit who was appointed as an additional director of the company on 20-04-2008 as per provisions of section 260 of the Co. Act, 1956 and who holds such office up to the date of ensuing AGM of the Co., be and is hereby appointed as director of the company liable to retire by rotation."
5. To consider and if thought fit, to pass the following resolution with or without modification(s), as an ordinary resolution.
 "Resolved that Jitendra Shah who was appointed as an additional director of the company on 20-04-2008 as per provisions of section 260 of the Co. Act, 1956 and who holds such office up to the date of ensuing AGM of the Co., be and is hereby appointed as director of the company liable to retire by rotation."

Universal Credit & Securities Limited**14th Annual Report 2007-08****NOTES -**

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and proxies need not be member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company at least 48 hours before meeting.
2. The Registered of Members and share transfer books of the company will remain close from 27-09-2008 to 29-9-2008 (both days inclusive).
3. Change of addresses, if any, may be communicated to the Registered Office of the Company.
4. The shares of the Company are listed on Stock Exchanges at Vadodara, Mumbai and Ahmedabad.
5. Members desiring any information as regards accounts are requested to write to the Company at least seven days in advance of the Annual General Meeting so as to enable the management to keep the information ready.
6. Shareholders are requested to bring their copies of the Annual Report at the meeting.
7. Information required to be furnished under the Listing Agreement.

As required under the Listing Agreement, the particulars of the Director who is proposed to be re-appointed is furnished below

Item No.2 of the Notice-

Name	- Mr. Narendra Shah
Age	- 48 Years
Qualification	- M. Com. C.A. Final
Expertise	- Shares & Securities
Date of Appointment	- 20-12-2006

**By Order of the Board of Directors
For UNIVERSAL CREDIT AND SECURITIES LTD.**

**PLACE - BARODA
DATE - 01-09-2008**

**SD/-
(CHETAN PANDIT)
Chairman**

Universal Credit & Securities Limited**14th Annual Report 2007-08****EXPLANATORY STATEMENT U/S 173(2) OF THE CO. ACT, 1956****ITEM NO. 4**

Chetan Pandit was appointed by the board of directors of the company as an additional director w.e.f. 20-04-2008 pursuant to the relevant provisions of the Co. Act, 1956 and u/a 134 of the AOA of the Co. and he holds such office only upto the date this AGM. A notice in writing has been received u/s 257 of the Act, 1956 along with a deposit of Rs. 500/- from a member signifying his intention to propose the appointment of Chetan Pandit as director of the company liable to retire by rotation. Yours Board of Directors are of the opinion that with the appointment, the company will be benefited a lot and hence commends the resolution for approval.

None of the director of the company is concerned or interested in the resolution except Chetan Pandit himself.

ITEM NO. 5

Jitendra Shah was appointed by the board of directors of the company as an additional director w.e.f. 20-04-2008 pursuant to the relevant provisions of the Co. Act, 1956 and u/a 134 of the AOA of the Co. and he holds such office only upto the date this AGM. A notice in writing has been received u/s 257 of the Act, 1956 along with a deposit of Rs. 500/- from a member signifying his intention to propose the appointment of Jitendra Shah as director of the company liable to retire by rotation. Yours Board of Directors are of the opinion that with the appointment, the company will be benefited a lot and hence commends the resolution for approval.

None of the director of the company is concerned or interested in the resolution except Jitendra Shah himself.

**By Order of the Board of Directors
For UNIVERSAL CREDIT AND SECURITIES LTD.**

**PLACE - BARODA
DATE - 01-09-2008**

**SD/
(CHETAN PANDIT)
Chairman**

Universal Credit & Securities Limited**14th Annual Report 2007-08****Directors' report**

The Directors have pleasure in presenting the 14th Annual Report of Universal Credit and Securities Limited (the Company), with the audited Statement of Accounts for the year ended March 31, 2008.

Company Overview

During the year, the company focused on increasing its profit by trading in shares and securities on BSE/NSE and the company is confident to achieve the desired goal in future.

Financial Highlights (Rupees in Lacs)

	2007-08	2006-07
Gross Income	191.64	4064.21
Profit before Tax	2.36	19.13
Provision for Tax	0.75	6.44
Profit after Tax	1.61	12.66

Dividend

The company has not declared any dividend for F.Y 2007-08.

Operational Review

The Company has performed very well during the year under review.

Risk Management

As a financial services company, the Company is committed to ensure that effective risk management policies and practices are incorporated as fundamental aspects of all its business operations. The Corporate Risk Management Group of the Company has a comprehensive risk management policy in place, addressing primarily areas such as market, credit and operation risks. This policy seeks to minimise the risks generated by the activities of the Company. The group continuously develops and enhances its risk management and control procedures in order to better identify and monitor risks and to proactively take appropriate actions to mitigate the same.

Future Outlook

Due to government policies and economic growth in the country, the capital market is playing a vital role in the economy of the country and more and more investors are attracting towards the capital market hence the future prospects of the company are very bright.

Public Deposits

During the year, the Company has not accepted any deposit under Section 58A of the Companies Act, 1956.

Directors

During the year, Mr. Narendra Shah will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. In addition, Mr. Hareesh Udeshi & Pradeep S. Jain resigned on 20-04-2008 and in his place Mr. Chetan Pandit & Jitendra Shah were appointed as an additional director on 20-04-2008.

Auditors

The Statutory Auditors, M/s. Bhadrash B. Sanghavi & Associates. Chartered Accountants have to be reappointed in ensuing AGM hence the members of the company are requested to consider their re-appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

There were no Foreign Exchange transactions during the year.

PERSONNEL AND OTHER MATTERS

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are not given as no employee was coming under the provisions set of section 217 (2A).

Since the Company does not own any manufacturing activity, the disclosure of information relating to conservation of energy and technology absorption to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and hence not given.

AUDIT COMMITTEE

The Company has formed an Audit Committee comprising of 4 directors. The terms of the reference of the committee are in line with the requirements as stipulated u/s 292A of the Co. Act, 1956 and Corporate Governance as stated in Clause 49 of the Listing Agreement.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that in preparation of the annual accounts for the year ended March 31, 2008 -

1. the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they had selected such accounting policies and applied them consistently and made;
3. judgements and estimates that are reasonable and prudent had been taken 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 of the Company for that period;
4. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
5. they had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE AND COMPLIANCE

A report on corporate governance is annexed to this report. A certificate from Statutory Auditors with regards to the compliance of the corporate governance by the company is annexed to this report.

The company has fully complied with all mandatory requirements prescribed under clause 49 of the listing agreement. In addition, the company has also implemented some of the non mandatory provisions of clause 49.

Universal Credit & Securities Limited**14th Annual Report 2007-08****ACKNOWLEDGEMENTS**

The Directors thank the clients for the confidence reposed, which has enabled the Company in successfully achieving the satisfactory performance.

The Directors also thank the Company's bankers, lenders, the Government of India, the Securities and Exchange Board of India, the Reserve Bank of India and other statutory authorities for their continued support to the Company.

The Directors express their gratitude for the support and guidance received from its shareholders.

The Directors also express their sincere thanks and appreciation to all the employees for their commendable teamwork, professionalism and contribution during the year.

**For and on behalf of the Board
For UNIVERSAL CREDIT AND SECURITIES LTD.**

**Sd/-
(CHETAN PANDIT)
Chairman**

**DATE - 01-09-2008
PLACE - VADODARA**

ANNEXURE TO THE DIRECTORS REPORT REPORT ON CORPORATE GOVERNANCE

A) COMPANY'S PHILOSOPHY

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders, clients, the good reputation of the Company and the unquestioned integrity of all personnel involved in the Company. To ensure transparency, fairness and objectivity in an organisation's functioning, the Company has proactively adopted best practices with regard to corporate governance and compliance, which are ahead of regulatory requirements. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, inter alia, priority to clients' interest over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

B) BOARD OF DIRECTORS

Composition and category of Directors

SR.NO	CATEGORY	NAME OF THE DIRECTORS
I.	Non-Executive Chairman	Chetan Pandit
II.	Independent Director	Pradeep S. Jain
III	Independent Director	Madhusudan Vyas
IV	Director	Narendra Shah
V	Managing Director	Abhishek N.Shah
VI	Director	Jitendra Shah
VII	Director	Haresh Udeshi

During the year 6 Board meetings were held on 25-06-2007, 01-09-2007, 20-10-2007, 29-12-2007, 20-02-2008, & 27-03-2008 The Composition of Directors & attendance at the Board Meeting during the year & at the last AGM is as follows-

Name of Directors	Category of Directors	No of Board Meeting attend	Attendance at AGM	No. of other Director ships	Committee Membership Member / chairman	
Haresh Udeshi	Director	6	Yes	-	3	-
Pradeep S. Jain	Ind. Director	6	Yes	-	2	1
Madhusudan Vyas	Ind. Director	6	Yes	1	2	1
Narendra Shah	Director	6	Yes	-	2	1
Abhishek N. Shah	Managing Director	6	Yes	1	-	-
Jitendra Shah	Director	0	No	-	-	-
Chetan Pandit	Non-Exe. Chairman	0	No	-	-	-

C) AUDIT COMMITTEE

The Audit committee of the Board was formed in 2000 and during F.Y. 2007-08, comprises of 4 Directors who met 4 times during the year and attendance of the members at the meeting was stated hereinbelow.

Composition --

Name of Director	Category & Position	Meeting Attended
Haresh Udeshi	Director	4
Madhusudan Vyas	Ind. Dir. & Chairman of Audit committee	4
Pradeep S.Jain	Ind.Dir.	4
Narendra Shah	Director	4

Terms of Reference--

The terms of reference for the audit committee as laid down by the Board include the following--

- a) Overseeing the Company's Financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management, the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies and practices; major accounting entries based on exercise of judgment by management; qualifications in draft audit report; significant adjustments arising out of audit; the going concern assumption; compliance with accounting standards; compliance with stock exchange and legal requirements' concerning financial statements; any related party transaction i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- d) Reviewing with the management, statutory and internal auditors, and the adequacy of internal control system and ensuring compliance therewith.
- e) Discussions with statutory auditors before the commencement of the audit about the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- f) Reviewing the Company's financial and risk management policies.
- g) To review the functioning of the Whistle Blower Policy adopted by the Company.
- h) To review report on Management Discussion & Analysis of Financial Condition and Results of operation, to be included in the Company's Annual Report to its Shareholders.

D) REMUNERATION COMMITTEE

This is a non-mandatory requirement. The company has constituted a Remuneration Committee on 15/7/2002 to decide and fix payment of remuneration and sitting fees to the Directors of the Company.