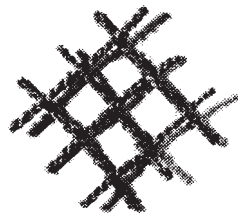


**38th  
ANNUAL REPORT**

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**Statement of Accounts  
2008 - 2009**

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**UNITED CREDIT LIMITED**



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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. R. M. Choubey  
Mr. Devashish Dabriwal

**VICE PRESIDENT AND SECRETARY**

Mr. Arunabha Biswas

**SOLICITORS AND ADVOCATES**

Khaitan & Co.  
Victor Moses & Co.

**AUDITORS**

M/s. Ray & Ray

**BANKERS**

United Bank of India  
AXIS Bank Ltd.

**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. R. M. Choubey  
Mr. N. Mishra

**INVESTORS GRIEVANCE COMMITTEE**

Mr. R. M. Choubey  
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  
Website : www.unitedcreditltd.com



**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Thirty-eighth Annual General Meeting of the Members of UNITED CREDIT LIMITED will be held at the 'Shripati Singhania Hall', Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020 on Friday, the 24<sup>th</sup> July, 2009 at 9.30 A.M.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To elect a Director in place of Mr. N. Mishra, who retires by rotation, and being eligible, offers himself for reappointment.
3. To elect a Director in place of Mr. Nathmal Himatsingka, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint retiring Auditors, M/s. Ray & Ray, Chartered Accountants, Kolkata to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS**

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

**As Special Resolution :**

5. **AMENDMENT OF EXISTING ARTICLE 104 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

“RESOLVED THAT subject to the approval of the shareholders pursuant to Section 31 of the Companies Act, 1956, and other applicable provisions, if any, Article 104 of the Articles of Association of the Company be deleted and in its place the following new article be substituted :

104. Overall managerial remuneration is restricted to the limit prescribed under Section 198, 269 read with Schedule XIII, 309, 310 and 311 of the Companies Act, 1956 and any subsequent modification thereto or re-enactment thereof with liberty to the Board to exceed the limit on compliance of applicable provisions of the Act and approval of such authorities as may be prescribed under the Act.”

27B, Camac Street  
Kolkata 700 016  
The 28<sup>th</sup> May, 2009

By Order of the Board of Directors  
**Arunabha Biswas**  
**Vice President and Secretary**

**NOTES**

- I) A member entitled to attend and vote at this Annual General Meeting may appoint proxy, who need not be a member of the Company, to attend and vote on a poll on his behalf. Proxies in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before this meeting.
- II) Members are requested to notify immediately any change in their address to the Company.
- III) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
- IV) Corporate Members, in case they intend to send their representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- V) The Register of Members and Transfer Book of the Company will remain closed from 16<sup>th</sup> July, 2009 to 24<sup>th</sup> July, 2009 (both days inclusive).
- 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. It will be helpful, if Registered Folio Number/ DP ID – Client ID Number is quoted in all the correspondence with the Company.
- IX) 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.
- X) 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 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.

During the financial year under review Rs. 4,79,725/- on account of Unpaid Dividend for the year 2000-01 has been transferred to Investor Education and Protection Fund.

The members who have not received/encashed dividend warrants for the financial years 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 may write to the Company for arranging payment thereof.

The amount of matured debentures and interest accrued thereon, which remains unpaid or unclaimed for a period of seven years from the date of maturity shall be transferred by the company to the Investor Education and Protection Fund on or after 1.4.2010.



- XI) The members are requested to inform their PAN allotted by the Income Tax authorities immediately. Pursuant to circular no. MRD/DoP/Cir-05/2007 dated 20.05.2009 of SEBI it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTAs (Registrars and Share Transfer Agent) for registration of transfer of shares.
- XII) Members are informed that the scrips of the Company have been activated both in CDSL and NSDL and may be dematerialised under the ISINs INE858C01027 for Equity Shares and INE858C04013 for Preference Shares.
- XIII) All documents referred to in the above NOTICE are open for inspection at the Registered Office of the Company during office hours.
- XIV) **The shareholders who have not yet surrendered their share certificates of erstwhile United Credit Financial Services Limited, are requested to contact the Registrars and Share Transfer Agents of the Company, C B Management Services (P) Limited for necessary action immediately.**
- XV) Mr. N. Mishra and Mr. Nathmal Himatsingka, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas, names of Companies in which they hold directorships / memberships / chairmanships of the Board and Committee of the Board, shareholding and relationships between director inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors recommends re-appointment of Mr. N. Mishra and Mr. Nathmal Himatsingka.

## **ANNEXURE TO THE NOTICE**

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

#### **ITEM NO. 5**

Article 104 of the Articles of Association of the Company inter alia provides for payment of minimum remuneration to the Directors including Managing and Wholetime Directors in case of inadequacy of profit or absence of profit.

Section 269 read with Schedule XIII of the Companies Act, 1956 permits payment of remuneration in case of absence of profit or inadequacy of profit to Managing Director or Wholetime Directors. However pursuant to Section 198(4) of the Companies Act, 1956 when there is no profit or when profits are inadequate Ordinary Directors are not entitled to any remuneration exclusive of fees payable to them for attending each meeting of the Board or a Committee thereof under sub-Section (2) of Section 309 of the Companies Act, 1956, except with the previous approval of the Central Government. Article 104 should therefore be amended to make it consistent with the provisions of law.

None of the Directors of the Company is interested / concerned in the proposed resolution and the Board of Directors recommends the proposal for your approval.

27B, Camac Street  
Kolkata 700 016  
The 28<sup>th</sup> May, 2009

By Order of the Board of Directors  
**Arunabha Biswas**  
Vice President and Secretary

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

Your Directors are happy to present the 38th Annual Report with the Audited Statement of Accounts for the year ended March 31, 2009.

**FINANCIAL RESULTS**

	(Rupees in Lacs)	
	2008-2009	2007-2008
Gross Income	<b>137.52</b>	537.46
PBDIT	<b>(17.53)</b>	228.29
Interest	<b>3.10</b>	8.74
Depreciation	<b>13.30</b>	14.00
PBT	<b>(33.93)</b>	205.55
Provision for Taxation (Net)	<b>(1.33)</b>	34.20
Provision for F.B.T (Net)	<b>1.50</b>	2.81
Deferred Tax	<b>(4.84)</b>	(17.17)
PAT	<b>(29.26)</b>	185.71
<b>Appropriations</b>		
Surplus b/f from previous year	<b>203.81</b>	197.45
Profit available for appropriation	<b>174.55</b>	383.16
Proposed Dividend	—	57.45
Tax on Dividend	—	9.76
General Reserve	—	75.00
Transfer to Reserve Fund as per RBI norms.	—	37.14
Surplus carried to Balance Sheet	<b>174.55</b>	203.81

**DIVIDEND**

In view of absence of profit, no dividend is recommended by the Board in the current Financial Year.

**RESERVES & SURPLUS**

The Balance in Reserves & Surplus stands at Rs. 16,57,25,893/- (as on 31.3.2008 at Rs. 16,86,52,032/-).

**PERFORMANCE**

Although your Company was able to maintain profitability by proper utilization of available resources during the preceding years, in the financial year under review the Company has sustained loss after tax of Rs. 29,26,139/-.

**FUTURE OUTLOOK**

In the present economic scenario while the management feels that the Company should explore opportunities in other areas instead of concentrating on its traditional business, it is difficult to venture into new areas, in view of present recession, which has affected most of the countries.

Although the Indian market has started showing some positive indication of recovery, global market is still volatile. Both the Government and its different departments / agencies are in the process of taking suitable measures of recovery. Your management is confident that once economic circle starts upturn, it will be possible for the Company to venture into new areas.



**LISTING WITH THE STOCK EXCHANGES**

The Company's Equity Shares are listed with The Calcutta Stock Exchange Association Ltd. and Bombay Stock Exchange Limited. The annual Listing Fee to both the stock exchanges has been paid on time. Upon conversion of a portion of Equity Shares into Preference Shares, the Equity ISIN of the Company has been changed from INE858C01019 to INE858C01027 and new Preference ISIN is INE858C04013.

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

Pursuant to the scheme of arrangement approved by the Hon'ble High Court at Calcutta 1055086 Equity Shares of Rs. 10/- each have been converted into 1055086 12.5% Redeemable Preference Shares of Rs. 10/- each on 04.09.2008 redeemable at a premium of Rs. 5/- per share at the end of five years from the date of issue or earlier at the option of the Company. For the purpose of giving effect to the scheme of arrangement approved by the Hon'ble High Court at Calcutta trading in shares were temporarily suspended, which resumed on 19.12.2008 and 28.01.2009 at Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association Limited respectively upon compliance of all statutory formalities.

**DEPOSITS**

The Company does not have any matured unclaimed deposit as on 31.03.2009.

**DIRECTORS**

Mr. N. Mishra and Mr. Nathmal Himatsingka retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Mr. N. K. Sarawgi resigned from the Board with effect from 09.03.2009 on personal reasons. Mr. Sarawgi was also the Chairman of the Investors Grievance Committee. The vacancy in the Committee has been filled up by induction of Mr. R. M. Choubey, a member of the Board, as Chairman of the Committee in place of Mr. N. K. Sarawgi.

During his long association the Company has been immensely benefited by his able guidance and active participation in the decision making process.

**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.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

There has been no foreign exchange earnings in any manner during the year under review. However, the total outgo of foreign exchange during the year under review was Rs. 1,15,414/-

**TRANSFER OF UNPAID DIVIDEND AMOUNTS TO IEPF**

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends which remain unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

**CORPORATE GOVERNANCE**

In terms of Clause 49 of the Listing Agreement, the Company has implemented the Code of Corporate Governance and a separate section has been included in this report. The report on Corporate Governance





and the declaration by the Managing Director in respect of Code of Conduct for all Board Members and Senior Management personnel and the certificate issued by M/s. Ray & Ray, Statutory Auditors of the Company in confirmation of the compliance as per requirement of Clause 49 of the Listing Agreement with the stock exchanges have been set out separately in Annexure – I.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis Report has been appended to this report in terms of the Listing Agreement and marked Annexure – II.

**SUBSIDIARY COMPANIES**

The Company has two subsidiaries namely United Credit & Development Company Ltd. and United Nanotechnologies Private Limited. Accordingly, as per requirement of Sec.212 of the Companies Act, 1956 a copy each of the Annual Reports of these two Companies is enclosed along with a statement of your Company's interest in the said subsidiary Companies.

Audited Consolidated Financial Statements prepared in accordance with the Accounting Standard AS-21, which form an integral part of the Annual Report, are also attached.

**PARTICULARS OF 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.

**DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

The Directors hereby confirm that -

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- ii) they have 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 as at March 31, 2009 and of the profit and loss account of the Company for that period;
- iii) they have 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; and
- iv) the annual accounts have been prepared on a going concern basis.

**ACKNOWLEDGEMENT**

Your Directors take this opportunity to place on record their deep appreciation for the whole-hearted and sincere co-operation the Company has received from the Statutory Authorities, stakeholders, customers and bankers.

Your Directors also wish to thank all the employees for their dedicated and committed service to the Company.

Kolkata – 700 016  
The 28<sup>th</sup> May, 2009

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

**CORPORATE GOVERNANCE REPORT****COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

United Credit Limited is a non-deposit taking non-banking financial institution. Activities of the Company are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. The Company satisfies the Corporate Governance criteria as required by Clause 49 of the Listing Agreement.

**I. BOARD OF DIRECTORS****(A) Composition of Board**

The Company has a broad-based Board and meets the 'Composition' criteria. As on 31<sup>st</sup> March, 2009, the Board comprised of seven Directors, out of which six are non-executive Directors, four of whom are independent Directors. The non-executive Directors are eminent professionals drawn from persons with experience in business, finance, law and public enterprises. Mr. A. K. Dabriwala, the Managing Director is the Director in Executive capacity. The composition of the Board during the year ended 31<sup>st</sup> March, 2009 is as under :-

Sl. No.	Name of the Directors	Category of Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attended
(1)	(2)	(3)	(4)	(5)	(6)
1.	Mr. Ravi Poddar Chairman	Non-executive Promoter Director	6	6	Yes
2.	Mr. A. K. Dabriwala Managing Director	Director in Executive capacity & Promoter	6	6	Yes
3.	Mr. N. Himatsingka	Non-executive Independent Director	6	6	No
4.	Mr. N. K. Sarawgi*	Non-executive Promoter Director	6	6	No
5.	Mr. Dipankar Chatterji	Non-executive Independent Director	6	6	Yes
6.	Mr. R. M. Choubey	Non-executive Independent Director	6	6	Yes
7.	Mr. N. Mishra	Non-executive Independent Director	6	5	Yes
8.	Mr. Devashish Dabriwal	Non-executive Promoter Director	6	6	Yes

6 Board Meetings were held during the year and the dates were 21.05.2008, 23.06.2008, 28.07.2008, 04.09.2008, 20.10.2008 & 27.01.2009.

Mr. Ravi Poddar is relative of Mr. A. K. Dabriwala.

Mr. Devashish Dabriwal and Mr. A. K. Dabriwala are related to each other.

\* Mr. N. K. Sarawgi a Director of the Company and Chairman of the Investors Grievance Committee has resigned from the Board of Directors w.e.f. 09.03.2009.

**(B) Non-executive Directors' compensation and disclosures**

The Non-executive Directors are entitled to a commission of 1% of the net profit of the Company to be divided between them in such manner, as the board may determine from time to time in addition to fees for attending Meeting of the Board of Directors and Committees thereof. In the current financial year no such commission has been paid in absence of profit.



## CORPORATE GOVERNANCE REPORT (Contd)

**(C) Other provisions as to Board and Committees****DETAILS OF OTHER DIRECTORSHIPS ETC.**

The details of Directorships in other companies (excluding Private Limited Companies and Companies under Sec.25 of the Companies Act, 1956), Chairmanship and the Committee Membership held by the Directors are given below :

Sl. No.	Name of the Directors	No. of other Directorship excluding UCL	No. of Chairmanship of the Board excluding UCL	No. of Board Committee of which he is a member including UCL	No. of Board Committee of which he is a Chairman including UCL
1.	Mr. Ravi Poddar Chairman	9	1	1	Nil
2.	Mr. A. K. Dabriwala Managing Director	2	Nil	1	Nil
3.	Mr. N. Himatsingka	Nil	Nil	Nil	Nil
4.	Mr. N. K. Sarawgi*	Nil	Nil	1	1
5.	Mr. Dipankar Chatterji	10	Nil	4	2
6.	Mr. R. M. Choubey	3	Nil	1	Nil
7.	Mr. N. Mishra	3	Nil	3	Nil
8.	Mr. Devashish Dabriwal	1	Nil	2	Nil

\* In view of resignation submitted by Mr. N. K. Sarawgi, he has ceased to be a member of the Board of Directors and its Committee w.e.f. 09.03.2009.

**BOARD MEETINGS AND ATTENDANCE**

The Corporate Governance policy requires the Board to meet at least 4 times a year with a maximum gap of 4 months between any two meetings. The details of Board Meetings held during the year are as under :

Sl. No.	Date of Board Meeting	Board's Strength	No. of Directors present	Remarks
1.	21.05.08	8	8	100%
2.	23.06.08	8	8	100%
3.	28.07.08	8	8	100%
4.	04.09.08	8	7	90%
5.	20.10.08	8	8	100%
6.	27.01.09	8	8	100%

**BOARD'S PROCESSES**

It has always been the Company's policy and practice that apart from matters requiring the Board's approval by statute, all major decisions of the Company as a whole are regularly placed before the Board. This is in addition to information with regard to actual operations, major litigation, feed back reports and minutes of Committee Meetings.

**(D) Code of Conduct**

- (i) The Board has already prepared a code of conduct for all Board Members and Senior Management of the Company.
- (ii) The Code of Conduct has been posted on the website of the Company.
- (iii) All Board members and Senior Management personnel have affirmed compliance with the code.



## CORPORATE GOVERNANCE REPORT (Contd)

**II. COMMITTEES OF THE BOARD**

The Board of Directors has constituted all the three Committees, namely the Audit Committee, Investors Grievance Committee and the Remuneration Committee apart from Transfer Committee.

**A. AUDIT COMMITTEE****i) Qualified and independent Audit Committee**

The Company has an Audit Committee of the Board comprising of three Non-Executive Independent Directors, namely Mr. Dipankar Chatterji, Mr. N. Mishra and Mr. R. M. Choubey. Mr. Chatterji has been acting as the Chairman of the Audit Committee. The Audit Committee of the Company, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures :-

- (i) Efficiency and effectiveness of operations.
- (ii) Safeguarding of Assets and adequacy of provisions for all liabilities.
- (iii) Reliability of all financial and other Management information and adequacy of disclosures.
- (iv) Compliance with all relevant statutes.

The Committee has powers similar to those stated in the listing agreements and exercises most of the functions as per the terms of reference in line with the requirements of the Code of Corporate Governance.

**ii) Meeting of Audit Committee**

The details of Audit Committee Meeting held during the year 2008-09 are as under :

**Audit Committee Meetings**

Directors	No. of Meetings held	No. of Meetings attended	Date of Meetings
Mr. Dipankar Chatterji	5	5	21.05.08
Mr. N. Mishra	5	5	23.06.08
Mr. R.M. Choubey	5	5	28.07.08
			20.10.08
			27.01.09

Statutory Auditors, Internal Auditors, Managing Director and Executives responsible for finance and accounts functions are permanent invitees to the Audit Committee.

**iii) Powers of Audit Committee**

The Audit Committee has the following powers :

1. To investigate into any activity within its terms of reference.
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**iv) Role of Audit Committee**

The role of the Audit Committee shall include the following :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :



## CORPORATE GOVERNANCE REPORT(Contd)

- (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of section 217 of the Companies Act, 1956.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgement by management.
  - (d) Significant adjustments made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure of any related party transactions.
  - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
  6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  7. Reviewing the adequacy of internal audit function.
  8. Discussion with Internal Auditors any significant findings and follow up thereon.
  9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  10. Discussion with Statutory Auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  11. To look into the reasons for substantial defaults in the payment to the erstwhile debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
  12. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors.
  13. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

**v) Review of information by Audit Committee**

The Audit Committee regularly reviews the following information :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/ letters of internal control weaknesses, if any issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Internal Auditor.

**(B) REMUNERATION COMMITTEE**

A Remuneration Committee has been constituted under the Chairmanship of Mr. N. Himatsingka, a non-executive independent Director with Mr. N. Mishra and Mr. R. M. Choubey as members. During the year one meeting was held on 27.01.2009, which was attended by all three members.

Terms of reference : The Remuneration Committee has been constituted to recommend / review remuneration of the Managing Director.

Remuneration Policy : Remuneration Policy of the Company is performance based.



## CORPORATE GOVERNANCE REPORT (Contd)

**(C) INVESTORS GRIEVANCE COMMITTEE**

The Board has constituted Investors Grievance Committee. Mr. N. K. Sarawgi, Mr. A. K. Dabriwala and Mr. Devashish Dabriwal were the members of the Committee. During the year one meeting was held on 27.01.2009, which was attended by all three members. Mr. N. K. Sarawgi was the Chairman of the Committee. He resigned from the Board of Directors w.e.f. 09.03.2009 and Mr. R. M. Choubey has been appointed as Chairman of the Committee in his place. The details of grievance received during the year and settled are given hereunder :

Number of grievances received during the year – 12

Number of grievances not resolved – Nil

As on 31<sup>st</sup> March, 2009 there is no complaints pending.

**(D) SHARE TRANSFER COMMITTEE**

The Company has a Committee entitled as “Share Transfer Committee” to look into various matters pertaining to Share Transfers, Transmission, Transposition and related matters. The Committee presently comprises of Mr. A. K. Dabriwala, Mr. R. M. Choubey and Mr. Devashish Dabriwal.

During the year 2008-2009 12 meetings of the Share Transfer Committee were held.

Company Secretary is the Compliance Officer of the Company and acts as the Secretary to all the Committees unless otherwise determined by the Board in exceptional situation.

**III. SUBSIDIARY COMPANIES**

As on 31.03.2009 the Company has two subsidiaries viz.

- a) United Credit & Development Company Ltd
- b) United Nanotechnologies Private Ltd

Both the subsidiary Companies are managed by their respective Boards. The Company monitors performance of such Companies in the manner stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

**IV. DISCLOSURES****(A) Related party transactions**

- Disclosures of Directors' interests are made to the Board as per law. The details of the related party transactions are given in Note 12 of **Schedule 18** of the Accounts.
- There is no pecuniary relationship or transaction with the non-executive independent Directors.

**Details of non-compliance by the Company, penalties, strictures imposed on the Company by the statutory authorities**

There has been no non-compliance, penalties/strictures imposed on the Company by the Stock Exchange(s) or SEBI or any other statutory authority, on any matter relating to capital markets, during the last three years.

**(B) Disclosure of Accounting Treatment**

In the preparation of financial statement, the Company has followed the text of the Accounting Standard issued by the Institute of Chartered Accountants of India. However, Significant Accounting Policies of the Company have been given in **Schedule 17** to the Accounts.

**(C) Risk Management**

The Company has laid down the procedure for risk assessment and minimization thereof. The Board reviews the procedure every six months.

**(D) Proceeds from public issues, rights issues etc.**

The Company has not raised money through public issue, right issue etc. during the year under review.



## CORPORATE GOVERNANCE REPORT (Contd)

**(E) Remuneration of Directors****DETAILS OF REMUNERATION PAID TO THE DIRECTORS DURING THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

Sl. No.	Name of the Directors	Salary (Rs.)	Perquisites and other benefits (Rs.)	Performance Bonus/ Commission (Rs.)	Sitting Fee (Rs.)	T o t a l (Rs.)
1.	Mr. Ravi Poddar	-	-	NIL	15,000.00	15,000.00
2.	Mr. A. K. Dabriwala	6,72,500.00	2,22,500.00	NIL	-	8,95,000.00
3.	Mr. N. Himatsingka	-	-	NIL	16,500.00	16,500.00
4.	Mr. N. K. Sarawgi*	-	-	NIL	16,500.00	16,500.00
5.	Mr. R. M. Choubey	-	-	NIL	42,000.00	42,000.00
6.	Mir. Dipankar Chatterji	-	-	NIL	22,500.00	22,500.00
7.	Mr. N. Mishra	-	-	NIL	21,500.00	21,500.00
8.	Mr. Devashish Dabriwal	-	-	NIL	34,500.00	34,500.00

Service Contract : Mr. A. K. Dabriwala, Managing Director has been reappointed for Five years w.e.f. 01.11.2005 in the A.G.M. held on 23.06.2005

\* Mr. N. K. Sarawgi has resigned from the Board of Directors w.e.f. 09.03.2009

**(F) Management**

Report on management discussion and analysis is given in Annexure II to the Director's Report

**(G) Shareholders :**

i) Appointment of Directors : Details of the Directors being re-appointed at the ensuing Annual General Meeting are given hereunder :

Brief resume of Directors who are being re-appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership/Chairmanship of the Board committee other than UCL are provided below:

**Mr. N. Mishra**

Mr. N. Mishra aged about 67 years, is a Master degree holder in Economics of Utkal University. He was also a lecturer of the same University. Mr. Mishra belongs to the Indian Revenue Service of 1966 batch and has more than 36 years of senior level experience in public sector administration. He joined the Income Tax Department, Govt. of India in the year 1966 and retired as Director General of Income Tax.

The Companies in which Mr. Mishra is a Director, Chairman of the Board / Committee and member thereof excluding United Credit Limited are given hereunder :

Name of the Company	Director/ Chairman	Chairman of the Board/Committee	Member of the Committee
Emami Paper Mills Limited	Director	—	Audit
Lux Industries Limited	Director	—	Audit & Remuneration
Adhunik Metaliks Limited	Director	—	

Mr. Mishra is also a member of the Audit and Remuneration Committee of the Company and he is not holding any shares in the Company.

**Mr. Nathmal Himatsingka**

Mr. Nathmal Himatsingka aged about 98 years, is a renowned Solicitor and Advocate of Calcutta High Court. He is the senior most partner of P. D. Himatsingka & Co., Solicitors & Advocates. He is also promoter of Himatsingka Seide Limited. Presently he is not in the Board of Directors of any other Company. Mr. Himatsingka is the Chairman of the Remuneration Committee of United Credit Limited and holding 970 equity shares in the Company.

**CORPORATE GOVERNANCE REPORT (Contd)**

## ii) Means of Communication

- a) Quarterly Report : The Quarterly Results, are being sent to the Stock Exchanges and also published in the newspapers. The Quarterly results are also given in the Company's website.
- b) Quarterly results are normally published in : The Financial Express in English and Kalantar in Bengali.
- c) Any website where results or official news are displayed : Quarterly Financial Results are being put on company's website : [www.unitedcreditltd.com](http://www.unitedcreditltd.com).
- d) The presentation made to Institutional Investors or to Analysts : None has been made during the year ended 31<sup>st</sup> March, 2009.
- e) Whether Management Discussion and Analysis Report forms part of the Annual Report : Yes.

iii) Investors Grievance Committee : Investors Grievance Committee has been formed, details of which are given in item no. II(C) of this report.

iv) Share Transfer : Power of share transfer has been delegated to the Share Transfer Committee.

**(H) CEO and CFO Certification**

The Managing Director and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

**DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS :**

Financial Year	Location	Date	Time	Special Resolution passed	Special Resolution put through postal ballot
2007-08	'Shripati Singhanian Hall' Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	27.08.2008	10.30 A.M.	No	No
2006-07	'Kalakunj Hall' Sangitkala Mandir Trust, 48, Shakespeare Sarani, Kolkata 700 017	30.06.2007	11.00 A.M.	Yes	No
2005-06	'Shripati Singhanian Hall' Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	29.06.2006	11.30 A.M.	No	No

**SHAREHOLDER INFORMATION****a) Annual General Meeting :**

- Date : 24.07.2009
- Time : 9.30 A.M.
- Venue : 'Shripati Singhanian Hall',  
Rotary Sadan  
94/2, Chowringhee Road,  
Kolkata 700 020.
- Book Closure Date : 16.07.2009 to 24.07.2009
- Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March.





## CORPORATE GOVERNANCE REPORT (Contd)

**b) Financial Calendar 2009-2010 (Tentative)**

Adoption of Quarterly Results	Tentative dates
30 <sup>th</sup> June, 2009	Fourth week of July, 2009
30 <sup>th</sup> September, 2009	Fourth week of October, 2009
31 <sup>st</sup> December, 2009	Fourth week of January, 2010
31 <sup>st</sup> March, 2010 (Audited Annual Accounts)	Third week of May, 2010

**c) Registrars and Share Transfer Agent :**

C B Management Services (P) Limited  
 P-22, Bondel Road,  
 Kolkata 700 019  
 Tel. No. (033) 2280 6692/93/94, 2280 2486, 2280 2937  
 Fax No. (033) 2287 0263  
 E-mail : cbmsl1@cal2.vsnl.net.in

**d) Investors Correspondence :**

All queries of investors regarding the Company's shares in Physical/Demat form may be sent to the Company or its Registrars and Share Transfer Agent.

**e) Listing on Stock Exchanges :-**

Name of the Stock Exchanges in which the equity shares of the Company are currently listed for trading with stock codes:

Stock Exchange	Code
Bombay Stock Exchange Limited	531091
The Calcutta Stock Exchange Association Limited	31023 (Physical) 10031023 (Demat)
ISIN No.	INE858C01027

**f) Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2009**

Category	Equity Shares		Preference Shares	
	No. of Shares held	% age of shareholding	No. of Shares held	% age of shareholding
<b>A. PROMOTERS' HOLDING</b>				
i. NRI Promoters (including OCBs)	—	—	—	—
ii. Indian Promoters, relatives and associates	3826188	71.81	—	—
<b>Sub Total</b>	<b>3826188</b>	<b>71.81</b>	<b>—</b>	<b>—</b>
<b>B. NON-PROMOTERS' HOLDING</b>				
Institutional Investors –				
a. Mutual Funds and UTI	54960	1.03	40	0.00
b. Banks, Financial Institutions, Insurance Companies, Central/State Govt. Institutions/Non-government Institutions (including Foreign Financial Institutions)	29037	0.55	585	0.06
c. Fills	—	—	—	—
<b>Sub Total</b>	<b>83997</b>	<b>1.58</b>	<b>625</b>	<b>0.06</b>
Others :-				
a. Corporate bodies	351677	6.60	6329	0.60
b. Indian Public	998329	18.74	993019	94.12
c. NRIs/OCBs	46640	0.88	15747	1.49
d. Any other - Directors & relatives other than Promoters	970	0.02	—	—
- Foreign nationals	7590	0.14	39366	3.73
- Clearing Member	12432	0.23	—	—
<b>Sub Total</b>	<b>1417638</b>	<b>26.61</b>	<b>1054461</b>	<b>99.94</b>
<b>GRAND TOTAL</b>	<b>5327823</b>	<b>100.00</b>	<b>1055086</b>	<b>100.00</b>



## CORPORATE GOVERNANCE REPORT (Contd)

**g) Distribution of Shareholding as on 31<sup>st</sup> March, 2009**

Range	Equity Shares				Preference Shares			
	Shareholders		S h a r e s		Shareholders		S h a r e s	
No. of Shares	Number	% to total holders	Numbers	% to total shares	Number	% to total holders	Number	% to total shares
Upto 500	2054	82.26	413444	7.76	25731	100.00	1055086	100.00
501 1,000	262	10.49	203747	3.82	—	—	—	—
1,001 2,000	81	3.25	119362	2.24	—	—	—	—
2,001 3,000	34	1.36	87663	1.65	—	—	—	—
3,001 4,000	11	0.44	40989	0.77	—	—	—	—
4,001 5,000	12	0.48	56027	1.05	—	—	—	—
5,001 10,000	9	0.36	62590	1.18	—	—	—	—
10,001 and above	34	1.36	4344001	81.53	—	—	—	—
<b>T o t a l</b>	<b>2497</b>	<b>100.00</b>	<b>5327823</b>	<b>100.00</b>	<b>25731</b>	<b>100.00</b>	<b>1055086</b>	<b>100.00</b>

**h) Share Transfer System**

Share transfer in physical form are registered by the Registrars and placed before the Transfer Committee for approval and certificates are returned to the respective transferees within a period ranging from fifteen days to one month, provided the documents lodged with the Registrars/Company are clear in all respects.

**i) Dematerialisation of shares**

In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Share Dematerialisation records : The following data indicates the extent of Dematerialisation of Company's shares as on 31<sup>st</sup> March, 2009.

Category	In NSDL		In CDSL		Total	
	Equity	Preference	Equity	Preference	Equity	Preference
No. of Shares Dematerialised	616768	73854	250645	19455	867413	93309
Percentage of Shares	11.58%	7.00%	4.70%	1.84%	16.28%	8.84%
No. of Shareholders	862	1056	411	290	1273	1346

**j) Market Price Data (Rs.)**

Month	Bombay Stock Exchange	
	High	Low
April 2008	29.00	21.00
May 2008	45.00	22.75
June 2008	33.55	24.70
July 2008	27.00	19.55
August 2008	29.50	21.75
December 2008	27.15	11.00
January 2009	17.38	11.60
February 2009	12.00	11.25
March 2009	12.60	10.69

Note : Trading was suspended from 20.08.2008 to 18.12.2008 for processing of conversion of Equity Shares into Preference Shares, hence no trading was held between September, 2008 and November, 2008.



## CORPORATE GOVERNANCE REPORT(Contd)

**k) The Company has at present one branch at Siliguri.**

**l) Unclaimed Dividends**

Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividends upto the financial years 2000-01 have been transferred to the General Revenue Account of the Central Government / Investor Education and Protection Fund U/s. 205C(1) of the Companies Act, 1956. No dividend was declared for the years 2001-02 & 2002-03. Unclaimed dividends, if any, will be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956, for the years 2003-04, 2004-05, 2005-06, 2006-07 & 2007-08, as per applicable provision of the Act.

Shareholders, who have so far not encashed their dividend warrant(s) or have not received the same, are requested to seek issuance of duplicate warrant(s) by writing to the Company confirming non-encashment/non-receipt of dividend warrant(s).

**m) Bank Details**

Shareholders holding shares in physical form are requested to notify/send the following to the Company to facilitate better service :-

- i) any change in their address/bank details, and
- ii) particulars of their bank account, in case the same have not been sent earlier.

**n) Depository Services**

For guidance on depository services, Shareholders may write to the Company or to the respective Depositories:-

National Securities Depository Ltd.  
4<sup>th</sup> Floor, A Wing, Trade World, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel, Mumbai 400 013  
Telephone : (022) 2499 4200  
Fax : (022) 24972993  
E-mail : [info@nsdl.co.in](mailto:info@nsdl.co.in)  
Website : [www.nsdl.co.in](http://www.nsdl.co.in)

Central Depository Services (India) Ltd.  
Phiroze Jeejeebhoy Towers  
17<sup>th</sup> Floor, Dalal Street, Mumbai 400001  
Telephone : (022) 2272 3333/3224  
Fax : (022) 2272 3199  
Website : [www.cdslindia.com](http://www.cdslindia.com)

**(V) ADOPTION OF NON-MANDATORY REQUIREMENTS OF CLAUSE 49 :**

The Company complies with the Non-Mandatory Requirements of Clause 49 viz.

- i) requirements with regard to formation of Remuneration Committee
- ii) unqualified financial statements
- iii) maintenance of Chairman's office.

For and on behalf of the Board

Kolkata- 700 016  
The 28<sup>th</sup> May, 2009

**Ravi Poddar**  
Chairman

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(a) INDUSTRIAL STRUCTURE AND DEVELOPMENT**

In view of global recession there is a down turn in every sphere of industrial activity and the growth of economy has come to a grinding halt. During the current financial year scenario in India also look dim excepting Telecom, FMCG and Cement sectors. Business of NBFI has been hard hit by the recession as the operation of NBFI depends upon total economic scenario. In the present uncertain situation it is difficult to predict future performance of the Company.

**(b) OPPORTUNITIES AND THREATS**

During the past few years the Company has shifted its focus to loans and investments. This has yielded considerable amount of profit to the Company. Earning from investment and trading on shares is market driven. As there is a lull for quite some time the Company has incurred a loss in the current financial year. In the given market condition unless there is an upswing the Company will not be able to achieve good result.

**(c) PERFORMANCE**

Total income generated by the Company during the financial year was Rs. 137.52 lakhs, as compared to Rs. 537.46 lakhs in the previous year. There is considerable decline in income. The Company is taking all measures to improve its performance.

**(d) OUTLOOK**

The Company in its effort to put a shield against volatile market condition has expanded its wings into diversified range of activities which include amongst others manufacture of high performance battery electrode materials. This manufacturing activity is entrusted upon a special purpose vehicle floated by the Company. This will very soon start its commercial production.

**(e) RISK AND CONCERN**

Risk is inherent in every business activity. It is more so in case of a Company which is mainly engaged in loans and investments. United Credit being an NBFI its main business is giving loans and making investments. The Company has deployed substantial fund in the form of loans and investments. It is apprehended that as the financial crisis is deepening, the business prospects for NBFIs cannot be ascertained unless a major promise of recovery is there very soon.

**(f) INTERNAL CONTROL AND SYSTEM ADEQUACY**

The Company has adequate internal control and system. The Internal Auditors of the Company examines the records of the Company and place its findings before the Board and its Committee every quarter.

**(g) CAUTIONARY STATEMENT**

Statement in this report of Management Discussion and Analysis describing the Company's estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include changes in Government regulations, tax regimes, economic developments within the country and other factors.

Kolkata – 700 016  
The 28<sup>th</sup> May, 2009

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

**DECLARATION BY THE CEO PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT CONTAINING CORPORATE GOVERNANCE**

This is to confirm that the code of conduct for all Board members and senior management personnel of the Company has been circulated to the concerned persons of the Company and the Company has received affirmation of compliance with the code of conduct from the members of the Board of Directors and the senior management personnel of the Company.

Kolkata - 700 016  
The 28<sup>th</sup> May, 2009

**A. K. Dabriwala**  
Managing Director



**AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENTS**

To

The Members of United Credit Limited

We have examined the compliance of conditions of Corporate Governance by **UNITED CREDIT LIMITED** ("Company") for the year ended on 31<sup>st</sup> March, 2009 as stipulated in Clause 49 of the Listing Agreement / (s) of the said Company with Stock Exchanges in Republic of India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance [as stipulated in Clause 49 of the Listing Agreement / (s) ] issued by The Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / (s).

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2009, no investor grievances were pending for a period exceeding one month against the Company, as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

6, Church Lane  
Kolkata - 700 001  
28<sup>th</sup> May, 2009

**For RAY & RAY**  
*Chartered Accountants*  
**ASHISH MAJUMDAR**  
*Partner*  
Membership Number : F57041



**AUDITORS' REPORT  
TO THE MEMBERS OF  
UNITED CREDIT LIMITED**

1. We have audited the attached Balance Sheet of **UNITED CREDIT LIMITED ("Company")** as at 31st March 2009, the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date (hereinafter referred to as "financial statements"), which we have signed under the reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit so as to obtain reasonable assurance as to whether these financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, ("Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act 1956 of India (the "Act"), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, set out in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Without qualifying our opinion, we further draw attention to following notes on Schedule 18.
  - i) Note 15 regarding treatment of investments as long term for the purpose these accounts; and
  - ii) Note 16(b) regarding non-furnishing of information as required to be disclosed in terms of Accounting Standard 15 on "Employees Benefits" due to non-availability of related details from the insurer.
5. Further to our aforementioned comments, we also report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii) These financial statements dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, these financial statements dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Act;
  - v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - vi) In our opinion and to the best of our information and according to the explanations given to us the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
    - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
    - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
6. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998, we also state that we have submitted a report addressed to the Board of Directors of the Company containing a statement on the matters of supervisory concerns to the Reserve Bank of India, as specified in the said Directions.

Place : Kolkata  
Date : 28th May 2009.

For **RAY & RAY**  
Chartered Accountants

**(ASHISH MAJUMDAR)**  
Partner  
Membership No.F57041

**ANNEXURE TO THE AUDITORS' REPORT**

*[Referred to in paragraph 3 of the Auditors' Report of even date addressed to the members of UNITED CREDIT LIMITED on the financial statements for the year ended 31st March 2009]*

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets, other than those given on lease, were physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. There being no stock in trade comprising of investments in shares and merchandise / trading items and as such reporting requirements in terms of clause (ii) of the aforesaid Order are not applicable to the Company for the current year.
3. (a) The Company has granted unsecured loans to Subsidiary Companies covered in the Register maintained under Section 301 of the Act. The year-end balances of such loans granted to those Companies aggregated to Rs.16,475,000/-. The maximum amounts outstanding on such loans at any time during the year aggregated to Rs.19,075,000/-.
- (b) In our opinion, the rate of interest and other terms and conditions on which loan has been granted to Subsidiary Companies listed in the Register maintained under Section 301 of the Act, are not, prima-facie, prejudicial to the interest of the Company.
- (c) The Loans granted to the Subsidiary Companies are repayable on demand and we are given to understand that such loans have not yet been recalled. The parties are regular in the payment of interest.
- (d) In view of our aforementioned comments in clause (iii) (d) of the aforesaid Order is not applicable to the Company.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii) (f) to (iii) (g) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is in general an adequate internal control system to commensurate with the size of the Company and the nature of its business with regard to purchase of inventories (shares) / fixed assets and with regard to the sale of shares. Further during the course of our audit, we have neither come across nor have we been informed of any continuing failure in the aforesaid control systems, to correct major weakness in internal control system.
5. (a) According to the information and explanations given to us, the particulars of contracts and arrangements that need to be entered into the register maintained under Section 301 of the Act, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Act, during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits during the year from the public under section 58A and 58AA of the Act, and the rules framed there under.
7. In our opinion, the Company's internal audit system, carried out by an independent firm of accountants, is commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 for the Company



9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally been regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, read with Note 3(a) on Schedule 18 regarding certain demands on Income Tax matters pertaining to Assessment Year 1996-97, there are no dues of Income Tax, Wealth tax, Service Tax, Customs Duty and Cess which have not been deposited on account of any dispute as at the Balance Sheet date.
10. The Company has no accumulated losses and has incurred cash loss during the financial year covered by our report but cash profit registered in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any term loans except a vehicle loan and the term loan taken for the purchase of the vehicle has been used for the purpose the loans were obtained.
13. The provisions of and special statute applicable to chit fund/nidhi/ mutual fund/ societies are not applicable to the Company.
14. Based on our examination of the records, we are of the opinion that proper records have been maintained of shares, securities and debentures for transaction and contracts and timely entries have been made therein. The Company has held the shares, securities, debentures and other investments in its own name.
15. The Company has not given any guarantee for the loan taken by others from bank or financial institutions during the year.
16. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
17. The Company has not raised any money by issue of shares during the year.
18. The Company has not issued any debentures during the year.
19. The Company has not raised any money by public issue during the year.
20. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act during the year.
21. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices, we have neither come across any instance of fraud on or by the Company, nor have we been informed of such case by the management.

Place : Kolkata  
Date : 28th May 2009.

For **RAY & RAY**  
Chartered Accountants  
**(ASHISH MAJUMDAR)**  
Partner  
Membership No.F57041



**UNITED CREDIT LIMITED****BALANCE SHEET AS AT 31ST MARCH 2009**

	Schedule	Current Year		Previous Year
		Rs.	Rs.	Rupees
<b>SOURCES OF FUNDS :</b>				
<b>1. Shareholders' Fund</b>				
a) Capital	1	<b>65,481,090</b>		65,481,090
b) Reserves & Surplus	2	<b>165,725,893</b>		168,652,032
			<b>231,206,983</b>	234,133,122
<b>2. Loan Funds :</b>				
Secured Loans	3		<b>1,439,243</b>	1,837,096
<b>Total</b>			<b>232,646,226</b>	235,970,218
<b>APPLICATION OF FUNDS :</b>				
<b>1. Fixed Assets</b>	4			
Gross Block		<b>15,784,410</b>		16,146,019
Less : Depreciation		<b>11,030,290</b>		10,424,019
		<b>4,754,120</b>		5,722,000
(Less)/Add : Lease Adjustment Account		<b>(1,915)</b>		(3,191)
		<b>4,752,205</b>		5,718,809
Less : Provision under RBI Norms		<b>455,301</b>		530,739
Net Block			<b>4,296,904</b>	5,188,070
<b>2. Investments</b>	5		<b>176,750,470</b>	166,113,933
<b>3. Deferred Tax Assets</b>	6		<b>4,576,741</b>	4,093,132
<b>4. Current Assets, Loans &amp; Advances</b>				
Sundry Debtors	7	<b>289,480</b>		825,260
Cash & Bank Balances	8	<b>8,096,983</b>		26,261,804
Loans & Advances	9	<b>54,073,572</b>		58,500,515
		<b>62,460,035</b>		85,587,579
<b>Less Current Liabilities &amp; Provisions</b>				
a) Liabilities	10	<b>10,815,924</b>		12,367,580
b) Provisions	11	<b>4,622,000</b>		12,644,916
		<b>15,437,924</b>		25,012,496
Net Current Assets			<b>47,022,111</b>	60,575,083
<b>Total</b>			<b>232,646,226</b>	235,970,218
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	17			
<b>NOTES ON ACCOUNTS</b>	18			

Schedules 1 to 11, 17 &amp; 18 referred to above form an integral part of Balance Sheet.

This is the Balance Sheet referred to in our report of even date

6, Church Lane  
Kolkata - 700 001  
Date: 28th May 2009

For RAY & RAY  
Chartered Accountants  
**ASHISH MAJUMDAR**  
Partner  
Membership Number : F57041

**Arunabha Biswas**  
Vice President and  
Secretary

On behalf of the Board of Directors  
**Ravi Poddar**  
**A.K. Dabriwala**  
**Dipankar Chatterji**

*Chairman*  
*Mg. Director*  
*Director*

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Schedule	Current Year Rupees	Previous Year Rupees
<b>INCOME :</b>			
Interest on Loans, Deposits (Gross)		<b>8,269,731</b>	11,029,660
(Tax Deducted at source Rs.1,181,168/-; Previous Year Rs.1,379,284/-)			
Lease Rent		<b>78,700</b>	83,000
Add/(Less) : Lease Adjustment Account		<b>1,276</b>	7,976
		<b>79,976</b>	90,976
Dividend from Long Term Investments - Other Than Trade (Gross)		<b>2,173,681</b>	2,807,193
Income from H.P. Business		<b>703,610</b>	711,054
Bad Debts Recovered		<b>92,000</b>	156,400
Profit on Sale of Fixed Assets (Net)		<b>109,344</b>	—
Profit on Sale of Long Term Investments (Other Than Trade)		—	36,929,601
Profit on Capital Market Operations	12	<b>640,624</b>	—
Other Income (Note 8 of Schedule 18)		<b>1,683,619</b>	2,021,313
		<b>13,752,585</b>	<b>53,746,197</b>
<b>EXPENDITURE :</b>			
Loss on Capital market Operations	12	—	6,726,280
Loss on Sale of Merchandise	13	—	159,528
Employees' Remuneration & Welfare Expenses	14	<b>4,403,821</b>	5,144,097
Rent		<b>808,653</b>	801,226
Interest	15	<b>310,396</b>	874,445
Insurance		<b>160,310</b>	134,067
Law Charges		<b>385,608</b>	725,135
Other Expenses	16	<b>8,145,738</b>	10,814,205
Depreciation		<b>1,330,047</b>	1,400,415
Provision under RBI Norms		<b>1,423,594</b>	515,765
Provision for Diminution in the Value of Investment		—	4,999,999
Debts/Loans & Advances written off (under RBI Norms) ( Note 5 of Schedule 18)		<b>177,056</b>	896,221
		<b>17,145,223</b>	<b>33,191,383</b>
Profit/(Loss) before Tax		<b>(3,392,638)</b>	20,554,814
Provision of Current Tax		—	3,100,000
Provision for Deferred Tax		<b>(483,609)</b>	(1,717,390)
Provision for Fringe Benefit Tax		<b>198,000</b>	281,000
Provision for Wealth Tax		<b>22,000</b>	23,000
Adjustment for Dividend Tax		—	59,169
Adjustment for Fringe Benefit Tax		<b>(48,040)</b>	—
Income Tax Adjustment		<b>(154,850)</b>	237,432
Profit/(Loss) after Tax		<b>(2,926,139)</b>	18,571,603
Profit brought forward from previous year		<b>20,380,984</b>	19,744,618
		<b>17,454,845</b>	<b>38,316,221</b>
<b>APPROPRIATION :</b>			
Proposed Dividend		—	5,744,618
Tax on Dividend		—	976,298
Transfer to General Reserve		—	7,500,000
Transfer to Reserve Fund as per RBI Norms		—	3,714,321
Balance Carried to Balance Sheet		<b>17,454,845</b>	<b>20,380,984</b>
		<b>17,454,845</b>	<b>38,316,221</b>
Basic and Diluted Earning per Share (in Rupees) Face Value of Rs. 10/- (Note 10 of Schedule 18)		<b>(0.51)</b>	2.91
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	17		
<b>NOTES TO ACCOUNTS</b>	18		

Schedules 12 to 18 referred to above form an integral part of Profit &amp; Loss Account.

This is the Profit &amp; Loss Account referred to in our report of even date

For RAY &amp; RAY

Chartered Accountants

**ASHISH MAJUMDAR**

Partner

Membership Number : F57041

**Arunabha Biswas**

Vice President and

Secretary

On behalf of the Board of Directors

**Ravi Poddar****A.K. Dabriwala****Dipankar Chatterji***Chairman**Mg. Director**Director*6, Church Lane  
Kolkata - 700 001  
Date: 28th May 2009


**CASH FLOW STATEMENT**

	Year ended 31st March	
	2009 Rs.	2008 Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary items	<b>(3,392,638)</b>	20,554,814
Adjustment for		
Depreciation	<b>1,330,047</b>	1,400,415
Loss / (Profit) on Sale of Fixed Assets (Net)	<b>(109,344)</b>	807,000
Loss / (Profit) on Sale of Investments (Net)	<b>1,531,553</b>	(36,929,601)
Lease Equalisation	<b>(1,276)</b>	(7,976)
Provision under RBI Norms Fixed Assets	<b>(75,438)</b>	(980,776)
Provision for Diminution in the value of Investment	—	4,999,999
Interest Received	<b>(8,269,731)</b>	(11,029,660)
Dividend Received	<b>(2,173,681)</b>	(2,807,193)
Interest Paid	<b>310,396</b>	874,445
Operating profit before Working Capital Changes	<b>(10,850,112)</b>	(23,118,533)
Adjustment for		
Trade & Other Receivable (Net of Provisions)	<b>5,843,525</b>	5,177,470
Inventories	—	1,188,077
Trade Payables	<b>(1,871,889)</b>	1,203,313
Cash generated from Operations	<b>(6,878,476)</b>	(15,549,673)
Interest Paid	<b>(310,566)</b>	(879,489)
Direct Taxes (Paid)/Refund [Net]	<b>(894,744)</b>	(2,873,314)
Dividend Received	<b>2,173,681</b>	2,807,193
Interest Received	<b>7,088,563</b>	9,650,376
Cash Flow from Operating Activities	<b>1,178,458</b>	(6,844,907)
Extraordinary Items	—	—
Net Cash from Operating Activities	<b>1,178,458</b>	(6,844,907)
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Investments	<b>(44,341,432)</b>	(295,110,105)
Purchase of Fixed Assets	<b>(825,561)</b>	(2,356,166)
Sale of Fixed Assets	<b>572,738</b>	460,461
Sale of Investments	<b>32,173,342</b>	299,490,543
Net Cash used for Investing Activities	<b>(12,420,913)</b>	2,484,733
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings		
Term Loans / Bank Short Term Loan	<b>620,000</b>	1,095,040
Repayment of Borrowings		
Term Loans / Bank Short Term Loan	<b>(1,017,853)</b>	—
Matured Debentures	<b>(560)</b>	(17,135)
Dividend Tax Paid	<b>(976,298)</b>	(591,696)
Dividend Payment	<b>(5,547,655)</b>	(3,391,373)
Add : National (Gain)/Loss on revaluation of Foreign Currency Loan	—	—
Net Cash Used in Financing Activities	<b>(6,922,366)</b>	(2,905,164)

**UNITED CREDIT LIMITED****CASH FLOW STATEMENT (CONTD.)**

	Year ended 31st March	
	2009 Rs.	2008 Rs.
Net Increase in Cash & Cash Equivalents (A+B+C)	<b>(18,164,821)</b>	(7,265,338)
Opening Balance of Cash & Cash Equivalents	<b>26,261,804</b>	33,527,142
Closing Balance of Cash & Cash Equivalents	<b>8,096,983</b>	26,261,804

**NOTES :**

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2009 and the related Profit and Loss Account for the year ended on that date.
2. The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) on "Cash Flow Statement", AS-3, issued by The Institute of Chartered Accountants of India and reallocations required for this purpose are as made by the Company.
3. Figures in parenthesis represent outflow.
4. Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation.

This is the Cash Flow Statement referred to in our report of even date.

6, Church Lane  
Kolkata - 700 001  
Date: 28th May 2009

For RAY & RAY  
Chartered Accountants  
**ASHISH MAJUMDAR**  
Partner  
Membership Number : F57041

**Arunabha Biswas**  
Vice President and  
Secretary

On behalf of the Board of Directors  
**Ravi Poddar**  
**A.K. Dabriwala**  
**Dipankar Chatterji**

*Chairman*  
*Mg. Director*  
*Director*


**SCHEDULES TO ACCOUNTS**

	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE -1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised -</b>		
15,000,000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
50,00,000 Preference Shares of Rs. 10/- each	50,000,000	50,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued —</b>		
8,334,604 Equity Shares of Rs 10/- each	83,346,040	83,346,040
1,055,086 12.5% Redeemable Cumulative Preference Shares of Rs. 10/- each	10,550,860	—
<b>Subscribed and Paid up -</b>		
5,327,823 (Previous year 6,382,909) Equity Shares of Rs. 10/- each fully paid up. (1,108,857 & 1,700,280 Equity Shares of Rs. 10/- each were issued and allotted to Shareholders of erstwhile United Bank of India Limited and United Credit Financial Services Limited respectively pursuant to Scheme of Amalgamation with the Company)	63,829,090	63,829,090
Less : Conversion into Preference Shares	10,550,860	—
	<u>53,278,230</u>	63,829,090
Add : Share Forfeitures	1,652,000	1,652,000
1,055,086 (Previous Year NIL) 12.5% Redeemable Cumulative Preference Share of Rs. 10/- each fully paid up. [Refer to Note Below]	10,550,860	—
	<u>65,481,090</u>	<u>65,481,090</u>
<b>NOTE :</b> Pursuant to Order of the Hon'ble High Court at Calcutta passed on 2nd July 2008, 1,055,086 12.5% Redeemable Preference Shares of Rs. 10/- each were issued and allotted on 4th September 2008 by way of conversion of equal number of Equity Shares of Rs. 10/- each. These Preference Shares are redeemable at a premium of 50% at the end of five years from the date of issue or earlier at the option of the Company.		
<b>SCHEDULE -2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve -</b>		
As per last Account	311,487	311,487
<b>Capital Redemption Reserve -</b>		
As per last Account	14,887,890	14,887,890
<b>Share Premium Account -</b>		
As per last Account	44,627,322	44,627,322
<b>Reserve Fund as per RBI Norms -</b>		
As per last Account	10,325,390	6,611,069
Add : Transfer during the year	—	3,714,321
	<u>10,325,390</u>	10,325,390
<b>General Reserve - (Note 2 of Schedule 18)</b>		
As per last Account	78,118,959	70,618,959
Add : Transfer from Profit & Loss A/c	—	7,500,000
	<u>78,118,959</u>	78,118,959
<b>Profit &amp; Loss Account -</b>		
As per annexed Account	17,454,845	20,380,984
	<u>165,725,893</u>	<u>168,652,032</u>
<b>SCHEDULE -3</b>		
<b>SECURED LOANS</b>		
Auto (Cars) Loans from Banks (secured against hypothecation of cars)	1,439,243	1,837,096
	<u>1,439,243</u>	<u>1,837,096</u>



SCHEDULES TO ACCOUNTS (CONTD.)

**SCHEDULE -4**

**FIXED ASSETS**

Particulars	Gross Block (At Cost)			Depreciation			Net Block				
	Cost upto 31st March, 2008	Additions during the year	Sold/Discarded during the year	Total Cost upto 31st March, 2009	Upto 31st March, 2008	Provided for the year	On Assets sold/ discarded	Total upto 31st March, 2009	Lease adjustment Account as at 31.03.2009	as at 31st March, 2009	as at 31st March, 2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Own Assets</b>											
Furniture & Fixture	3,665,130	4,999	38,000	3,632,129	2,444,875	193,728	31,392	2,607,211	—	1,024,918	1,220,255
Residential Flat	520,852	—	520,852	—	118,654	5,565	124,219	—	—	—	402,198
Office Equipment	1,011,802	85,708	—	1,097,510	643,740	63,391	—	707,131	—	390,379	368,062
Computer & Accessories	1,756,745	1,800	—	1,758,545	1,532,680	91,429	—	1,624,109	—	134,436	224,065
Motor Car	5,381,981	733,054	628,318	5,486,717	2,408,491	899,220	568,165	2,739,546	—	2,747,171	2,973,490
<b>Sub total (A)</b>	12,336,510	825,561	1,187,170	11,974,901	7,148,440	1,253,333	723,776	7,677,997	—	4,296,904	5,188,070
<b>Assets relating to Lease Business</b>											
Equipment	2,376,144	—	—	2,376,144	1,851,584	72,967	—	1,924,551	—	451,593	524,560
Heavy Vehicles	1,433,365	—	—	1,433,365	1,423,995	3,747	—	1,427,742	1,915	3,708	6,179
<b>Sub total (B)</b>	3,809,509	—	—	3,809,509	3,275,579	76,714	—	3,352,293	1,915	455,301	530,739
<b>Grand Total (A+B)</b>	16,146,019	825,561	1,187,170	15,784,410	10,424,019	1,330,047	723,776	11,030,290	1,915	4,752,205	5,718,809
Figures for the previous Year	19,208,856	2,356,166	5,419,003	16,146,019	13,175,146	1,400,415	4,151,542	10,424,019	3,191	5,718,809	



## SCHEDULES TO ACCOUNTS (CONTD)

**SCHEDULE -5**
**INVESTMENT** (Refer Note 5 of Schedule 17 and Note 15 of Schedule 18)

A.	[OTHER THAN TRADE - LONG TERM (At Cost)]	Face Value	Current Year		Previous Year	
			No. of Shares	Value Rupees	No. of Shares	Value Rupees
(1)a.	<b>FULLY PAID-UP EQUITY SHARES (QUOTED)</b>					
	Daikaffil Chemicals India Ltd	10	70,000	1,118,890	70,000	1,118,890
	Gwalior Chemicals Industries Ltd	10	—	—	30,000	3,481,128
	Bilcare Ltd	10	—	—	3,000	2,272,023
	Kernex Micro Systems (I) Ltd	10	10,433	3,380,547	10,433	3,380,547
	Tayo Rolls Ltd	10	3,500	965,983	4,000	1,103,978
	Jai Prakash Associates Ltd	2	3,000	692,608	3,000	692,608
	HDFC Bank (*)	10	—	—	100,050	1,988,674
	GTN Industries Ltd	10	3,500	1,948,828	4,000	2,227,233
	Gujarat Mineral Development Corpn.Ltd {including Bonus Shares of 5700 (Previous Year-NIL)}	2	11,400	2,879,277	5,700	2,879,277
	U. B. Engineering Ltd	10	14,460	2,179,941	15,000	2,261,351
	Essar Shipping Ltd	10	—	—	16,146	1,749,209
	Zicom Electronics Security Systems Ltd	10	5,000	1,109,429	10,000	2,218,857
	Monnet Ispat & Energy Ltd	10	—	—	5,000	2,610,318
	Unity Infra Projects Ltd	10	2,000	2,146,456	2,000	2,146,456
	Era Infra Engineering Ltd (**)	2	17,500	2,877,134	5,500	4,521,214
	Jai Corporation Ltd	1	4,000	4,880,264	4,000	4,880,264
	Bharati Shipyards Ltd	10	2,500	2,095,918	2,500	2,095,918
	Engineers India Ltd	10	1,000	1,224,926	1,000	1,224,926
	Hotel Leela Venture Ltd	2	30,000	2,039,209	30,000	2,039,209
	Hitachi Home Life Solutions Ltd	10	—	—	5,850	906,361
	IOL Netcom Ltd	10	25,000	2,006,819	—	—
				<u>31,546,229</u>		<u>45,798,441</u>
b.	<b>PORTFOLIO MANAGEMENT WITH RCAM</b>					
(i)	<b>Quoted</b> [Refer Note 15(b) of Schedule 18]					
	Asian Granite India Ltd	10	—	—	3,789	312,931
	Jindal Shaw Pipe Ltd	10	—	—	2,474	1,420,097
	Asahi Sougwon Colors Ltd	10	—	—	3,559	191,468
	SKF India Ltd	10	3,181	962,577	3,181	962,577
	Aksh Optifibre Ltd	10	—	—	11,248	608,571
	Aurionpro Solutions Ltd	10	—	—	1,091	437,387
	Bata India Ltd	10	—	—	1,585	231,870
	Balarampur Chinni Mills Ltd	1	—	—	3,640	309,618
	CCL Products Ltd	10	1,266	213,646	1,208	203,920
	Pfizer Ltd	10	—	—	15	10,278
	Fulford India Ltd	10	328	145,058	328	145,058
	Nicco Corporation Ltd	2	—	—	976	27,476
	Hitachi Home Life Solutions Ltd	10	2,356	302,877	73	10,521
	Rallis India Ltd	10	1,089	449,981	—	—
	Sankhya Infotech Ltd	10	4,183	338,498	—	—
	Hindustan Petroleum Corpn. Ltd	10	1,075	278,052	—	—
	Ipca Laboratories Ltd	10	874	313,469	—	—
	ITC Ltd	10	1,152	197,038	—	—
	HDFC Bank Ltd	10	196	170,859	—	—
	Bharti Tele-Vent Ltd	10	205	114,658	—	—
	Housing Development Finance Corpn. Ltd	10	83	115,980	—	—
	MPhasis BFL Ltd	10	232	39,079	—	—
				<u>3,641,772</u>		<u>4,871,772</u>
(ii)	<b>UNQUOTED</b>					
	Sai Rayalaseema Paper Mills	10	52,335	635,870	52,335	635,870
	SSIPL Retail Pvt Ltd (***)	10	3,106	509,799	6,211	509,799
				<u>1,145,669</u>		<u>1,145,669</u>
	<b>b( i + ii )</b>			<u>4,787,441</u>		<u>6,017,441</u>



SCHEDULES TO ACCOUNTS (CONTD)

**SCHEDULE -5 (Contd.)**

**INVESTMENT**

[Other Than Trade - Long Term (At Cost)]	Face Value	Current Year		Previous Year	
		No. of Shares	Value Rupees	No. of Shares	Value Rupees
<b>(2) FULLY PAID-UP EQUITY SHARES (UNQUOTED)</b>					
United Credit Securities Ltd	10	333,403	3,335,530	333,403	3,335,530
Calcutta Metropolitan Group Ltd	10	330,003	3,308,280	330,003	3,308,280
Sky B (Bangla) Pvt Ltd	10	10,000	100,000	10,000	100,000
Garry Supply Pvt Ltd	10	100,000	1,000,000	100,000	1,000,000
Business India Publications Ltd	10	50,000	2,750,000	50,000	2,750,000
United Nanotech Products Ltd (****)	10	750,100	7,501,000	750,100	7,501,000
The Calcutta Stock Exchange	1	16,726	33,452,000	16,726	33,452,000
			<u>51,446,810</u>		<u>51,446,810</u>
<b>B. SUBSIDIARY COMPANIES FULLY PAID-UP EQUITY SHARES (UNQUOTED)</b>					
United Nanotechnologies Pvt Ltd	10	500,000	5,000,000	500,000	5,000,000
Less: Provision for Diminution in the value of Investment			<u>4,999,999</u>		<u>4,999,999</u>
			1		1
United Credit & Development Co. Ltd	5	4,000,000	20,000,000	4,000,000	20,000,000
			<u>20,000,001</u>		<u>20,000,001</u>
<b>C. OTHER INVESTMENTS</b>					
<b>1) MUTUAL FUND</b>					
Reliance Liquid Fund	10	122,116.996	1,869,989	251,395.522	3,851,240
<b>2) FULLY PAID-UP CUMMULATIVE REDEEMABLE PREFERENCE SHARES (UNQUOTED)</b>					
7% United Credit Securities Ltd	100	150,000	15,000,000	150,000	15,000,000
8% United Nanotech Products Ltd	10	5,210,000	52,100,000	2,400,000	24,000,000
			<u>67,100,000</u>		<u>39,000,000</u>
		<b>Total</b>	<u>176,750,470</u>		<u>166,113,933</u>

	Current year		Previous year	
	Book Value Rupees	Market Value Rupees	Book Value Rupees	Market Value Rupees
QUOTED :	35,188,001	9,215,782	51,306,083	37,471,331
UNQUOTED :	139,692,480	—	110,956,610	—
MUTUAL FUND : (****)	1,869,989	1,868,744	3,851,240	3,849,821
<b>Grand Total</b>	<u>176,750,470</u>		<u>166,113,933</u>	

\* Centurion Bank of Punjab merged with HDFC Bank and pursuant to Scheme of Amalgamation, 3450 Shares of HDFC Bank have been allotted as against 100050 shares in terms of the exchange ratio 29:1.

\*\* In the meeting of Board of Directors held on 04/07/2008 of ERA Infra Engineers Ltd has approved sub-division of Equity Shares existing 1 (one) Equity Share of Rs.10/- each to 5 (five) Equity Shares of Rs.2/- each. Record date being 24/09/2008.

\*\*\* No. of Shares of SSIPL Retail Pvt Ltd has been reduced by half to 3106.

\*\*\*\* 250,000 Shares of United Nanotech Products Ltd has been pledged on Collateral Security with Technology Development Board, New Delhi.

\*\*\*\*\* In case of Mutual Fund, NAV Value is considered as Market Value.

The following shares were purchased and sold during the year:-

Name	Purchased (Qty)	Cost Value Rs.	Sale Value Rs.
1 SUN TV Network	2,000	678723	684445
2 Gwalior Chemicals Ltd	75,261	7107606	7915514
3 ICRA Corporation Ltd	1,000	768405	393181
		<u>8554734</u>	<u>8993140</u>





SCHEDULES TO ACCOUNTS (CONTD.)

**SCHEDULE - 6**  
**DEFERRED TAX**

	Current year Rupees	Previous year Rupees
<u>Deferred Tax Liabilities</u>	—	—
Lease Adjustment	—	—
<u>Deferred Tax Assets</u>		
Lease Adjustment	651	1,085
Leave Encashment	157,034	199,181
Provision for Doubtful Debts and Advances	1,105,883	596,362
Provision for Fixed Assets under RBI Norms	154,757	180,398
Depreciation	1,458,916	1,416,606
Provision for Diminution in the value of Investment	1,699,500	1,699,500
	<u>4,576,741</u>	<u>4,093,132</u>
Deferred Tax Assets	<u>4,576,741</u>	<u>4,093,132</u>

**SCHEDULE - 7**

**SUNDRY DEBTORS (Unsecured)**

i) Lease	200	9,035
ii) Hire Purchase	385,140	461,856
iii) Merchandise/Trading	93,132	496,210
iv) Others	—	70,970
	<u>478,472</u>	<u>1,038,071</u>
Less : Provision	<u>188,992</u>	<u>212,811</u>
	<u>289,480</u>	<u>825,260</u>
<b>PARTICULARS OF DEBTORS</b>		
Over Six Months - Considered Good	289,480	754,290
Considered Doubtful	188,992	212,811
	<u>478,472</u>	<u>967,101</u>
Less than Six Months - Considered Good	—	70,970
	<u>478,472</u>	<u>1,038,071</u>
Less - Provision	<u>188,992</u>	<u>212,811</u>
	<u>289,480</u>	<u>825,260</u>

**SCHEDULE - 8**

**CASH & BANK BALANCES**

Cash-in-hand - As Certified by Management	53,586	68,694
Balances with Scheduled Banks on -		
- Current Accounts	4,078,088	22,423,212
- Dividend Accounts	3,965,309	3,769,898
	<u>8,096,983</u>	<u>26,261,804</u>



SCHEDULES TO ACCOUNTS (CONTD.)

	Rupees	Current Year Rupees	Previous Year Rupees
<b><u>SCHEDULE - 9</u></b>			
<b><u>LOANS &amp; ADVANCES</u></b>			
i) Unsecured Loans to Subsidiary Companies: (Maximum amount outstanding during the year Rs.19,075,000/-)			
Considered Good	13,680,000		
Considered Doubtful	<u>2,795,000</u>	16,475,000	13,365,000
ii) Secured Loans including interest accrued (secured by hypothecation & mortgage of assets etc)			
Considered Good	656,150		1,921,594
Considered Doubtful	<u>269,562</u>		<u>205,211</u>
		925,712	2,126,805
iii) Unsecured Loans including interest accrued Considered Good		21,233,475	22,509,905
iv) Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good		652,647	2,984,882
v) Advance Tax including Tax deducted at source		13,168,466	12,290,664
vi) Fringe Benefit Tax - net of Provision of Rs.198,000/- (Previous Year Rs.281,000/-)		55,000	52,000
vii) Deposits (Unsecured considered good)		<u>4,627,834</u>	<u>6,712,970</u>
		<u>57,138,134</u>	<u>60,042,226</u>
Less : Provision		<u>3,064,562</u>	<u>1,541,711</u>
		<u>54,073,572</u>	<u>58,500,515</u>
<b><u>SCHEDULE -10</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Sundry Creditors			
i) Total outstanding dues to Micro Enterprises & Small Enterprises (as certified by the Management)		—	—
ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises.		497,627	2,295,962
Other Liabilities	53,092		2,646
Unclaimed Dividend	3,965,309		3,768,346
Unclaimed Debentures (Note 6 on Schedule 18)	4,548,835		4,549,395
Unclaimed Debentures Interest	1,364,583		1,364,753
Security Deposit	386,478		386,478
		<u>10,815,924</u>	<u>12,367,580</u>
<b><u>SCHEDULE -11</u></b>			
<b><u>PROVISIONS</u></b>			
Leave Encashment		462,000	586,000
For Taxation		4,115,000	5,315,000
For Wealth Tax		45,000	23,000
Proposed Dividend		—	5,744,618
Tax on Dividend		—	976,298
		<u>4,622,000</u>	<u>12,644,916</u>

**UNITED CREDIT LIMITED**

## SCHEDULES TO ACCOUNTS (CONTD.)

	Rupees	Current Year Rupees	Previous Year Rupees
<b><u>SCHEDULE -12</u></b>			
<b><u>PROFIT / (LOSS) ON CAPITAL MARKET OPERATIONS - SHARES</u></b>			
Opening Stock		—	182,910
Add : Purchase		<b>6,700,191</b>	8,152,434
		<b>6,700,191</b>	<u>8,335,344</u>
Less : Sales		<b>7,858,977</b>	8,503,250
		<b>(1,158,786)</b>	<u>(167,906)</u>
Closing Stock		—	—
Profit / (Loss)		<b>1,158,786</b>	167,906
Call Option Premium		<b>98,396</b>	209,761
Profit / (Loss) on Sale of Derivatives		<b>(616,558)</b>	(7,103,947)
		<b>640,624</b>	<u>(6,726,280)</u>
<b><u>SCHEDULE -13</u></b>			
<b><u>PROFIT / (LOSS) ON MERCHANDISE</u></b>			
Opening Stock		—	159,528
Add : Purchase		—	—
Add : Consignment Return		—	—
Add : Delivery Charges		—	—
		—	<u>159,528</u>
Less : Sales	—	—	<u>—</u>
Closing Stock	—	—	<u>—</u>
Profit / (Loss)		—	<u>(159,528)</u>
<b><u>SCHEDULE -14</u></b>			
<b><u>EMPLOYEES' REMUNERATION &amp; WELFARE EXPENSES</u></b>			
Salaries, Wages & Bonus		<b>3,377,816</b>	3,874,237
Company's Contribution to Provident Fund		<b>336,396</b>	390,221
Staff Welfare Expenses		<b>521,742</b>	708,122
Company's Contribution to Gratuity Fund & Superannuation Fund		<b>167,867</b>	171,517
		<b>4,403,821</b>	<u>5,144,097</u>
<b><u>SCHEDULE -15</u></b>			
<b><u>INTEREST</u></b>			
On Auto (Cars) Loan		<b>170,156</b>	86,217
On Loan Taken		<b>140,240</b>	174,254
On Inter-Corporate Deposit		—	613,974
		<b>310,396</b>	<u>874,445</u>



## SCHEDULES TO ACCOUNTS (CONTD.)

	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE - 16</b>		
<b>OTHER EXPENSES</b>		
Printing & Stationery	348,518	363,278
Postage, Telephone & Telegram	1,056,377	786,410
Electric Charges	370,913	370,241
Travelling & Conveyance	897,257	2,501,857
Advertisement	97,145	109,982
Auditors' Remuneration		
Statutory Audit	100,000	100,000
Tax Audit	5,000	5,000
Limited Review	30,000	30,000
Certification Work	21,000	6,000
Consolidation Fees	20,000	20,000
Expenses - Service Tax	18,975	20,007
	<b>194,975</b>	
Car Expenses	933,223	863,805
Rates & Taxes	23,672	23,772
Maintenance & Repairs - Others	153,397	546,865
Sales Promotion	168,756	217,635
Portfolio Management Fees	159,820	164,729
Computer Expenses	146,096	188,328
Loss on Sale & Discard of Fixed Assets (Net)	—	807,000
Directors' Fees	168,500	201,500
Professional Fees	621,807	1,301,380
Bank Charges	14,435	25,730
Donation	600	331,500
Service Charges	300,772	267,926
Loss on Sale of Long Term Investments (Non-Trade) - Shares/Units (Net)	1,531,553	—
Miscellaneous Expenses	957,922	1,561,260
	<b>8,145,738</b>	<b>10,814,205</b>

**SCHEDULE - 17****SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Preparation of Financial Statements:**

The Financial Statements have been prepared on accrual basis of accounting, under the historical cost convention and in accordance with the accounting principles generally accepted in India and comply in all material aspects in respect with the Notified Accounting Standards by Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**2. Use of Estimates:**

The preparation of financial statements in conformity with generally accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised in the period in which the results are known/materialized.

**3. Fixed Assets:**

Fixed Assets including assets given on finance lease upto 31st March 2001 are stated at cost less depreciation. Cost includes taxes, freight and other incidental expenses related to acquisition and installation of the said assets.

**4. Depreciation:**

Depreciation on fixed, assets including assets given on finance lease upto 31st March 2001, is provided on Written Down Value Method at the specified rates prescribed in Schedule XIV of the Companies Act, 1956.

**5. Investments:**

Investments held by the Company are long term in nature and are stated at cost. Diminution, if any, of permanent nature are provided for.

**6. Stock-in-Shares/Merchandise:**

- i) Stock-in-shares held for trading purposes are valued at cost or market value/breakup value whichever is lower on individual basis.
- ii) Stock of merchandise are valued at lower of cost or market price.



## SCHEDULES TO ACCOUNTS (CONTD.)

**7. Stock on Hire:**

- i) Stock on Hire under hire purchase agreement are valued at agreement value less instalments received/receivable.
- ii) Repossessed Stock are valued at cost less capital repayment upto the date of repossession.

**8. Foreign Exchange Transactions:**

Payments made in foreign currency are converted at the applicable exchange rate prevailing on the date of remittance. Liability on account of foreign currency is converted at the exchange rate prevailing as at the end of the year except in case of subsequent payments where liability is provided at actuals. Gain/Loss arising out of fluctuation in exchange rate is adjusted in the revenue account.

**9. Employee Benefits:****i) Defined Contribution Plan**

Company's contributions paid/payable during the year to ESIC and Labour Welfare Fund are recognised in the Profit and Loss Account. There are no other obligations other than the contribution payable to the respective authorities.

**ii) Defined Benefit Plan**

In respect of Defined Benefit Plan, the Company is liable to Provident Fund, Gratuity and Leave Encashment. Contributions to Provident Fund to the Government authorities are accounted for on accrual basis. In respect of Gratuity, the Company contributes to the qualifying Group Gratuity cum Life Insurance Policy of Life Insurance Corporation of India (LIC) based on the premium notices as per the actuarial valuation carried out by themselves, which are charged to revenue.

Company's liabilities towards leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**iii) Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.****10. Taxes on Income:**

Income Tax expense comprises of current tax and deferred charge or credit. Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax expense or benefit is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient taxable income will be available in future to realize such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

**11. Recognition of Income:**

- a) Income from Leases: For assets given on lease upto 31.3.2001 lease rentals are charged as and when they become accrue and are accounted for accordingly.
- b) Income from Hire Purchase: Income by way of finance charges is arrived at by amortising the instalments containing the financial charges based on Capital Recovery Method.
- c) Interest on Loan is accounted for on accrual basis, whereas dividend is recognised when the right to receive is established.

**12. Prudential Norms:**

The Company has followed the prudential norms for income recognition and provisioning against non-performing assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

**13. Prior period adjustments, extra-ordinary items and changes in Accounting Policy:**

Prior period adjustments, extra-ordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

**14. Provision, Contingent Liabilities and Assets:**

Provisions are recognised when the Company has legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Contingent assets are neither recognised nor disclosed in the financial statements.



SCHEDULES TO ACCOUNTS (CONTD.)

**SCHEDULE -18****NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009**

1. Accounting of Assets given on finance lease upto 31st March 2001 has been made as per earlier Guidance Note on Accounting for leases issued by The Institute of Chartered Accountants of India.
2. General Reserve includes Revenue Reserve of Rs.17,871,849/- being difference between assets and liabilities taken over after adjustment of consideration money in terms of Scheme of Amalgamation of United Credit Financial Services Limited.
3. Contingent liabilities not provided for in respect of:
  - (a) Income tax demand for the Assessment Year 1996-97 amounts to Rs.6,900,919/- (Previous year Rs.5,869,380/-) including Interest of Rs.1,031,539/- calculated upto July 2008 against which the Company has filed an application under Section 260A of the Income Tax Act before the Hon'ble High Court at Kolkata. However a sum of Rs.6,900,919/- (Previous year Rs.5,144,264/-) has been paid under protest which has been shown under Loans and Advances.
  - (b) Dividend on 12.5% Cumulative Redeemable Preference Shares is Rs.775,181/- (Previous year Rs.NIL).
4. In respect of certain parties where suits have been filed and settlements made, interest has been calculated upto the date of filing suits/settlements. Amount received taken into accounts on Cash Basis.
5. The Company has followed the prudential norms prescribed by the Reserve Bank of India in respect of income recognition and provision for non performing assets and accordingly during the year provision of Rs.1,423,594/- (Previous year Rs.515,765/-) has been made and a sum of Rs.177,056/- (Previous year Rs.896,221/-) has been written off.
6. The debentures issued by the Company has been redeemed on 1st April 2003 and accordingly the unclaimed debentures together with unclaimed interest thereon has been transferred to current liabilities.
7. The Company has transferred Rs.479,725/- on account of Unclaimed Dividend to Investor Education and Protection Fund (IEPF) during the year and as at Balance Sheet date, there were no such other amounts due, which are required to be transferred to IEPF, as required under Section 205C of the Companies Act, 1956 of India.
8. The break-up of other income is as follows:

	<b>Current Year</b>	<b>Previous year</b>
	Rupees	Rupees
Rent	<b>653,460</b>	653,710
Interest on Income/Other Tax Refunds	<b>202,435</b>	—
Others	<b>827,724</b>	1,367,603
	<b><u>1,683,619</u></b>	<b><u>2,021,313</u></b>

	<b>Current Year</b>	<b>Previous year</b>
	Rupees	Rupees
9. Directors' Remuneration:		
Salary & Allowances	<b>807,000</b>	771,000
Monetary Value of other benefits	<b>7,300</b>	4,100
Contribution for Provident Fund	<b>80,700</b>	77,100
Sitting fees paid to other Directors	<b>168,500</b>	201,500
	<b><u>1,063,500</u></b>	<b><u>1,053,700</u></b>

Computation of Net Profit under Section 198 of the Companies Act, 1956 for the purpose of commission @1% payable to Directors has not been enumerated as no commission is payable to Directors for the year ended 31st March 2009.

10. Earnings per share:

	<b><u>March 31, 2009</u></b>	<b><u>March 31, 2008</u></b>
	Rupees	Rupees
Profit computation for both Basic and Diluted earnings per share of Rs.10/- each		
Net Profit/(Loss) as per Profit & Loss Account	(2,926,139)	18,571,603
Weighted average number of Equity shares outstanding	5,778,764	6,382,909
Basic and diluted earnings per share in rupees of face value Rs.10/-	(0.51)	2.91



SCHEDULES TO ACCOUNTS (CONTD.)

**SCHEDULE -18 (Contd.)**

11. The company is predominantly engaged in Non-banking Financial Activities and trading/dealing in shares and therefore Segment Reporting as envisaged in Accounting Standard (AS-17) on Segment Reporting is not applicable.

12. Related Party Transactions:

(a) List of Related Parties

Sl.No.	Name	Relation
1	<b>Key Management Person</b> Sri Ravi Poddar Sri A K Dabriwala	Chairman Managing Director
2	Smt. Neeru Poddar	W/o Sri Ravi Poddar, Chairman
3	United Nanotechnologies Pvt. Ltd	Subsidiary
4	United Credit & Development Co. Ltd	Subsidiary
5	United Nanotech Products Ltd	Common Director

(b) During the financial year, the Company has entered into following transactions with the following related parties:

1	The name of the transacting related party	Smt. Neeru Poddar	United Nanotech Products Limited	United Nanotechnologies Pvt. Ltd. - Subsidiary	United Credit & Development Co. Ltd. - Subsidiary
2	Relationship between the parties	Wife of a Director - Sri Ravi Poddar	One Common Director	Two Common Directors	Three Common Directors
3	Nature of transaction	Premises taken on rent & Refund of S.D. on Termination of Agreement	Investment & Loan Given	Loan Given & Rent	Investment & Loan Given
4	Volume of the transactions	Rent paid Rs.180,000/-  Rs.1,500,000/- Security Deposit Refunded	Share Purchase Rs.28,100,000/-  Loan Given - Rs.26,400,000/- Intt. Received Rs.2,503,767  Loan Repaid Rs.26,400,000/-	Loan Given - Rs.710,000/- Intt. Received - Rs.NIL Loan Repaid Rs.100,000/-  Rent Received - Rs.3,000/-	Share Purchase Rs.NIL  Loan Given Rs.5,000,000/- Intt. Received - Rs.514,555/- Loan Repaid Rs.2,500,000/-
5	i) The amounts of outstanding at the balance sheet date.  ii) Provisions for doubtful debts due from such parties at that date.	NIL  NIL	NIL  NIL	Outstanding Loan Rs.13,975,000/- Intt. Outstanding Rs.NIL  NIL	Outstanding Loan Rs.2,500,000/- Intt. Outstanding Rs.NIL  NIL
6	Amounts written off or written back in the period in respect of debts due.	NIL	NIL	NIL	NIL



## SCHEDULES TO ACCOUNTS (CONTD.)

**SCHEDULE -18 (Contd.)**

13. Expenditure incurred in Foreign Currency on account of :

	<u>Current Year</u> Rupees	<u>Previous Year</u> Rupees
i) Value of Imports calculated on C.I.F. basis	—	—
ii) Travelling	115,414	911,112

14. As required in terms of paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, the schedule to the Balance Sheet is appended.

15. (a) Based on the legal opinion, all the acquisition of shares and transactions thereof have been reckoned as long-term investments for the purpose of these accounts.

(b) In the opinion of the management, the investments held with Reliance Capital Asset Management Limited (RCAM) in pursuance with related agreement are purely considered as long-term in nature.

16. Employee Benefits:

(a) Defined benefits plans as per actuarial valuation on 31st March 2009.

	Leave Encashment Rs.Lakh
<b>I Expenses recognised in the Statement of Profit &amp; Loss for the year ended 31st March 2009</b>	
1 Current Service Cost	0.52
2 Interest Cost	0.39
3 Employee Contributions	—
4 Expected return on plan assets	—
5 Net Actuarial (Gains) / Losses	0.27
6 Past Service Cost	—
7 Settlement Cost	—
8 Total Expenses	1.18
<b>II Net Assets/(Liability) recognised in the Balance Sheet as at 1st April 2008</b>	
1 Present value of Defined Benefit Obligation	5.86
2 Fair Value of Plan Assets	—
3 Funded status of assets	(5.86)
4 Net asset/(liability)	(5.86)
<b>III Change in Obligation during the year ended 31st March 2009</b>	
1 Present value of Defined Benefit Obligation at beginning of the year	5.86
2 Current Service Cost	0.52
3 Interest Cost	0.39
4 Settlement Cost	—
5 Past Service Cost	—
6 Employee Contributions	—
7 Actuarial (Gains)/Losses	0.27
8 Benefits Payments	(2.42)
9 Present value of Defined Benefit Obligation at the end of the year	4.62
<b>IV Change in Assets during the Year ended 31st March 2009</b>	
1 Plan assets at the beginning of the year	—
2 Assets acquired on amalgamation in previous year	—
3 Settlements	—
4 Expected return on plan assets	—
5 Contributions by Employer	—
6 Actual benefits paid	—





## SCHEDULES TO ACCOUNTS (CONTD.)

**SCHEDULE -18 (Contd.)**

7	Actuarial Gains / (Losses)	-
8	Plan assets at the end of the year	-
9	Actual return on plan assets	-
<b>V</b>	<b>Actuarial Assumptions:</b>	As at 31/03/2009
1	Discount Rate	7.5% p.a. compounded
2	Mortality pre-retirement/post-retirement	Standard Table LIC (1994-96) Ultimate
3	Rate of increase in salaries	5%
4	Expected Average remaining working lives of employees (years)	9.11
5	Apart from the above the estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion & other relevant factors such as supply & demand in the employment market.	

- (b) The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance cash accumulation policy offered by Life Insurance Corporation (LIC) of India. The investment return earned on the policies comprises Bonus declared by LIC having regard to LIC's Investment earnings. The information of allocation of funds to major assets, classes and expected return on each major class are not available and hence necessary disclosure requirements as required to be made on implementing AS-15 on, Employee Benefits (Revised 2005) were not disclosed in the accounts. The management is of the opinion that LIC's overall portfolio of assets is well diversified and as such the long term return on policy is expected to be higher than the Rate of Return on Central Government Bonds which is also substantiated by the previous track records of the returns declared by the LIC.
17. Debts (considered good) aggregating to Rs.289,480/- include other than 'Standard' accounts amounting to Rs.180,498/- as defined under Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 as amended, against which appropriate provisions have been made in these financial statements pursuant to the said Directions.
  18. There are no reported micro, small and medium enterprises as defined in "The Micro Small and Medium Enterprise Development Act, 2006" to which the Company owes dues and as such the disclosure requirements under Section 22 of the said Act have not been made. The same has been relied upon by the auditors.
  19. In view of absence of taxable income, provision for taxation (Current Taxation) including Minimum Alternate taxation, has not been considered necessary for the purpose of these accounts.
  20. The Previous year's figures have been regrouped, recasted and rearranged wherever necessary to make it comparable with the current year figures.



SCHEDULES TO ACCOUNTS (CONTD.)

**SCHEDULE -18 (Contd.)**

## 21. INFORMATION PURSUANT TO THE PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet abstract and Company's general business profile.

i) Registration Details	
Registration No.	L65993 WB 1970 PLC 027781
State Code	21
Balance Sheet Date	31st March 2009
ii) Capital Raised during the year (Amount in Rs.Thousand)	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
iii) Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousand)	
Total Liabilities	248,084
Total Assets	248,084
<b>Sources of Funds :</b>	
Paid-up Capital	65,481
Reserves & Surplus	165,726
Secured Loans	—
Unsecured Loans	1,439
<b>Application of Funds :</b>	
Net Fixed Assets	4,297
Investments	176,750
Net Current Assets	47,022
Misc. Expenditure	—
Deferred Tax	4,577
iv) Performance of Company (Amount in Rs.Thousand)	
Turnover including other income	13,752
Total Expenditure	17,145
Profit (+)/Loss(-) before Tax	(3,393)
Profit (+)/Loss(-) after Tax	(2,926)
(considering Deferred Tax Adjustments)	
Basic & Diluted Earning Per Equity	
Share — <b>Note 10</b> (in Rs.)	(0.51)
Dividend Rate(%)	NIL
v) Generic Name of the Three Principal Products/Service of the Company. (As per Monetary Terms)	
Product Description	ITC Code No.
Lease Financing	Not Applicable
H. P. Financing	Not Applicable
Loan	Not Applicable







SCHEDULES TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY (CONTD.)

Rs. in Lakhs

Particulars		As on 31.03.2009	
Category	Amount net of provisions (Rs. in Lakhs)		
1. Related Parties	Secured	Unsecured	Total
(a) Subsidiaries	NIL	136.80	136.80
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	8.53	265.13	273.66
Total	8.53	401.93	410.46
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :		
Category	Market Value/ Break-up or fair Value or NAV	Book value (Net of Provisions)	
1. Related Parties			
(a) Subsidiaries	200.00		200.00
(b) Companies in the same group	879.84		779.37
(c) Other related parties	NIL		NIL
2. Other than related parties	1036.66		788.14
Total	2116.50		1767.51
(8)	<b>Other information</b>		
Particulars	Amount		
(i) Gross Non-performing Assets			
(a) Related Parties			139.75
(b) Other than related parties			16.62
(ii) Net Non-performing Assets			
(a) Related parties			111.80
(b) Other than related parties			7.48
(iii) Assets acquired in satisfaction of debt			NIL

Signatures to Schedules 1 to 18

For RAY & RAY  
Chartered Accountants  
**ASHISH MAJUMDAR**  
Partner  
Membership Number : F57041

**Arunabha Biswas**  
Vice President and  
Secretary

On behalf of the Board of Directors  
**Ravi Poddar**  
**A.K. Dabriwala**  
**Dipankar Chatterji**

*Chairman*  
*Mg. Director*  
*Director*

**UNITED CREDIT LIMITED**

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956.

Name of the Subsidiary	United Nanotechnologies Private Limited	United Credit & Development Co. Ltd.
Financial Year ending of the Subsidiary	31.03.2009	31.03.2009
Shares held in the Subsidiary Company or by the Subsidiary Company in the Sub-subsidiary Company at the end of the financial year of the Subsidiary or Sub-subsidiary Company as the case may be – Number (Extent of Holding)	500,000 Equity Shares of Rs.10/- each, fully paid-up  (100.00%)	4,000,000 Equity Shares of Rs.5/- each, fully paid-up  (97.56%)
The net aggregate of Profits/(Losses) of the Subsidiary Company / Sub-subsidiary Company so far as they concern the Members of the Company		
a) Dealt with in the Accounts of the Company for the year ended 31st March 2009	NIL	NIL
b) Not dealt with in the Accounts of the Company for the year ended 31st March 2009	(2,501,111)	(10,899,814)
The net aggregate of Profits/(Losses) of the Subsidiary / Sub-subsidiary Company, for previous financial years, so far as they concern the Members of the Company		
a) Dealt with in the Accounts of the Company upto the year ended 31st March 2009	NIL	NIL
b) Not dealt with in the Accounts of the Company upto the year ended 31st March 2009	(11,221,114)	(14,043,441)



**REPORT & ACCOUNTS  
OF  
SUBSIDIARY COMPANIES**

**DIRECTORS' REPORT**

**TO THE MEMBERS**

Your Directors present the 5<sup>th</sup> Annual Report with the Audited Statement of Accounts for the year ended March 31, 2009.

**FINANCIAL RESULTS**

There has been a net loss of Rs. 25,01,111/- during the year under review which has been carried forward to the Balance Sheet.

**DIVIDEND**

As the Company has incurred loss in the year under review, no dividend is recommended by the Board.

**RESERVES & SURPLUS**

In view of loss incurred by the Company, no amount could be transferred to Reserves.

**PERFORMANCE**

The Company is yet to start its operation. The Management is taking necessary action in the matter.

**DEPOSITS**

The Company has not taken any deposit during the year ended 31<sup>st</sup> March, 2009.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that -

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- ii) They have 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 as at March 31, 2009 and of the profit and loss account of the Company for that period;
- iii) They have 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; and
- iv) The annual accounts have been prepared on a going concern basis.



***UNITED NANOTECHNOLOGIES PRIVATE LIMITED***

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**COMPLIANCE CERTIFICATE**

Certificate of compliance issued by Mrs. Indrani Chaudhuri, Practising Company Secretary in terms of Sec. 383A of the Companies Act 1956 and Companies (Compliance Certificate) Rules, 2001 is given in a separate Annexure marked I.

**DIRECTORS**

Mr. Devashish Dabriwal retires by rotation in the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

**AUDITORS**

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

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The Company is yet to commence its manufacturing activities and as such, the question of conservation of energy and technology absorption does not arise.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review there was no foreign exchange earning or outgo in any manner.

**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 take this opportunity to place on record their deep appreciation for the whole-hearted and sincere co-operation the Company has received from all concerned.

Kolkata – 700 016  
The 25<sup>th</sup> May, 2009

For and on behalf of the Board  
**Devashish Dabriwal**  
**Chairman**

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

**SECRETARIAL COMPLIANCE REPORT**

**ANNEXURE – I**

**CIN: U36999 WB 2004 PTC 098996**  
**Authorised capital: Rs.50 Lacs**  
**Paid up capital: Rs.50 Lacs**

To  
The Members  
M/s. United Nanotechnologies Private Limited  
27B Camac Street, 8th Floor  
Kolkata – 700 016.

I have examined the registers, records, books and papers of M/s United Nanotechnologies Private Limited as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ending on 31<sup>st</sup> March, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure A to this certificate as per the provisions and the rules made thereunder and all entries therein have been duly recorded;
2. The company has duly filed the forms and returns as stated in Annexure B to this certificate with the Registrar of Companies, within the time prescribed under the Act and the rules made thereunder;
3. The company being a private limited company has the minimum prescribed paid up capital and its maximum number of members during the said financial year was two excluding its present and past employees and the company during the year under scrutiny :
  - i) restricted the right to transfer its shares,
  - ii) limited the number of members to 50,
  - iii) has not invited public to subscribe for its shares and,
  - iv) has not invited or accepted any deposits from persons other than its members, directors or their relatives;
4. The Board of Directors duly met 4 times respectively on 07.04.2008, 17.06.2008, 11.10.2008 and 05.02.2009 dates in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose and signed. No circular resolutions were passed during the year under scrutiny;
5. The company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2008 was held on 17.07.2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The company has not advanced any loan to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company was not required to make any entries in the Register maintained under Section 301 of the Act.

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

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**SECRETARIAL COMPLIANCE REPORT (Contd.)**

11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate certificates during the said financial year.
13. The company :-
  - i) has not made any allotment/transfer/transmission of securities during the said financial year.
  - ii) was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) was not required to post any warrants to any member of the company as no dividend was declared during the financial year.
  - iv) has informed to me that the rules of unpaid dividend are not applicable to the company.
  - v) has duly complied with all the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the re-election of Director was duly made at the Annual General Meeting. The Additional Director held office upto the date of Annual General Meeting was duly re-appointed. No alternate directors and directors to fill casual vacancy were appointed during the said financial year.
15. The company has not appointed any managing director/wholetime director during the said financial year.
16. The company has not appointed any sole selling agents during the said financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares or debentures or any other securities during the said financial year.
20. The company has not bought back any shares during the financial year.
21. The company has not issued any preference shares/debentures so the question of redemption of preference shares or debentures does not arise.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As per the information and explanations given to me the company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the said financial year.
24. As the company is a subsidiary of a public limited company the provisions of section 293(1)(d) are applicable to the private company. The amount borrowed by the company is within the borrowing limits of the company and the company was not required to pass any resolution under section 293(1)(d) of the Act, during the said financial year.

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

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**SECRETARIAL COMPLIANCE REPORT (Contd.)**

25. As the company is a subsidiary of a public limited company the provisions of section 372A are applicable to the private company. However the company is not required make any entries in the Register maintained for the purpose.
26. The company has not altered the provisions of the Memorandum of Association with respect to the situation of the company's registered office from one state to another during the financial year under the scrutiny.
27. The company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the financial year under the scrutiny.
28. The company has not altered the provisions of the Memorandum of Association with respect to the name of the company during the said financial year under the scrutiny.
29. The company has not altered the provisions of the Memorandum of Association with respect to the share capital of the company during the said financial year under the scrutiny.
30. The company has not altered its Articles of Association during the said financial year.
31. As per the information given to me, there were/was no prosecution initiated against or show cause notices received by the company, during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the said financial year.
33. As per information given to me, the company is not required to deduct Provident Fund during the said financial year as the provisions of the Act are not applicable.

Place: KOLKATA  
Date: 25<sup>th</sup> May, 2009

Signature : Sd/- Indrani Chaudhuri  
Practising Company Secretary  
C.P. No. : 6667

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

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**SECRETARIAL COMPLIANCE REPORT (Contd.)**

**ANNEXURE 'A'**

Registers as maintained by the Company

1. Register of Members and Index of Register of Members u/s 150 & 151
2. Register of Directors u/s 303
3. Register of Directors Shareholding u/s 307
4. Register of Contracts u/s 301
5. Books of Accounts u/s 209
6. Minute Book of Board of Directors Meeting and General Meeting.
7. Register of Directors Attendance.
8. Copies of Annual Return.
9. Register of Share Transfer.
10. Register of Share Application & Allotment.
11. Register of Investments.

**ANNEXURE 'B'**

Forms and Returns as filed by the company with Registrar of Companies during the financial period from 01.04.2008 to 31.03.2009

Sl. No.	Forms/Returns	Filed For	Date of Document	Filed on	Within Due Date	Addl. Filing Fee paid.
1.	Form no. 23AC & 23ACA u/s 220	For year ended 31/03/2008	31/03/2008	06/08/2008	Yes	N.A.
2.	Form no 20B u/s 161	For A.G.M. held on 17/07/2008	17/07/2008	12/08/2008	Yes	N.A.
3.	Form no 66 u/s 383A	For year ended 31/03/2008	31/03/2008	06/08/2008	Yes	N.A.

## **UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

### **AUDITORS' REPORT**

TO THE MEMBERS OF UNITED NANOTECHNOLOGIES PRIVATE LIMITED

We have audited the attached Balance Sheet of **UNITED NANOTECHNOLOGIES PRIVATE LIMITED** as at 31st March 2009 and the relative Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 does not apply to the company because it fulfills the following conditions:

- i) It is a private limited company;
- ii) The paid up capital and reserves of the company are not more than Rupees fifty Lacs;
- iii) The company has not accepted any public deposits;
- iv) The company does not have any loan outstanding of Rupees Ten Lacs or more from any bank or financial institution; and
- v) The company does not have a turnover exceeding Rupees Five Crores.

We further report that :

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
- e) On the basis of written representation received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanation given to us, the said financial statements read together with the Notes forming part thereof, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
  - ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date and
  - iii) in the case of the Cash flow Account, of the Cash Flow of the Company for the year ended on that date.

7A, Bentinck Street,  
Kolkata – 700 001.  
25th day of May, 2009

For Sanjay Bajoria & Associates  
Chartered Accountants  
**(SANJAY BAJORIA)**  
Partner  
Membership No.53667

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2009**

	Schedule	As at 31.03.2009		As at 31.03.2008
		Rs.	Rs.	Rupees
<b>SOURCES OF FUNDS :</b>				
<b>1. Shareholders' Fund</b>				
Share Capital	1		5,000,000	5,000,000
<b>2. Unsecured Loans</b>	2		13,975,000	13,365,000
Total			<b>18,975,000</b>	<b>18,365,000</b>
<b>APPLICATION OF FUNDS :</b>				
<b>1. Fixed Assets</b>	3			
Gross Block		7,680,787		7,548,368
Less : Depreciation		434,433		380,178
Net Block			7,246,354	7,168,190
<b>2. Current Assets, Loans &amp; Advances</b>	4			
Inventories		211,096		1,745,124
Sundry Debtors		62,000		97,185
Cash & Bank Balances		48,615		80,117
Loans & Advances		359,613		634,031
		<b>681,324</b>		<b>2,556,457</b>
<b>Less : Current Liabilities &amp; Provisions</b>	5			
a) Liabilities		116,030		21,888
b) Provisions		57,762		57,762
		<b>173,792</b>		<b>79,650</b>
Net Current Assets			507,532	2,476,807
<b>3. Profit &amp; Loss Account</b>			11,221,114	8,720,003
<b>Total</b>			<b>18,975,000</b>	<b>18,365,000</b>
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	10			
AS PER OUR REPORT ATTACHED				

Schedules 1 to 5 & 10 referred to above form an integral part of Balance Sheet.

This is the Balance Sheet referred to in our report of even date

7A, Bentinck Street,  
Kolkata - 700 001  
25th day of May, 2009

For **Sanjay Bajoria & Associates**  
Chartered Accountants  
**SANJAY BAJORIA**  
(Partner)  
Membership Number: 53667

On behalf of the Board of Directors  
**Devashish Dabriwal** Chairman  
**Shiva Prasad Bevinmarad** Director

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Schedule	Year ended 31.03.2009	Year ended 31.03.2008
		Rupees	Rupees
<b><u>INCOME :</u></b>			
Sales		—	79,453
Increase / (Decrease) in Stock	6	<b>(1,475,669)</b>	(20,645)
Interest on Security Deposit		—	7,920
Misc. Receipts		<b>3,800</b>	—
		<b>(1,471,869)</b>	<b>66,728</b>
<b><u>EXPENDITURE :</u></b>			
Manufacturing & Operating Expenses	7	—	66,728
Salaries, Wages & Other Benefits	8	<b>225</b>	18,172
Interest on Loan		—	1,414,251
Administrative & Other Expenses	9	<b>1,029,017</b>	762,023
		<b>1,029,242</b>	<b>2,261,174</b>
Profit / (Loss) for the year before Prior Period Adjustments		<b>(2,501,111)</b>	(2,194,446)
Add: Prior Period Adjustments		—	(243)
Profit / (Loss) Before Tax		<b>(2,501,111)</b>	(2,194,689)
Provision for Fringe Benefit Tax		—	5,900
Profit / (Loss) After Tax		<b>(2,501,111)</b>	(2,200,589)
Profit / (Loss) brought forward from previous year		<b>(8,720,003)</b>	(6,519,414)
Balance carried to Balance Sheet		<b>(11,221,114)</b>	(8,720,003)

SIGNIFICANT ACCOUNTING POLICIES & 10  
NOTES TO ACCOUNTS

AS PER OUR REPORT ATTACHED

Schedules 6 to 10 referred to above form an integral part of Profit & Loss Account.

This is the Profit & Loss Account referred to in our report of even date

7A, Bentinck Street,  
Kolkata - 700 001  
25th day of May, 2009

For **Sanjay Bajoria & Associates**  
Chartered Accountants  
**SANJAY BAJORIA**  
(Partner)  
Membership Number: 53667

On behalf of the Board of Directors  
**Devashish Dabriwal** Chairman  
**Shiva Prasad Bevinmarad** Director



**UNITED NANOTECHNOLOGIES PRIVATE LIMITED****CASH FLOW STATEMENT**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extraordinary items	(2,501,111)	(2,194,446)
Adjustment for		
Loss on Sale of Fixed Assets	261,294	—
Prior Period Adjustments	—	(243)
Depreciation	149,841	227,123
Preliminary Expenses written off	—	44,160
Interest (Net)	—	1,406,331
Operating profit before Working Capital Changes	(2,089,976)	(517,075)
Adjustment for		
Trade & other Receivable	309,603	4,631,596
Inventories	1,534,028	(72,276)
Trade & Other Payables	94,142	10,664
Taxes Paid	—	(13,245)
Cash used for Operations	(152,203)	4,039,664
Extraordinary Items	—	—
Net Cash from Operating Activities	(152,203)	4,039,664
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(536,693)	(5,985,535)
Sale of Fixed Assets	47,394	—
Interest Received	—	7,920
Net Cash used for Investing Activities	(489,299)	(5,977,615)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	710,000	3,365,000
Repayment of Borrowings	(100,000)	—
Interest Paid	—	(1,414,251)
Net Cash used in Financing Activities	610,000	1,950,749
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(31,502)	12,798
Opening Balance of Cash & Cash Equivalents	80,117	67,319
Closing Balance of Cash & Cash Equivalents	48,615	80,117

**Notes :**

- 1) The above Cash Flow has been compiled from and is based on the Balance sheet as at 31st March, 2009 and the related Profit & Loss Account for the year ended on that date.
- 2) Figures in parenthesis represent outflow.
- 3) Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation.

This is the Cash Flow Statement referred to in our report of even date.

7A, Bentinck Street,  
Kolkata - 700 001  
25th day of May, 2009

For **Sanjay Bajoria & Associates**  
Chartered Accountants  
**SANJAY BAJORIA**  
(Partner)  
Membership Number: 53667

On behalf of the Board of Directors  
**Devashish Dabriwal** Chairman  
**Shiva Prasad Bevinmarad** Director

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

**SCHEDULES TO ACCOUNTS**

	<b>As at 31.03.2009 Rupees</b>	<b>As at 31.03.2008 Rupees</b>
<b>SCHEDULE -1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised -</b>		
500,000 Equity Shares of Rs. 10/- each	<b>5,000,000</b>	5,000,000
<b>Issued Subscribed and Paid up -</b>		
500,000 (Previous year 500,000) Equity Shares of Rs. 10/- each	<b>5,000,000</b>	5,000,000
<b>SCHEDULE -2</b>		
<b>UNSECURED LOANS</b>		
United Credit Limited	<b>13,975,000</b>	13,365,000

**SCHEDULE -3**  
**FIXED ASSETS**

Particulars	Gross Block				Depreciation				Net Block	
	Opening As At 01.04.2008	Addition During The Year	Sold During The Year	Total Cost As At 31.03.2009	Upto 31.03.2008	On Sold Items	Provided For The Year	Total As At 31.03.2009	As At 31.03.2009	As At 31.03.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	5,985,535	536,693	—	6,522,228	—	—	—	—	6,522,228	5,985,535
Factory Building (10%)	385,190	—	—	385,190	50,011	—	33,518	83,529	301,661	335,179
Furniture (18.1%)	9,466	—	—	9,466	9,466	—	—	9,466	—	—
Office Equipment (13.91%)	36,179	—	9,050	27,129	12,313	2,878	2,683	12,118	15,011	23,866
Computer & Access. (40%)	125,944	—	—	125,944	69,176	—	22,707	91,883	34,061	56,768
Motor Car (25.89%)	200,000	—	—	200,000	70,704	—	33,475	104,179	95,821	129,296
Machineries (13.91%)	800,566	—	395,224	405,342	167,572	92,708	56,825	131,689	273,653	632,994
Motor Pump (13.91%)	5,488	—	—	5,488	936	—	633	1,569	3,919	4,552
	<b>7,548,368</b>	<b>536,693</b>	<b>404,274</b>	<b>7,680,787</b>	<b>380,178</b>	<b>95,586</b>	<b>149,841</b>	<b>434,433</b>	<b>7,246,354</b>	<b>7,168,190</b>
Figures for Previous Year	1,562,833	5,985,535	—	7,548,368	153,055	—	227,123	380,178	7,168,190	

**SCHEDULE -4**  
**CURRENT ASSETS, LOANS & ADVANCES**

a) <b>Inventories</b> (As verified, valued at Cost or NRV whichever is lower)		
Stock - in - Trade	—	1,475,669
Loose Tools	<b>211,096</b>	269,455
	<b>211,096</b>	<b>1,745,124</b>
b) <b>Sundry Debtors</b>		
Godrej & Boyce Mfg. Co. Ltd.	—	7,800
Colour Chemicals	<b>37,000</b>	52,423
Matara Agencies	<b>25,000</b>	36,962
	<b>62,000</b>	<b>97,185</b>
c) <b>Cash and Bank Balances</b>		
Cash - in - Hand	<b>566</b>	697
Current Account with IndusInd Bank	<b>48,049</b>	79,420
	<b>48,615</b>	<b>80,117</b>
d) <b>Loans &amp; Advances</b> (Unsecured Considered Good)		
i) Advance	—	117,000
ii) Security Deposit	<b>133,000</b>	217,000
iii) Deposit (Sales Tax)	<b>108,041</b>	108,041
iv) Prepaid Expenses	—	2,242
v) Interest Accrued (R) on S.D.	<b>4,876</b>	6,288
vi) VAT Input	—	69,764
vii) Fringe Benefit Tax	<b>77,262</b>	77,262
viii) Tax Deducted at Source (By Party)	<b>36,434</b>	36,434
	<b>359,613</b>	<b>634,031</b>

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

**SCHEDULES TO ACCOUNTS (Contd.)**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b><u>SCHEDULE -5</u></b>		
<b><u>CURRENT LIABILITIES AND PROVISIONS</u></b>		
<b>Current Liabilities</b>		
Sundry Liabilities		
Sanjay Bajoria & Associates	11,030	11,236
CESC	—	720
VAT	—	9,932
Dewars Garage	105,000	—
	<b>116,030</b>	<b>21,888</b>
<b>Provisions</b>		
Provision for Fringe Benefit Tax	57,762	57,762
<b><u>SCHEDULE -6</u></b>		
<b><u>INCREASE / (DECREASE) IN STOCK</u></b>		
<b>Closing Stock</b>		
Trading Goods	—	1,303,372
Raw Materials	—	151,255
Finished Goods	—	21,042
	—	1,475,669
Less: Opening Stock	1,475,669	1,496,314
	<b>(1,475,669)</b>	<b>(20,645)</b>
<b><u>SCHEDULE -7</u></b>		
<b><u>MANUFACTURING &amp; OPERATING EXPENSES</u></b>		
Purchase of Chemicals	—	66,728
	—	66,728
<b><u>SCHEDULE -8</u></b>		
<b><u>SALARIES, WAGES &amp; OTHER BENEFITS</u></b>		
Salary	—	16,560
Food or Beverages to Staff	225	1,612
	<b>225</b>	<b>18,172</b>
<b><u>SCHEDULE -9</u></b>		
<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES</u></b>		
Advertisement	—	3,111
Audit Fees	10,000	10,000
Bad Debts	159,800	12,290
Bank Charges	2,925	1,443
Computer Expenses	—	9,750
Delivery & Forwarding Charges (Outward)	—	1,250
Depreciation	149,841	227,123
Electric Charges	2,192	12,277
Employer's Profession Tax	2,500	2,600
Filing Fees	1,500	6,000
Input Tax (VAT) Written Off	69,764	—
Insurance Charges	6,371	3,457
Legal Expenses	—	292
Local Conveyance	540	928
Loss on Sale of Fixed Assets	261,294	—
Loss on Sale of Loose Tools	40,316	—
Maintenance & Repairs	37,606	1,004
Miscellaneous Expenses	13,679	12,219
Postage & Telegram	110	369
Preliminary Expenses written off	—	44,160
Printing & Stationery	180	24,798
Professional Fees	2,000	87,700
Rates & Taxes	2,930	21,784
Rent	3,000	134,798
Subscription	3,200	—
Telephone Expenses	45,641	51,566
Travelling Expenses	—	2,904
Vehicle Running Expenses	213,628	90,200
	<b>1,029,017</b>	<b>762,023</b>

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

**SCHEDULES TO ACCOUNTS (Contd.)**

**SCHEDULE - 10 : NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009**

**1. Significant Accounting Policies**

**(i) Basis of Preparation of Financial Statements**

The Financial Statements are prepared in accordance with the Accounting Standards specified by the Institute of Chartered Accountants of India.

**(ii) Accounting Convention**

The Financial Statements have been prepared in accordance with historical cost convention.

**(iii) Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation upto the year.

**(iv) Depreciation**

Depreciation has been provided on Written Down Value Method at the rates specified in the Schedule XIV of the Companies Act, 1956.

**(v) Impairment of Assets**

Impairment of Assets are assessed at Balance Sheet and if any indicators of impairment exist, the same is assessed and provided for.

**(vi) Inventories**

Inventories are valued as per AS 2 at cost or market value whichever is lower.

**(vii) Prior Period Adjustment, Extra Ordinary Items & Changes in Accounting Policies**

Prior Adjustments, Extra Ordinary Items & Changes in Accounting Policies having impact on the financial affairs of the Company are disclosed.

**2. Auditors' Remuneration Consists of :**

	<u>2008-09</u>	<u>2007-08</u>
	<u>Rs.</u>	<u>Rs.</u>
Audit Fees	<b>10,000/-</b>	10,000/-

**3. Value of Imports on CIF Basis :**

Chemicals	<b>NIL</b>	NIL
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**4. Valuation of Inventories**

As the validity period of chemicals has expired and some of them are damaged, the value of the stock in trade is taken as Nil. The company has also applied for permission of West Bengal Pollution Control Board to dispose of these materials.

**5. Quantitative Details of Chemicals**

	Trading Goods		Raw Materials		Finished Goods	
	Qty (gms)	Amount (Rs)	Qty	Amount (Rs.)	Qty (gms)	Amount (Rs.)
Opening Stock	308,558	1,303,372	947,105 gm 169,490 ml 21 cum	99,732 17,921 33,602	58,211	21,042
Purchase	—	—	—	—	—	—
Sales	—	—	—	—	—	—
Damaged/Expired	—	1,303,372	—	151,255	—	21,042
Closing Stock	308,558	—	947,105 gm 169,490 ml 21 cum	— — —	58,211	—

6. Deferred Tax asset has not been recognised in view of prudence.

7. The Company is predominantly engaged in manufacturing, trading and sale of chemical products and therefore segment reporting as envisaged in Accounting Standard (AS-17) on Segment Reporting is not applicable.

**8. List of Related Parties**

Name	Relation
a) Key Management Person	
i) Sri Devashish Dabriwal	Director
ii) Sri Shiva Prasad Bevinmarad	Director
b) United Credit Limited	Holding Company
c) United Nanotech Products Limited	One Common Director
d) United Credit & Development Co. Ltd.	Fellow Subsidiary

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

**SCHEDULES TO ACCOUNTS (Contd.)**

9. During the financial year, the company has entered into following transactions with the following related parties :

1	The name of the transacting related Party	United Credit Limited
2	Relationship between the parties	Holding Company
3	Nature of transaction	Loan taken & Rent Paid
4	Volume of the transactions	Loan Taken Rs.710000/- Loan Repaid Rs.100000/- Interest Paid Rs.Nil Rent Paid Rs.3,000/-
5	i) The amounts of outstanding at the balance sheet date. ii) Provisions for doubtful debts due from such parties at that date	Loan - Rs.13,975,000/-  NIL
6	Amounts written off or written back in the period in respect of debts due.	NIL

10. Figures of previous years have been regrouped / rearranged wherever necessary.

Signatures to Schedules 1 to 10

7A, Bentinck Street,  
Kolkata - 700 001  
25th day of May, 2009

For **Sanjay Bajoria & Associates**  
Chartered Accountants  
**SANJAY BAJORIA**  
(Partner)  
Membership Number: 53667

On behalf of the Board of Directors  
**Devashish Dabriwal** Chairman  
**Shiva Prasad Bevinmarad** Director

**UNITED NANOTECHNOLOGIES PRIVATE LIMITED**

INFORMATION PURSUANT TO THE PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet abstract and Company's general business profile.

i) Registration Details	
Registration No.	U36999 WB2004 PTC 098996
State Code	21
Balance Sheet Date	31st March 2009
ii) Capital Raised during the year (Amount in Rs.Thousand)	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
iii) Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousand)	
Total Liabilities	19,149
Total Assets	19,149
<b>Sources of Funds :</b>	
Paid-up Capital	5,000
Loan	13,975
<b>Application of Funds :</b>	
Net Fixed Assets	7,246
Net Current Assets	508
Preliminary Expenses	—
Accumulated Losses	11,221
iv) Performance of Company (Amount in Rs.Thousand):	
Turnover including other income	4
Total Expenditure	2505
Profit (+)/Loss(-) before Tax	(-) 2,501
Profit (+)/Loss(-) after Tax	(-) 2,501
Basic & Diluted Earning Per Equity Share in Rupees	NIL
Dividend Rate(%)	NIL
v) Generic Name of the Three Principal Products/Service of the Company. (As per Monetary Terms)	
Product Description	ITC Code No.
NANO E2C 208 (Waterproof Coating Chemical)	32100090
NANO CPS 109 (Anti Fingerprint Chemical)	32100090
NANO FPM 308 (Hydrophobic Coating Chemical)	32099010

7A, Bentinck Street,  
Kolkata - 700 001  
25th day of May, 2009

For **Sanjay Bajoria & Associates**  
Chartered Accountants  
**SANJAY BAJORIA**  
(Partner)  
Membership Number: 53667

On behalf of the Board of Directors  
**Devashish Dabrial** Chairman  
**Shiva Prasad Bevinmarad** Director

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

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**DIRECTORS' REPORT**

**TO THE MEMBERS**

Your Directors are pleased to present the Annual Report for the year ended 31st March, 2009.

**FINANCIAL RESULTS**

(Rs. In Lacs)

Total Income	12.92
Total Expenditure/Loss on Capital Market	119.98
Profit/(Loss) before tax	(107.06)
Profit/(Loss) after tax	(109.00)

**DIVIDEND**

In absence of Profit your Directors do not recommend any dividend.

**PERFORMANCE**

Your company being an Investment company, was engaged in investment in the secondary share market during the year. Due to sharp fall in the share market, the value of company's investment decreased substantially. However, during the current financial year, the market has started recovering and the directors are hopeful to make up the shortfall in the value of investment and maintain the minimum level of net owned funds required as per RBI norms very soon.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Information pursuant to Section 217 (2AA) of the Companies Act, 1956.

It is stated –

- 1) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- 2) 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;
- 3) 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;
- 4) that the directors had prepared the annual accounts on a going concern basis.

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

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**DIRECTORS**

Shri Raj Mohan Chaubey, Director is to retire by rotation at the forthcoming Annual General Meeting and being eligible he offers himself for re-appointment.

**AUDITORS**

M/s. Sanjay Bajoria & Associates, Chartered Accountants, Auditors of the company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**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 take this opportunity to place on record their deep appreciation for the whole hearted and sincere cooperation received from the statutory authorities, members, bankers and the employees of the company during the year under report.

Place : Kolkata-700 016  
Date : The 26th May, 2009

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



## **UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

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### **AUDITORS' REPORT**

TO THE SHAREHOLDERS OF UNITED CREDIT & DEVELOPMENT COMPANY LIMITED

We have audited the attached Balance Sheet of **UNITED CREDIT & DEVELOPMENT COMPANY LIMITED** as at **31st March 2009** and the relative Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examinations of those books.
- 3) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 4) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement read together with the notes on accounts thereon comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
- 5) In our opinion and on the basis of information and explanations given to us and written representations received from the Directors of the Company as at 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that no Director is disqualified from being appointed as a Director of the Company under clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
  - ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date and
  - iii) in the case of the Cash flow Account, of the Cash Flow of the Company for the year ended on that date.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 and on the basis of such checks as we considered appropriate we further report that :-

1.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets of the company have been physically verified by the management at reasonable intervals during the year which in our opinion is reasonable, having regard to the size of the company and nature of its assets and no material discrepancies were noticed.
  - c) The Company has not disposed off substantial part of fixed assets during the year which could affect the going concern status of the Company.
2.
  - a) According to information and explanations given to us, the inventory of securities have been held in dematerialized form and are verified with the demat account statements at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures of verification of inventories followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
  - c) On the basis of our examination or the records of the inventories, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies have been noticed.

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

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3. a) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.  
b) In view of our comment in paragraph 1(a) above, clauses (iii) (b) (c) & (d) of paragraph 4 of the order are not applicable to the company.  
c) As informed to us, the company has taken any loans from a Company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.50 lakhs and there were no outstanding balance standing at end of the year.  
d) In our opinion and according to the explanations given to us, rate of interest and other terms and conditions of the loan taken by the company are prima facie not prejudicial to the interest of the company.  
e) According to the information and explanations given to us by the management payment of principal amount and interest are regular.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit, we have not observed any major weakness in internal controls.
5. a) According to the information and explanations given to us, the transaction of purchase and sale of goods and services made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956.  
b) In our opinion and according to the information and explanations given to us the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public in terms of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. As per the information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of the business.
8. In our opinion and according to the information and explanations given to us by management, the company has regularly deposited its statutory dues with the appropriate authorities.
9. According to information and explanations given to us and records examined by us, the Company is dealing / trading in shares, securities, debentures and other investments and proper records have been maintained of the transactions and entries have been made timely therein. All investments at the close of the year are held in the name of the Company.
10. Based on examination and on the basis of information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment of the Company.
12. During the year, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
13. Based on audit procedures and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
14. According to the information and explanations given to us, in our opinion clause (viii), (x), (xi), (xii), (xiii), (xvi), (xix) & (xx) of the order are not applicable for the period under audit.
15. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998, we also state that we have submitted a report addressed to the Board of Directors of the Company containing a statement on the matters of supervisory concerns to the Reserve Bank of India, as specified in the said Directions.

7A, Bentinck Street,  
Kolkata – 700 001.  
The 26th day of May, 2009.

For Sanjay Bajoria & Associates  
Chartered Accountants  
**(SANJAY BAJORIA)**  
Partner  
Membership No.53667

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2009**

	Schedule	As at 31.03.2009		As at 31.03.2008
		Rs.	Rs.	Rupees
<b>SOURCES OF FUNDS :</b>				
<b>1. Shareholders' Fund</b>				
Share Capital	1	20,500,000		20,500,000
<b>2. Unsecured Loans</b>	2	12,500,000		—
<b>Total</b>		<b>33,000,000</b>		<b>20,500,000</b>
<b>APPLICATION OF FUNDS :</b>				
<b>1. Fixed Assets</b>	3			
Gross Block		40,198	40,198	
Less : Depreciation		25,727	16,079	
Net Block			14,471	24,119
<b>2. Current Assets, Loans &amp; Advances</b>				
Stock in Trade	4	14,450,761		9,714,776
Cash & Bank Balances	5	755,231		6,123,028
Loans & Advances	6	4,015,648		1,605,870
		<b>19,221,640</b>		<b>17,443,674</b>
<b>Less : Current Liabilities &amp; Provisions</b>				
a) Liabilities	7	162,718		45,696
b) Provisions	8	116,834		65,724
		<b>279,552</b>		<b>111,420</b>
Net Current Assets			<b>18,942,088</b>	17,332,254
<b>3. Profit &amp; Loss Account</b>			<b>14,043,441</b>	3,143,627
<b>Total</b>			<b>33,000,000</b>	<b>20,500,000</b>
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	12			
AS PER REPORT ATTACHED				

Schedules 1 to 8 & 12 referred to above form an integral part of Balance Sheet.

This is the Balance Sheet referred to in our report of even date

7A, Bentinck Street,  
Kolkata - 700 001  
The 26th day of May, 2009

For **Sanjay Bajoria & Associates**  
Chartered Accountants  
**SANJAY BAJORIA**  
(Partner)  
Membership Number: 53667

On behalf of the Board  
**Ravi Poddar**  
**A. K. Dabriwala**  
**Anup Ganguly**  
Chairman  
Director  
Company Secretary

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

Schedule	Year Ended 31.03.2009	Year Ended 31.03.2008
	Rupees	Rupees
<b>INCOME :</b>		
Interest (Tax Deducted at source Rs.NIL; Previous Year Rs.102,327/-)	235,874	161,808
Dividend (Tax Deducted at source Rs.NIL; Previous Year Rs.NIL)	156,525	226,493
Management Fees (Tax Deducted at source Rs.92,700/-; Previous Year Rs.NIL)	900,000	—
	<b>1,292,399</b>	<b>388,301</b>
<b>EXPENDITURE :</b>		
Loss on Capital Market Operations                      9	8,686,561	873,211
Employees' Remuneration & Welfare Expenses    10	823,138	438,054
Rent	780,000	250
Interest	1,120,308	587,500
Administrative & Other Expenses                              11	578,461	1,132,723
Depreciation	9,648	16,079
Preliminary Expenses written off	—	116,560
	<b>11,998,116</b>	<b>3,164,377</b>
<b>Profit/(Loss) before Tax</b>	<b>(10,705,717)</b>	<b>(2,776,076)</b>
Provision for Current Tax	—	—
Provision for Fringe Benefit Tax	(2,260)	(10,090)
Security Transaction Tax	(190,987)	(304,648)
Provision for Fringe Benefit Tax for earlier year	(850)	(634)
<b>Profit/(Loss) after Tax</b>	<b>(10,899,814)</b>	<b>(3,091,449)</b>
Profit brought forward from previous year	(3,143,627)	(52,178)
Balance carried to Balance Sheet	(14,043,441)	(3,143,627)
Basic and Diluted Earning per Share (in Rupees) Face Value of Rs.5/-	<b>(2.66)</b>	<b>(0.75)</b>

SIGNIFICANT ACCOUNTING POLICIES & 12  
NOTES ON ACCOUNTS  
AS PER OUR REPORT ATTACHED

Schedule 9 to 12 referred to above form an integral part of Profit & Loss Account.  
This is the Profit & Loss Account referred to in our report of even date

For **Sanjay Bajoria & Associates**  
Chartered Accountants  
**SANJAY BAJORIA**  
(Partner)  
Membership Number: 53667

7A, Bentinck Street,  
Kolkata - 700 001  
The 26th day of May, 2009

On behalf of the Board  
**Ravi Poddar**    Chairman  
**A. K. Dabriwala**                                      Director  
**Anup Ganguly**                                      Company Secretary

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED****CASH FLOW STATEMENT**

	<b>As at 31.03.2009 Rupees</b>	<b>As at 31.03.2008 Rupees</b>
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary items	<b>(10,705,717)</b>	(2,776,076)
Adjustment for		
Depreciation	<b>9,648</b>	16,079
Preliminary Expenses written off	<b>—</b>	116,560
Dividend	<b>(156,525)</b>	(226,493)
Interest Received	<b>(235,874)</b>	(161,808)
Interest Paid	<b>1,120,308</b>	587,500
Operating profit/(loss) before Working Capital Changes	<b>(9,968,160)</b>	(2,444,238)
Adjustment for		
Trade & other Receivables	<b>(2,306,138)</b>	(996,982)
Inventory of Shares	<b>(4,735,985)</b>	(9,714,776)
Trade Payables	<b>165,022</b>	(75,161)
Cash used in Operations	<b>(16,845,261)</b>	(13,231,157)
Extra Ordinary Items	<b>—</b>	—
Cash flow after extra ordinary Items	<b>(16,845,261)</b>	(13,231,157)
Direct Taxes paid	<b>(294,627)</b>	(407,609)
Net Cash used in operating activities	<b>(17,139,888)</b>	(13,638,767)
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Fixed Deposit Maturity	<b>—</b>	20,000,000
Purchases of Fixed Deposit	<b>—</b>	—
Purchases of Fixed Assets	<b>—</b>	(40,198)
Interest received	<b>235,874</b>	161,808
Dividend Received	<b>156,525</b>	226,493
Net Cash generated from Investing Activities	<b>392,399</b>	20,348,103

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**CASH FLOW STATEMENT (CONTD.)**

	<b>As at 31.03.2009 Rupees</b>	<b>As at 31.03.2008 Rupees</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Shares	—	—
Proceeds From Borrowings	<b>15,000,000</b>	—
Repayments of Borrowings	<b>(2,500,000)</b>	—
Interest Paid	<b>(1,120,308)</b>	(587,500)
Net Cash Used in Financing Activities	<b>11,379,692</b>	(587,500)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	<b>(5,367,797)</b>	6,121,836
Opening Balance of Cash & Cash Equivalents	<b>6,123,028</b>	1,192
Closing Balance of Cash & Cash Equivalents	<b>755,231</b>	6,123,028

**Notes :**

- 1) The above Cash Flow has been compiled from and is based on the Balance Sheet as at 31st March, 2009 and the related Profit & Loss Account for the year ended on that date.
- 2) Figures in parenthesis represent outflow.
- 3) Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation.

This is the Cash Flow Statement referred to in our report of even date.

For **Sanjay Bajoria & Associates**  
Chartered Accountants  
**SANJAY BAJORIA**  
(Partner)  
Membership Number: 53667

7A, Bentinck Street,  
Kolkata - 700 001  
The 26th day of May, 2009

On behalf of the Board  
**Ravi Poddar**  
**A. K. Dabriwala**  
**Anup Ganguly**

*Chairman*  
*Director*  
*Company Secretary*

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2009**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE -1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised -</b> 7,000,000 Equity Shares of Rs. 5/- each	<b>35,000,000</b>	35,000,000
<b>Issued Subscribed and Paid up -</b> 4,100,000 (Previous Year 4,100,000) Equity Shares of Rs. 5/- each fully paid-up	<b>20,500,000</b>	20,500,000

**SCHEDULE-2**

**Unsecured Loan**

United Credit Limited	2,500,000	—
Arjun Shyam & Co. Pvt. Ltd.	7,500,000	—
Classic Capital Markets Ltd.	2,500,000	—
	<b>12,500,000</b>	—

**SCHEDULE-3**

**FIXED ASSETS**

Particulars	Gross Block				Depreciation				Net Block	
	Cost upto 31st March 2008	Additions during the year	Sold / Discarded during the year	Total Cost upto 31st March 2009	Upto 31st March 2008	Provided for the year	On Assets sold/ discarded	Total upto 31st March 2009	As at 31st March 2009	As at 31st March 2008
Computer	40,198	—	—	40,198	16,079	9,648	—	25,727	14,471	24,119
	40,198	—	—	40,198	16,079	9,648	—	25,727	14,471	24,119
Figures for previous year	—	40,198	—	40,198	—	16,079	—	16,079	24,119	—

**SCHEDULE-4**

**STOCK IN TRADE**

Equity Shares (Quoted)	14,450,761	9,714,776
(At cost or Market Price whichever is lower)	<b>14,450,761</b>	9,714,776

**SCHEDULE -5**

**CURRENT ASSETS, LOANS & ADVANCES**

**CASH AND BANK BALANCES**

Cash - in - Hand (as certified by Management)	7,547	3,051
Current Account with Banks	747,684	6,119,977
	<b>755,231</b>	6,123,028

**SCHEDULE -6**

**LOANS & ADVANCES**

(Unsecured Loans considered good)

i) Security Deposit	1,000,000	1,000,000
ii) Tax Deducted at Source	281,762	189,062
iii) Income Tax Advance	400,000	400,000
iv) Fringe Benefit Tax Paid	11,574	634
v) Loans	2,322,312	—
vi) Other Advances	—	16,174
	<b>4,015,648</b>	1,605,870

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**SCHEDULES TO ACCOUNTS (Contd.)**

	As at 31.03.2009 Rupees		As at 31.03.2008 Rupees
<b><u>SCHEDULE -7</u></b>			
<b><u>CURRENT LIABILITIES AND PROVISIONS</u></b>			
<b><u>Current Liabilities</u></b>			
Auditors' Remuneration	22,060		22,472
Tax Deducted At Source payable	140,658		22,764
Employees Profession Tax	—		460
	<u>162,718</u>		<u>45,696</u>
<b><u>SCHEDULE -8</u></b>			
<b><u>Provisions</u></b>			
Provision for Taxation	55,000		55,000
Provision for Fringe Benefit Tax	13,834		10,724
Provision for Leave Salary	48,000		—
	<u>116,834</u>		<u>65,724</u>
<b><u>SCHEDULE-9</u></b>			
<b><u>Profit/Loss on Capital Market Operations</u></b>			
<b>Opening Stock of Shares</b>	<b>9,714,777</b>	—	—
Add: Purchases of Shares	99,219,035	128,242,330	—
Add: Purchases of Mutual Fund	<u>6,200,000</u>	<u>8,001,560</u>	136,243,890
Less: Sales of Shares	85,786,153	117,643,851	—
Less: Redemption of Mutual Fund	<u>6,210,337</u>	<u>91,996,490</u>	<u>8,012,052</u>
	<u>23,137,322</u>		<u>10,587,987</u>
Closing Stock of Shares (At Cost or Market Price whichever is lower)	14,450,761		9,714,776
Profit / (Loss)	<u>(8,686,561)</u>		<u>(873,211)</u>
<b><u>SCHEDULE -10</u></b>			
<b><u>Employees' Remuneration &amp; Welfare Expenses</u></b>			
Basic	495,200		326,245
HRA	94,600		55,042
Conveyance	68,800		56,767
Exgratia	56,481		—
EDLIF Administrative Charges	32		—
Employer's Contribution to Pension Fund	26,934		—
Employer's Contribution to Provident Fund	15,550		—
Employer's Contribution to EDLIF	1,518		—
PF Administrative Charges	16,023		—
Employees' Leave Salary	48,000		—
	<u>823,138</u>		<u>438,054</u>



**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**SCHEDULES TO ACCOUNTS (Contd.)**

	<b>As at 31.03.2009 Rupees</b>	<b>As at 31.03.2008 Rupees</b>
<b>SCHEDULE - 11</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Printing & Stationery	—	58,355
Postage & Telegram	—	6,188
Travelling & Conveyance	48,642	544,090
Advertisement	500	15,000
Auditors' Remuneration		
Statutory Audit	15,000	15,000
Tax Audit	5,000	5,000
Miscellaneous Expenses	104,484	43,607
Rates & Taxes	3,960	2,942
Computer Expenses	19,454	2,815
Filing fees	2,000	7,140
Internet Expenses	26,033	8,176
Directors' Fees	75,000	45,000
Board Meeting Expenses	—	5,004
Professional Fees	182,674	160,477
Profession Tax	2,500	2,500
Bank Charges	3,362	362
Demat Charges	72,684	33,567
Donation	—	165,501
Service Charges	—	12,000
Telephone Charges	17,168	—
	<b>578,461</b>	<b>1,132,723</b>

**SCHEDULE - 12**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**1. Basis of Preparation of Financial Statements:**

The Financial Statements have been prepared in accordance with the Accounting Standards specified by the Institute of Chartered Accountants of India.

**2. Accounting Convention:**

The financial statements have been prepared in accordance with historical cost convention.

**3. Fixed Assets:**

Fixed Assets are stated at historical cost less depreciation. Historical cost is inclusive of taxes, freight and other incidental expenses related to acquisition, installation.

**4. Depreciation:**

Depreciation on fixed assets is provided on Written Down Value Method at the rates which are in conformity with the requirements of the Companies Act, 1956.

**5. Impairment of Assets:**

Impairment of Assets are assessed at Balance Sheet and if any indicators of impairment exists, the same is assessed and provided for. (AS 28)

**6. Stock-in-Shares:**

Stock-in-shares held for trading purposes are valued at cost or market value whichever is lower on individual basis as per AS 2 of ICAI.

**7. Foreign Exchange Transactions:**

Payments made in foreign currency are converted at the applicable exchange rate prevailing on the date of remittance. Liability on account of foreign currency is converted at the exchange rate prevailing as at the end of the year except in case of subsequent payments where liability is provided at actuals. Gain/Loss arising out of fluctuation in exchange rate is adjusted in the revenue account.

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**SCHEDULES TO ACCOUNTS (Contd.)**

**SCHEDULE - 12 (Contd.)**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**8. Retirement Benefits:**

Provision for gratuity benefits to the employees will be made as and when applicable.

**9. Taxes on Income:**

Current Tax is determined on the amount of tax payable in respect of taxable income for the year. The deferred tax is provided and recognised on timing differences between taxable income and accounting income subject to prudential consideration.

**10. Prudential Norms:**

The Company has followed the prudential norms for income recognition and provisioning against non-performing assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

**11. Prior period adjustments, extra-ordinary items and changes in Accounting Policy:**

Prior period adjustments, extra-ordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

**12. Contingent Liability**

No provision is made for liabilities which are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the Balance Sheet date and a reasonable estimate of the resulting loss can be made. However, all known and material contingent liabilities are disclosed by way of separate notes.

**13. Preliminary Expenses**

Preliminary Expenses are written off fully as per AS 26 of the Institute of Chartered Accountants of India.

**14. Quantitative Information**

	As at 31-03-2009				As at 31-03-2008			
	Shares		Mutual Fund		Shares		Mutual Fund	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
A) For Opening Stock	46,937	9,714,776	—	—	—	—	—	—
B) For Purchases	1,594,667	99,219,035	5,569	6,200,000	981,706	128,242,330	7,513	8,001,560
C) For Sales	955,085	85,786,153	5,569	6,210,337	934,769	117,643,851	7,513	8,012,052
D) For Closing Stock	686,519	14,450,761	—	—	46,937	9,714,776	—	—

According to the information available with the company there is no amount outstanding as on 31st March 2009 to Small Scale Industrial Undertakings.

**15. Earnings per share:**

Profit computation for both Basic and Diluted earnings per share of Rs.5/- each

Net Profit as per Profit & Loss Account (Rs.)

**31-Mar-09**                      **31-Mar-08**

**(10,899,814)**                      (3,091,449)

Weighted average number of Equity shares outstanding (No.)

**4,100,000**                      4,100,000

Basic and diluted earnings per share in rupees of face value Rs.5/-

**(2.66)**                      (0.75)

**16. Segment Reporting**

The Company is predominantly engaged in investments activities and therefore segment reporting as envisaged in AS 17 on segment reporting is not applicable.

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**SCHEDULES TO ACCOUNTS (Contd.)**

**SCHEDULE - 12 (Contd.)**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

17. Related Party Disclosures as per AS 18 issued by the ICAI is as under

**a) Related Party where control exists**

<b>Name of Related Parties</b>	<b>Relationships</b>
United Credit Limited	Holding Co.
United Nanotechnologies Pvt. Ltd.	Fellow Subsidiary
United Nanotech Products Limited	Associate Company
Anandilal Poddar Charitable Trust	Director is a Trustee
Ravi Poddar	Key Management personnel
Ashok Kumar Dabriwala	Key Management personnel

**b) Related Party, where transactions have been entered into**

Name of related parties	Nature of Relationship	Amount of Transaction	Nature of Transaction	Balance outstanding as on 31-03-2009
United Credit Limited	Holding Co.	Rs.50,00,000/- Rs.25,00,000/- Rs.514,555/-	Loan Taken Loan Refunded Interest on Loan Paid	Rs.25,00,000/-

**18. Expenditure Incurred in Foreign Currency on account of :**

Nature of Expenses	Equivalent to	<b>Current Year Rupees</b>	Previous Year Rupees
NIL		—	—

19. Deferred Tax asset has not been recognised in view of prudence as there is no virtual certainty about availability of future taxable income to realise such asset.

**20. Employees Benefits**

**Defined benefits plans as per actuarial valuation on 31st March 2009**

	Leave Encashment Rs. Lacs
<b>I Expenses recognised in the statement of Profit &amp; Loss for the year ended 31st March 2009</b>	
1 Current Service Cost	0.18
2 Interest Cost	0.03
3 Employee Contributions	-
4 Expected returns on plan assets	-
5 Net Actuarial (gains) / Losses	0.02
6 Post Service Cost	-
7 Settlement Cost	-
8 Total Expenses	0.23
<b>II Net Assets/ ( Liability) recognised in the Balance Sheet as at 1st April 2008</b>	
1 Present value of Defined benefit Obligation	0.25
2 Fair Value of Plan Assets	-
3 Funded status of assets	(0.25)
4 Net Asset ( liability)	(0.25)
<b>III Change in Obligation during the year ended 31st March 2009</b>	
1 Present value of Defined Benefit Obligation at beginning of the year	0.25
2 Current service Cost	0.18
3 Interest Cost	0.03
4 Settlement Cost	-
5 Post Service Cost	-
6 Employee Contributions	-
7 Actuarial ( gains) / Losses	0.02
8 Benefits Payments	-
9 Present value of Defined Benefit Obligation at the end of the year	0.48

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**SCHEDULES TO ACCOUNTS (Contd.)**

**SCHEDULE - 12 (Contd.)**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**IV Change in Assets during the year ended 31st March 2009**

1	Plan assets at the beginning of the year	-
2	Assets acquired on amalgamation in previous year	-
3	Settlements	-
4	Expected return on plan assets	-
5	Contributions by Employer	-
6	Actual benefits paid	-
7	Actuarial Gains / ( Losses)	-
8	Plan assets at the end of the year	-
9	Actual return on plan assets	-

**V Actuarial Assumptions:**

		As at 31-03-2009
1	Discount Rate	7.5 % p.a. compounded
2	Mortality pre-retirement / post - retirement	Standard Table LIC (1994-96) Ultimate
3	Rate of increase in salaries	5%
4	Expected average remaining working lives of employees (years)	18.80
5	Apart from the above the estimates of future salary increases considered in actuarial valuation take account of inflation, seniority , promotion & other relevant factors such as supply & demand in the employment market.	

**21. Disclosure pursuant to Reserve Bank of India Notification DNBS. 167/CGM (OPA) - 2003 dated March 29, 2003 :**

Sl. No.	Particulars	Amount Outstanding as at 31st March 2009
	<b>LIABILITIES :</b>	
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not due :	Nil
(a)	Debtentures	Nil
	Secured	
	Unsecured	
	[Other than falling within the meaning of public deposits]	
(b)	Deferred Credits	Nil
(c)	Term Loans	Nil
(d)	Inter-corporate loans and borrowings	12,500,000
(e)	Commercial Paper	Nil
(f)	Fixed Deposits	Nil
	- From Corporates	
	- From Others	
(g)	Other Loans	Nil
	[Represents Working Capital Demand Loans and Cash Credit from Banks including foreign currency loans]	
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not due) :	Nil
(a)	In the form of Unsecured debtentures	Nil
(b)	In the form of Partly secured debtentures i.e. Debtentures where there is a shortfall in the value of security	Nil
(c)	Other public deposits	Nil
	<b>ASSETS :</b>	
(3)	Break-up of loans and Advances including bills receivables [other than those included in (4) below] :	Nil
(a)	Secured	Nil
(b)	Unsecured	2,322,312

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**SCHEDULES TO ACCOUNTS (Contd.)**

**SCHEDULE - 12 (Contd.)**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

(4)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards Equipment Leasing/Hire Purchase (EL/HP) activities			N.A.
(i)	Lease assets including lease rentals under sundry debtors :			
	(a) Financial lease			
	(b) Operating lease			
(ii)	Stock on hire including hire charges under sundry debtors :			
	(a) Assets on hire			
	(b) Repossessed Assets (Note below)			
(iii)	Hypothecation loans counting towards EL/HP activities :			
	(a) Loans where assets have been repossessed (Note below)			
	(b) Loans other than (a) above			
(5)	Break-up of Investments (net of provision for diminution in value) :	Current Investments		Long Term Investments
I)	Quoted :			
i)	Shares :			
	(a) Equity	14,450,761		
	(b) Preference	Nil		
ii)	Debentures and Bonds	Nil		
iii)	Units of Mutual Funds	Nil		
iv)	Government Securities	Nil		
v)	Other (please specify)	Nil		
II)	Unquoted :	Nil		
i)	Shares :			
	(a) Equity			
	(b) Preference			
ii)	Debentures and Bonds			
iii)	Units of Mutual Funds			
iv)	Government Securities			
v)	Other (please specify)			
(6)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :			

Amount gross of provisioning as on 31st March 2009

Category	Secured	Unsecured	Total
1. Related Parties	Nil	Nil	Nil
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than Related Parties	Nil	2,322,312	2,322,312
<b>Total</b>	—	2,322,312	2,322,312

**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

**SCHEDULES TO ACCOUNTS (Contd.)**

**SCHEDULE - 12 (Contd.)**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

- (7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted and net of provision for diminution in value) :

Category	M/Value/Break up value or net Asset			Book Value (Net of Provisioning)
1. Related Parties	Nil			Nil
(a) Subsidiaries	Nil			Nil
(b) Companies in the same group	Nil			Nil
(c) Other related parties	Nil			Nil
2. Other than Related Parties	Nil			Nil
Total	—			—
(8) Other Information		Related Parties	Other than Related Parties	
i) Gross Non-Performing Assets (includes debtors of Rs. )	Nil	Nil	Nil	—
ii) Net Non-Performing Assets (net of provisioning of Rs. )	Nil	Nil	Nil	—
iii) Assets acquired in satisfaction of debt	Nil	Nil	Nil	—

22. The Net Owned Fund of the company has dropped below the minimum level of Rs. 2 Crore as required by RBI norms .The management is taking steps to bring back the net owned fund to the required level.

23. Previous year's figures have been regrouped, recast and rearranged wherever necessary to make it comparable with the current year's figures.

Signatures to Schedules 1 to 12

<p>7A, Bentinck Street, Kolkata - 700 001 The 26th day of May, 2009</p>	<p>For <b>Sanjay Bajoria &amp; Associates</b> Chartered Accountants <b>SANJAY BAJORIA</b> (Partner) Membership Number: 53667</p>	<p>On behalf of the Board <b>Ravi Poddar</b> <b>A. K. Dabriwala</b> <b>Anup Ganguly</b></p>	<p><i>Chairman</i> <i>Director</i> <i>Company Secretary</i></p>
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**UNITED CREDIT & DEVELOPMENT COMPANY LIMITED**

INFORMATION PURSUANT TO THE PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet abstract and Company's general business profile.

i) Registration Details		
Registration No.	U65999 WB2004 PLC 099019	
State Code	21	
Balance Sheet Date	31st March 2009	
ii) Capital Raised during the year (Amount in Rs.Thousand)		
Public Issue		NIL
Rights Issue		NIL
Bonus Issue		NIL
Private Placement		NIL
iii) Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousand)		
Total Liabilities		33,280
Total Assets		33,280
<b>Sources of Funds :</b>		
Paid-up Capital		20,500
Share Application Money		NIL
Reserves and Surplus		NIL
Deferred Tax Liability		NIL
Secured Loans		NIL
Unsecured Loans		12,500
<b>Application of Funds :</b>		
Net Fixed Assets		15
Capital Work-in-Progress		NIL
Investment		NIL
Net Current Assets		18,942
Miscellaneous Expenditure		NIL
Accumulated Losses		14,043
iv) Performance of Company (Amount in Rs.Thousand)		
Turnover		1,292
Total Expenditure		11,998
Profit before Tax		(10,706)
Profit after Tax		(10,900)
Earning per share		(2.66)
Dividend Rate		NIL
v) Generic Names of the three principal products/services of the company. (As per Monetary Terms)		
Product Description		ITC Code No.
NIL		Not Applicable

7A, Bentinck Street, Kolkata - 700 001 The 26th day of May, 2009	For <b>Sanjay Bajoria &amp; Associates</b> Chartered Accountants <b>SANJAY BAJORIA</b> (Partner) Membership Number: 53667	On behalf of the Board <b>Ravi Poddar</b> <b>A. K. Dabriwala</b> <b>Anup Ganguly</b>	<i>Chairman</i> <i>Director</i> <i>Company Secretary</i>
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**CONSOLIDATED FINANCIAL STATEMENTS  
OF  
UNITED CREDIT LIMITED  
AND ITS  
SUBSIDIARY COMPANIES**





**AUDITORS' REPORT  
on Consolidated Financial Statements**

To  
The Board of Directors of  
United Credit Limited

1. We have audited the attached Consolidated Balance Sheet of **United Credit Limited ("Company")** and its subsidiaries as at 31st March 2009, the Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the year then ended (hereinafter referred to as "**Consolidated Financial Statements**"), all of which we have signed under the reference to this report. The preparation of these Consolidated Financial Statements is the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform our audit to obtain a reasonable assurance as to whether these Consolidated Financial Statements are prepared, in all materials respects, in accordance with an identified financial reporting framework and are free of any material misstatement. An audit also includes, examining on a test basis, evidences supporting the amounts and disclosures in these Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall Consolidated Financial Statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the annual financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.52,428,344/- as at 31st March 2009 and a total revenue of Rs.1,296,199/- for the year then ended. These financial statements of the subsidiaries have been audited by other auditors, whose audited accounts have been furnished to us and the amounts and the notes thereon reflected in such financial statements of those subsidiaries as per the "Companies Act, 1956 of India", have been only considered for the purpose of consolidating the Consolidated Financial Statements of the Company and reporting thereon by us.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements as notified in Companies Accounting Standard Rules, 2006, Accounting Standard (AS-21) – "Consolidated Financial Statements" and on the basis of the separate audited financial statements of the Company and its subsidiaries, included in these Consolidated Financial Statements.
5. Without qualifying our opinion, we further draw attention to following notes on Schedule 20.
  - i) **Note 13** regarding treatment of investments as long term for the purpose of these consolidated accounts; and
  - ii) **Note 14** regarding non-furnishing of information as required to be disclosed in terms of Accounting Standard 15 on "Employees Benefits" due to non-availability of related details from the insurer.
  - iii) Certain credit balances reflected as "Provisions" (Schedule –12), as stated in **Note 18**.
6. On the basis of the information and explanations given to us, we are of the opinion that the said Consolidated Financial Statements, read in conjunction with Schedules 1 to 20 (including consolidated notes attached thereon/ thereto), give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March 2009;
  - b) in the case of Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year then ended; and
  - c) in the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year then ended.

Place : Kolkata  
Date : 28th May 2009.

For **RAY & RAY**  
**Chartered Accountants**

**ASHISH MAJUMDAR**  
Partner  
Membership No.F57041

**UNITED CREDIT LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009**

	<u>Schedule</u>	<u>Current Year</u>		<u>Previous Year</u>
		<u>Rs.</u>	<u>Rs.</u>	<u>Rupees</u>
<b>SOURCES OF FUNDS :</b>				
1. <b>Shareholders' Fund</b>				
a) Capital	1	<b>65,481,090</b>		
b) Reserves & Surplus	2	<b>141,379,547</b>	<b>206,860,637</b>	222,934,402
2. <b>Minority Interest</b>			<b>182,624</b>	435,923
3. <b>Loan Funds :</b>				
a) Secured Loans	3	<b>1,439,243</b>		1,837,096
b) Unsecured Loans from Body Corporate		<b>10,000,000</b>	<b>11,439,243</b>	—
<b>Total</b>			<b>218,482,504</b>	<b>225,207,421</b>
<b>APPLICATION OF FUNDS :</b>				
1. <b>Goodwill on Acquisition</b>			<b>600,833</b>	600,833
2. <b>Fixed Assets</b>	4			
Gross Block		<b>23,505,395</b>		23,734,585
Less: Depreciation		<b>11,490,450</b>		10,820,276
		<b>12,014,945</b>		12,914,309
(Less)/Add: Lease Adjustment Account		<b>(1,915)</b>		(3,191)
		<b>12,013,030</b>		12,911,118
Less: Provision under RBI Norms		<b>455,301</b>		530,739
Net Block			<b>11,557,729</b>	12,380,379
3. <b>Investments</b>	5		<b>156,750,469</b>	146,113,932
4. <b>Deferred Tax Assets</b>	6		<b>4,576,741</b>	4,093,132
5. <b>Current Assets, Loans &amp; Advances</b>				
Inventories of Subsidiary Company	7	<b>14,661,857</b>		11,459,900
Sundry Debtors	8	<b>351,480</b>		922,445
Cash and Bank Balances	9	<b>8,900,829</b>		32,464,949
Loans and Advances	10	<b>44,697,237</b>		48,643,430
		<b>68,611,403</b>		93,490,724
Less :				
<b>Current Liabilities and Provisions</b>				
(a) Liabilities	11	<b>11,094,672</b>		12,435,164
(b) Provisions	12	<b>12,519,999</b>		19,036,415
		<b>23,614,671</b>		31,471,579
Net Current Assets			<b>44,996,732</b>	62,019,145
<b>Total</b>			<b>218,482,504</b>	<b>225,207,421</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	19			
<b>NOTES ON ACCOUNTS</b>	20			

Schedules 1 to 12, 19 &amp; 20 referred to above form an integral part of Balance Sheet.

This is the Balance Sheet referred to in our report of even date

6, Church Lane  
Kolkata - 700 001  
The 28th May, 2009For RAY & RAY  
Chartered Accountants  
**Ashish Majumdar**  
Partner  
Membership Number : F57041**Arunabha Biswas**  
Vice President and  
SecretaryOn behalf of the Board  
**Ravi Poddar**  
**A.K. Dabriwala**  
**Dipankar Chatterji***Chairman*  
*Mg. Director*  
*Director*



**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Schedule	<u>Current Year</u> Rupees	<u>Previous Year</u> Rupees
<b>INCOME :</b>			
Interest on Loans, Deposits (Gross)		7,991,050	9,268,870
(Tax Deducted at Source - Rs.1,181,168/-; previous year Rs.1,481,611/-)			
Lease Rent		78,700	83,000
Add/(Less) : Lease Adjustment Account		1,276	7,976
		79,976	90,976
Dividend from Other Investments (Gross)		2,330,206	3,033,686
Income from H.P. Business		703,610	711,054
Bad Debts Recovered		92,000	156,400
Other Income (Note 9 of Schedule 20)		1,684,419	2,018,063
Profit on Sale of Investments		—	36,929,601
Sales		—	79,453
Management Fees		900,000	—
(Tax Deducted at Source - Rs.92,700/-; previous year Rs.NIL)			
Increase / (Decrease) in Stock	13	(1,475,669)	(20,645)
		<u>12,305,592</u>	<u>52,267,458</u>
<b>EXPENDITURE :</b>			
Manufacturing & Other Expenses	14	—	66,728
Loss on Capital Market Operations	15	8,045,937	7,599,491
Loss on Sale of Merchandise	16	—	159,528
Employees' Remuneration & Welfare Expenses	17	5,227,184	5,600,323
Rent		1,588,653	933,024
Interest on car loan		916,149	945,678
Insurance		166,681	137,524
Law Charges		385,608	725,427
Other Expenses	18	9,324,860	12,447,551
Depreciation		1,489,536	1,643,617
Provision under RBI Norms		1,423,594	515,765
Provision for Diminution in the Value of Investment		—	4,999,999
Debts/Loans & Advances written off (under RBI Norms) (Note 6 of Schedule 20)		336,856	908,511
		<u>28,905,058</u>	<u>36,683,166</u>
Profit / (Loss) before Prior Period Adjustment		(16,599,466)	15,584,292
Add : Prior Period Adjustment		—	(243)
Profit / (Loss) before Tax		(16,599,466)	15,584,049
Provision of Current Tax		—	3,100,000
Provision for Deferred Tax		(483,609)	(1,717,390)
Provision for Fringe Benefit Tax		201,744	296,990
Income Tax Adjustment		(154,850)	237,432
Adjustment for Fringe Benefit Tax		(48,674)	—
Provision for Wealth Tax		22,000	23,000
Adjustment for Dividend Tax		—	59,169
Security Transaction Tax		190,987	305,282
Profit after Tax		(16,327,064)	13,279,566
Less : Minority Share in Profit after Tax		(253,299)	(62,803)
		<u>(16,073,765)</u>	<u>13,342,369</u>
Profit brought forward from previous year		9,182,264	13,372,256
Add : Adjustment for Acquisition		—	402,876
		<u>(6,891,501)</u>	<u>27,117,501</u>

**UNITED CREDIT LIMITED****CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	<u>Schedule</u>	<u>Current Year</u> <u>Rupees</u>	<u>Previous Year</u> <u>Rupees</u>
<b>APPROPRIATION :</b>			
Proposed Dividend		—	5,744,618
Tax on Dividend		—	976,298
Transfer to General Reserve		—	7,500,000
Transfer to Reserve Fund as per RBI Norms		—	3,714,321
Balance Carried to Balance Sheet		<b>(6,891,501)</b>	9,182,264
		<b>(6,891,501)</b>	<b>27,117,501</b>
Basic and Diluted Earning per Share (in Rupees) Face Value of Rs.10/- (Note 10 of Schedule 20)		<b>(2.78)</b>	2.09
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	19		
<b>NOTES TO ACCOUNTS</b>	20		

Schedules 13 to 20 referred to above form an integral part of Profit & Loss Account.

This is the Profit and Loss Account referred to in our report of even date

6, Church Lane  
Kolkata - 700 001  
The 28th May, 2009

For RAY & RAY  
Chartered Accountants  
**Ashish Majumdar**  
Partner  
Membership Number : F57041

**Arunabha Biswas**  
Vice President and  
Secretary

On behalf of the Board  
**Ravi Poddar**  
**A.K. Dabriwala**  
**Dipankar Chatterji**

*Chairman*  
*Mg. Director*  
*Director*

**CONSOLIDATED CASH FLOW STATEMENT**

	Year ended 31st March, 2009 Rupees	Year ended 31st March, 2008 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary items	<b>(16,599,466)</b>	15,584,292
Adjustment for		
Preliminary Expenses Written Off	—	160,720
Prior Period Adjustment	—	(243)
Depreciation	<b>1,489,536</b>	1,643,617
Loss / (Profit) on Sale of Fixed Assets (Net)	<b>151,950</b>	807,000
Loss / (Profit) on Sale of Investments (Net)	<b>1,531,553</b>	(36,929,601)
Lease Equalisation	<b>(1,276)</b>	(7,976)
Provision under RBI Norms Fixed Assets	<b>(75,438)</b>	(980,776)
Provision for Diminution in the Value of Investment	—	4,999,999
Interest Received	<b>(7,991,050)</b>	(9,268,870)
Dividend Received	<b>(2,330,206)</b>	(3,033,686)
Interest Paid	<b>916,149</b>	945,678
Operating profit before Working Capital Changes	<b>(22,908,248)</b>	(26,079,846)
Adjustment for		
Trade & other Receivables	<b>6,956,990</b>	12,177,084
Inventories	<b>(3,201,957)</b>	(8,598,975)
Trade Payables	<b>(1,612,725)</b>	1,138,816
Cash generated from Operations	<b>(20,765,940)</b>	(21,362,921)
Interest Paid	<b>(916,319)</b>	(950,722)
Direct Taxes (Paid)/Refund [Net]	<b>(1,189,371)</b>	(3,294,169)
Dividend Received	<b>2,330,206</b>	3,033,686
Interest Received	<b>6,809,882</b>	7,889,586
Cash Flow from Operating Activities	<b>(13,731,542)</b>	(14,684,540)
Extraordinary Items	—	—
Net Cash from Operating Activities	<b>(13,731,542)</b>	(14,684,540)
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Investments	<b>(44,341,432)</b>	(295,110,105)
Purchase of Fixed Assets	<b>(1,362,254)</b>	(8,381,899)
Sale of Fixed Assets	<b>620,132</b>	460,461
Sale of Investments	<b>32,173,342</b>	299,490,543
Net Cash used for Investing Activities	<b>(12,910,212)</b>	(3,541,000)

**CONSOLIDATED CASH FLOW STATEMENT (CONTD.)**

	Year ended 31st March, 2009 Rupees	Year ended 31st March, 2008 Rupees
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Shares	—	—
Proceeds from Borrowings		
Term Loans / Bank Short Term Loan	<b>10,620,000</b>	1,095,040
Unsecured Loan	—	—
Repayment of Borrowings		
Term Loans / Bank Short Term Loan	<b>(1,017,853)</b>	—
Matured Debentures	<b>(560)</b>	(17,135)
Dividend Tax Paid	<b>(976,298)</b>	(591,696)
Dividend Payment	<b>(5,547,655)</b>	(3,391,373)
Add : National (Gain)/Loss on revaluation of Foreign Currency Loan	—	—
Net Cash Used in Financing Activities	<b>3,077,634</b>	(2,905,164)
Net Increase in Cash & Cash Equivalents (A+B+C)	<b>(23,564,120)</b>	(21,130,704)
Opening Balance of Cash & Cash Equivalents	<b>32,464,949</b>	53,595,653
Closing Balance of Cash & Cash Equivalents	<b>8,900,829</b>	32,464,949

## NOTES :

1. The above Cash Flow Statement has been compiled from and is based on the Consolidated Balance Sheet as at 31st March 2009 and the related Consolidated Profit & Loss Account for the year ended on that date.
2. The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) on "Cash Flow Statement", (AS-3), issued by The Institute of Chartered Accountants of India and reallocations required for this purpose are as made by the Company.
3. Figures in parenthesis represent outflow.
4. Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation.

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This is the Cash Flow Statement referred to in our report of even date.

6, Church Lane  
Kolkata - 700 001  
The 28th May, 2009

For RAY & RAY  
Chartered Accountants  
**Ashish Majumdar**  
Partner  
Membership Number : F57041

**Arunabha Biswas**  
Vice President and  
Secretary

On behalf of the Board  
**Ravi Poddar**  
**A.K. Dabriwala**  
**Dipankar Chatterji**

*Chairman*  
*Mg. Director*  
*Director*

**UNITED CREDIT LIMITED (CONSOLIDATED)****SCHEDULES TO ACCOUNTS**

	Rupees	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE -1</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised -</b>			
15,000,000 Equity Shares of Rs. 10/- each		150,000,000	150,000,000
5,000,000 Preference Shares of Rs. 10/- each		50,000,000	50,000,000
		<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued —</b>			
8,334,604 Equity Shares of Rs 10/- each		<u>83,346,040</u>	<u>83,346,040</u>
1,055,086 12.5% Redeemable Cumulative Preference Shares of Rs.10/-each		<u>10,550,860</u>	<u>—</u>
<b>Subscribed and Paid up -</b>			
5,327,823 (Previous year 6,382,909) Equity Shares of Rs.10/- each fully paid up. (1,108,857 & 1,700,280 Equity Shares of Rs.10/- each were issued and allotted to Shareholders of erstwhile United Bank of India Limited and United Credit Financial Services Limited respectively pursuant to Scheme of Amalgamation with the Company)		<u>63,829,090</u>	<u>63,829,090</u>
Less: Conversion into Preference Shares		<u>10,550,860</u>	<u>—</u>
		<u>53,278,230</u>	<u>63,829,090</u>
Add : Share Forfeitures		<u>1,652,000</u>	<u>1,652,000</u>
1,055,086 (Previous Year NIL) 12.5% Redeemable Cumulative Preference Share of Rs.10/- each fully paid up.		<u>10,550,860</u>	<u>—</u>
		<u>65,481,090</u>	<u>65,481,090</u>
<b>NOTE:</b> Pursuant to Order of the Hon'ble High Court at Calcutta passed on 02/07/2008, 1,055,086 12.5% Redeemable Preference Shares of Rs.10/- each were issued and allotted on 04/09/2008 by way of conversion of equal number of Equity Shares of Rs.10/- each. These Preference Shares are redeemable at a premium of 50% at the end of five years from the date of issue or earlier at the option of the Company.			
<b>SCHEDULE -2</b>			
<b>RESERVES &amp; SURPLUS</b>			
<b>Capital Reserve -</b>			
As per last Account		311,487	311,487
<b>Capital Redemption Reserve -</b>			
As per last Account		14,887,890	14,887,890
<b>Share Premium Account -</b>			
As per last Account		44,627,322	44,627,322
<b>Reserve Fund as per RBI Norms -</b>			
As per last Account	10,325,390		6,611,069
Add : Transfer during the year	<u>—</u>		<u>3,714,321</u>
		<u>10,325,390</u>	<u>10,325,390</u>
<b>General Reserve - (Note 3 of Schedule 20)</b>			
As per last Account	78,118,959		70,618,959
Add : Transfer from Revenue Reserve	<u>—</u>		<u>7,500,000</u>
		<u>78,118,959</u>	<u>78,118,959</u>
<b>Profit &amp; Loss Account -</b>			
As per annexed Account		<u>(6,891,501)</u>	<u>9,182,264</u>
		<u>141,379,547</u>	<u>157,453,312</u>
<b>SCHEDULE -3</b>			
<b>SECURED LOANS</b>			
Car Loan from HDFC Bank (secured against hypothecation of car)		<u>1,439,243</u>	<u>1,837,096</u>
		<u>1,439,243</u>	<u>1,837,096</u>

**UNITED CREDIT LIMITED****UNITED CREDIT LIMITED (CONSOLIDATED)**

## SCHEDULES TO ACCOUNTS (CONTD.)

**SCHEDULE -4****FIXED ASSETS**

Particulars	Gross Block			Depreciation			Net Block				
	Cost upto 31st March, 2008	Additions during the year	Sold/Discarded during the year	Total Cost upto 31st March, 2009	Upto 31st March, 2008	Provided for the year	On Assets sold/discarded	Total upto 31st March, 2009	Lease adjustment Account as at 31.03.2009	as at 31st March, 2009	as at 31st March, 2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Own Assets</b>											
Leasehold Land	5,985,535	536,693	—	6,522,228	—	—	—	—	—	6,522,228	5,985,535
Factory Building	385,190	—	—	385,190	50,011	33,518	—	83,529	—	301,661	335,179
Furniture & Fixture	3,674,596	4,999	38,000	3,641,595	2,454,341	193,728	31,392	2,616,677	—	1,024,918	1,220,255
Residential Flat	520,852	—	520,852	—	118,654	5,565	124,219	—	—	—	402,198
Office Equipment	1,047,981	85,708	9,050	1,124,639	656,053	66,074	2,878	719,249	—	405,390	391,928
Computer & Accessories	1,922,887	1,800	—	1,924,687	1,617,935	123,784	—	1,741,719	—	182,968	304,952
Motor Car	5,581,981	733,054	628,318	5,686,717	2,479,195	932,695	568,165	2,843,725	—	2,842,992	3,102,786
Machineries	800,566	—	395,224	405,342	167,572	56,825	92,708	131,689	—	273,653	632,994
Motor Pump	5,488	—	—	5,488	936	633	—	1,569	—	3,919	4,552
<b>Sub Total (A)</b>	19,925,076	1,362,254	1,591,444	19,695,886	7,544,697	1,412,822	819,362	8,138,157	—	11,557,729	12,380,379
<b>Assets relating to Lease Business</b>											
Equipment	2,376,144	—	—	2,376,144	1,851,584	72,967	—	1,924,551	—	451,593	524,560
Heavy Vehicles	1,433,365	—	—	1,433,365	1,423,995	3,747	—	1,427,742	1,915	3,708	6,179
<b>Sub Total (B)</b>	3,809,509	—	—	3,809,509	3,275,579	76,714	—	3,352,293	1,915	455,301	530,739
<b>Grand Total (A+B)</b>	23,734,585	1,362,254	1,591,444	23,505,395	10,820,276	1,489,536	819,362	11,490,450	1,915	12,013,030	12,911,118
Figures for the previous year	20,771,689	8,381,899	5,419,003	23,734,585	13,328,201	1,643,617	4,151,542	10,820,276	3,191	12,911,118	





**UNITED CREDIT LIMITED (CONSOLIDATED)**

SCHEDULES TO ACCOUNTS (CONTD)

**SCHEDULE -5**

**INVESTMENTS** (Refer Note 6 of Schedule 19)

A. [OTHER THAN TRADE - LONG TERM (At Cost)]	Face Value	Current Year		Previous Year	
		No. of Shares	Value Rupees	No. of Shares	Value Rupees
(1)a. <b>FULLY PAID-UP EQUITY SHARES (QUOTED)</b>					
Daikaffil Chemicals India Ltd	10	70,000	1,118,890	70,000	1,118,890
Gwalior Chemicals Industries Ltd	10	—	—	30,000	3,481,128
Bilcare Ltd	10	—	—	3,000	2,272,023
Kernex Micro Systems (I) Ltd	10	10,433	3,380,547	10,433	3,380,547
Tayo Rolls Ltd	10	3,500	965,983	4,000	1,103,978
Jai Prakash Associates Ltd	2	3,000	692,608	3,000	692,608
HDFC Bank (*)	10	—	—	100,050	1,988,674
GTN Industries Ltd	10	3,500	1,948,828	4,000	2,227,233
Gujarat Mineral Development Corpn.Ltd	2	11,400	2,879,277	5,700	2,879,277
{including Bonus Shares of 5700 (Previous Year-NIL)}					
U. B. Engineering Ltd	10	14,460	2,179,941	15,000	2,261,351
Essar Shipping Ltd	10	—	—	16,146	1,749,209
Zicom Electronics Security Systems Ltd	10	5,000	1,109,429	10,000	2,218,857
Monnet Ispat & Energy Ltd	10	—	—	5,000	2,610,318
Unity Infra Projects Ltd	10	2,000	2,146,456	2,000	2,146,456
Era Infra Engineering Ltd (**)	2	17,500	2,877,134	5,500	4,521,214
Jai Corporation Ltd	1	4,000	4,880,264	4,000	4,880,264
Bharati Shipyards Ltd	10	2,500	2,095,918	2,500	2,095,918
Engineers India Ltd	10	1,000	1,224,926	1,000	1,224,926
Hotel Leela Venture Ltd	2	30,000	2,039,209	30,000	2,039,209
Hitachi Home Life Solutions Ltd	10	—	—	5,850	906,361
IOL Netcom Ltd	10	25,000	2,006,819	—	—
			<b>31,546,229</b>		<b>45,798,441</b>
b. <b>PORTFOLIO MANAGEMENT WITH RCAM</b>					
(i) <b>Quoted</b> [Refer Note 15(b) of Schedule 18]					
Asian Granite India Ltd	10	—	—	3,789	312,931
Jindal Shaw Pipe Ltd	10	—	—	2,474	1,420,097
Asahi Sougwon Colors Ltd	10	—	—	3,559	191,468
SKF India Ltd	10	3,181	962,577	3,181	962,577
Aksh Optifibre Ltd	10	—	—	11,248	608,571
Aurionpro Solutions Ltd	10	—	—	1,091	437,387
Bata India Ltd	10	—	—	1,585	231,870
Balarampur Chinni Mills Ltd	1	—	—	3,640	309,618
CCL Products Ltd	10	1,266	213,646	1,208	203,920
Pfizer Ltd	10	—	—	15	10,278
Fulford India Ltd	10	328	145,058	328	145,058
Nicco Corporation Ltd	2	—	—	976	27,476
Hitachi Home Life Solutions Ltd	10	2,356	302,877	73	10,521
Rallis India Ltd	10	1,089	449,981	—	—
Sankhya Infotech Ltd	10	4,183	338,498	—	—
Hindustan Petroleum Corpn. Ltd	10	1,075	278,052	—	—
Ipca Laboratories Ltd	10	874	313,469	—	—
ITC Ltd	10	1,152	197,038	—	—
HDFC Bank Ltd	10	196	170,859	—	—
Bharti Tele-Vent Ltd	10	205	114,658	—	—
Housing Development Finance Corpn. Ltd	10	83	115,980	—	—
MPhasis BFL Ltd	10	232	39,079	—	—
			<b>3,641,772</b>		<b>4,871,772</b>
(ii) <b>UNQUOTED</b>					
Sai Rayalaseema Paper Mills	10	52,335	635,870	52,335	635,870
SSIPL Retail Pvt Ltd (***)	10	3,106	509,799	6,211	509,799
			<b>1,145,669</b>		<b>1,145,669</b>
		b (i + ii)	<b>4,787,441</b>		<b>6,017,441</b>

# UNITED CREDIT LIMITED



## UNITED CREDIT LIMITED (CONSOLIDATED)

SCHEDULES TO ACCOUNTS (CONTD)

### SCHEDULE -5 (Contd.)

#### INVESTMENT

[Other Than Trade - Long Term (At Cost)]	Face Value	Current Year		Previous Year	
		No. of Shares	Value Rupees	No. of Shares	Value Rupees
(2) <b>FULLY PAID-UP EQUITY SHARES (UNQUOTED)</b>					
United Credit Securities Ltd	10	333,403	<b>3,335,530</b>	333,403	3,335,530
Calcutta Metropolitan Group Ltd	10	330,003	<b>3,308,280</b>	330,003	3,308,280
Sky B (Bangla) Pvt Ltd	10	10,000	<b>100,000</b>	10,000	100,000
Garry Supply Pvt Ltd	10	100,000	<b>1,000,000</b>	100,000	1,000,000
Business India Publications Ltd	10	50,000	<b>2,750,000</b>	50,000	2,750,000
United Nanotech Products Ltd (****)	10	750,100	<b>7,501,000</b>	750,100	7,501,000
The Calcutta Stock Exchange	1	16,726	<b>33,452,000</b>	16,726	33,452,000
			<b>51,446,810</b>		<b>51,446,810</b>
<b>B. OTHER INVESTMENTS</b>					
1) <b>MUTUAL FUND</b>					
Reliance Liquid Fund	10	122,116.996	<b>1,869,989</b>	251,395.522	<b>3,851,240</b>
2) <b>FULLY PAID-UP CUMULATIVE REDEEMABLE PREFERENCE SHARES (UNQUOTED)</b>					
7% United Credit Securities Ltd	100	150,000	<b>15,000,000</b>	150,000	15,000,000
8% United Nanotech Products Ltd	10	5,210,000	<b>52,100,000</b>	2,400,000	24,000,000
			<b>67,100,000</b>		<b>39,000,000</b>
Total			<b>156,750,469</b>		<b>146,113,932</b>

	Current year		Previous year	
	Book Value Rupees	Market Value Rupees	Book Value Rupees	Market Value Rupees
QUOTED :	<b>35,188,001</b>	<b>9,215,782</b>	51,306,083	37,471,331
UNQUOTED :	<b>119,692,479</b>	—	90,956,609	—
MUTUAL FUND:(*****)	<b>1,869,989</b>	<b>1,868,744</b>	3,851,240	3,849,821
Grand Total	<b>156,750,469</b>		<b>146,113,932</b>	

- \* Centurion Bank of Punjab merged with HDFC Bank and pursuant to Scheme of Amalgamation, 3450 Shares of HDFC Bank have been allotted as against 100050 shares in terms of the exchange ratio 29:1.
- \*\* In the meeting of Board of Directors held on 04/07/2008 of ERA Infra Engineers Ltd has approved sub-division of Equity Shares existing 1 (one) Equity Share of Rs.10/- each to 5 (five) Equity Shares of Rs.2/- each. Record date being 24/09/2008.
- \*\*\* No. of Shares of SSIPL Retail Pvt Ltd has been reduced by half to 3106.
- \*\*\*\* 250,000 Shares of United Nanotech Products Ltd has been pledged on Collateral Security with Technology Development Board, New Delhi.
- \*\*\*\*\* In case of Mutual Fund, NAV Value is considered as Market Value.

The following shares were purchased and sold during the year:-

Name	Purchased (Qty)	Cost Value Rs.	Sale Value Rs.
1 SUN TV Network	2,000	678723	684445
2 Gwalior Chemicals Ltd	75,261	7107606	7915514
3 ICRA Corporation Ltd	1,000	768405	393181
		<b>8554734</b>	<b>8993140</b>

**UNITED CREDIT LIMITED (CONSOLIDATED)**

SCHEDULES TO ACCOUNTS (CONTD.)

**SCHEDULE - 6  
DEFERRED TAX**

	Current year Rupees	Previous year Rupees
<u>Deferred Tax Assets</u>		
Lease Adjustment	651	1,085
Leave Encashment	157,034	199,181
Provision for Doubtful Debts and Advance	1,105,883	596,362
Provision for Fixed Assets under RBI Norms	154,757	180,398
Depreciation	1,458,916	1,416,606
Provision for Diminution in the value of Investment	1,699,500	1,699,500
	<u>4,576,741</u>	<u>4,093,132</u>
Deferred Tax Assets	<u>4,576,741</u>	<u>4,093,132</u>

**SCHEDULE - 7****INVENTORIES OF SUBSIDIARY COMPANY**

(As verified, valued at cost and certified by management)

Stock-in Trade	14,450,761	11,190,445
Loose Tools	211,096	269,455
	<u>14,661,857</u>	<u>11,459,900</u>

**SCHEDULE - 8****SUNDRY DEBTORS (Unsecured)**

i) Lease	200	9,035
ii) Hire Purchase	385,140	461,856
iii) Merchandise/Trading	155,132	593,395
iv) Others	—	70,970
	<u>540,472</u>	<u>1,135,256</u>
Less : Provision	<u>188,992</u>	<u>212,811</u>
	<u>351,480</u>	<u>922,445</u>

**PARTICULARS OF DEBTORS**

Over Six Months - Considered Good	351,480	754,290
Considered Doubtful	<u>188,992</u>	<u>212,811</u>
	<u>540,472</u>	<u>967,101</u>
Less than Six Months - Considered Good	—	168,155
	<u>540,472</u>	<u>1,135,256</u>
Less : Provision	<u>188,992</u>	<u>212,811</u>
	<u>351,480</u>	<u>922,445</u>

**SCHEDULE - 9****CASH & BANK BALANCES**

Cash-in-hand	61,699	72,442
Balances with Scheduled Banks -		
Current Accounts	4,873,821	28,622,609
Dividend Accounts	3,965,309	3,769,898
	<u>8,900,829</u>	<u>32,464,949</u>

# UNITED CREDIT LIMITED



## UNITED CREDIT LIMITED (CONSOLIDATED)

### SCHEDULES TO ACCOUNTS (Contd.)

	Rupees	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE - 10</b>			
<b>LOANS &amp; ADVANCES</b>			
i) Secured Loans including interest accrued (secured by hypothecation & mortgage of assets etc)	656,150		1,921,594
Considered Good			205,211
Considered Doubtful	<u>269,562</u>		
		<b>925,712</b>	2,126,805
ii) Unsecured Loans including interest accrued			
Considered Good		<b>23,555,787</b>	22,509,905
iii) Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good		<b>652,647</b>	3,126,586
iv) Advance Tax including Tax deducted at source		<b>13,886,662</b>	12,916,160
v) Fringe Benefit Tax - net of Provision		<b>72,240</b>	61,410
vi) Deposits including interest accrued (Unsecured considered good)		<b>5,873,751</b>	8,038,011
vii) VAT Input Tax		<u>—</u>	69,764
		<b>44,966,799</b>	48,848,641
Less : Provision		<b>269,562</b>	205,211
		<b>44,697,237</b>	48,643,430
<b>SCHEDULE -11</b>			
<b>CURRENT LIABILITIES</b>			
Sundry Creditors			
i) Total outstanding dues to Small Scale Industrial Undertakings		—	—
ii) Total outstanding dues to creditors other than Small Scale Industrial Undertakings		<b>635,717</b>	2,363,546
Other Liabilities		<b>193,750</b>	2,646
Unclaimed Dividend		<b>3,965,309</b>	3,768,346
Unclaimed Debentures (Note 7 on Schedule 20)		<b>4,548,835</b>	4,549,395
Unclaimed Debentures Interest		<b>1,364,583</b>	1,364,753
Security Deposit		<b>386,478</b>	386,478
		<u>11,094,672</u>	12,435,164
<b>SCHEDULE -12</b>			
<b>PROVISIONS</b>			
Leave Encashment		<b>510,000</b>	586,000
Provision for Taxation		<b>4,170,000</b>	5,370,000
Proposed Dividend		—	5,744,618
Tax on Dividend		—	976,298
Wealth Tax		<b>45,000</b>	23,000
Provision against Subsidiaries [Refer Note 17 of Schedule 20]			
Investment	<b>4,999,999</b>		4,999,999
Advance	<b>2,795,000</b>	<b>7,794,999</b>	1,336,500
		<u>12,519,999</u>	19,036,415
<b>SCHEDULE -13</b>			
<b>INCREASE / (DECREASE) IN STOCK</b>			
Closing Stock			
Trading Goods	—		1,303,372
Raw Materials	—		151,255
Finished Goods	<u>—</u>		21,042
			1,475,669
Less : Opening Stock		<b>1,475,669</b>	1,496,314
		<b>(1,475,669)</b>	(20,645)
<b>SCHEDULE -14</b>			
<b>MANUFACTURING &amp; OPERATING EXPENSES</b>			
Purchase of Chemicals		—	66,728
		<u>—</u>	66,728

**UNITED CREDIT LIMITED (CONSOLIDATED)****SCHEDULES TO ACCOUNTS (Contd.)**

	Rupees	Current Year Rupees	Previous Year Rupees
<b><u>SCHEDULE -15</u></b>			
<b><u>PROFIT / (LOSS) ON CAPITAL MARKET OPERATIONS - SHARES</u></b>			
Opening Stock		9,714,777	182,910
Add : Purchase		112,119,226	144,396,324
		<u>121,834,003</u>	144,579,234
Less : Sales		99,855,467	134,159,153
		<u>21,978,536</u>	10,420,081
Closing Stock		14,450,761	9,714,776
Profit / (Loss)		(7,527,775)	(705,305)
Call Option Premium		98,396	209,761
Profit/(Loss) on Sale of Derivatives		(616,558)	(7,103,947)
		<u>(8,045,937)</u>	<u>(7,599,491)</u>
<b><u>SCHEDULE -16</u></b>			
<b><u>PROFIT / (LOSS) ON MERCHANDISE</u></b>			
Opening Stock		—	159,528
Add : Purchase		—	—
Add : Consignment Return		—	—
Add : Delivery Charges		—	—
		<u>—</u>	<u>159,528</u>
Less : Sales		—	—
Closing Stock		—	—
Profit / (Loss)		<u>—</u>	<u>(159,528)</u>
<b><u>SCHEDULE -17</u></b>			
<b><u>EMPLOYEES' REMUNERATION &amp; WELFARE EXPENSES</u></b>			
Salaries, Wages & Bonus		4,140,897	4,330,463
Company's Contribution to Provident Fund		396,453	390,221
Staff Welfare Expenses		521,967	708,122
Company's Contribution to Gratuity Fund & Superannuation Fund		167,867	171,517
		<u>5,227,184</u>	<u>5,600,323</u>

**UNITED CREDIT LIMITED****UNITED CREDIT LIMITED (CONSOLIDATED)****SCHEDULES TO ACCOUNTS (Contd.)**

	Rupees	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE - 18</b>			
<b>OTHER EXPENSES</b>			
Printing & Stationery		<b>348,698</b>	446,431
Postage, Telephone & Telegram		<b>1,119,296</b>	844,532
Electric Charges		<b>373,105</b>	382,518
Travelling & Conveyance		<b>946,439</b>	3,049,779
Advertisement		<b>97,645</b>	128,093
Auditors' Remuneration			
Statutory Audit	<b>125,000</b>		125,000
Tax Audit	<b>10,000</b>		10,000
Limited Review	<b>30,000</b>		30,000
Certification Work	<b>21,000</b>		6,000
Consolidation Fees	<b>20,000</b>		20,000
Expenses - Service Tax	<b>18,975</b>		20,007
		<b>224,975</b>	
Car Expenses		<b>1,146,851</b>	954,005
Miscellaneous Expenses		<b>1,227,733</b>	2,065,687
Rates & Taxes		<b>33,062</b>	48,498
Maintainance & Repairs - Others		<b>191,003</b>	547,869
Sales Promotion		<b>168,756</b>	—
Portfolio Management Fees		<b>159,820</b>	—
Computer Expenses		<b>191,583</b>	200,893
Directors' Fees		<b>243,500</b>	246,500
Professional Fees		<b>806,481</b>	1,549,557
Bank Charges		<b>20,772</b>	27,535
Donation		<b>600</b>	497,001
Service Charges		<b>300,772</b>	279,926
Preliminary Expenses written off		—	160,720
Loss on Sale of Investments (Net)		<b>1,531,553</b>	—
Loss on Sale of Fixed Assets (Net)		<b>151,950</b>	807,000
Loss on Sale of Loose Tools (Net)		<b>40,316</b>	—
		<b>9,324,860</b>	<b>12,447,551</b>



**UNITED CREDIT LIMITED (CONSOLIDATED)**

**SCHEDULES TO ACCOUNTS (Contd.)**

**SCHEDULE -19**

**SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

**1. Principles of Consolidation**

The Consolidated Financial Statements relate to United Credit Limited ('the Company') and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis:

- (i) The financial statements of the Company, its subsidiary companies are combined on line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions in accordance with the Accounting Standard (AS-21) - "Consolidated Financial Statements" as Notified in Companies Accounting Standard Rules, 2006.
- (ii) The difference between the cost of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iii) As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

**2. Basis of Preparation of Financial Statement:**

The Financial Statements have been prepared on accrual basis of accounting, under the historical cost convention and in accordance with the accounting principles generally accepted in India and comply in all material aspects in respect with the Notified Accounting Standards by Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**3. Use of Estimates:**

The preparation of financial statements in conformity with generally accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised in the period in which the results are known / materialized.

**4. Fixed Assets:**

Fixed Assets including assets given on finance lease upto 31st March 2001 are stated at historical cost less depreciation. Historical cost is inclusive of taxes, freight and other incidental expenses related to acquisition, installation and borrowing cost and any directly attributable cost of bringing the assets to working condition.

**5. Depreciation:**

Depreciation on fixed assets including assets given on finance lease upto 31st March 2001 is provided on Written Down Value Method at the specified rates prescribed in Schedule XIV of the Companies Act, 1956.

**6. Investments:**

Investments held by the Company are long term in nature and are stated at cost. Diminution, if any, of permanent nature are provided for.

**7. Stock-in-Shares/Merchandise/Inventories:**

- i) Stock-in-shares held for trading purposes are valued at cost or market value/breakup value whichever is lower on individual basis.
- ii) Stocks of merchandise are valued at lower of cost or market price.

**8. Stock on Hire:**

- i) Stock on Hire under hire purchase agreement are valued at agreement value less instalments received/receivable.
- ii) Repossessed Stock are valued at cost less capital repayment upto the date of repossession.

**9. Foreign Exchange Transactions:**

Payments made in foreign currency are converted at the applicable exchange rate prevailing on the date of remittance. Liability on account of foreign currency is converted at the exchange rate prevailing as at the end of the year except in case of subsequent payments where liability is provided at actuals. Gain/Loss arising out of fluctuation in exchange rate is adjusted in the revenue account.

**UNITED CREDIT LIMITED (CONSOLIDATED)****SCHEDULES TO ACCOUNTS (Contd.)****SCHEDULE -19 (Contd.)****10. Employee Benefits:**

## i) Defined Contribution Plan

Company's contributions paid/payable during the year to ESIC and Labour Welfare Fund are recognised in the Profit and Loss Account. There are no other obligations other than the contribution payable to the respective authorities.

## ii) Defined Benefit Plan

In respect of Defined Benefit Plan, the Company is liable to Provident Fund, Gratuity and Leave Encashment. Contributions to Provident Fund to the Government authorities are accounted for on accrual basis. In respect of Gratuity, the Company contributes to the qualifying Group Gratuity cum Life Insurance Policy of Life Insurance Corporation of India (LIC) based on the premium notices as per the actuarial valuation carried out by themselves, which are charged to revenue.

Company's liabilities towards leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

## iii) Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.

**11. Taxes on Income:**

Income Tax expense comprises of current tax and deferred charge or credit. Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax expense or benefit is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient taxable income will be available in future to realize such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

**12. Preliminary Expenditure**

Preliminary Expenses are fully Written Off.

**13. Recognition of Income:**

- a) Income from Leases: For assets given on lease upto 31.3.2001 lease rentals are charged as and when they become accrue and are accounted for accordingly.
- b) Income from Hire Purchase: Income by way of finance charges is arrived at by amortising the instalments containing the financial charges based on Capital Recovery Method.
- c) Interest on Loan is accounted for on accrual basis, whereas dividend is recognised when the right to receive is established.

**14. Prudential Norms:**

The Company has followed the prudential norms for income recognition and provisioning against non-performing assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

**15. Prior period adjustments, extra-ordinary items and changes in Accounting Policy:**

Prior period adjustments, extra-ordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

**16. Provisions, Contingent Liability/Assets:**

Provisions are recognised when the Company has legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Contingent assets are neither recognised nor disclosed in the financial statements.



**UNITED CREDIT LIMITED (CONSOLIDATED)****SCHEDULES TO ACCOUNTS (Contd.)****SCHEDULE - 20****NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009**

1. Details of subsidiaries whose Financial Statements have been consolidated are given below:

Name of Subsidiary Company	Country of Incorporation	Proportion of Ownership Interest
i) United Credit and Development Company Limited	India	97.56%
ii) United Nanotechnologies Private Limited	India	100%

2. Accounting of Assets given on finance lease upto 31st March 2001 has been made as per earlier Guidance Note on Accounting for leases issued by The Institute of Chartered Accountants of India.
3. General Reserve includes Revenue Reserve of Rs.17,871,849/- being difference between assets and liabilities taken over after adjustment of consideration money in terms of Scheme of Amalgamation of United Credit Financial Services Limited.
4. Contingent liabilities not provided for in respect of:
- (a) Income tax demand for the Assessment Year 1996-97 amounts to Rs.6,900,919/- (Previous year Rs.5,869,380/-) including Interest of Rs.1,031,539/- calculated upto July 2008 against which the Company has filed an application under Section 260A of the Income Tax Act before the Hon'ble High Court at Kolkata. However a sum of Rs.6,900,919/- (Previous year Rs.5,144,264/-) has been paid under protest which has been shown under Loans and Advances.
- (b) Dividend on 12.5% Cumulative Redeemable Preference Shares is Rs.775,181/- (Previous year Rs.NIL).
5. In respect of certain parties where suits have been filed and settlements made, interest has been calculated upto the date of filing suits/settlements.
6. The Company has followed the prudential norms prescribed by the Reserve Bank of India in respect of income recognition and provision for non performing assets and accordingly during the year provision of Rs.1,423,594/- (previous year Rs.515,765/-) has been made and a sum of Rs.336,856/- (previous year Rs.908,511/-) has been written off.
7. The debentures issued by the Company has been redeemed on 1st April 2003 and accordingly the unclaimed debentures together with unclaimed interest thereon has been transferred to current liabilities.
8. The Company has transferred Rs.479,725/- on account of Unclaimed Dividend to Investor Education and Protection Fund (IEPF) during the year and as at Balance Sheet date, there were no such other amounts due, which are required to be transferred to IEPF, as required under Section 205C of the Companies Act, 1956 of India.
9. The break-up of other income is as follows:

	<b>Current Year</b> <b>Rupees</b>	<b>Previous Year</b> <b>Rupees</b>
Rent	650,460	650,460
Interest on Income/Other Tax Refunds	202,435	—
Others	831,524	1,367,603
	<b>1,684,419</b>	<b>2,018,063</b>

10. Earnings per share :

	<b>March 31, 2009</b> <b>Rupees</b>	<b>March 31, 2008</b> <b>Rupees</b>
Profit computation for both Basic and Diluted earnings per share of Rs.10/- each		
Net Profit/(Loss) as per Profit & Loss Account	(16,073,765)	13,342,369
Weighted average number of Equity shares outstanding	5,778,764	6,382,909
Basic and diluted earnings per share in rupees of face value Rs.10/-	(2.78)	2.09

**UNITED CREDIT LIMITED (CONSOLIDATED)****SCHEDULES TO ACCOUNTS (Contd.)****SCHEDULE -20 (Contd.)**

11. The company is predominantly engaged in Non-banking Financial Activities and therefore Segment Reporting as envisaged in Accounting Standard (AS-17) on Segment Reporting is not applicable. In respect of subsidiaries, their revenue from sales to external customers is less than threshold limit of 10 percent of total revenue, hence Segment Reporting as envisaged in Accounting Standard (AS-17) is not applicable.

12. The Related Party transactions (on Consolidated Basis) entered by the Company are as under :

1	The name of the transacting related party	Smt. Neeru Poddar	United Nanotech Products Limited
2	Relationship between the parties	Wife of a Director - Sri Ravi Poddar	One Common Director
3	Nature of transaction	Premises taken on rent & Refund of S.D. on Termination of Agreement	Investment & Loan Given
4	Volume of the transactions	Rent paid Rs.180,000/-  Rs.1,500,000/- Security Deposit Refunded	Share Purchase Rs.28,100,000/-  Loan Given - Rs.26,400,000/- Intt. Received - Rs.2,503,767/-  Loan Repaid - Rs.26,400,000/-
5	i) The amounts of outstanding at the balance sheet date.  ii) Provisions for doubtful debts due from such parties at that date.	NIL  NIL	NIL  NIL
6	Amounts written off or written back in the period in respect of debts due.	NIL	NIL

13. (a) Based on the legal opinion, all the acquisition of shares and transactions thereof have been reckoned as long-term investments for the purpose of these accounts.

(b) In the opinion of the management, the investments held with Reliance Capital Asset Management Limited (RCAM) in pursuance with related agreement are purely considered as long-term in nature.



**UNITED CREDIT LIMITED (CONSOLIDATED)**

**SCHEDULES TO ACCOUNTS (Contd.)**

**SCHEDULE -20 (Contd.)**

14. Employee Benefits:

(a) Defined benefits plans as per actuarial valuation on 31st March 2009.

		Leave Encashment
		Rs.Lakh
<b>I</b>	<b>Expenses recognised in the Statement of Profit &amp; Loss for the year ended 31st March 2009</b>	
1	Current Service Cost	0.70
2	Interest Cost	0.42
3	Employee Contributions	-
4	Expected return on plan assets	-
5	Net Actuarial (Gains) / Losses	0.29
6	Past Service Cost	-
7	Settlement Cost	-
8	Total Expenses	1.41
<b>II</b>	<b>Net Assets/(Liability) recognised in the Balance Sheet as at 1st April 2008</b>	
1	Present value of Defined Benefit Obligation	6.11
2	Fair Value of Plan Assets	-
3	Funded status of assets	(6.11)
4	Net asset/(liability)	(6.11)
<b>III</b>	<b>Change in Obligation during the year ended 31st March 2009</b>	
1	Present value of Defined Benefit Obligation at beginning of the year	6.11
2	Current Service Cost	0.70
3	Interest Cost	0.42
4	Settlement Cost	-
5	Past Service Cost	-
6	Employee Contributions	-
7	Actuarial (Gains)/Losses	0.29
8	Benefits Payments	(2.42)
9	Present value of Defined Benefit Obligation at the end of the year	5.10
<b>IV</b>	<b>Change in Assets during the Year ended 31st March 2009</b>	
1	Plan assets at the beginning of the year	-
2	Assets acquired on amalgamation in previous year	-
3	Settlements	-
4	Expected return on plan assets	-
5	Contributions by Employer	-
6	Actual benefits paid	-
7	Actuarial Gains / (Losses)	-
8	Plan assets at the end of the year	-
9	Actual return on plan assets	-
<b>V</b>	<b>Actuarial Assumptions:</b>	As at 31/03/2009
1	Discount Rate	7.5% p.a. compounded for the holding Company & 7.5% p.a. compounded for United Credit & Development Co. Ltd
2	Mortality pre-retirement/post-retirement	Standard Table LIC (1994-96) Ultimate
3	Rate of increase in salaries	5%
4	Expected Average remaining working lives of employees (years)	9.11 for holding Company & 18.80 for United Credit & Development Co. Ltd
5	Apart from the above the estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion & other relevant factors such as supply & demand in the employment market.	

**UNITED CREDIT LIMITED (CONSOLIDATED)****SCHEDULES TO ACCOUNTS (Contd.)****SCHEDULE -20 (Contd.)**

- (b) The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance cash accumulation policy offered by Life Insurance Corporation (LIC) of India. The investment return earned on the policies comprises Bonus declared by LIC having regard to LIC's Investment earnings. The information of allocation of funds to major assets, classes and expected return on each major class are not available and hence necessary disclosure requirements as required to be made on implementing AS-15 on, Employee Benefits (Revised 2005) were not disclosed in the accounts. The management is of the opinion that LIC's overall portfolio of assets is well diversified and as such the long term return on policy is expected to be higher than the Rate of Return on Central Government Bonds which is also substantiated by the previous track records of the returns declared by the LIC.
15. Debts (considered good) aggregating to Rs.289,480/- include other than 'Standard' accounts amounting to Rs.180,498/- as defined under Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 as amended, against which appropriate provisions have been made in these financial statements pursuant to the said Directions.
16. There are no reported micro, small and medium enterprises as defined in "The Micro Small and Medium Enterprise Development Act, 2006" to which the Company owes dues and as such the disclosure requirements under Section 22 of the said Act have not been made. The same has been relied upon by the auditors.
17. In view of absence of taxable income, provision for taxation (Current Taxation) including Minimum Alternate taxation, has not been considered necessary for the purpose of these accounts.
18. Provision created against diminution in the value of Investments and Advances in pursuance to RBI Norms (remain unadjusted) aggregating to Rs.7,794,999/- has been clubbed under the head "Provision". Related debit balances in the books of holding company have already been netted on consolidation.
19. In respect of the Subsidiary Company, United Credit & Development Company Limited, a NBFC Company, the net owned funds as on 31st March 2009 has fallen below the minimum level of Rs. 2 Crores, as required by RBI, for which adequate steps are being taken by the management of the said Company.
20. All the Subsidiary Companies have not recognised deferred tax assets as a matter of prudence.
21. The Previous year's figures have been regrouped, recasted and rearranged wherever necessary to make it comparable with the current year figures.

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Signatures to Schedules 1 to 20

6, Church Lane  
Kolkata - 700 001  
The 28th May, 2009

For RAY & RAY  
Chartered Accountants  
**Ashish Majumdar**  
Partner  
Membership Number : F57041

**Arunabha Biswas**  
Vice President and  
Secretary

On behalf of the Board  
**Ravi Poddar**  
**A.K. Dabriwala**  
**Dipankar Chatterji**

*Chairman*  
*Mg. Director*  
*Director*

## UNITED CREDIT LIMITED

Registered Office : 27B, Camac Street (8th floor)  
Kolkata - 700 016

### PROXY FORM

I/We ..... of.....  
.....being member/s of United Credit Limited hereby  
appoint .....of .....  
or failing him ..... of .....  
.....as my/our proxy to vote for me/us  
and on my/our behalf at the 38th Annual General Meeting of the Company to be held  
on Friday, the 24th July, 2009 and at any adjournment thereof.

As witness my/our hand(s) this ..... day of .....2009

Signed by the said .....

Account No. ....

DP / Client ID. ....

No. of Shares held .....

Affix Re. 1/-  
Revenue  
Stamp

NOTE : The proxy must be returned so as to reach the Registered Office of the Company  
not less than 48 hours before the time for holding the aforesaid meeting.

## UNITED CREDIT LIMITED

### ATTENDANCE SLIP

Please complete this attendance slip and  
hand it over at the entrance of the hall

I hereby record my presence at the 38th Annual General Meeting of the Company held on  
Friday, the 24th July, 2009.

Full name of the shareholder in Block Letters .....

Account / Folio No. ....

DP / Client ID. ....

No. of Shares held ..... *(Signature of the Shareholder/Proxy)*

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT ALONG WITH THEM TO THE GENERAL  
MEETING, AS EXTRA COPIES OF THE REPORT FOR DISTRIBUTION AT THE MEETING HAVE NOT BEEN PRINTED DUE  
TO HIGH COST OF PRINTING.



**BOOK - POST / COURIER**

*If undelivered, please return to :*

**United Credit Limited**  
27B, Camac Street, 8th Floor  
Kolkata - 700 016

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