

*Universal Credit and Securities Limited*  
*18<sup>th</sup> Annual report (2011-2012)*

**BOARD OF DIRECTORS**

Chetan Pandit	- Chairman
Abhishek Shah	- Managing Director
Narendra Shah	- Director
Jitendra Shah	- Ind. Director
Satish Raval	- Ind. Director

**REGISTERED OFFICE**

B-5, Mira Co-Op HSG Socceity,  
B/H. Mother's School, Makrand Desai Road,  
Vadodara – 390015 (Gujarat)

**AUDITOR**

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

**BOOK CLOSURE**

24-09-2012 TO 28-09-2012  
(BOTH DAYS INCLUSIVE)

**AGM DATE**

Friday, 28-09-2012 at 11:00 AM

**BANKERS**

KOTAK MAHINDRA BANK  
AXIS BANK LTD.

**REGISTRAR AND TRANSFER AGENT**

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

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**Notice**

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the members of UNIVERSAL CREDIT AND SECURITIES LIMITED will be held at the Registered Office of the Company at B-5, Mira Co-Op HSG Socceity, B/H. Mother's School, Makrand Desai Road, VADODARA – 390015 on at 11.00 a.m. on Friday, 28<sup>th</sup> Sept., 2012 to transact the following business.

**ORDINARY BUSINESS**

1. To receive consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2012 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 but being eligible offers himself for re-appointment.
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 Mr.Satish Raval, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds such office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the company has received a notice in writing from a member under section 257 of the companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

**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 Register of Members and share transfer books of the company will remain close from 24-09-2012 to 28-09-2012 (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.

**By Order of the Board of Directors**  
**For UNIVERSAL CREDIT AND SECURITIES LTD.**  
SD/-  
**(CHETAN PANDIT)**

**PLACE : BARODA**  
**DATE : 31-08-2012**

**Chairman**

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#### **EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **Item no. 4**

Mr. Satish Raval, was appointed by the Board of Directors of the Company as an Additional Director pursuant to the relevant provisions of the Companies Act, 1956 and under the Articles of the Article of Association of the company and he holds such office only upto the date of this Annual General Meeting. Particulars about him are given in para 2 of the Corporate Governance Report. A notice in writing has been received under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member signifying his intention to propose him appointment as Director of the Company liable to retire by rotation. Your 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 Mr. Satish Raval himself

The Directors have pleasure in presenting the 18<sup>th</sup> Annual Report of Universal Credit and Securities Limited (the Company), with the audited Statement of Accounts for the year ended March 31, 2012.

#### **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**

<b>PARTICULARS</b>	<b>2011-12 (In Rs. )</b>	<b>2010-11 (In Rs.)</b>
Gross Income	16,34,072	25,48,879
Profit before Tax	53,532	6,14,220
Provision for Taxation	0	0
Net Profit / Loss	53,532	6,14,220

#### **Dividend**

Your Director's regret their inability to recommend any dividend.

#### **Operational Review**

Performance of the Company is not upto the mark for the year under review. General trend in the credit market and securities market effected the overall performance of the Company. Turnover of the company stood at 16.34 Lacs and achieved a net profit of Rs.0.53 Lacs.

#### **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.

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#### **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.

Mr. Satish Raval was appointed as the Additional Director of the Company and from a shareholder of the Company, company received notice of his appointment as a Director liable to retire by rotation.

#### **Auditors**

The Statutory Auditors, M/s. Bhadresh 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 3 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, 2012

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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.

**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 : 31-08-2012**  
**PLACE : VADODARA**

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**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.	Managing Director	Abhishek N.Shah
III	Independent Director	Jitendra Shah
IV	Director	Narendra Shah
V	Director	Satish Rawal

During the year 6 Board meetings were held on 26/04/2011, 08/08/2011, 20/08/2011, 05/10/2011, 15/11/2011 & 08/02/2012, . 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-ance at AGM	No. of other Director ships	Committee Membership	
Chetan Pandit	Non-Exe-Chairman	6	Yes	4	2	1
Abhishek N.Shah	Managin	6	Yes	1	1	-
Jitendra Shah	Ind. Director	6	Yes	4	3	1
Narendra Shah	Director	6	Yes	-	3	1
Satish Raval	Ind.	-	-	3	1	1

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**(C) AUDIT COMMITTEE**

The Audit committee of the Board was formed in 2000 and during F.Y. 2011-12, comprises of 3 Directors who met 5 times during the year and attendance of the members at the meeting was stated hereinbelow.

**Composition :-**

<b>Name of Director</b>	<b>Category &amp; Position</b>	<b>Meeting Attended</b>
Abhishek N.Shah	Chairman of Audit committee	5
Jitendra Shah	Ind.Director	5
Satish Raval	Ind.Director	-

**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.

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**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.

The Remuneration Committee consists of Mr. Narendra Shah, Director and Jitendra Shah, Independent Director / Chairman of the remuneration committee and Mr. Abhishek N.Shah. Two meeting of the committee held during the year under review.

**E) SHARE HOLDER'S GRIEVANCE AND SHARE TRANSFER COMMITTEE**

**Composition:-**

The said committee comprises of Satish Raval, Director, Chairman of the said committee and Abhishek N.Shah, Ind. Director & Jitendra Shah, Director. There are 4 meetings during the year.

The Committee has delegated the authority to an officer of the Company who attends to share transfer formalities at least once in a fortnight.

**Terms of reference:-**

To look into the redressal of the share holders complaints in respect of any matter including transfer of shares non receipt of annual report, non receipt of declared dividend etc.

**Compliance Officers :-**

The company has designated Mr. Narendra Shah as Compliance Officer.

**Summary of Investors' Complaints:-**

During the year 4 letters / complaints were received from the share holders, out of which 4 letters/ complaints were replied / resolved to the satisfaction of the shareholders.

As on date, there are no complaints pending.

**(F) GENERAL BODY MEETING**

The last three Annual General Meeting

Financial Year	Date	Time	Location
2008-09	30-09-2009	11.00 a.m.	B-301 Shivam Flats, Nr. Ayappa Temple, B/H. Mother's School, Gotri Road, Vadodara – 390021
2009-10	30-09-2010	11.00 a.m.	B-301 Shivam Flats, Nr. Ayappa Temple, B/H. Mother's School, Gotri Road, Vadodara – 390021
2010-11	30-09-2011	11.00 a.m.	B-301 Shivam Flats, Nr. Ayappa Temple, B/H. Mother's School, Gotri Road, Vadodara – 390021



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No Special resolution were passed by postal ballot during the year under review

No special resolutions on matters requiring postal ballot are placed for shareholders approval at this meeting.

**(F) DISCLOSURES**

1. During the year there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the company.
2. There were no instances of non-compliance on any matter related to the capital markets, during the last three years except suspension of trading of scrip of the company by the BSE due to non-payment of listing fees. Now, the company is approaching to the BSE, Mumbai to revoke the suspension.

**(H) MEANS OF COMMUNICATION**

The quarterly unaudited financial results are published in Business Standard (English) and Vadodara Samachar (Gujarati).

The Management Discussion and Analysis Report prepared by the management and forming part of the Annual Report is separately attached.

**(I) GENERAL SHAREHOLDERS INFORMATION**

Annual General Meeting is proposed to be held on 28<sup>th</sup> September 2012, at B-5, Mira Co-Op HSG Society, B/H. Mother's School, Makrand Desai Road, Vadodara – 390015 Gujarat) at 11.00 a.m.

**1. FINANCIAL CALENDAR**

First Quarter Results	Mid July
Second Quarter Results	Mid October
Third Quarter Results	Mid January
Fourth Quarter Results	Mid April

**2. Dates of Book Closure :** 24-9-2012 to 28-09-2012 (Both days inclusive).

**3. Dividend Payment Date :** Not applicable as not declared.

**4. Listing of Equity Shares :** on Stock Exchange at Baroda, Ahmedabad and Mumbai (BSE)

**5. The Scrip code and abbreviated Name at Mumbai Stock Exchange :** 231963 - UNICRSE.

**6. Market Price Data :-** Since trading of the shares of the company are suspended in BSE, hence no market price data is available for the F.Y 2011-12 but last trading price was Rs.10/- in the year 2003-04.

**7. Registrar and Share Transfer Agents:-** The Company has appointed M/s. Sharex Dynamic (I) Pvt. Ltd, Mumbai as common agency for share Registry Work for both the form of shares viz. physical & electronic.

**8. Share Transfer System:-** The Company has entered into agreement with NSDL & CDSL for its Equity shares to be dealt in Dematerialized form on Stock Exchange. Shares in physical mode which are lodged for transfer at the Investor service center are processed. The share related information is also available at the registered office of the Company.

**10. Categories of shareholders as on 31-03-2012:-**

	No. of Shares	% of Share Holding
Promoters, Directors & Associates	1750000	34.98
Body Corporate	511000	10.21
Others	2742400	54.81
TOTAL	5003400	100.00

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**11. Dematerialization Of Shares:-**

The company has entered into agreement with Depository for its Equity shares to be dealt in Dematerialized Form on Stock Exchanges and ISIN allotted by NSDL is INE607F01013. The Company has appointed M/s. SHAREX DYNAMIC (I) PVT. LTD. 17/B, 2<sup>nd</sup> Floor, Dena Bank Bldg., Horiman Circle Fort, Mumbai – 400 001, as its Registrar for Electronic connectivity.

**12. Address for Communication:**

The Company's Registered Office is situated at:

B-5, Mira Co-Op HSG Socety, B/H. Mother's School, Makrand Desai Road, Vadodara – 390015 (Gujarat)

**(J) CERTIFICATION WITH RESPECT TO FINANCIAL STATEMENT:-**

The Managing director of the Company has furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls and also compliance of Corporate Governance as required under clause 49 of the listing agreement.

**(K) WHISTLE BLOWER POLICY**

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed companies, of a Whistle Blower Policy as a non-mandatory requirement. The company has adopted a Whistle Blower Policy, which affords protection and confidentiality to Whistle blowers. The Audit Committee Chairman is authorized to receive Protected Disclosures under this Policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2012, no Protected Disclosures have been received under this policy.

**(L) CODE OF CONDUCT:-**

The Company's Board of Directors has adopted the code of conduct which govern the conduct of all directors /employees. All Directors and senior management personnel have affirmed compliance with respective codes for the year ended on 31<sup>st</sup> March 2012.

**(M) Implementation of Non-Mandatory Corporate Governance Requirements**

The company has implemented the following non-mandatory requirements as stated in clause 49 of the listing agreement with respect to Corporate Governance:-

- (i) Remuneration Committee:- Already details have been given earlier.
- (ii) Whistler Blower policy:- Under this policy employees of the Company can report to the management about unethical behavior, actual or suspected fraud or violation of code of conduct or ethics policy. It is the company's policy to insure that the Whistler Blower are not victimized or denied direct access to the chairman of the Audit Committee. The existence of said policy mechanism has been communicated to all employees.