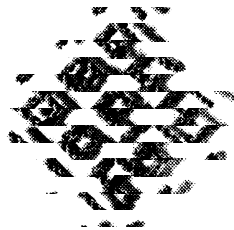


**42nd
ANNUAL REPORT**

**Statement of Accounts
2012 - 2013**



UNITED CREDIT LIMITED



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UNITED CREDIT LIMITED

BOARD OF DIRECTORS

Mr. A. K. Dabriwala,
Chairman and Managing Director
Mr. N. Mishra
Mr. R. M. Choubey
Mr. Suresh Chandra Saha
Mr. Devashish Dabriwal

VICE PRESIDENT AND COMPANY SECRETARY

Mr. Arunabha Biswas

SOLICITORS AND ADVOCATES

Khaitan & Co. LLP

AUDITORS

M/s. Ray & Ray

BANKERS

United Bank of India
State Bank of India

REGISTRARS & SHARE TRANSFER AGENT

C B Management Services (P) Limited
P-22, Bondel Road
Kolkata - 700 019
Phone : (033) 2280-6692, 2282-3643
2287-0263, 4011-6700
Fax : (033) 4011-6739
E-mail : rta@cbmsl.com
Website : www.cbmsl.com

AUDIT COMMITTEE

Mr. Suresh Chandra Saha
Mr. R. M. Choubey
Mr. N. Mishra

REMUNERATION COMMITTEE

Mr. R. M. Choubey
Mr. N. Mishra
Mr. Suresh Chandra Saha

SHAREHOLDERS' 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, Fax: (033) 2287-2047
E-mail : unitedcredit@vsnl.com
Website : www.unitedcreditltd.com



NOTICE TO SHAREHOLDERS

Notice is hereby given that the Forty-second 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 Wednesday, the 25th September, 2013 at 10.00 A.M. to transact the following businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Devashish Dabriwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. The retiring Auditors, M/s. Ray & Ray, Chartered Accountants, Kolkata, are eligible for re-appointment.

27B, Camac Street
Kolkata – 700 016
The 24th May, 2013

By Order of the Board of Directors
Arunabha Biswas
Vice President & Company Secretary



NOTES

- I) A member entitled to attend and vote at this Annual General Meeting may appoint a 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 the commencement of the Meeting.
- II) Members are requested to notify immediately any change in their address to the Company and/or to the Depository Participants, wherever applicable.
- III) 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 authorising their representative to attend and vote on their behalf at the Meeting.
- IV) The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2013 to 25th September, 2013 (both days inclusive).
- V) 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.
- VI) 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.
- VII) 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.
- VIII) Pursuant to the provisions of Sections 109A and 109B of the Companies Act, 1956, members are informed that every holder of shares at any time may nominate, in the prescribed manner, a person to whom his/her shares in the Company shall vest in the event of his/her death.
- IX) Pursuant to Sections 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends up to the financial years 2004-05 to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205C(1) of the Companies Act, 1956.

Unclaimed dividend for the financial year ended 31st March, 2006 is due for transfer to the Investor Education and Protection Fund on 28th July, 2013 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 date that they first become due for payment.

The Company has also complied with the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012.



The members who have not received / encashed dividend warrants for the following financial years may write to the Company for payment immediately :

2006-07	:	Equity Shares only
2007-08	:	Equity Shares only
2008-09	:	Preference Shares only
2009-10	:	Both Equity and Preference Shares
2010-11	:	Both Equity and Preference Shares
2011-12	:	Preference Shares only

- X) Members are informed that the scrips of the Company have been activated both in Central Depository Services (India) Ltd. and National Securities Depository Ltd. and may be dematerialised under the ISINs INE858C01027 for Equity Shares and INE858C04013 for Preference Shares.
- XI) The members are requested to furnish a copy of their PAN Card to the Company / Registrars and Share Transfer Agent, C B Management Services (P) Ltd. immediately. Pursuant to Circular No.MRD/DoP/Cir-05/2009 dated 20th May, 2009 of the Securities and Exchange Board of India (SEBI), it is mandatory for the transferee(s) to furnish copy of PAN Card to the Company / Registrars and Share Transfer Agent for registration of transfer of shares.
- XII) Pursuant to Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by SEBI:
- cash payment to the investors will be made compulsorily by means of Reserve Bank of India approved electronic mode such as ECS / LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS) / NEFT, etc.
 - bank account details of the shareholders shall be mandatorily printed on the physical instrument issued to shareholders, in cases where the details such as Magnetic Ink Character Recognition (MICR) No., Indian Financial System Code (IFSC), etc., that are required for making electronic payment, are not available or the electronic payment instructions have failed or have been rejected by the Bank.

Accordingly, shareholders are requested to inform the Company or its Registrars and Share Transfer Agent, C B Management Services (P) Ltd., the correct bank details namely, Name of the Bank and branch with whom such Account is held, Account No., MICR No., IFSC, Account Type, etc. to enable the Company to comply with the requirements of SEBI and make payment as and when required.

- XIII) **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 Agent of the Company, C B Management Services (P) Ltd. for necessary action immediately.**
- XIV) **Pursuant to the Circulars No. 17/2011 and No. 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively issued by the Ministry of Corporate Affairs, shareholders are requested to register their e-mail address with the Company/ Registrars and Share Transfer Agent of the Company, C B Management Services**



UNITED CREDIT LIMITED

(P) Ltd. and/or with the concerned depository participant where applicable and changes therein from time to time, to enable the Company to serve notice/ documents through e-mail, in compliance of Section 53 of the Companies Act, 1956. Shareholders are requested to visit the following web page to register their e-mail IDs and exercise their option accordingly.

www.cbmsl.com/green.php

The members are requested to fill up the E-Communication Registration Form attached to this notice and send it back to us at the address given in the form.

- XV) Pursuant to Article 78(c) of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956, Mr. Devashish Dabriwal, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief resume of Mr. Devashish Dabriwal, nature of his expertise in specific functional areas, names of companies in which he holds directorship / membership / chairmanship of the Board and Committees of the Board, shareholding and relationship between directors 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. Devashish Dabriwal.

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

Your Directors are pleased to present the Forty-second Annual Report and the audited accounts for the financial year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

Financial Highlights of the Company for the financial year 2012-2013 as compared to the previous financial year are given hereunder :

	(₹ in Lacs)	
	2012-2013	2011-2012
Total Revenue	227.80	233.23
Profit before Exceptional and Extraordinary Items and Tax (PBEEIT)	(481.87)	118.57
Exceptional Items	Nil	Nil
Profit before Extraordinary Items and Tax (PBEIT)	(481.87)	118.57
Extraordinary Items	Nil	Nil
Profit before Tax (PBT)	(481.87)	118.57
Tax expense :		
– Current Tax	34.63	39.00
– Deferred Tax	(199.88)	8.10
Profit / (Loss) for the period (PAT)	(316.62)	71.47

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 ₹1512.04 Lacs (Previous year ₹1828.65 Lacs) after the appropriations.

PERFORMANCE

During the year under review, the Company has achieved a total revenue of ₹ 227.80 Lacs as compared to ₹ 233.23 Lacs in the previous year. However, in compliance of AS-13 and as a prudent business policy, the Company has provided for diminution in the value of investments to the extent of ₹ 598.01 Lacs which has resulted in a loss of ₹ 316.62 Lacs in the current year as against a profit of ₹ 71.47 Lacs during the previous year.

FUTURE OUTLOOK

With the intention of diversifying the range of activities, the Company has acquired 9481 sq. ft. commercial space during the year under review, which would generate considerable income in the form of rent, for the Company.

It has become difficult for small Non-Banking Financial Companies (NBFCs) to operate successfully.



There has been various proposals by which the Reserve Bank of India (RBI) intends to monitor the activities of the NBFCs. Amongst the recent proposals, provisioning norms proposed by RBI like classifying a loan as non-performing asset in case the borrower defaults for ninety days, is most stringent. These regulations are akin to the regulations applicable to banks. The Finance Industry Development Council (FIDC), a body of NBFCs, suggested that RBI should allow NBFCs to use the stringent loan recovery law, like The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (Sarfaesi Act) if it insists on tightening the provisioning norms to ninety days.

REDEMPTION OF PREFERENCE SHARES

Pursuant to the Order of the Hon'ble High Court at Calcutta passed on 2nd July, 2008, 10,55,086 12.5% Redeemable Cumulative Preference Shares of ₹ 10/- each were issued and allotted on 4th September, 2008 by way of conversion of equal number of Equity Shares of ₹ 10/- each. These Preference Shares are redeemable at a premium of 50% at the end of five years from the date of issue i.e. on 3rd September, 2013 or earlier at the option of the Company.

The Company has to accordingly redeem the Preference Shares latest by 3rd September, 2013.

LISTING WITH THE STOCK EXCHANGES

The Company's Equity Shares are listed with The Calcutta Stock Exchange Limited and BSE Ltd.

DEPOSITS

The Company has no public deposit as on 31st March, 2013.

DIRECTORS

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

AUDITORS

M/s. Ray & Ray, Chartered Accountants, Statutory Auditors of the Company, hold office up to the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s. Ray & Ray to the effect that their re-appointment, if made, would be within the limit prescribed under Section 224(1B) of the Companies Act, 1956.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company being engaged in non-banking financial activities, 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. However, expenditure in foreign currency amounted to ₹ 2,73,453/- during the year under review.

TRANSFER OF AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND

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 seven years have been duly transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205C(1) of the said Act.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Company has implemented the Code of Corporate

UNITED CREDIT LIMITED



Governance and a separate section has been included in this report. The report on Corporate Governance and the declaration by the Chairman & 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 form part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

SUBSIDIARY COMPANIES

The Company has no subsidiary as on the date of this report.

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 along with proper explanation relating to material departures;
- ii) they 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 as at March 31, 2013 and of the profit or loss of the Company for that period;
- iii) they 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; and
- iv) the annual accounts had 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 - 700016
The 24th May, 2013

For and on behalf of the Board
A. K. Dabriwala
Chairman & Managing Director

**CORPORATE GOVERNANCE REPORT**

In terms of Clause 49 of the Listing Agreement with BSE Limited and The Calcutta Stock Exchange Limited, your Company has complied with all the mandatory provisions of Clause 49 of the Listing Agreement relating to the corporate governance requirement. A due Compliance Report on specific areas wherever applicable, for the financial year ended 31st March, 2013 is given, divided into several paragraphs.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The affairs of the Company are managed in a way which ensures transparency, fairness in all its transactions and intends to create sustainable value for all its stakeholders. A report on Company's compliances with mandatory requirement of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is given hereunder :

I. BOARD OF DIRECTORS**(A) COMPOSITION OF BOARD**

The Company meets the 'Composition' criteria of the Board of Directors as stipulated in Clause 49 of the Listing Agreement. As on 31st March, 2013, the Board comprised of five Directors, out of which four are non-executive Directors, three of whom are independent Directors. The composition of the Board during the financial year ended 31st March, 2013 is as under :-

Sl. No.	Name of the Directors	Category of Directors	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attended
(1)	(2)	(3)	(4)	(5)	(6)
1.	Mr. A. K. Dabriwala Chairman & Managing Director	Director in Executive capacity & Promoter	5	5	Yes
2.	Mr. R. M. Choubey	Non-Executive Independent Director		5	Yes
3.	Mr. N. Mishra	Non-Executive Independent Director		3	Yes
4.	Mr. Devashish Dabriwal	Non-Executive Promoter Director		5	Yes
5.	Mr. Suresh Chandra Saha	Non-Executive Independent Director		5	Yes

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

(B) NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

The Non-Executive Directors are not paid any remuneration apart from sitting fees of . 5,000/- for attending each meeting of the Board of Directors and of the Committees thereof.

**(C) OTHER PROVISIONS AS TO BOARD AND COMMITTEES****DETAILS OF OTHER DIRECTORSHIPS ETC.**

The details of Directorships in other companies (excluding private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956), Chairmanship and Committee Membership (Audit Committee and Shareholders' Grievance Committee) held by the Directors are given below:

Sl. No.	Name of the Directors	No. of other Directorships	No. of Chairmanships of the Board excluding UCL	No. of Board Committees of which he is a member including UCL	No. of Board Committees of which he is a Chairman including UCL
1.	Mr. A. K. Dabriwala Chairman & Managing Director	2	1	1	Nil
2.	Mr. R. M. Choubey	3	Nil	2	1
3.	Mr. N. Mishra	3	Nil	4	1
4.	Mr. Suresh Chandra Saha	Nil	Nil	1	1
5.	Mr. Devashish Dabriwal	2	1	2	Nil

BOARD MEETINGS AND ATTENDANCE

The Corporate Governance policy requires the Board to meet at least four times a year with a maximum time gap of four 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
1.	27.04.2012	5	4
2.	26.05.2012	5	5
3.	07.08.2012	5	5
4.	16.10.2012	5	4
5.	31.01.2013	5	5

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 prepared a Code of Conduct for all Board Members and senior management personnel 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.

**II. COMMITTEES OF THE BOARD**

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

(A) AUDIT COMMITTEE**(i) QUALIFIED AND INDEPENDENT AUDIT COMMITTEE**

The Board has set up an Audit Committee comprising of three Non-Executive Independent Directors, namely Mr. Suresh Chandra Saha, Mr. N. Mishra and Mr. R. M. Choubey. Mr. Saha has been acting as the Chairman of the Audit Committee.

The Committee has specifically focused on the requirement under Clause 49 of the Listing Agreement and also Section 292A of the Companies Act, 1956.

(ii) MEETINGS OF AUDIT COMMITTEE

The Audit Committee met four times during the financial year 2012-2013. The meetings were held on 26.05.2012, 07.08.2012, 16.10.2012 and 31.01.2013 and attendance of the meetings were as follows :

Name of the members	Category	No. of Meetings attended
Mr. Suresh Chandra Saha	Chairman & Independent Director	4
Mr. N. Mishra	Independent Director	3
Mr. R. M. Choubey	Independent Director	4

(iii) POWERS AND ROLE OF AUDIT COMMITTEE

The Audit Committee enjoys the powers as mentioned in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 and plays the role as mentioned therein.

(B) REMUNERATION COMMITTEE

The Company has a Remuneration Committee constituted by the Board comprising of three Non-Executive Independent Directors under the Chairmanship of Mr. R.M. Choubey with Mr. N. Mishra and Mr. Suresh Chandra Saha as the other members of the Committee. During the year, one meeting was held on 16.10.2012 and attended by two members of the Committee.

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.

Details of remuneration to all the Directors have been given elsewhere in this Report.

(C) SHAREHOLDERS' GRIEVANCE COMMITTEE

The Board has constituted a Shareholders' Grievance Committee under the Chairmanship of Mr. R.M. Choubey with Mr. A. K. Dabriwala and Mr. Devashish Dabriwal as other members of the Committee. During the year, one meeting was held on 24.12.2012, which was attended by all three members. The details of grievances received during the year and settled are given hereunder :

Number of grievances received during the year : Two

Number of grievances not resolved : Nil

As on 31st March, 2013 there is no complaint pending.

Pursuant to Circular No. 01AE/AN/AD/18487/753/2011 dated 10th June, 2011, issued by the Securities and Exchange Board of India (SEBI), the Company has obtained an User ID and Password for processing shareholders' complaints in a centralised web based complaint redress system 'SCORES'. The shareholders can now view the action taken by the Company in respect of the complaints and current status of the complaints by logging on to the website of SEBI, i.e. www.sebi.gov.in


(D) SHARE TRANSFER COMMITTEE

The Company has a Committee entitled as "Share Transfer Committee" to look into various matters pertaining to Share Transfer, Transmission, Transposition and related matters. The Committee presently comprises of Mr. A. K. Dabriwala, Chairman & Managing Director and Mr. Arunabha Biswas, Vice President & Company Secretary.

During the financial year 2012-2013, 13 meetings of the Share Transfer Committee were held.

Mr. Arunabha Biswas, Vice President & Company Secretary is the Compliance Officer of the Company and acts as the Secretary to all the Committees.

III. SUBSIDIARY COMPANIES

As on 31st March, 2013 the Company has no subsidiary

IV. DISCLOSURES
(A) RELATED PARTY TRANSACTIONS

Disclosures of Directors' interests are made to the Board as per law. Transactions with related parties as per requirement of Clause 49 of the Listing Agreement with Stock Exchanges are placed periodically before the Audit Committee. The details of the related party transactions are given in Notes to the financial statements.

There is no pecuniary relationship or transaction with the non-executive independent Directors.

(B) DETAILS OF NON-COMPLIANCE BY THE COMPANY AND PENALTIES / STRICTURES IMPOSED ON THE COMPANY BY THE STATUTORY AUTHORITIES

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

(C) DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of financial statements, the Company has followed the text of the Accounting Standards as notified by the Ministry of Corporate Affairs, Government of India, with adequate explanations wherever required.

(D) RISK MANAGEMENT

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

(E) PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES ETC.

The Company has not raised money through public issue, rights issue etc. during the year under review and there is no unutilised fund raised through the issue.

(F) REMUNERATION OF DIRECTORS
DETAILS OF REMUNERATION PAID TO THE DIRECTORS DURING THE FINANCIAL YEAR ENDED 31ST MARCH, 2013

Sl. No.	Name of the Directors	Salary (₹)	Perquisites and other benefits (₹)	Performance Bonus/ Commission (₹)	Sitting Fee (₹)	T o t a l (₹)
1.	Mr. A. K. Dabriwala	7,92,500.00	3,00,950.00	NIL	NIL	10,93,450.00
2.	Mr. R. M. Choubey	–	–	NIL	49,500.00	49,500.00
3.	Mr. N. Mishra	–	–	NIL	24,000.00	24,000.00
4.	Mr. Suresh Chandra Saha	–	–	NIL	41,500.00	41,500.00
5.	Mr. Devashish Dabriwal	–	–	NIL	28,000.00	28,000.00

Service Contract : Mr. A. K. Dabriwala, Chairman & Managing Director has been re-appointed for five years with effect from 1st November, 2010 in the Annual General Meeting held on 26th July, 2010.

(G) MANAGEMENT

Report on Management Discussion and Analysis is annexed to the Directors' Report.



CORPORATE GOVERNANCE REPORT (contd.)

(H) SHAREHOLDERS

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

Brief resume of the Director who is being re-appointed at the ensuing Annual General Meeting, nature of his expertise in specific functional areas and names of companies in which he holds directorship and membership / chairmanship of the Board Committees other than the Company are provided below :

Mr. Devashish Dabriwal

Mr. Devashish Dabriwal aged about 36 years, possesses a Master's Degree in Accounting and Financial Management from Lancaster University, U.K. and is a young, energetic businessman having vast experience in stock broking business and capital market operations.

Mr. Dabriwal is not holding any shares in the Company.

Names of other Companies in which Mr. Dabriwal holds the directorship and membership of the Committees of the Board are given below :

Name of the Company	Director/ Chairman	Chairman of the Board Committees	Member of the Board Committees
United Nanotech Products Limited	Chairman	—	Audit Committee
Dabriwala Banijya Udyog Limited	Director	—	—

Mr. Dabriwal is also a member of the Shareholders' Grievance Committee of the Company.

(ii) Means of Communication

a) Quarterly Results	The Quarterly Results are sent to the Stock Exchanges and also published in the newspapers. The Quarterly Results are also given in the Company's website and Corporate Filing & Dissemination System.
b) Quarterly Results are normally published in	The Financial Express in English and Ekdin/Newz Bangla in Bengali.
c) Any website where results or official news are displayed	Quarterly Financial Results are displayed on Company's website : www.unitedcreditltd.com
d) The presentation made to Institutional Investors or to Analysts	None has been made during the year ended 31 st March, 2013.
e) Whether Management Discussion and Analysis Report forms part of the Annual Report	Yes

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

- (iv) Share Transfer : Power of share transfers has been delegated to the Share Transfer Committee.

V. CEO AND CFO CERTIFICATION

The Chairman & 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.

UNITED CREDIT LIMITED



CORPORATE GOVERNANCE REPORT (contd.)

VI. GENERAL BODY MEETINGS

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS :

Financial Year	Location	Date	Time	Special Resolution passed	Special Resolution put through postal ballot
2011-12	Shripati Singhanian Hall Rotary Sadan 94/2, Chowringhee Road Kolkata – 700 020	07.08.2012	10.00 A.M.	No	No
2010-11	Shripati Singhanian Hall Rotary Sadan 94/2, Chowringhee Road Kolkata – 700 020	26.07.2011	10.00 A.M.	No	No
2009-10	Shripati Singhanian Hall Rotary Sadan 94/2, Chowringhee Road Kolkata – 700 020	26.07.2010	10.00 A.M.	Yes	No

VII. SHAREHOLDER INFORMATION

a) ANNUAL GENERAL MEETING

Date	: 25 th September, 2013
Time	: 10.00 A.M
Venue	: Shripati Singhanian Hall Rotary Sadan 94/2, Chowringhee Road Kolkata – 700 020
Date of Book Closure	: 16 th September, 2013 to 25 th September, 2013 (both days inclusive)
Dividend payment date	: No Dividend has been recommended by the Board
Financial Year	: 1 st April to 31 st March

b) FINANCIAL CALENDAR 2013-14 (TENTATIVE)

Adoption of Quarterly Results	Tentative dates
30 th June, 2013	Fourth week of July, 2013
30 th September, 2013	Fourth week of October, 2013
31 st December, 2013	Fourth week of January, 2014
31 st March, 2014 (Audited Annual Accounts)	Fourth week of May, 2014



CORPORATE GOVERNANCE REPORT (contd.)

c) REGISTRARS AND SHARE TRANSFER AGENT

C B Management Services (P) Limited
P-22, Bondel Road, Kolkata – 700019
Tel. No. (033) 2280-6692, 2282-3643, 2287-0263, 4011-6700
Fax No. (033) 4011 6739
E-mail : rta@cbmsl.com
Website : www.cbmsl.com

d) INVESTORS' CORRESPONDENCE

All queries of investors regarding the Company's shares in Physical / Demat form may be sent to the Company or to 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 and ISIN No. :

Stock Exchange	Code of Equity Shares	ISIN No.
BSE Ltd.	531091	INE858C01027
The Calcutta Stock Exchange Limited	10031023	

f) SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2013

Category	Equity Shares		Preference Shares	
	No. of shares held	% of shareholding	No. of shares held	% of shareholding
A. PROMOTERS' HOLDING				
i. NRI Promoters	NIL	NIL	—	—
ii. Indian Promoters, relatives and associates	3824488	71.78	—	—
Sub-Total	3824488	71.78	—	—
B. NON-PROMOTERS' HOLDING				
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. FIs	—	—	—	—
Sub-Total	83997	1.58	625	0.06
C. OTHERS				
a. Corporate Bodies	292996	5.50	6100	0.58
b. Indian Public	1062939	19.95	993248	94.14
c. NRIs	49872	0.94	15747	1.49
d. Any other - Directors & relatives other than Promoters	—	—	—	—
- Foreign Nationals	7590	0.14	39366	3.73
- Clearing Member	5941	0.11	—	—
Sub-Total	1419338	26.64	1054461	99.94
GRAND TOTAL – (A) + (B) + (C)	5327823	100.00	1055086	100.00


g) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013

Range	Equity Shares				Preference Shares			
	Shareholders		S h a r e s		Shareholders		S h a r e s	
No. of Shares	Number	% of total holders	Number	% of total shares	Number	% of total holders	Number	% of total shares
1 - 500	2082	82.68	394789	7.41	25655	100.00	1055086	100.00
501 - 1,000	260	10.33	195769	3.67	-	-	-	-
1,001 - 2,000	85	3.38	126151	2.37	-	-	-	-
2,001 - 3,000	31	1.23	78630	1.47	-	-	-	-
3,001 - 4,000	17	0.68	62703	1.18	-	-	-	-
4,001 - 5,000	7	0.28	30997	0.58	-	-	-	-
5,001 - 10,000	14	0.55	101565	1.91	-	-	-	-
10,001 and above	22	0.87	4337219	81.41	-	-	-	-
T o t a l	2518	100.00	5327823	100.00	25655	100.00	1055086	100.00

h) SHARE TRANSFER SYSTEM

Share transfers in physical form are registered by the Registrars and Share Transfer Agent and placed before the Share Transfer Committee for approval and certificates are returned to the respective transferees within fifteen days, provided the documents lodged with the Registrars and Share Transfer Agent / 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).

	Equity	Preference
Demat request received during the year (01.04.2012 to 31.03.2013)	10 cases	41 cases
Demat request complied with	10 cases	41 cases

Share Dematerialisation records : The following data indicates the extent of dematerialisation of Company's shares as on 31st March, 2013.

Category	In NSDL		In CDSL		Total	
	Equity	Preference	Equity	Preference	Equity	Preference
No. of shares dematerialised	4509373	85478	284405	29199	4793778	114677
Percentage of shares	84.64	8.10	5.34	2.77	89.98	10.87
No. of shareholders	907	1213	471	425	1378	1638



CORPORATE GOVERNANCE REPORT (contd.)

j) MARKET PRICE DATA (RS.) – EQUITY

Month		BSE Ltd.	
		High	Low
April	2012	24.25	17.60
May	2012	25.25	16.50
June	2012	22.20	15.35
July	2012	21.00	16.70
August	2012	19.05	14.80
September	2012	20.75	18.15
October	2012	21.60	16.10
November	2012	15.50	11.00
December	2012	12.94	10.49
January	2013	13.51	10.71
February	2013	16.61	11.66
March	2013	11.88	8.35

k) BANK DETAILS

Shareholders holding shares in physical form are requested to notify / send the following to the Company to render 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.

l) DEPOSITORY SERVICES

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

National Securities Depository Ltd.
Trade World, 'A' Wing, 4th Floor
Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400013
Telephone : (022) 2499 4200
Fax : (022) 2497 6351
E-mail : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers
17th Floor, Dalal Street
Mumbai – 400001
Telephone : (022) 2272 3333 / 3224
Fax : (022) 2272 2072 / 3199
E-mail : investors@cdslindia.com
Website : www.cdslindia.com

Kolkata – 700 016
The 24th May, 2013

For and on behalf of the Board
A. K. Dabriwala
Chairman & Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(a) INDUSTRY STRUCTURE AND DEVELOPMENTS**

Non-Banking Financial Companies (NBFCs) play a vital role in the Indian economy and serve in regions where the banking system is yet to make its appearance. The Reserve Bank of India, which is the regulatory authority in respect of NBFCs, has constituted a panel headed by its former Deputy Governor, Ms. Usha Thorat, to tighten rules for NBFCs. It is hoped that better regulations will create better opportunities.

(b) OPPORTUNITIES AND THREATS

Big NBFCs have good opportunities in Indian economy while small NBFCs have very limited scope for growth. Owing to stringent regulatory norms, it may not be possible for small NBFCs to continue its operations. The Company is engaged in non-banking financial activities since its incorporation in 1970. There is a sharp decline in GDP which is around 5% for the current fiscal. In the present economic scenario, there is a slow down in industrial activity which also impacted the growth of NBFCs.

(c) PERFORMANCE OF THE COMPANY

The performance of the Company during the year under review was not encouraging. However, the management is hopeful that it will be possible for the Company to recover from its present downtrend.

(d) OUTLOOK

The management feels that it may not be possible for the Company to continue its operations in non-banking financial activities for a long time. The Company has accordingly decided to shift its focus point from non-banking financial activities to other areas.

(e) RISKS AND CONCERNS

Risk is always associated with business activities. The Company faces market risk involved in various activities apart from risk associated out of change in regulations applicable for NBFCs.

(f) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

(g) HUMAN RESOURCES / INDUSTRIAL RELATIONS

During the year ended 31st March, 2013, there was no material development in human resources and industrial relations.

There were sixteen permanent employees in the Company as on 31st March, 2013. The Company maintains good relations with its workforce.

(h) CAUTIONARY STATEMENT

Information furnished in this report is forward looking within the meaning of applicable 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 regime, economic developments within the country and other factors.

Kolkata – 700 016-
The 24th May, 2013-

For and on behalf of the Board-
A. K. Dabriwala
Chairman & Managing Director

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 24th May, 2013

For and on behalf of the Board
A. K. Dabriwala
Chairman & Managing Director



UNITED CREDIT LIMITED

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 31st March 2013 as stipulated in Clause 49 of the Listing Agreement / (s) of the said Company with Stock Exchanges in the 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 compliance of the conditions of 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 31st March 2013, 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.

Place : Kolkata
Date : 24th May, 2013

For RAY & RAY
Chartered Accountants
Firm's Registration No. 301072E
AMITAVA CHOWDHURY
Partner
Membership No.56060



INDEPENDENT AUDITORS' REPORT

To
The Members of
United Credit Limited

Report on the Financial Statements

We have audited the accompanying financial statements of United Credit Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (Other notes to Financial Statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, the assessment of the risk of material misstatements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required 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, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. 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;
 - b. 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;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - e. on the basis of written representations received from the Directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f. Since the Central Government has not issued any notification as to the rate at which the Cess is to be paid under Section 441A of the Act, nor has it issued any rules under the said section, prescribing the manner in which such Cess is to be paid, no Cess is due and payable by the Company.
3. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008, 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 of Signature : Kolkata
Date : 24th May, 2013

For RAY & RAY
Chartered Accountants
Firm's Registration No. 301072E
AMITAVA CHOWDHURY
Partner
Membership No. 56060

**ANNEXURE TO THE AUDITORS' REPORT**

[Referred to in paragraph 1 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 2013]

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) The fixed assets were stated to have been 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. As stated, 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.
- ii. There being no stock in trade, reporting requirements in terms of clause (ii) of the aforesaid Order are not applicable to the Company.
- iii. (a) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
(b) In view of our comments in paragraph iii(a) above, the provisions of clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the aforesaid order are not applicable to the Company.
(c) 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.
(d) In view of our comments in paragraph (iii)(c) above, clauses (iii)(f), (iii)(g) of paragraph 4 of the aforesaid order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of 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, to correct major weakness in the internal control system.
- v. (a) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Act, have been so entered.
(b) Since the value of such transactions entered with the Company is less than Rs.5 lakhs during the year, in our opinion, the requirements of clause (v) (b) of the aforesaid order are not applicable to the Company.
- vi. The Company has not accepted any deposits during the year from the public under Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company's internal audit system carried out by a firm of chartered accountants is commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Act, for the Company.
- ix. (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 regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales Tax/VAT, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable, with the appropriate authorities.



UNITED CREDIT LIMITED

- (b) According to the information and explanations given to us and the records of the Company examined by us, read with NOTE 23.1(a) regarding certain demands on Income Tax matters pertaining to Assessment Year 1996-97 aggregating to Rs,6,900,919/- which has been paid by the Company and shown under Loans and Advances, there are no dues of Wealth Tax and Customs Duty which have not been deposited on account of any dispute as at the Balance Sheet date, except for the following:
1. Income tax demand pertaining to Assessment Year 2011-12 of Rs.75,767/- pending hearing with Dy. Commissioner Income Tax. [Refer NOTE 23.1(b)]
- x. The Company has accumulated losses at the end of the financial year not exceeding 50% of its networth. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
 - xi. Based on our audit procedure and according to the information and explanations given to us, we are of opinion that the Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.
 - xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
 - xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the aforesaid order are not applicable to the Company.
 - xiv. Based on our examination of the records, we are of the opinion that proper records have been maintained of shares and securities for transactions and contracts and timely entries have been made therein. The Company has held the shares, securities, debentures and other investments in its own name.
 - xv. The Company has not given any guarantee for the loan taken by others from bank or financial institutions during the year.
 - xvi. According to the information and explanations given to us, the term loan raised by the Company have been applied for the purpose for which they were raised.
 - xvii. 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.
 - xviii. The Company has not raised any money by issue of shares during the year. Therefore, the provisions of clause (xviii) of paragraph 4 of the aforesaid order are not applicable to the Company.
 - xix. The Company has not issued any debentures during the year under audit. Accordingly, the provisions of clause (xix) of the aforesaid order are not applicable to the Company.
 - xx. The Company has not raised any money by public issue during the year. Therefore, the provisions of clause (xx) of paragraph 4 of the aforesaid order are not applicable to the Company.
 - xxi. 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 material fraud on or by the Company, nor have we been informed of any such case by the Management.

Place of Signature : Kolkata
Date : 24th May, 2013

For RAY & RAY
Chartered Accountants
Firm's Registration No. 301072E
AMITAVA CHOWDHURY
Partner
Membership No.56060

UNITED CREDIT LIMITED



PART I UNITED CREDIT LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

In ₹

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	65,481,090	65,481,090
(b) Reserves and Surplus	2	151,203,622	182,865,122
(2) Non-Current Liabilities			
(a) Long-term Borrowings	3	48,531	247,320
(b) Other Long-term Liabilities	4	1,818,756	483,102
(c) Long-term Provisions	5	1,383,078	1,204,329
(3) Current Liabilities			
(a) Other Current Liabilities	6	6,576,751	6,854,977
(b) Short-term Provisions	7	18,475	1,546,022
TOTAL		226,530,303	258,681,962
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	1,521,191	1,843,489
(b) Non-current Investments	9	2,776,084	62,577,012
(c) Deferred Tax Assets (Net)	10	20,896,840	908,826
(d) Long-term Loans and Advances	11	109,556,340	11,017,380
(2) Current Assets			
(a) Trade Receivables	12	68,986	—
(b) Cash and Cash Equivalents	13	5,249,926	5,426,281
(c) Short-term Loans and Advances	14	84,256,645	172,326,397
(d) Other Current Assets	15	2,204,291	4,582,577
TOTAL		226,530,303	258,681,962

Summary of Significant Accounting Policies 22

Other Notes to Financial Statements 23

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

For RAY & RAY
Chartered Accountants
Firm's Registration No. 301072E
6, Church Lane
Kolkata - 700 001
Date: 24th May 2013

AMITAVA CHOWDHURY
Partner
Membership Number 56060

Arunabha Biswas
Vice President and
Company Secretary

On behalf of the Board of Directors
A.K. Dabriwala Chairman & Mg. Director
Suresh Chandra Saha Director

**UNITED CREDIT LIMITED****PART II****UNITED CREDIT LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013***In ₹*

	Particulars	Note No.	For the Year Ended 31st March 2013	For the Year Ended 31st March 2012
I.	Revenue from Operations	16	19,166,345	20,926,875
II.	Other Income	17	3,613,620	2,395,952
III.	Total Revenue		22,779,965	23,322,827
IV.	<i>Expenses :</i>			
	Employee benefits expense	18	4,801,505	4,866,083
	Finance costs	19	56,802	40,105
	Depreciation and amortization expenses		424,086	519,631
	Other expenses	20	65,684,492	6,040,003
	Total Expenses		70,966,885	11,465,822
V.	Profit/(Loss) before exceptional and extraordinary items and tax		(48,186,920)	11,857,005
VI.	Exceptional items		—	—
VII.	Profit/(Loss) before extraordinary items and tax		(48,186,920)	11,857,005
VIII.	Extraordinary items		—	—
IX.	Profit/(Loss) before tax		(48,186,920)	11,857,005
X.	<i>Tax Expense :</i>			
	(1) Current tax	21	3,462,594	3,900,000
	(2) Deferred tax		(19,988,014)	809,729
XI.	Profit/(Loss) for the period from continuing operations		(31,661,500)	7,147,276
XII.	Profit/(Loss) from discontinuing operations		—	—
XIII.	Tax expense of discontinuing operations		—	—
XIV.	Profit/(Loss) from discontinuing operations (after tax)		—	—
XV.	Profit/(Loss) for the period		(31,661,500)	7,147,276
XVI.	Earning per Equity Share :			
	(1) Basic		(5.94)	1.05
	(2) Diluted		(5.94)	1.05

Summary of Significant Accounting Policies

22

Other Notes to the Financial Statements

23

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

For RAY & RAY
Chartered Accountants
Firm's Registration No. 301072E
AMITAVA CHOWDHURY
Partner
Membership Number 56060

Arunabha Biswas
Vice President and
Company Secretary

On behalf of the Board of Directors
A.K. Dabriwala Chairman & Mg. Director
Suresh Chandra Saha Director


CASH FLOW STATEMENT

	<u>Year ended 31st March</u>	
	<u>2013</u>	<u>2012</u>
	₹	₹
A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before Tax & Extraordinary Items	(48,186,920)	11,857,005
Adjustment for		
Depreciation	424,086	519,631
Loss / (Profit) on Sale of Tangible Assets (Net)	2,451	269,394
Lease Equalisation	—	(689)
Provision under RBI Norms for Fixed Assets Written Back	—	(336,033)
Provision against NPA under RBI Norms	285,600	285,600
Provision for Standard Assets under RBI Norms W/Back	(226,280)	13,857
Provision for Gratuity Written Back	—	(283,200)
Provision for Diminution in the value of Investment	59,800,928	—
Interest Received (Gross)	(19,166,345)	(20,926,875)
Interest Paid	56,802	40,105
Operating profit before Working Capital Changes	(7,009,678)	(8,561,205)
Adjustment for		
Trade & Other Receivables	(9,216,110)	(5,805,883)
Trade Payables	1,431,548	600,461
Cash generated from Operations	(14,794,240)	(13,766,627)
Interest Paid	(56,802)	(40,105)
Direct Taxes (Paid)/Refund [Net]	(667,372)	(452,568)
Interest Received (Net)	17,427,325	18,882,282
Cash Flow from Operating Activities	1,908,911	4,622,982
Extraordinary Items	—	—
Net Cash from Operating Activities	1,908,911	4,622,982
B. <u>CASH FLOW FROM INVESTMENT ACTIVITIES</u>		
Purchase of Tangible Assets	(115,389)	(677,195)
Sale of Tangible Assets	11,150	199,219
Net Cash used for Investing Activities	(104,239)	(477,976)
C. <u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from Borrowing (Term Loan)	—	500,000
Repayment of Borrowings (Term Loan)	(161,260)	(168,017)
Dividend Tax Paid	(213,952)	(862,182)
Dividend Payment	(1,318,858)	(5,314,725)
Net Cash used in Financing Activities	(1,694,070)	(5,844,924)



UNITED CREDIT LIMITED

CASH FLOW STATEMENT (Contd.)

	Year ended 31st March	
	2013	2012
	₹	₹
Net Increase in Cash & Cash Equivalents (A+B+C)	110,602	(1,699,918)
Opening Balance of Cash & Cash Equivalents	102,337	1,802,255
Closing Balance of Cash & Cash Equivalents	212,939	102,337

NOTES:

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2013 and the related Statement of Profit and Loss 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-3) on "Cash Flow Statement", issued by The Institute of Chartered Accountants of India and reallocations required for this purpose are made by the Company.
3. In the above Cash Flow Statement, Cash and Cash Equivalents do not include bank balances of unpaid dividend account which are not available for use by the Company.
4. Figures in parenthesis represent outflow.
5. Previous year's figures have been regrouped, recast, wherever necessary, to conform current year's presentation.

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

For RAY & RAY
Chartered Accountants
Firm's Registration No. 301072E
6, Church Lane
Kolkata - 700 001
Date: 24th May 2013

AMITAVA CHOWDHURY
Partner
Membership Number 56060

Arunabha Biswas
Vice President and
Company Secretary

On behalf of the Board of Directors
A.K. Dabriwala *Chairman & Mg. Director*
Suresh Chandra Saha *Director*


Notes to the financial statements

	<u>31st March 2013</u>	<u>31st March 2012</u>
	₹	₹
<u>NOTE - 1 - Share Capital</u>		
a) Authorised –		
15,000,000 (Previous year 15,000,000) Equity Shares of ₹ 10/- each	150,000,000	150,000,000
5,000,000 (Previous year 5,000,000) Preference Shares of ₹ 10/- each	50,000,000	50,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
b) Issued –		
8,334,604 (Previous year 8,334,604) Equity Shares of ₹ 10/- each [Refer Note a) (i) and (ii) below]	83,346,040	83,346,040
1,055,086 12.5% Redeemable Cumulative Preference Shares of ₹ 10/- each	<u>10,550,860</u>	<u>10,550,860</u>
	<u>93,896,900</u>	<u>93,896,900</u>
{Issued by way of conversion of Equity Shares into Preference Shares, refer Note a) (ii) below}		
c) Subscribed and Fully Paid up –		
5,327,823 (Previous year 5,327,823) Equity Shares of ₹ 10/- each fully paid up. (1,108,857 & 1,700,280 Equity Shares of ₹ 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)	53,278,230	53,278,230
1,055,086 (Previous Year 1,055,086) 12.5% Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up. {issued by way of conversion of Equity Shares into Preference Shares, refer Note a) (ii) below}	<u>10,550,860</u>	<u>10,550,860</u>
	<u>63,829,090</u>	<u>63,829,090</u>
Add : Shares Forfeited	1,652,000	1,652,000
	<u>65,481,090</u>	<u>65,481,090</u>

Note :

a) Rights, preferences and restrictions attached to shares :

i) The Company has two types of share capital i.e. equity and preference. These shares carry the same right as mentioned in Sections 85 and 87 of the Companies Act, 1956. Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court at Calcutta by an Order dated 2nd July 2008, preference shares also carry a right to be paid a fixed premium of 50% at the time of redemption.

ii) 12.5% Redeemable Cumulative Preference Shares :

Pursuant to Order of the Hon'ble High Court at Calcutta on 2nd July 2008, 1,055,086 12.5% Redeemable Cumulative Preference Shares of ₹ 10/- each were issued and allotted on 4th September 2008 by way of conversion of equal number of Equity Shares of ₹ 10/- each without payment being received in cash. These Preference Shares are redeemable at a premium of 50% at the end of five years from the date of issue i.e. 03/09/2013 or earlier at the option of the Company.

SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Name of the shareholders	31st March, 2013		31st March, 2012	
	No. of shares held	Percentage	No. of shares held	Percentage
<i>Equity Shares :</i>				
Dabriwala Baniya Udyog Ltd.	22,99,264	43.16	22,99,264	43.16
Anurag Properties Pvt. Ltd.	12,97,874	24.36	12,97,874	24.36

DETAILS OF SHARES ALLOTTED BY THE COMPANY AS FULLY PAID UP WITHOUT PAYMENT BEING RECEIVED IN CASH (DURING 5 YEARS IMMEDIATELY PRECEDING 31.03.2013)

Aggregate No. of Preference shares	Class of shares	Date of allotment	Terms of Redemption	Date of Redemption
10,55,086	12.5 % Redeemable Cumulative Preference Shares	04.09.2008	Redemption at a premium of 50%	03.09.2013 or earlier at the option of the Company



UNITED CREDIT LIMITED

Notes to the financial statements (contd.)

	<u>31st March 2013</u>	<u>31st March 2012</u>
	₹	₹
NOTE - 2 - Reserves and Surplus		
a) Capital Reserve		
Balance as per last account	311,487	311,487
b) Capital Redemption Reserve		
Balance as per last account	14,887,890	14,887,890
c) Securities Premium Reserve		
Balance as per last account	44,627,322	44,627,322
d) Other Reserves		
Reserve Fund as per RBI Norms -		
Balance at the beginning of the year	17,021,423	15,591,968
Add : Transfer from surplus	—	1,429,455
Balance at the end of the year	17,021,423	17,021,423
e) General Reserve - {See Note (i) below}		
Balance at the beginning of the year	84,618,959	83,618,959
Add : Transfer from surplus	—	1,000,000
Balance at the end of the year	84,618,959	84,618,959
f) Surplus/(Deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	21,398,041	18,213,030
Add/(Less) : Profit/(Loss) for the year	(31,661,500)	7,147,276
	(10,263,459)	25,360,306
Less : Appropriations		
Proposed Dividend on Preference Shares	—	1,318,858
Dividend tax on Proposed dividend on Preference Shares	—	213,952
Transfer to General Reserve	—	1,000,000
Transfer to Reserve Fund under RBI Norms	—	1,429,455
Balance at the end of the year	(10,263,459)	21,398,041
	151,203,622	182,865,122

Note :

- i) General Reserve includes Revenue Reserve of ₹ 17,871,849/- (Previous Year ₹ 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 Ltd.

NOTE - 3 - Long-term Borrowings

Secured :

Term Loan

Auto (Cars) Loans from Banks	48,531	247,320
(Repayable in 36 monthly instalments from the date of loan i.e. 07.07.2011 and expires on 07.06.2014) (Secured against hypothecation of car)		
	<u>48,531</u>	<u>247,320</u>

UNITED CREDIT LIMITED



Notes to the financial statements (contd.)

	31st March 2013 ₹	31st March 2012 ₹
NOTE - 4 - Other Long-term Liabilities		
<u>Others</u>		
i) Security Deposit	1,818,756	483,102
	<u>1,818,756</u>	<u>483,102</u>
NOTE - 5 - Long-term Provisions		
a) <u>Provision for Employee Benefit</u>		
i) For Leave Encashment [Refer Note 23.10]	597,367	477,938
	<u>597,367</u>	<u>477,938</u>
b) <u>Others</u>		
i) Contingent Provisions against Standard Assets [Refer Note 23.4]	214,511	440,791
ii) Provisions against NPA under RBI Norms [Refer Note 23.3]	571,200	285,600
	<u>785,711</u>	<u>726,391</u>
	<u>1,383,078</u>	<u>1,204,329</u>
NOTE - 6 - Other Current Liabilities		
i) Current maturities of Long-term Borrowings		
Car Loan from Bank	180,815	143,286
(Secured against hypothecation of car)		
ii) Unpaid Dividends	5,036,987	5,323,944
iii) Other Payables [Refer Note below]	1,358,949	1,387,747
	<u>6,576,751</u>	<u>6,854,977</u>
Note :		
Other payables represent amount payable on account of liabilities for expenses and statutory dues.		
NOTE - 7 - Short-term Provisions		
i) For Leave Encashment [Refer Note 23.10]	18,475	13,212
ii) For Proposed Dividend		
Preference Shares	—	1,318,858
iii) For Tax on Dividend		
Preference Shares	—	213,952
	<u>18,475</u>	<u>1,546,022</u>



Notes to the financial statements (contd.)

NOTE - 8 - Fixed Assets

Particulars	Gross Block (At Cost)			Depreciation			Net Block			
	Cost upto 31st March, 2012 ₹	Additions during the year ₹	Sold/Discarded during the year ₹	Total Cost upto 31st March, 2013 ₹	Upto 31st March, 2012 ₹	Provided for the year ₹	On Assets sold/discarded ₹	Total upto 31st March, 2013 ₹	as at 31st March, 2013 ₹	as at 31st March, 2012 ₹
TANGIBLE ASSETS:										
Own Assets										
Furniture & Fixture	2,950,798	101,750	138,299	2,914,249	2,354,313	100,558	129,030	2,325,841	588,408	596,485
Office Equipment	457,458	7,295	27,384	437,369	310,503	22,635	23,241	309,897	127,472	146,955
Computers	790,882	6,344	126,520	670,506	721,599	33,976	126,331	629,244	41,262	69,083
Motor Car	2,493,879	—	—	2,493,879	1,462,913	266,917	—	1,729,830	764,049	1,030,966
Total	6,692,817	115,389	292,203	6,516,003	4,849,328	424,086	278,602	4,994,812	1,521,191	1,843,489
Figures for the previous year	10,670,510	677,195	4,654,888	6,692,817	8,515,972	519,631	4,186,275	4,849,328	1,843,489	


Notes to the financial statements (contd.)
NOTE - 9 - Non-current Investments

 (At Cost unless stated otherwise)
 [Other Than Trade]

	31st March 2013				31st March 2012																																			
	Face Value ₹	No. of Shares	Value ₹	Value ₹	No. of Shares	Value ₹																																		
(A) INVESTMENTS IN EQUITY INSTRUMENTS																																								
(1) FULLY PAID-UP EQUITY SHARES (QUOTED)																																								
Birla Power Solutions Ltd.	1	64,800	125,982		64,800	125,982																																		
Less : Provision for Diminution in the value of Investments			110,430			—																																		
				15,552		125,982																																		
				<u>15,552</u>		<u>125,982</u>																																		
(2) FULLY PAID-UP EQUITY SHARES (UNQUOTED)																																								
Calcutta Metropolitan Group Ltd.	10	3		30	3	30																																		
Sky B (Bangla) Pvt. Ltd.	10	10,000	100,000		10,000	100,000																																		
Less : Provision for Diminution in the value of Investments			89,500			—																																		
				10,500		100,000																																		
Business India Publications Ltd.	10	50,000		2,750,000	50,000	2,750,000																																		
United Nanotech Products Ltd. [Refer Note]	10	750,100	7,501,000		750,100	7,501,000																																		
Less : Provision for Diminution in the value of Investments			7,500,999			—																																		
				1		7,501,000																																		
				<u>2,760,531</u>		<u>10,351,030</u>																																		
(B) INVESTMENTS IN PREFERENCE SHARES																																								
FULLY PAID-UP CUMULATIVE REDEEMABLE PREFERENCE SHARES (UNQUOTED)																																								
8% United Nanotech Products Ltd.	10	5,210,000	52,100,000		5,210,000	52,100,000																																		
Less : Provision for Diminution in the value of Investments			52,099,999			—																																		
				1		52,100,000																																		
				<u>1</u>		<u>52,100,000</u>																																		
Total			<u>2,776,084</u>			<u>62,577,012</u>																																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Current year</th> <th colspan="2">Previous year</th> </tr> <tr> <th>Book Value ₹</th> <th>Market Value ₹</th> <th>Book Value ₹</th> <th>Market Value ₹</th> </tr> </thead> <tbody> <tr> <td>Aggregate Amount of Quoted Investments</td> <td>125,982</td> <td>15,552</td> <td>125,982</td> <td>33,696</td> </tr> <tr> <td>Aggregate Amount of Unquoted Investments</td> <td>62,451,030</td> <td>—</td> <td>62,451,030</td> <td>—</td> </tr> <tr> <td></td> <td><u>62,577,012</u></td> <td></td> <td><u>62,577,012</u></td> <td></td> </tr> <tr> <td>Less: Aggregate Provision for Diminution in the value of Investments</td> <td>59,800,928</td> <td></td> <td>—</td> <td></td> </tr> <tr> <td>Total</td> <td><u>2,776,084</u></td> <td></td> <td><u>62,577,012</u></td> <td></td> </tr> </tbody> </table>								Current year		Previous year		Book Value ₹	Market Value ₹	Book Value ₹	Market Value ₹	Aggregate Amount of Quoted Investments	125,982	15,552	125,982	33,696	Aggregate Amount of Unquoted Investments	62,451,030	—	62,451,030	—		<u>62,577,012</u>		<u>62,577,012</u>		Less: Aggregate Provision for Diminution in the value of Investments	59,800,928		—		Total	<u>2,776,084</u>		<u>62,577,012</u>	
	Current year		Previous year																																					
	Book Value ₹	Market Value ₹	Book Value ₹	Market Value ₹																																				
Aggregate Amount of Quoted Investments	125,982	15,552	125,982	33,696																																				
Aggregate Amount of Unquoted Investments	62,451,030	—	62,451,030	—																																				
	<u>62,577,012</u>		<u>62,577,012</u>																																					
Less: Aggregate Provision for Diminution in the value of Investments	59,800,928		—																																					
Total	<u>2,776,084</u>		<u>62,577,012</u>																																					

Note : 250,000 Shares of United Nanotech Products Ltd. (UNTPL) have been pledged as Collateral Security with Technology Development Board, New Delhi against loans availed by UNTPL in the year 2007-08.



Notes to the financial statements (contd.)

	<u>31st March 2013</u> ₹	<u>31st March 2012</u> ₹
NOTE - 10 - Deferred Tax Assets (Net)		
<u>Deferred Tax Liabilities</u>	—	—
	<u>—</u>	<u>—</u>
<u>Deferred Tax Assets</u>		
Provision for Leave Encashment	199,810	159,354
Provision for Standard Assets (as per RBI Norms)	69,598	143,015
Provision for Diminution in the Value of Investments	19,402,411	—
Provision against NPA under RBI Norms	185,326	92,663
Depreciation	1,039,695	513,794
	<u>20,896,840</u>	<u>908,826</u>
Deferred Tax Assets	<u>20,896,840</u>	<u>908,826</u>
NOTE - 11 - Long-term Loans and Advances		
<u>(Unsecured Considered Good)</u>		
i) <u>Other Loans and Advances</u>		
a) Advance recoverable in cash or in kind	33,241	55,759
b) Advance Tax including TDS (Net of Provision of Tax C.Y. ₹ 7,400,000/-, P.Y. ₹ 6,500,000/-)	3,963,043	5,019,245
ii) Security Deposits	<u>102,704,056</u>	<u>3,086,376</u>
	106,700,340	8,161,380
<u>(Secured Considered Good)</u>		
<u>(SECURED BY MORTGAGE OF LAND, BUILDING, PLANT & MACHINERY INSTALLED / TO BE INSTALLED THEREIN)</u>		
iii) Others (Assigned) Receivable [Refer Note 23.3]	2,856,000	2,856,000
	<u>109,556,340</u>	<u>11,017,380</u>
NOTE - 12 - Trade Receivables		
<u>(Unsecured Considered Good)</u>		
i) Others	68,986	—
	<u>68,986</u>	<u>—</u>
NOTE - 13 - Cash and Cash Equivalents		
i) <u>CASH & CASH EQUIVALENTS</u>		
a) Balances with Banks in Current Accounts	88,908	78,601
b) Cheques-in-Hand	25,835	—
c) Cash on hand - As Certified by Management	98,196	23,736
	<u>212,939</u>	<u>102,337</u>
ii) <u>OTHER BANK BALANCES</u>		
Unpaid Dividends	5,036,987	5,323,944
	<u>5,249,926</u>	<u>5,426,281</u>
NOTE - 14 - Short-term Loans and Advances		
<u>(Unsecured Considered Good)</u>		
<u>Other Loans and Advances</u>		
i) Loans (Repayable on Demand)	83,600,000	171,734,000
ii) Advances recoverable in cash or in kind or for value to be received	274,325	211,112
iii) Security Deposits	382,320	381,285
	<u>84,256,645</u>	<u>172,326,397</u>

UNITED CREDIT LIMITED



Notes to the financial statements (contd.)

	<u>31st March 2013</u>	<u>31st March 2012</u>
	₹	₹
<u>NOTE - 15 - Other Current Assets</u>		
<u>(Unsecured Considered Good)</u>		
i) Interest Accrued on Loan	2,204,291	4,582,577
	<u>2,204,291</u>	<u>4,582,577</u>
<u>NOTE - 16 - Revenue from Operations</u>		
Interest on Loans (Gross)	19,166,345	20,926,875
	<u>19,166,345</u>	<u>20,926,875</u>
<u>NOTE - 17 - Other Income</u>		
Rent	3,175,050	1,387,572
Others	177,790	351,348
Other Operating Income	34,500	373,832
Provision for Standard Assets under RBI Norms Written Back	226,280	—
Gratuity Provision Written Back	—	283,200
	<u>3,613,620</u>	<u>2,395,952</u>
<u>NOTE - 18 - Employee Benefits Expense</u>		
Salaries, Wages & Bonus	3,543,505	3,329,807
Company's Contribution to Provident Fund	340,155	324,085
Group Insurance Scheme in Lieu of EDLI	19,892	20,916
Staff Welfare Expenses	612,935	615,657
Company's Contribution to Gratuity Fund & Superannuation Fund	285,018	575,618
	<u>4,801,505</u>	<u>4,866,083</u>
<u>NOTE - 19 - Finance Costs</u>		
<u>INTEREST ON :</u>		
Term Loan (Auto Cars)	36,596	40,105
Interest on Income Tax	20,206	—
	<u>56,802</u>	<u>40,105</u>



UNITED CREDIT LIMITED

Notes to the financial statements (contd.)

	₹	<u>31st March 2013</u>	<u>31st March 2012</u>
		₹	₹
NOTE - 20 - Other Expenses			
Rent		598,275	563,844
Insurance		205,780	219,193
Law Charges		28,992	9,510
Printing & Stationery		122,378	127,444
Postage, Telephone & Telegram		476,027	461,742
Electricity Expenses		347,456	259,760
Travelling & Conveyance		1,103,507	620,464
Advertisement		137,191	113,262
Auditors' Remuneration			
Statutory Audit	120,000		100,000
Tax Audit	10,000		5,000
Limited Review	40,000		40,000
Certification Work	31,000		23,000
Service Tax	<u>24,843</u>		17,304
		225,843	
Car Expenses		557,507	557,320
Rates & Taxes		234,335	1,012,055
Maintenance & Repairs - Others		110,511	119,588
Sales Promotion		266,353	297,635
Computer Expenses		74,034	67,300
Directors' Fees		143,000	112,000
Professional Fees		233,807	148,222
Bank Charges		6,786	8,724
Service Charges		361,076	270,512
Loss on Sale / Discard of Fixed Assets		4,332	269,394
Miscellaneous Expenses		360,774	317,273
Provision for Standard Assets under RBI Norms		—	13,857
Provision for NPA under RBI Norms		285,600	285,600
Provision for Diminution in the value of Investments		59,800,928	—
		<u>65,684,492</u>	<u>6,040,003</u>
NOTE - 21 - Current Tax			
Provision for Taxation		3,500,000	3,900,000
Less : Income Tax adjustment for earlier years		<u>37,406</u>	—
		<u>3,462,594</u>	<u>3,900,000</u>

**Notes to the financial statements (contd.)****NOTE 22****Summary of 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 / materialised.

3. Fixed Assets:

Fixed Assets including assets given on finance lease 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 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, unless stated otherwise. Diminution in value, 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.

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:

Short Term Employee Benefit is recognised as an expense in the Statement of Profit and Loss of the year in which related service is rendered.

Post employment and other Long Term Employee Benefits are provided for in the Accounts in the following manner:

i) Gratuity – Maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India, as per Company's Scheme. Provision / write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following Projected Unit Credit Method and is treated as liability.

ii) Leave encashment on termination of service – As per actuarial valuation as at the Balance Sheet date following Projected Unit Credit Method.

**Notes to the financial statements (contd.)**

iii) Provident Fund – Provident Fund for most of the employees is a Defined Contribution Scheme, where the contribution is made to a Fund administered by the Government Provident Fund Authority.

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 accrued 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.

d) 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 and standard 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.

NOTE 23**Other Notes to the Financial Statements****23.1 Contingent liabilities not provided for in respect of:**

a) Income tax demand for the Assessment Year 1996-97 amounting to ₹ 6,900,919/- (Previous Year ₹ 6,900,919/-) including Interest of ₹ 1,031,539/- calculated upto July 2008 against which the Company had filed an application under Section 260A of the Income Tax Act, 1961 before the Hon'ble High Court at Calcutta. However a sum of ₹ 6,900,919/- (Previous Year ₹ 6,900,919/-) had been paid under protest which has been shown under Long-Term Loans and Advances in NOTE 11.

b) Income tax demand pertaining to Assessment Year 2011-12 of ₹ 75,767/- pending hearing with Dy. Commissioner of Income Tax.

c) Dividend on 12.5% Redeemable Cumulative Preference Shares of ₹ 1,318,858/- (Previous Year ₹ NIL).


Other Notes to the Financial Statements (contd.)

23.2 In respect of certain parties where suits have been filed and settlements made, interest has been calculated up to the date of filing suits / settlements. Amount so received taken into account on cash basis.

23.3 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 current year provision of ₹ 285,600/- (Previous Year ₹ 285,600/-) has been made making a total provision of ₹ 571,200/- (Previous Year ₹ 285,600/-) as at the end of the year.

23.4 In compliance with the Notification No.DNBS/223/CGM(US)-2011 dated 17/01/2011 issued by Reserve Bank of India, the Company has made provision of ₹ NIL (Previous Year ₹ 13,857/-) for Standard Assets @0.25% of the outstanding loan amount. During the year an amount of Rs.226,280/- towards excess provision has been written back and shown under the head "Other Income" in NOTE 17. The Company has maintained a total provision of ₹ 214,511/- (Previous Year ₹ 440,791/-) and the same has been separately shown as "Contingent Provisions against Standard Assets" under the head "Long-Term Provisions" under Non-Current Liabilities in NOTE 5.

23.5 Earnings per share:

	Current Year ₹	Previous Year ₹
Profit computation for both Basic and Diluted earnings per share of ₹ 10/- each		
Net Profit/(Loss) after tax as per Statement of Profit and Loss	(31,661,500)	7,147,276
Less. Preference Dividend	—	1,318,858
Less : Tax on Preference Dividend	—	213,952
Profit available for Equity Shareholders	<u>(31,661,500)</u>	<u>5,614,466</u>
Weighted average number of Equity Shares outstanding	5,327,823	5,327,823
Basic and diluted earnings per share in rupees of face value ₹ 10/-	(5.94)	1.05

23.6 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.

23.7 Related Party Transactions

a) List of Related Parties :

Sl. No.	Name	Relation
<u>Key Management Personnel & Relatives</u>		
1	Sri A. K. Dabriwala	Chairman & Managing Director
2	Sri D. Dabriwal	Director
<u>Others</u>		
1	Dabriwala Banijya Udyog Limited	Enterprise in which Key Management Personnel has significant influence

**Other Notes to the Financial Statements (contd.)**

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	Dabriwala Banijya Udyog Limited	<u>Key Management Personnel</u> Sri A. K. Dabriwala	Sri D. Dabriwal
2	Relationship between the parties	Common Director	Chairman & Managing Director	Relative of KMP
3	Nature of transaction	Rent/Security Deposit	Remuneration	Sitting Fees
4	Volume of the transactions	i) Rent Received - ₹ 12,000/- ii) Rent Paid – ₹ 3,000/- iii) Security Deposit given – ₹ 10 Crores iv) Maintenance Charges – ₹ 9,453/- v) Rates & Taxes – ₹ 11,669/-	₹ 1,093,450/-	₹ 28,000/-
5	i) The amounts of outstanding at the balance sheet date ii) Provisions for doubtful debts due from such parties at that date	Security Deposit given – ₹ 10 Crores NIL	NIL NIL	NIL NIL
6	Amounts written off or written back in the period in respect of debts due	NIL	NIL	NIL

23.8 Expenditure in Foreign Currency

	<u>Current Year</u>	<u>Previous Year</u>
	₹	₹
Foreign Travel	273,453	—

23.9 There are no reported micro, small and medium enterprises as defined in “The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006” to which the Company owes dues and as such the disclosure requirements under Section 22 of the said Act does not arise.

23.10 The disclosures for “Employee Benefits” as defined in AS-15 (revised 2005) are given below:

Long Term Defined Benefit Plans in respect of Gratuity and Compensated Absences as on 31st March 2013 as per Actuarial Valuations using Projected Unit Credit Method and recognised in the financial statements in respect of Employee Benefit Schemes.


Other Notes to the Financial Statements (contd.)

		Leave Encashment ₹ Lakhs		Gratuity ₹ Lakhs	
		Current Year	Previous Year	Current Year	Previous Year
I	Expenses recognised in the Statement of Profit and Loss for the year ended 31st March, 2013				
1	Current Service Cost	0.31	0.39	0.79	0.79
2	Interest Cost	0.44	0.38	1.32	1.26
3	Curtailment cost/(credit)	-	-	-	-
4	Expected return on plan assets	-	-	(1.66)	(1.38)
5	Net Actuarial (Gains) / Losses	0.50	(0.03)	0.58	(0.05)
6	Past Service Cost	-	-	-	-
7	Settlement Cost	-	-	-	-
8	Total Expenses	1.25	0.74	1.03	0.62
	The Gratuity Expenses have been recognised in 'Contribution to Gratuity Fund' and Leave Encashment in "Salaries/Wages and Bonus" under Note 18				
II	Net Assets/(Liability) recognised in the Balance Sheet as at 31st March 2013				
1	Present value of Defined Benefit Obligation	6.16	4.91	19.22	16.53
2	Fair Value of Plan Assets	-	-	20.47	17.42
3	Funded status of assets	(6.16)	(4.91)	1.25	0.89
4	Net asset/(liability)	(6.16)	(4.91)	(1.25)	(0.89)
III	Change in Defined Benefit Obligation during the year ended 31st March 2013				
1	Present value of Defined Benefit Obligation at beginning of the year	4.91	4.51	16.53	15.79
2	Current Service Cost	0.31	0.39	0.79	0.78
3	Interest Cost	0.44	0.38	1.32	1.26
4	Settlement Cost	-	-	-	-
5	Past Service Cost	-	-	-	-
6	Employee Contributions	-	-	-	-
7	Actuarial (Gains)/Losses	0.50	(0.03)	0.58	(0.05)
8	Benefits Paid	-	(0.34)	-	(1.25)
9	Present value of Defined Benefit Obligation at the end of the year	6.16	4.91	19.22	16.53
IV	Change in Fair Value of Plan Assets during the year ended 31st March 2013				
1	Fair Value of Plan assets at the beginning of the year	-	-	17.42	12.96
2	Assets acquired on amalgamation in previous year	-	-	-	-
3	Settlements	-	-	-	-
4	Expected return on plan assets	-	-	1.66	1.38
5	Contributions by Employer	-	0.34	1.39	4.34
6	Actual benefits paid	-	(0.34)	-	(1.25)
7	Actuarial Gains / (Losses)	-	-	-	-
8	Fair Value of Plan assets at the end of the year	-	-	20.47	17.42
9	Actual return on plan assets	-	-	-	-



Other Notes to the Financial Statements (contd.)

V	Experience History for the year ended 31st March 2013		
A	Experience History		
1	Defined Benefit Obligation at the end of the year	6.16	4.91
2	Plan assets at the end of the year	-	-
3	Surplus/(Deficit)	(6.16)	(4.91)
4	Experience (Gain)/Loss adjustments on plan liabilities	-	0.04
5	Experience (Gain)/Loss adjustments on plan assets	-	-
B	Division of Defined Benefit Obligation (Current/Non-Current)		
1	Current Defined Benefit Obligation at the end of the year	0.19	0.13
2	Non-Current Defined Benefit Obligation at the end of the year	5.97	4.78
3	Total Defined Benefit Obligation at the end of the year	6.16	4.91

VI	Actuarial Assumptions:	As at 31/03/2013 Leave Encashment	As at 31/03/2013 Gratuity
1	Discount Rate	8.00% p.a. Compounded	8.00% p.a. Compounded
2	Mortality pre-retirement/post-retirement	Standard Table LIC (1994-96) Ultimate	Standard Table LIC (1994-96) Ultimate
3	Rate of increase in salaries	5.00%	6.00%
4	Withdrawal Rate	-	1% - 3%
5	Expected Average remaining working lives of employees (years)	5.73	-
6	Apart from the above the estimates of future salary increases considered in actuarial valuation taking into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		

Defined Contribution Plans

	<u>Current Year</u> ₹	<u>Previous Year</u> ₹
Amount recognised in the Statement of Profit and Loss		
1) Provident fund paid to the authorities	229,766	214,570
2) Pension fund paid to the authorities	81,706	82,188
	<u>311,472</u>	<u>296,758</u>


Other Notes to the Financial Statements (contd.)

23.11 During the current year, the Company has computed tax as per normal provisions of the Income Tax Act, 1961 and is eligible to claim MAT Credit to the extent as specified under Section 115JAA (4) & (5).

23.12 Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

As required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the Note to the Balance Sheet is appended hereunder:

₹ in Lakhs

Particulars		As on 31.03.2013	
Liabilities side :			
(1)	Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	NIL	NIL
	: Unsecured (other than falling within the meaning of public deposit*)	NIL	NIL
	(b) Deferred credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans (specify nature) Car Loans	2.29	NIL
	(*) Please see Note 1 below		
Assets side:		Amount Outstanding	
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured (Net of Provision of ₹ 5.71 lakhs)		22.85
	(b) Unsecured		1891.98
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:		
	(i) Lease assets including lease rentals under Sundry Debtors:		
	(a) Financial Lease		NIL
	(b) Operating Lease		NIL
	(ii) Stock on hire including hire charges under Sundry Debtors:		
	(a) Assets on hire		NIL
	(b) Repossessed Assets		NIL
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		NIL
	(b) Loans other than (a) above		NIL



Other Notes to the Financial Statements (contd.)

₹ in Lakhs

	Particulars	As on 31.03.2013
	Assets side:	Amount Outstanding
(4)	Break-up of Investments	
	<i>Current Investments:</i>	
	1. <i>Quoted:</i>	
	(i) Shares : (a) Equity	NIL
	: (b) Preference	NIL
	(ii) Debenture and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2. <i>Unquoted:</i>	
	(i) Shares : (a) Equity	NIL
	: (b) Preference	NIL
	(ii) Debenture and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	<i>Long-Term Investments:</i>	
	1. <i>Quoted:</i>	
	(i) Shares : (a) Equity (Net of Provision of ₹ 1.10 lacs)	0.16
	: (b) Preference	NIL
	(ii) Debenture and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2. <i>Unquoted:</i>	
	(i) Shares : (a) Equity (Net of Provision of ₹ 75.90 lacs)	27.60
	: (b) Preference (Net of Provision of ₹ 521 lacs)	NIL
	(ii) Debenture and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL


Other Notes to the Financial Statements (contd.)

₹ in Lakhs

(5)	Borrower group-wise classification of Assets financed as in (2) and (3) above: Please see Note 2 below			
	<i>Category</i>	<i>Amount net of provisions</i>		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	NIL	NIL	NIL
	(b) Companies in the same group	NIL	NIL	NIL
	(c) Other related parties	NIL	1000.00	1000.00
	2. Other than related parties (net of provision)	22.85	891.98	914.83
	Total	22.85	1891.98	1914.83

(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see Note 3 below		
	<i>Category</i>	<i>Market Value/ Break up or fair value or NAV</i>	<i>Book Value (Net of Provisions)</i>
	1. Related Parties **		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties	NIL	NIL
	2. Other than related parties (See Note 3)	21.52	27.76
	Total	21.52	27.76

** As per Accounting Standard of ICAI

(7)	Other Information	
	Particulars	Amount
(i)	Gross Non-performing Assets (Includes purchase of NPA)	
	(a) Related Parties	NIL
	(b) Other than related parties	28.56
(ii)	Net Non-performing Assets (net of provision)	
	(a) Related Parties	NIL
	(b) Other than related parties	22.85
(iii)	Assets acquired in satisfaction of debt	NIL



Other Notes to the Financial Statements (contd.)

Notes:-

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms are applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
3. Market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments are disclosed.

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

Signatures to Notes 1 to 23

For RAY & RAY
Chartered Accountants
Firm's Registration No. 301072E
AMITAVA CHOWDHURY
Partner
Membership Number 56060

6, Church Lane
Kolkata - 700 001
Date: 24th May 2013

Arunabha Biswas
Vice President and
Company Secretary

On behalf of the Board of Directors
A.K. Dabriwala *Chairman & Mg. Director*
Suresh Chandra Saha *Director*

UNITED CREDIT LIMITED

Regd Office : 27B, Camac Street (8th Floor), Kolkata - 700016
Phone : (033) 2287-9359 / 9360, Fax : (033) 2287-2047
E-mail : unitedcredit@vsnl.com

E-COMMUNICATION REGISTRATION FORM

(In terms of Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011
respectively issued by the Ministry of Corporate Affairs)

Name :e-mail Id :

Address :

.....

DP ID :

Client ID :

Folio No. :

(in case of physical holding)

No. of Shares held :

I/we shareholder(s) of United Credit Limited agree to receive communication from the Company in electronic mode.

Please register my / our above e-mail id in your records for sending communication through e-mail.

Date :

Signature :

(First Holder)

Note : Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

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
appointof
or failing him of
.....as my/our proxy to vote for me/us and
on my/our behalf at the 42nd Annual General Meeting of the Company to be held on
Wednesday, the 25th September, 2013 and at any adjournment thereof.

As witness my/our hand(s) this day of2013

Signed by the said
Folio 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 42nd Annual General Meeting of the Company held on
Wednesday, the 25th September, 2013.

Full name of the shareholder in Block Letters

Folio No.

DP / Client ID.

No. of Shares held (Signature of 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.

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Kolkata - 700 016**

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