

40th  
ANNUAL REPORT

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Statement of Accounts  
2010 - 2011

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**UNITED CREDIT LIMITED**



**CONTENTS**

	<b>Page</b>
Board of Directors	3
Notice	4-7
Directors' Report	8-21
Auditors' Report and Annexure	22-25
Balance Sheet	26
Profit & Loss Account	27
Cash Flow Statement	28-29
Schedules to Accounts	30-45



**BOARD OF DIRECTORS**

Mr. Dipankar Chatterji, Chairman  
Mr. A. K. Dabriwala, Managing Director  
Mr. N. Mishra  
Mr. R. M. Choubey  
Mr. Devashish Dabriwal

**VICE PRESIDENT AND COMPANY SECRETARY**

Mr. Arunabha Biswas

**SOLICITORS AND ADVOCATES**

Khaitan & Co.  
Victor Moses & Co.

**AUDITORS**

M/s. Ray & Ray

**BANKERS**

United Bank of India  
HDFC Bank Limited

**REGISTRARS & SHARE TRANSFER AGENT**

C B Management Services (P) Limited  
P-22, Bondel Road,  
Kolkata-700 019  
Phone : (033) 2280-6692/93/94/2486  
4011-6700/6711/6718/6723  
Fax : (033) 2287-0263  
E-mail : rta@cbmsl.com  
Website : www.cbmsl.com

**AUDIT COMMITTEE**

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

**REMUNERATION COMMITTEE**

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

**INVESTORS' GRIEVANCE COMMITTEE**

Mr. R. M. Choubey  
Mr. A. K. Dabriwala  
Mr. Devashish Dabriwal

**REGISTERED OFFICE**  
27B Camac Street (8<sup>th</sup> Floor), Kolkata-700 016  
Phone:(033) 2287-9359/9360, Fax: (033) 2287-2047  
E-mail : unitedcredit@vsnl.com  
Website : www.unitedcreditltd.com



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**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Fortieth Annual General Meeting of the Members of UNITED CREDIT LIMITED will be held at the 'Shripati Singhanian Hall', Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700 020 on Tuesday, the 26<sup>th</sup> July, 2011 at 10.00 A.M.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on 12.5% redeemable preference shares for the financial year ended 31<sup>st</sup> March, 2011.
3. To declare dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2011.
4. To elect a Director in place of Mr. R. M. Choubey, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration. The retiring Auditors, M/s. Ray & Ray, Chartered Accountants, Kolkata are eligible for reappointment.

27B, Camac Street  
Kolkata – 700 016  
The 20<sup>th</sup> May, 2011

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 Meeting.
- II) Members are requested to notify immediately any change in their address to the Company.
- 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 authorizing their representative to attend and vote on their behalf at the Meeting.
- IV) The Register of Members and Transfer Books of the Company will remain closed from 16<sup>th</sup> July, 2011 to 26<sup>th</sup> July, 2011 (both days inclusive).

The dividend as recommended by the Board, if approved at the meeting by the members, will be paid on or after 2<sup>nd</sup> August, 2011 to those persons whose names stand registered in the Company's Register of Members or their mandates :

  - (a) as Beneficial Owners as at the end of business hour on 15<sup>th</sup> July, 2011 as per names and addresses to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form and
  - (b) as Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 15<sup>th</sup> July, 2011.
- 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 shares in the Company shall vest in the event of his death.
- IX) Pursuant to Section 205A(5) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 w.e.f. 31.10.98, any money transferred to the unpaid dividend account of the Company in pursuance of Section 205A(1), which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund established under Section 205C(1) of the Companies Act, 1956 and no claim shall lie against the Fund or the



Company in respect of the individual amounts which remain unclaimed and unpaid for a period of seven years from the dates that they first became due for payment.

The members who have not received / encashed dividend warrants for the financial years 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 (equity shares only) and 2008-09 (preference shares only) and 2009-10 (both equity and preference shares) may write to the Company for payment immediately.

- X) Members are informed that the scrips of the Company have been activated both in CDSL and NSDL and may be dematerialised under the ISINs INE858C01027 for Equity Shares and INE858C04013 for Preference Shares.
- XI) The members are requested to inform their PAN allotted by the Income Tax authorities immediately. Pursuant to Circular No.MRD/DOP/Cir-05/2007 dated 20.05.2009 of SEBI it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/ Registrars and Share Transfer Agent for registration of transfer of shares.
- XII) Shareholders are requested to notify the Registrars and Share Transfer Agent, C.B. Management Services (P) Ltd latest by 9<sup>th</sup> July, 2011 NECS instruction / their bank account number, the name of the bank and branch with whom such account is held to enable them to print the said details in the Dividend Warrant after the name of the payee, if dividend is declared.

National Electronic Clearing Services (NECS) facility provided by Reserve Bank of India may be obtained by the shareholders. Under this option, Investor's Bank account is directly credited and an advice thereof is issued by the Company after the transaction, if effected.

For availing this facility, the following steps are to be initiated by the shareholders:

- i) Shareholders who are holding shares in physical form, should send their NECS Mandate Form duly filled in to C B Management Services (P) Ltd, the Registrars and Share Transfer Agent of the Company. NECS Mandate Form is enclosed.
  - ii) Shareholders who are holding shares in demat mode, NECS mandate has to be sent to their Depository Participant (DP) directly in the Format prescribed by the DP.
- XIII) Members holding shares in electronic form may please note that their bank account details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories or may be paid through NECS where such facility is available and the Company will not entertain any direct request from such members for deletion of / change in such bank account details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
  - XIV) **The shareholders who have not yet surrendered their share certificates of erstwhile United Credit Financial Services Limited are requested to contact the Registrars and Share Transfer Agent of the Company, C B Management Services (P) Limited for necessary action immediately.**



- XV) 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 & Share Transfer Agent of the Company, C. B. Management Services (P) Limited 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 with Section 53 of the Companies Act, 1956. Shareholders holding shares in physical mode are requested to visit the following web page to register their email IDs and exercise their option accordingly.

**[www.cbmsl.com/green.php](http://www.cbmsl.com/green.php)**

**Shareholders holding shares in demat mode and intend to receive the Annual Report in physical form may likewise visit the abovementioned web page to exercise their option.**

- XVI) Pursuant to Article 78(c) of the Articles of Association of the Company, Mr. R. M. Choubey, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Brief resume of Mr. Choubey, nature of his expertise in specific functional areas, names of Companies in which he holds directorships / memberships / chairmanships of the Board and Committee of the Board, shareholding and relationships 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. R. M. Choubey.

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

Your Directors are happy to present the 40th Annual Report with the Audited Statement of Accounts for the year ended March 31, 2011.

**FINANCIAL RESULTS**

	(₹ in Lacs)	
	2010-2011	2009-2010
Gross Income	<b>246.36</b>	343.39
PBDIT	<b>134.17</b>	215.40
Interest	<b>(0.46)</b>	(0.93)
Depreciation	<b>(5.73)</b>	(8.42)
PBT	<b>127.98</b>	206.05
Provision for Taxation (Net)	<b>(24.78)</b>	(17.34)
Deferred Tax	<b>(2.37)</b>	(26.21)
PAT	<b>100.83</b>	162.50
<b>Appropriations</b>		
Surplus b/f from previous year	<b>178.24</b>	174.55
Profit available for appropriation	<b>279.07</b>	337.05
Proposed Dividend	<b>53.15</b>	74.02
Tax on Dividend	<b>8.62</b>	12.29
General Reserve	<b>15.00</b>	40.00
Transfer to Reserve Fund as per RBI norms	<b>20.17</b>	32.50
Surplus carried to Balance Sheet	<b>182.13</b>	178.24

**DIVIDEND**

The Board is pleased to recommend a dividend of ₹ 1.25 per preference share of ₹ 10/- each and ₹ 0.75 per equity share of ₹ 10/- each.

**RESERVES & SURPLUS**

The Balance in Reserves & Surplus stands at ₹ 17,72,50,656/- (as on 31.3.2010 at ₹ 17,33,44,864/-) after the appropriations mentioned above.

**PERFORMANCE**

Total income generated by the Company during the financial year was ₹ 246.36 Lacs, as compared to ₹ 343.39 Lacs in the previous year. The Company has however been able to earn profit after tax of ₹ 100.83 Lacs for the year under review as against ₹ 162.50 Lacs during the previous year.

**FUTURE OUTLOOK**

During the year under review, the Company has been able to generate sizeable income on account of interest on loan, which is supplemented by rental income. The management feels that in view of recent change in credit policy of the Reserve Bank of India whereby NBFCs have lost their priority tag, it will be prudent for the Company to put emphasis on increasing income from rent and interest on loan to ensure regular flow of fund at fixed interval and to maximise profit.





**LISTING WITH THE STOCK EXCHANGES**

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

**DEPOSITS**

The Company does not have any matured unclaimed deposit as on 31.03.2011.

**DIRECTORS**

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

Mr. N. Himatsingka resigned from the Board with effect from 30<sup>th</sup> March, 2011 owing to his old age.

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

**AUDITORS & AUDITORS' REPORT**

M/S. Ray & Ray, Chartered Accountants, Kolkata, hold office upto 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 reappointment, if made, would be within the limit prescribed under Section 224(1B) of the Companies Act, 1956.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The Company being engaged in hire purchase, leasing and other non-banking financial activities of varied nature, the question of conservation of energy and technology absorption does not arise.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

There has been no foreign exchange earnings in any manner during the year under review. However, the total outgo of foreign exchange during the year under review was ₹ 2,35,913/-

**TRANSFER OF UNPAID DIVIDEND 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 7 years have been duly transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to 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 Governance and a separate section has been included in this report. The report on Corporate Governance and the declaration by the Managing Director in respect of Code of Conduct for all Board Members and Senior Management personnel and the certificate issued by M/s. Ray & Ray, Statutory Auditors of the Company in confirmation of the compliance as per requirement of Clause 49 of the Listing Agreement with the stock exchanges have been set out separately in Annexure – I.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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



**SUBSIDIARY COMPANIES**

The Company has 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 and there are no material departures from the same;
- ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit or loss of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts have been prepared on a going concern basis.

**ACKNOWLEDGEMENT**

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

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

Kolkata-700 016  
The 20<sup>th</sup> May, 2011

For and on behalf of the Board  
**Dipankar Chatterji**  
Chairman

**CORPORATE GOVERNANCE REPORT****ANNEXURE - 1**

Pursuant to Clause 49 of the Listing Agreement, the Company has implemented the Code of Corporate Governance. A due Compliance Report on specific areas wherever applicable, for the year ended 31<sup>st</sup> March, 2011 is given divided into several paragraphs.

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

United Credit Ltd., a Non-deposit taking Non-Banking Financial Institution, believes in fairness, transparency, accountability and commitment to its stakeholders and the society at large. The Company is committed to the meeting of expectation of all its stakeholders.

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

The Company has a broad-based Board and meets the 'Composition' criteria. As on 31<sup>st</sup> March, 2011, the Board comprised of five Directors, out of which four are non-executive Directors, three of whom are independent Directors. The non-executive Directors are eminent professionals drawn from amongst persons with experience in business, finance, law and public enterprises. The composition of the Board during the year ended 31<sup>st</sup> March, 2011 is as under :-

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

Five Board Meetings were held during the year and the dates were 08.04.10, 28.05.10, 26.07.10, 12.11.10 and 29.01.11.

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

\* Mr. N. Himatsingka, a Director of the Company and Member of the Remuneration Committee, has resigned from the Board of Directors w.e.f. 30.03.2011.

**(B) NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

The Non-Executive Directors are not paid any remuneration apart from sitting fees of ₹ 2,500/- for attending each meeting of the Board of Directors and ₹ 1,500/- for attending meetings of the Committees thereof.



CORPORATE GOVERNANCE REPORT (contd.)

**(C) OTHER PROVISIONS AS TO BOARD AND COMMITTEES**

**DETAILS OF OTHER DIRECTORSHIPS ETC.**

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

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

\* In view of resignation submitted by Mr. N. Himatsingka, he has ceased to be a member of the Board of Directors and its Committee with effect from 30.03.2011.

**BOARD MEETINGS AND ATTENDANCE**

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

Sl. No.	Date of Board Meeting	Board's Strength	No. of Directors present
1.	08.04.10	6	5
2.	28.05.10	6	6
3.	26.07.10	6	6
4.	12.11.10	6	6
5.	29.01.11	6	6

**BOARD'S PROCESSES**

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

**(D) CODE OF CONDUCT**

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



CORPORATE GOVERNANCE REPORT (contd.)

**II. COMMITTEES OF THE BOARD**

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

**(A) AUDIT COMMITTEE**

**(i) Qualified and Independent Audit Committee**

The Company has an Audit Committee of the Board comprising of three Non-Executive Independent Directors, namely Mr. Dipankar Chatterji, Mr. N. Mishra and Mr. R. M. Choubey. Mr. Chatterji has been acting as the Chairman of the Audit Committee.

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

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) Meeting of Audit Committee**

The details of Audit Committee Meeting held during the year 2010-2011 are as under :

**Audit Committee Meetings**

Directors	No. of Meetings held	No. of Meetings attended	Date of Meeting
Mr. Dipankar Chatterji	4	4	28.05.10
Mr. N. Mishra	4	4	26.07.10
Mr. R. M. Choubey	4	4	12.11.10
			29.01.11

**(iii) Powers and Role of Audit Committee**

The Audit Committee enjoys the powers as mentioned in Clause 49 of the Listing Agreement 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. Dipankar Chatterji with Mr. N. Mishra and Mr. R.M. Choubey as the other Members of the Committee. During the year one meeting was held on 28.05.2010.

Mr. N. Himatsingka was the Chairman of the Committee and upon resignation submitted by him on 30<sup>th</sup> March, 2011, Mr. Dipankar Chatterji has been inducted in the Committee as per decision taken in the Board Meeting held on 19<sup>th</sup> April, 2011.

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. The components of the total remuneration vary according to designation and grade.

**(C) INVESTORS' GRIEVANCE COMMITTEE**

The Board has constituted an Investors' 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 29.01.2011, 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 : 13

Number of grievances not resolved : Nil

As on 31<sup>st</sup> March, 2011 there is no complaint pending.



## CORPORATE GOVERNANCE REPORT (contd.)

**(D) SHARE TRANSFER COMMITTEE**

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

During the year 2010-2011, 12 meetings of the Share Transfer Committee were held.

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

**III. SUBSIDIARY COMPANIES**

As on 31<sup>st</sup> March, 2011 the Company has no subsidiary

**IV. DISCLOSURES****(A) Related Party Transactions**

Disclosures of Directors' interests are made to the Board as per law. The details of the related party transactions are given in Note 13 of Schedule 16 of the Accounts.

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

**DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY THE STATUTORY AUTHORITIES**

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

**(B) Disclosure of Accounting Treatment**

In the preparation of financial statement, the Company has followed the text of the Accounting Standards as notified by the Ministry of Corporate Affairs, Government of India.

**(C) Risk Management**

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

**(D) Proceeds from Public Issues, Rights Issues etc.**

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

**(E) Remuneration of Directors****DETAILS OF REMUNERATION PAID TO THE DIRECTORS DURING THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

Sl. No.	Name of the Directors	Salary (₹)	Perquisites and other benefits (₹)	Performance Bonus/ Commission (₹)	Sitting Fee (₹)	Total (₹)
1.	Mr. Dipankar Chatterji	-	-	NIL	18,500.00	18,500.00
2.	Mr. A. K. Dabriwala	7,32,500.00	2,40,034.00	NIL	NIL	9,72,534.00
3.	Mr. N. Himatsingka	-	-	NIL	14,000.00	14,000.00
4.	Mr. R. M. Choubey	-	-	NIL	39,500.00	39,500.00
5.	Mr. N. Mishra	-	-	NIL	17,500.00	17,500.00
6.	Mr. Devashish Dabriwal	-	-	NIL	32,000.00	32,000.00



## CORPORATE GOVERNANCE REPORT (contd.)

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

**(F) MANAGEMENT**

Report on management discussion and analysis is given in Annexure II to the Directors' Report.

**(G) SHAREHOLDERS**

(i) **Appointment of Directors** : Details of Mr. R. M. Choubey being re-appointed at the ensuing Annual General Meeting are given hereunder :

Brief resume of Mr. R. M. Choubey 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 committee other than UCL are provided below:

**Mr. R. M. Choubey**

Mr. R. M. Choubey aged about 69 years is a B.Sc (Engineering) of Ranchi University. He is also an Associate Member of the Institute of Internal Auditors. He has a very wide background of working in the banking industry and presently he is in the Board of the following Companies, besides United Credit Limited.

Name of the Company	Director/ Chairman	Chairman of the Board Committee	Member of the Committee
Poddar Projects Ltd.	Director	—	—
B. P. Poddar Hospital & Medical Research Ltd.	Director	—	—
Heritage Televenture & Media Private Ltd.	Director	—	—
United Credit & Development Co. Ltd.	Director	—	—

Mr. Choubey is also a member of the Audit, Remuneration and Investors' Grievance Committee of the Company and he is not holding any shares in the Company.

**(ii) Means of Communication**

- a) Quarterly Report : The Quarterly Results are being sent to the Stock Exchanges and also published in the newspapers. The Quarterly results are also given in the Company's website.
- b) Quarterly results are normally published in : The Financial Express in English and Kalantar or Dainik Lipi or Arthik Lipi in Bengali.
- c) Any website where results or official news are displayed : Quarterly Financial Results are being put on company's website : [www.unitedcreditltd.com](http://www.unitedcreditltd.com)
- d) The presentation made to Institutional Investors or to Analysts : None has been made during the year ended 31<sup>st</sup> March, 2011.
- e) Whether Management Discussion and Analysis Report forms part of the Annual Report : Yes



CORPORATE GOVERNANCE REPORT (contd.)

- (iii) **Investors' Grievance Committee** : Investors' Grievance Committee has been formed, details of which are given in item no.II(C) of this report.
- (iv) **Share Transfer** : Power of share transfer has been delegated to the Share Transfer Committee.

**(H) CEO AND CFO CERTIFICATION**

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

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

Financial Year	Location	Date	Time	Special Resolution passed	Special Resolution put through postal ballot
2009-10	'Shripati Singhanian Hall' Rotary Sadan 94/2, Chowringhee Road Kolkata – 700 020	26.07.2010	10.00 A.M.	Yes	No
2008-09	'Shripati Singhanian Hall' Rotary Sadan 94/2, Chowringhee Road Kolkata – 700 020	24.07.2009	9.30 A.M.	Yes	No
2007-08	'Shripati Singhanian Hall' Rotary Sadan 94/2, Chowringhee Road Kolkata – 700 020	27.08.2008	10.30 A.M.	No	No

**(I) SHAREHOLDER INFORMATION**

**a) Annual General Meeting**

- Date : 26<sup>th</sup> July, 2011  
 Time : 10.00 A.M.  
 Venue : 'Shripati Singhanian Hall'  
 Rotary Sadan  
 94/2, Chowringhee Road  
 Kolkata – 700 020
- Book Closure Date : 16<sup>th</sup> July, 2011 to 26<sup>th</sup> July, 2011  
 Dividend payment date : on or after 2nd August, 2011, if declared at the AGM  
 Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March

**b) Financial Calendar 2011-12 (Tentative)**

Adoption of Quarterly Results	Tentative dates
30 <sup>th</sup> June, 2011	Fourth week of July, 2011
30 <sup>th</sup> September, 2011	Fourth week of October, 2011
31 <sup>st</sup> December, 2011	Fourth week of January, 2012
31 <sup>st</sup> March, 2012 (Audited Annual Accounts)	Fourth week of May, 2012





## 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) 2280-6692/93/94/2280-2486/4011-6700/6711/6718/6723  
Fax No. (033) 2287-0263  
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 :

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

**f) Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2011**

Category	Equity Shares		Preference Shares	
	No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
<b>A. PROMOTERS' HOLDING</b>				
i. NRI Promoters (including OCBs)	NIL	NIL	—	—
ii. Indian Promoters, relatives and associates	3824488	71.78	—	—
Sub Total	3824488	71.78	—	—
<b>B. NON-PROMOTERS' HOLDING</b>				
Institutional Investors –				
a. Mutual Funds and UTI	54960	1.03	40	0.00
b. Banks, Financial Institutions, Insurance Companies, Central/State Govt. Institutions/Non-Government Institutions (including Foreign Financial Institutions)	29037	0.55	585	0.06
c. FIIIs	—	—	—	—
Sub Total	83997	1.58	625	0.06
<b>C. OTHERS</b>				
a. Corporate bodies	296923	5.57	6239	0.59
b. Indian Public	1059064	19.88	993309	94.15
c. NRIs/OCBs	49672	0.94	15547	1.47
d. Any other - Directors & relatives other than Promoters				
- Promoters	NIL	NIL	—	—
- Foreign Nationals	7590	0.14	39366	3.73
- Clearing Member	6089	0.11	—	—
Sub Total	1419338	26.64	1054461	99.94
<b>GRAND TOTAL</b>	<b>5327823</b>	<b>100.00</b>	<b>1055086</b>	<b>100.00</b>


**g) Distribution of Shareholding as on 31<sup>st</sup> March, 2011**

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
Upto 500	2127	83.05	413183	7.76	25678	100.00	1055086	100.00
501 – 1,000	246	9.60	188710	3.54	–	–	–	–
1,001 – 2,000	91	3.55	134207	2.52	–	–	–	–
2,001 – 3,000	35	1.37	88960	1.67	–	–	–	–
3,001 – 4,000	15	0.59	55112	1.03	–	–	–	–
4,001 – 5,000	11	0.43	49570	0.93	–	–	–	–
5,001 – 10,000	15	0.59	112053	2.10	–	–	–	–
10,001 and above	21	0.82	4286028	80.45	–	–	–	–
<b>T o t a l</b>	<b>2561</b>	<b>100.00</b>	<b>5327823</b>	<b>100.00</b>	<b>25678</b>	<b>100.00</b>	<b>1055086</b>	<b>100.00</b>

**h) Share Transfer System**

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

Share Dematerialisation records : The following data indicates the extent of Dematerialisation of Company's shares as on 31<sup>st</sup> March, 2011.

Category	In NSDL		In CDSL		Total	
	Equity	Preference	Equity	Preference	Equity	Preference
No. of Shares Dematerialised	759772	83890	287797	25258	1047569	109148
Percentage of Shares	14.26	7.95	5.40	2.39	19.66	10.34
No. of Shareholders	905	1182	488	374	1393	1556

**j) Market Price Data (₹)**

Month		Bombay Stock Exchange Ltd.	
		High	Low
April	2010	30.00	20.50
May	2010	44.15	24.00
June	2010	47.00	24.75
July	2010	37.30	31.00
August	2010	52.75	29.80
September	2010	32.85	29.00
October	2010	32.00	27.35
November	2010	32.65	24.80
December	2010	30.95	21.00
January	2011	25.50	18.20
February	2011	21.75	16.50
March	2011	24.75	18.00



CORPORATE GOVERNANCE REPORT (contd.)

**k) UNCLAIMED DIVIDENDS**

Unclaimed dividends, if any, will be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956, for the years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 (equity dividend only) and 2008-09 (preference dividend only) and 2009-10 (both equity and preference dividend) as per applicable provisions of the Act.

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

**l) 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.

**m) DEPOSITORY SERVICES**

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

National Securities Depository Ltd.  
4<sup>th</sup> Floor, A Wing, Trade World,  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai – 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  
17<sup>th</sup> Floor, Dalal Street  
Mumbai 400001  
Telephone : (022) 2272-3333  
Fax : (022) 2272-3199  
Website : www.cdslindia.com

Kolkata – 700 016  
The 20<sup>th</sup> May, 2011

For and on behalf of the Board

**Dipankar Chatterji**  
Chairman

**(a) INDUSTRIAL STRUCTURE AND DEVELOPMENT**

Although the economy is recovering after a brief spell of recession, there is not much scope of development for comparatively small NBFCs like ours. There is a change in the credit policy of the Reserve Bank of India and accordingly NBFCs have lost priority sector tag.

**(b) OPPORTUNITIES AND THREATS**

Although for big NBFCs there is some opportunities for growth, small NBFCs have to walk on a very tight rope.

**(c) PERFORMANCE**

During the year under review the Company has been able to generate total income of ₹ 246.36 Lacs, as against ₹ 343.39 Lacs in the previous year. The Company has however been able to earn profit after tax of ₹ 100.83 Lacs.

**(d) OUTLOOK**

The management feels that to ensure steady flow of fund and maximise profit in the present economic condition, the Company should concentrate on increasing income from rent and interest on loan.

**(e) RISK AND CONCERN**

Risk is inherent in every business activity. It is more so in case of a Company which is mainly engaged in giving loans and making investments in shares of other bodies corporate. The Company, being an NBF, its main business is giving loans and making investments. Owing to its volatile nature, it is almost impossible to predict the market. As such return from investments in shares is always uncertain.

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

The Company has adequate internal control system commensurate with the business carried on by the Company and its size. 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) CAUTIONARY STATEMENT**

Statement in respect of Management Discussion and Analysis is based on market trend and analysis made by the Company. The actual state of affairs may be different based on future development of market, government regulations and policies.

Kolkata – 700 016  
The 20<sup>th</sup> May, 2011

For and on behalf of the Board  
**Dipankar Chatterji**  
Chairman

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**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 20<sup>th</sup> May, 2011

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



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

To  
The Members of United Credit Limited

We have examined the compliance of conditions of Corporate Governance by **UNITED CREDIT LIMITED** ("Company") for the year ended on 31<sup>st</sup> March 2011 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 the 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 31<sup>st</sup> March 2011, 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 : 20<sup>th</sup> May, 2011

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



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

1. We have audited the attached Balance Sheet of **UNITED CREDIT LIMITED ("Company")** as at 31st March 2011, the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date (hereinafter referred to as "financial statements"), which we have signed under the reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit so as to obtain reasonable assurance as to whether these financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, ("Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act 1956 of India (the "Act"), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) These financial statements dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, these financial statements dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Act;
  - (v) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:



**UNITED CREDIT LIMITED**

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- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
  - (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
5. As required by the Non-Banking Financial Companies Auditor's 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 : Kolkata  
Date : 20<sup>th</sup> May, 2011

**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 3 of the Auditors' Report of even date addressed to the members of UNITED CREDIT LIMITED on the financial statements for the year ended 31st March 2011]*

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets, other than those given on lease, were physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. There being no stock in trade (comprising of investments in shares and merchandise / trading items), reporting requirements in terms of clause (ii) of the aforesaid Order are not applicable to the Company for the current year.
- 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 in general an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories (shares) / fixed assets and with regard to the sale of shares. Further during the course of our audit, we have neither come across nor have we been informed of any continuing failure in the aforesaid control systems, to correct major weakness in the internal control system.
- v. On the basis of our examination of books of account and according to explanation given to us, the Company has not entered into any transaction during the year that need to be entered into the Register maintained under Section 301 of the Act and therefore the clauses (v)(a) and (v)(b) of paragraph 4 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 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 Companies Act, 1956 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 generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, read with Note 3 of Schedule 16 regarding certain demands on Income Tax matters pertaining to Assessment Year 1996-97, there are no dues of Income Tax, Wealth Tax and Customs Duty which have not been deposited on account of any dispute as at the Balance Sheet date.





- x. The Company has no accumulated losses and has earned profit during the financial year covered by our report and had not incurred cash loss 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 generally been maintained of shares, securities and debentures for transaction and contracts and timely entries have been made therein. The Company has held the shares, securities, debentures and other investments in its own name.
- 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 Company has not raised any term loan during the year.
- 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 : Kolkata  
Date : 20<sup>th</sup> May, 2011

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

# UNITED CREDIT LIMITED



## BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Current Year		Previous Year
		₹	₹	₹
<b>SOURCES OF FUNDS :</b>				
1. Shareholders' Fund				
a) Capital	1	65,481,090		65,481,090
b) Reserves and Surplus	2	<u>177,250,656</u>		<u>173,344,864</u>
			<b>242,731,746</b>	238,825,954
2. Loan Funds				
Secured Loans	3		<b>58,623</b>	435,962
Total			<u><b>242,790,369</b></u>	<u>239,261,916</u>
<b>APPLICATION OF FUNDS :</b>				
1. Fixed Assets	4			
Gross Block		<b>10,670,510</b>		10,445,104
Less : Depreciation		<u><b>8,515,972</b></u>		<u>7,943,146</u>
		<b>2,154,538</b>		2,501,958
(Less)/Add : Lease Adjustment Account		<u><b>(689)</b></u>		<u>(1,149)</u>
		<b>2,153,849</b>		2,500,809
Less : Provision under RBI Norms		<u><b>336,033</b></u>		<u>391,000</u>
Net Block			<b>1,817,816</b>	2,109,809
2. Investments	5		<b>62,577,012</b>	80,378,206
3. Deferred Tax Assets	6		<b>1,718,555</b>	1,955,761
4. Current Assets, Loans and Advances				
Sundry Debtors	7	—		98,521
Cash and Bank Balances	8	<b>7,103,697</b>		9,778,561
Loans and Advances	9	<u><b>186,123,310</b></u>		<u>166,403,352</u>
		<b>193,227,007</b>		<u>176,280,434</u>
Less : Current Liabilities & Provisions				
a) Liabilities	10	<b>6,611,980</b>		9,683,075
b) Provisions	11	<u><b>9,938,041</b></u>		<u>11,779,219</u>
		<b>16,550,021</b>		<u>21,462,294</u>
Net Current Assets			<b>176,676,986</b>	154,818,140
Total			<u><b>242,790,369</b></u>	<u>239,261,916</u>
SIGNIFICANT ACCOUNTING POLICIES	15			
NOTES TO ACCOUNTS	16			

Schedules 1 to 11, 15 & 16 referred to above form an integral part of Balance Sheet.

This is the Balance Sheet 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  
**Dipankar Chatterji**  
**A.K. Dabriwala**

*Chairman*  
*Mg. Director*

6, Church Lane  
Kolkata - 700 001  
Date: 20th May 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	Current Year ₹	Previous Year ₹
<b>I N C O M E :</b>			
Interest on Loans, Deposits (Gross) (Tax Deducted at source ₹ 1,937,656/-; Previous Year ₹ 494,296/-)		21,450,626	7,172,875
Lease Rent		31,900	49,900
Add/(Less) : Lease Adjustment Account		460	766
		32,360	50,666
Dividend from Long Term Investments -Other Than Trade (Gross)		12,401	343,730
Income from H.P. Business		3,000	143,531
Bad Debts Recovered		-	3,220
Profit on Sale of Long Term Investments (Non-Trade) - Shares/Units (Net)		292,595	16,034,671
Provision for Diminution in the Value of Investment written back		-	4,999,999
Other Income (Note 9 of Schedule 16)		1,925,603	3,136,585
Provision under RBI Norms written back		919,339	2,453,483
		<b>24,635,924</b>	<b>34,338,760</b>
<b>E X P E N D I T U R E :</b>			
Employees' Remuneration & Welfare Expenses	12	4,560,990	4,091,689
Rent		562,594	611,807
Interest	13	46,325	92,757
Insurance		214,442	245,920
Law Charges		207,793	129,515
Other Expenses	14	4,207,655	4,641,685
Depreciation		572,826	841,821
Debts/Loans & Advances written off (under RBI Norms) (Note 5 of Schedule 16)		1,038,389	3,078,202
Provision for Standard Assets under RBI Norms (Note 6 of Schedule 16)		426,934	-
		<b>11,837,948</b>	<b>13,733,396</b>
Profit/(Loss) before Tax		12,797,976	20,605,364
Less : Provision for M. A. T.		2,600,000	2,700,000
Provision for Deferred Tax		237,206	2,620,980
Wealth Tax Assessed (06-07)		8,389	-
Income Tax Adjustment (06-07)		-	77,791
Add : Excess FBT Provision written-back (08-09)		2,033	519
Excess I.Tax Provision written-back (09-10)		106,285	1,020,078
Excess Wealth Tax Provision written-back (08-09)		22,000	23,000
Profit/(Loss) after Tax		10,082,699	16,250,190
Profit brought forward from previous year		17,823,778	17,454,845
		<b>27,906,477</b>	<b>33,705,035</b>
<b>A P P R O P R I A T I O N :</b>			
Proposed Dividend :			
Preference Shares		1,318,858	2,074,039
Tax on Preference Dividend		213,952	344,472
Equity Shares		3,995,867	5,327,823
Tax on Equity Dividend		648,230	884,885
Transfer to General Reserve		1,500,000	4,000,000
Transfer to Reserve Fund as per RBI Norms		2,016,540	3,250,038
Balance Carried Forward to Balance Sheet		18,213,030	17,823,778
		<b>27,906,477</b>	<b>33,705,035</b>
Basic and Diluted Earning per Share		1.60	2.60
(in Rupees) Face Value of ₹ 10/- (Note 11 of Schedule 16)			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	15		
<b>NOTES TO ACCOUNTS</b>	16		

Schedules 12 to 16 referred to above form an integral part of Profit & Loss Account.  
This is the Profit and Loss Account referred to in our report of even date.

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

6, Church Lane  
Kolkata - 700 001  
Date: 20th May 2011

**Arunabha Biswas**  
Vice President and  
Company Secretary

On behalf of the Board of Directors  
**Dipankar Chatterji**  
**A.K. Dabrialwa**

*Chairman*  
*Mg. Director*


**CASH FLOW STATEMENT**

	<b>Year ended 31st March</b>	
	<b>2011</b>	<b>2010</b>
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary Items	<b>12,797,976</b>	20,605,364
Adjustment for		
Depreciation	<b>572,826</b>	841,821
Loss / (Profit) on Sale of Fixed Assets (Net)	-	15,443
Loss / (Profit) on Sale of Investments (Net)	<b>(292,595)</b>	(16,034,671)
Discard of Fixed Assets	-	23,213
Lease Equalisation	<b>(460)</b>	(766)
Provision under RBI Norms Fixed Assets	<b>(54,967)</b>	(64,301)
Provision for Diminution in the value of Investment	-	(4,999,999)
Provision for Standard Assets under RBI Norms	<b>426,934</b>	-
Provision for Gratuity	<b>283,200</b>	-
Unclaimed Debenture Interest Written Back	-	(1,363,719)
Interest Received	<b>(21,450,626)</b>	(7,172,875)
Dividend Received	<b>(12,401)</b>	(343,730)
Interest Paid	<b>46,325</b>	92,757
Operating profit before Working Capital Changes	<b>(7,683,788)</b>	(8,401,463)
Adjustment for		
Trade & Other Receivables (Net of Provisions)	<b>(21,223,253)</b>	(114,738,387)
Inventories	-	-
Trade Payables	<b>145,049</b>	217,292
Cash generated from Operations	<b>(28,761,992)</b>	(122,922,558)
Interest Paid	<b>(46,325)</b>	(93,621)
Direct Taxes (Paid)/Refund [Net]	<b>939,401</b>	(78,332)
Interest Received	<b>19,512,970</b>	6,678,579
Cash Flow from Operating Activities	<b>(8,355,946)</b>	(116,415,932)
Extraordinary Items	-	-
Net Cash from Operating Activities	<b>(8,355,946)</b>	(116,415,932)
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Investments	<b>(5,645,892)</b>	(17,432,426)
Purchase of Fixed Assets	<b>(225,406)</b>	(97,386)
Dividend Received	<b>12,401</b>	343,730
Sale of Fixed Assets	-	1,469,071
Sale of Investments	<b>23,739,681</b>	134,839,360
Net Cash used for Investing Activities	<b>17,880,784</b>	119,122,349
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings		
Term Loans / Bank Short Term Loan	<b>(377,339)</b>	(1,003,281)
Matured Debentures	<b>(4,538,055)</b>	(10,780)
Dividend Tax Paid	<b>(1,229,357)</b>	-
Dividend Payment	<b>(6,054,951)</b>	(10,778)
Add: Notional (Gain)/Loss on revaluation of Foreign Currency Loan	-	-
Net Cash used in Financing Activities	<b>(12,199,702)</b>	(1,024,839)



## CASH FLOW STATEMENT (CONTD)

	Year ended 31st March	
	2011	2010
	₹	₹
Net Increase in Cash & Cash Equivalents (A+B+C)	<b>(2,674,864)</b>	1,681,578
Opening Balance of Cash & Cash Equivalents	<b>9,778,561</b>	8,096,983
Closing Balance of Cash & Cash Equivalents	<b>7,103,697</b>	9,778,561

## NOTES:

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March 2011 and the related Profit and Loss Account for the year ended on that date.
2. The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) on "Cash Flow Statement", AS-3 issued by The Institute of Chartered Accountants of India and reallocations required for this purpose are made by the Company.
3. Figures in parenthesis represent outflow.
4. Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation.

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

For RAY & RAY  
Chartered Accountants  
Firm's Registration No. 301072E  
6, Church Lane  
Kolkata - 700 001  
Date: 20th May 2011

**AMITAVA CHOWDHURY**  
Partner  
Membership Number 56060

**Arunabha Biswas**  
Vice President and  
Company Secretary

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

*Chairman*  
*Mg. Director*


**SCHEDULES TO ACCOUNTS**

		₹	Current Year	Previous Year
		₹	₹	₹
<b>SCHEDULE - 1</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised –</b>				
15,000,000	Equity Shares of ₹10/- each		<b>150,000,000</b>	150,000,000
5,000,000	Preference Shares of ₹10/- each		<b>50,000,000</b>	50,000,000
			<b>200,000,000</b>	<b>200,000,000</b>
<b>Issued –</b>				
8,334,604	Equity Shares of ₹10/- each [Refer NOTE below on conversion of 1,055,086 Redeemable Cumulative Preference Shares]		<b>83,346,040</b>	83,346,040
1,055,086	12.5% Redeemable Cumulative Preference Shares of ₹10/-each		<b>10,550,860</b>	10,550,860
<b>Subscribed and Paid up –</b>				
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)		<b>53,278,230</b>	53,278,230
	Less: Conversion into Preference Shares		–	–
			<b>53,278,230</b>	53,278,230
	Add : Shares Forfeited		<b>1,652,000</b>	1,652,000
1,055,086	(Previous Year 1,055,086) 12.5% Redeemable Cumulative Preference Share of ₹10/- each fully paid up.		<b>10,550,860</b>	10,550,860
			<b>65,481,090</b>	<b>65,481,090</b>
<b>NOTE :</b>				
Pursuant to Order of the Hon'ble High Court at Calcutta passed on 2nd July 2008, 1,055,086 12.5% Redeemable 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 or earlier at the option of the Company.				
<b>SCHEDULE - 2</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Capital Reserve –</b>				
	As per last Account		<b>311,487</b>	311,487
<b>Capital Redemption Reserve –</b>				
	As per last Account		<b>14,887,890</b>	14,887,890
<b>Share Premium Account -</b>				
	As per last Account		<b>44,627,322</b>	44,627,322
<b>Reserve Fund as per RBI Norms -</b>				
	As per last Account	13,575,428		10,325,390
	Add: Transfer from Profit & Loss A/c	<u>2,016,540</u>		<u>3,250,038</u>
			<b>15,591,968</b>	13,575,428
<b>General Reserve - (Note 2 of Schedule 16)</b>				
	As per last Account	82,118,959		78,118,959
	Add: Transfer from Profit & Loss A/c	<u>1,500,000</u>		<u>4,000,000</u>
			<b>83,618,959</b>	82,118,959
<b>Profit &amp; Loss Account -</b>				
	As per annexed Account		<b>18,213,030</b>	17,823,778
			<b>177,250,656</b>	<b>173,344,864</b>
<b>SCHEDULE - 3</b>				
<b>SECURED LOANS</b>				
	Auto (Cars) Loans from Banks (secured against hypothecation of cars)		<b>58,623</b>	435,962
			<b>58,623</b>	435,962

SCHEDULES TO ACCOUNTS (CONTD)

**SCHEDULE - 4**

**FIXED ASSETS**

Particulars	Gross Block (At Cost)				Depreciation				Net Block		
	Cost upto 31st March, 2010	Additions during the year	Sold/Discarded during the year	Total Cost upto 31st March, 2011	Upto 31st March, 2010	Provided for the year	On Assets sold/ discarded	Total upto 31st March, 2011	Lease adjustment Account as at 31.03.2011	as at 31st March, 2011	as at 31st March, 2010
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b><u>Own Assets</u></b>											
Furniture & Fixture	2,753,416	197,382	-	2,950,798	2,103,164	134,088	-	2,237,252	-	713,546	650,252
Office Equipment	419,436	21,823	-	441,259	254,621	30,835	-	285,456	-	155,803	164,815
Computer & Accessories	738,875	6,201	-	745,076	660,443	37,573	-	698,016	-	47,060	78,432
Motor Car	2,723,868	-	-	2,723,868	1,507,558	314,903	-	1,822,461	-	901,407	1,216,310
<b>Sub-Total (A)</b>	<b>6,635,595</b>	<b>225,406</b>	<b>-</b>	<b>6,861,001</b>	<b>4,525,786</b>	<b>517,399</b>	<b>-</b>	<b>5,043,185</b>	<b>-</b>	<b>1,817,816</b>	<b>2,109,809</b>
<b><u>Assets relating to Lease Business</u></b>											
Equipment	2,376,144	-	-	2,376,144	1,987,368	54,078	-	2,041,446	-	334,698	388,776
Heavy Vehicles	1,433,365	-	-	1,433,365	1,429,992	1,349	-	1,431,341	689	1,335	2,224
<b>Sub-Total (B)</b>	<b>3,809,509</b>	<b>-</b>	<b>-</b>	<b>3,809,509</b>	<b>3,417,360</b>	<b>55,427</b>	<b>-</b>	<b>3,472,787</b>	<b>689</b>	<b>336,033</b>	<b>391,000</b>
<b>Grand Total (A+B)</b>	<b>10,445,104</b>	<b>225,406</b>	<b>-</b>	<b>10,670,510</b>	<b>7,943,146</b>	<b>572,826</b>	<b>-</b>	<b>8,515,972</b>	<b>689</b>	<b>2,153,849</b>	<b>2,500,809</b>
Figures for the previous Year	15,784,410	97,386	5,436,692	10,445,104	11,030,290	841,821	3,928,965	7,943,146	1,149	2,500,809	



## UNITED CREDIT LIMITED



SCHEDULES TO ACCOUNTS (CONTD)

### SCHEDULE -5

#### INVESTMENTS (\*)

A. [OTHER THAN TRADE - LONG TERM (At Cost)]	Face Value	Current Year		Previous Year	
		No. of Shares	Value ₹	No. of Shares	Value ₹
<b>(1) FULLY PAID-UP EQUITY SHARES (QUOTED)</b>					
Electro Steel Castings Ltd.	1	–	–	40,000	1,950,343
Nectar Life Sciences Ltd.	1	–	–	25,000	1,046,145
Usher Agro Ltd.	10	–	–	10,000	478,688
Birla Power Solutions Ltd.	1	64,800	125,982	–	–
			<u>125,982</u>		<u>3,475,176</u>
<b>(2) FULLY PAID-UP EQUITY SHARES (UNQUOTED)</b>					
Calcutta Metropolitan Group Ltd.	10	3	30	3	30
Sky B (Bangla) Pvt. Ltd.	10	10,000	100,000	10,000	100,000
Garry Supply Pvt. Ltd.	10	–	–	100,000	1,000,000
Business India Publications Ltd.	10	50,000	2,750,000	50,000	2,750,000
United Nanotech Products Ltd. (**)	10	750,100	7,501,000	750,100	7,501,000
The Calcutta Stock Exchange Association Ltd.	1	–	–	6,726	13,452,000
			<u>10,351,030</u>		<u>24,803,030</u>
<b>B) OTHER INVESTMENT</b>					
<b>FULLY PAID-UP CUMULATIVE REDEEMABLE PREFERENCE SHARES (UNQUOTED)</b>					
8% United Nanotech Products Ltd.	10	5,210,000	52,100,000	5,210,000	52,100,000
			<u>52,100,000</u>		<u>52,100,000</u>
		<b>Total</b>	<u>62,577,012</u>		<u>80,378,206</u>

	Current year		Previous year	
	Book Value ₹	Market Value ₹	Book Value ₹	Market Value ₹
QUOTED :	125,982	65,448	3,475,176	3,539,250
UNQUOTED :	<u>62,451,030</u>	–	<u>76,903,030</u>	–
Grand Total	<u>62,577,012</u>		<u>80,378,206</u>	

(\*) Refer Note 5 of Schedule 15.

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

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

Name	Purchased (Qty)	Cost Value (₹)	Sale Value (₹)
BF Utilities Ltd.	500	522643	520857
Binani Cements Ltd.	10000	1035230	918060
CEAT Ltd.	10000	1355495	1522990
Delta Corporation Ltd.	3000	108112	123756
Roman Tarmat Ltd.	1000	54716	62472
S B & T International Ltd.	5000	63350	62716
Techno Craft (I) Ltd.	2000	108419	123484
Voltamp Transformers Ltd.	500	512036	388541
Zensar Technologies Ltd.	10000	1759909	1681730
		<u>5519910</u>	<u>5404606</u>





## SCHEDULES TO ACCOUNTS (CONTD)

	Current Year ₹	Previous Year ₹
<b>SCHEDULE - 6</b>		
<b>DEFERRED TAX</b>		
<u>Deferred Tax Liabilities</u>		
Lease Adjustment	-	-
	<u>-</u>	<u>-</u>
<u>Deferred Tax Assets</u>		
Lease Adjustment	229	391
Provision for Leave Encashment	149,811	144,797
Provision for Doubtful Debts and Advances	-	293,800
Provision for Standard Assets (as per RBI Norms)	141,817	-
Provision for Gratuity	94,072	-
Provision for Fixed Assets (under RBI Norms)	111,622	132,901
Depreciation	1,221,004	1,383,872
	<u>1,718,555</u>	<u>1,955,761</u>
Deferred Tax Assets	<u>1,718,555</u>	<u>1,955,761</u>
<b>SCHEDULE - 7</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
i) Lease	-	200
ii) Hire Purchase	-	365,465
iii) Merchandise/Trading	-	30,521
	<u>-</u>	<u>396,186</u>
Less : Provision	-	297,665
	<u>-</u>	<u>98,521</u>
<u>PARTICULARS OF DEBTORS</u>		
Over Six Months - Considered Good	-	<b>98,521</b>
Considered Doubtful	-	<b>297,665</b>
	<u>-</u>	<u>396,186</u>
Less than Six Months - Considered Good	-	-
	<u>-</u>	<u>396,186</u>
Less : Provision	-	297,665
	<u>-</u>	<u>98,521</u>
<b>SCHEDULE - 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash-in-hand - As Certified by Management	7,691	23,234
Cheque in Hand	29,670	454,516
Balances with Scheduled Banks on -		
- Current Accounts	1,764,894	5,346,280
- Dividend Accounts	5,301,442	3,954,531
	<u>7,103,697</u>	<u>9,778,561</u>

# UNITED CREDIT LIMITED



## SCHEDULES TO ACCOUNTS (CONTD)

	₹	Current Year ₹	Previous Year ₹
<b>SCHEDULE - 9</b>			
<b>LOANS &amp; ADVANCES</b>			
i) Secured Loans including interest accrued (secured by hypothecation & mortgage of assets etc)			
Considered Good	-		85,847
Considered Doubtful	-		566,707
		—	652,554
ii) Unsecured Loans including interest accrued Considered Good		<b>170,773,591</b>	150,750,624
iii) Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good (Note 8 of Schedule 16)		<b>2,481,794</b>	718,960
iv) Advance Tax including Tax deducted at source		<b>9,022,084</b>	10,620,900
v) Fringe Benefit Tax - net of Provision of ₹ NIL (Previous Year ₹ NIL)		-	3,000
vi) Deposits (Unsecured considered good)		<b>3,845,841</b>	4,224,021
		<b>186,123,310</b>	166,970,059
Less : Provision		-	566,707
		<b>186,123,310</b>	166,403,352

## **SCHEDULE - 10** **CURRENT LIABILITIES**

Sundry Creditors (Note 17 of Schedule 16)			
i) Total outstanding dues to Micro Enterprises & Small Enterprises (as certified by the Management)		-	-
ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises.		<b>826,446</b>	471,206
Other Liabilities		<b>990</b>	236,181
Unclaimed Dividend		<b>5,301,442</b>	3,954,531
Unclaimed Debentures		-	4,538,055
Security Deposit		<b>483,102</b>	483,102
		<b>6,611,980</b>	9,683,075

## **SCHEDULE - 11** **PROVISIONS**

For Proposed Dividend			
Preference Shares		<b>1,318,858</b>	2,074,039
Equity Shares		<b>3,995,867</b>	5,327,823
For Tax on Dividend			
Preference Shares		<b>213,952</b>	344,472
Equity Shares		<b>648,230</b>	884,885
For Leave Encashment		<b>451,000</b>	426,000
For Taxation		<b>2,600,000</b>	2,700,000
For Wealth Tax		-	22,000
Contingent Provisions against Standard Assets		<b>426,934</b>	-
For Gratuity Fund		<b>283,200</b>	-
		<b>9,938,041</b>	11,779,219



## UNITED CREDIT LIMITED

### SCHEDULES TO ACCOUNTS (CONTD)

	Current Year	Previous Year
<b>SCHEDULE - 12</b>		
<b>EMPLOYEES' REMUNERATION &amp; WELFARE EXPENCES</b>		
Salaries, Wages & Bonus (Note 16 of Schedule 16)	3,253,993	3,143,555
Company's Contribution to Provident Fund	328,511	315,746
Staff Welfare Expense	518,283	457,361
Company's Contribution to Gratuity Fund & Superannuation Fund (Note 16 of Schedule 16)	177,003	175,027
Gratuity Provision (Note 16 of Schedule 16)	283,200	-
	<u>4,560,990</u>	<u>4,091,689</u>

### SCHEDULE - 13

#### INTEREST

On Auto (Cars) Loan	22,581	92,588
On F.B.T. (F.Y. 2008-09)	1,332	-
On Wealth Tax (F.Y. 2006-07)	1,761	-
On Income Tax (MAT) (F.Y. 2009-10)	11,867	-
On Service Tax	8,784	-
On F.B.T. (F.Y. 2007-08)	-	169
	<u>46,325</u>	<u>92,757</u>

### SCHEDULE - 14

#### OTHER EXPENSES

Printing & Stationery	154,619	184,904
Postage, Telephone & Telegram	464,734	431,150
Electric Charges	289,713	280,526
Travelling & Conveyance	756,968	676,223
Advertisement	99,660	110,251
Auditors' Remuneration		
Statutory Audit	100,000	100,000
Tax Audit	5,000	5,000
Limited Review	40,000	50,000
Certification Work	20,000	13,000
Expenses - Service Tax	16,824	17,304
	<u>181,824</u>	
Car Expenses	653,817	744,679
Rates & Taxes	22,672	24,922
Maintenance & Repairs - Others	81,163	194,663
Sales Promotion	221,105	177,420
Portfolio Management Fees	-	23,232
Computer Expenses	63,149	70,191
Directors' Fees	121,500	144,500
Professional Fees	273,673	427,080
Bank Charges	12,271	9,687
Service Charges	368,427	434,903
Loss on Sale of Fixed Assets	-	15,443
Miscellaneous Expenses	442,360	506,607
	<u>4,207,655</u>	<u>4,641,685</u>

**SCHEDULE - 15  
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. Diminution, if any, of permanent nature are provided for.
6. **Stock-in-Shares/Merchandise:**
  - i) Stock-in-shares held for trading purposes are valued at cost or market value/break-up 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 Profit and Loss Account 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.



## SCHEDULES TO ACCOUNTS (CONTD)

- ii) Leave encashment on termination of service – As per actuarial valuation as at the Balance Sheet date following Projected Unit Credit Method.
  - 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 realise 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, whereas dividend is recognised when the right to receive is established.
12. **Prudential Norms:**  
The Company has followed the prudential norms for income recognition and provisioning against non-performing assets 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.

**SCHEDULE – 16****NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011**

1. Accounting of Assets given on finance lease upto 31st March 2001 has been made as per earlier Guidance Note on Accounting for leases issued by The Institute of Chartered Accountants of India.
2. General Reserve includes Revenue Reserve of ₹17,871,849/- being difference between assets and liabilities taken over after adjustment of consideration money in terms of Scheme of Amalgamation of United Credit Financial Services Limited.



SCHEDULES TO ACCOUNTS (CONTD)

SCHEDULE 16 (CONTD)

3. Contingent liabilities not provided for in respect of:  
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 before the Hon'ble High Court at Kolkata. However a sum of ₹ 6,900,919/- (Previous year ₹ 6,900,919/-) had been paid under protest which has been shown under Loans and Advances.
4. In respect of certain parties where suits have been filed and settlements made, interest has been calculated upto the date of filing suits/settlements. Amount so received taken into accounts on Cash Basis.
5. The Company has followed the prudential norms prescribed by the Reserve Bank of India in respect of income recognition and provision for non performing assets and accordingly during the year provision of ₹ NIL (Previous year ₹ NIL) has been made and a sum of ₹ 1,038,389/- (Previous year ₹ 3,078,202/-) has been written off.
6. In order to comply 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 ₹ 426,934/- for Standard Assets at 0.25% of outstanding amount. The said provision has been separately shown as "Contingent Provisions against Standard Assets" under the head "Provisions" in the Balance Sheet.
7. Pursuant to Section 205C(2)(d) of the Companies Act, 1956, the Company has transferred an amount of ₹ 4,538,055/- (Previous year ₹ NIL) on account of Unclaimed Matured Debentures to Investors Education and Protection Fund established u/s 205C(1) of the Companies Act, 1956 during the year.
8. The Company had submitted its bid during the current financial year to Industrial Investment Bank of India Ltd (IIBI) for purchase of non performing assets pertaining to India Jute and Industries Ltd. The Company had been declared the successful bidder for the same by IIBI vide its letter no.IIBI/HO/275/2011 dated 3rd February 2011. Out of total approved bid money of ₹ 2,856,000/-, ₹ 2,142,000/- has been paid by the Company to IIBI as advance towards such purchase. The execution of assignment agreement in respect of this purchase is in process, pending completion of execution of assignment agreement. The amount paid to IIBI has been shown under Loans and Advances in Schedule 9.
9. The break-up of other income is as follows :

	<b>Current Year</b>	<b>Previous year</b>
	₹	₹
Rent	<b>1,386,572</b>	1,014,016
Interest on Income/Other Tax Refund	<b>162,737</b>	225,317
Debenture Interest written back	-	1,363,719
Others	<b>376,294</b>	533,533
	<b><u>1,925,603</u></b>	<u>3,136,585</u>

10. Directors' Remuneration:

	<b>Current Year</b>	<b>Previous year</b>
	₹	₹
Managing Director		
Salary & Allowances	<b>879,000</b>	843,000
Monetary Value of other benefits	<b>5,634</b>	7,227
Contribution to Provident Fund	<b>87,900</b>	84,300
	<b><u>972,534</u></b>	<u>934,527</u>
Sitting fees paid to other Directors	<b>121,500</b>	144,500
	<b><u>1,094,034</u></b>	<u>1,079,027</u>



## SCHEDULES TO ACCOUNTS (CONTD)

## SCHEDULE 16 (CONTD)

## 11. Earnings per share:

	March 31, 2011 ₹	March 31, 2010 ₹
Profit computation for both Basic and Diluted earnings per share of ₹ 10/- each		
Net Profit/(Loss) after taxation as per Profit & Loss Account	<b>10,082,699</b>	16,250,190
Less. Preference Dividend	<b>1,318,858</b>	2,074,039
Less : Tax on Preference Dividend	<b>213,952</b>	344,472
Profit available for Equity Shareholders	<b>8,549,889</b>	13,831,679
Weighted average number of Equity shares Outstanding	<b>5,327,823</b>	5,327,823
Basic and diluted earnings per share in rupees of face value ₹ 10/-	<b>1.60</b>	2.60

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

## 13. Related Party Transactions:

## a) List of Related Parties:

Sl. No.	Name	Relation
1	<b>Key Management Person</b> Sri A K Dabriwala	Managing Director
1.	<b>Others</b> Dabriwala Banijya Udyog Limited	Enterprise in which Key Management Personnel has significant influence

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
2	Relationship between the parties	Common Director
3	Nature of transaction	Rent Income(Service Rendered)
4	Volume of the transactions	₹ 11,000/-
5	i) The amounts of outstanding at the balance sheet date ii) Provisions for doubtful debts due from such parties at that date	NIL NIL
6	Amounts written off or written back in the period in respect of debts due.	NIL



## SCHEDULES TO ACCOUNTS (CONTD)

## SCHEDULE 16 (CONTD)

14. Expenditure incurred in Foreign Currency on account of:

	Current Year ₹	Previous year ₹
i) Value of Imports calculated on C.I.F. basis	—	—
ii) Travelling	<b>235,913</b>	NIL

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

16. Employee Benefits:

(a) Defined Benefit Plans / Long term Compensated Absences as on 31st March 2011 as per Actuarial Valuations using Projected Unit Credit Method and recognised in the financial statements in respect of Employee Benefit Schemes.

I	Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2011	Leave Encashment ₹ in Lakhs		Gratuity ₹ in Lakhs
		Current Year	Previous Year	
1	Current Service Cost	0.20	0.42	0.73
2	Interest Cost	0.35	0.33	1.18
3	Employee Contributions	-	-	-
4	Expected return on plan assets	-	-	(1.18)
5	Net Actuarial (Gains) / Losses	0.27	0.08	0.67
6	Past Service Cost	-	-	-
7	Settlement Cost	-	-	-
8	Total Expenses	0.82	0.83	1.40
	The Gratuity Expenses have been recognised in 'Contribution to Gratuity Fund' and Leave Encashment in "Salaries/Wages and Bonus" under Schedule 12			
II	<b>Net Assets/(Liability) recognised in the Balance Sheet as at 31st March 2011</b>			
1	Present value of Defined Benefit Obligation	4.51	4.26	15.79
2	Fair Value of Plan Assets	-	-	12.96
3	Funded status of assets	(4.51)	(4.26)	(2.83)
4	Net asset/(liability)	(4.51)	(4.26)	(2.83)
III	<b>Change in Obligation during the year ended 31st March 2011</b>			
1	Present value of Defined Benefit Obligation at beginning of the year	4.26	4.62	14.70
2	Current Service Cost	0.20	0.42	0.73
3	Interest Cost	0.35	0.33	1.18
4	Settlement Cost	-	-	-
5	Past Service Cost	-	-	-
6	Employee Contributions	-	-	-
7	Actuarial (Gains)/Losses	0.27	0.08	0.67
8	Benefits Paid	(0.57)	(1.19)	(1.49)
9	Present value of Defined Benefit Obligation at the end of the year	4.51	4.26	15.79





## SCHEDULES TO ACCOUNTS (CONTD)

## SCHEDULE 16 (CONTD)

<b>IV</b>	<b>Change in Assets during the Year ended 31st March 2011</b>		
1	Fair Value of Plan assets at the beginning of the year	-	12.77
2	Assets acquired on amalgamation in previous year	-	-
3	Settlements	-	-
4	Expected return on plan assets	-	1.18
5	Contributions by Employer	0.57	0.50
6	Actual benefits paid	(0.57)	(1.49)
7	Actuarial Gains / (Losses)	-	-
8	Fair Value of Plan assets at the end of the year	-	12.96
9	Actual return on plan assets	-	-

  

<b>V</b>	<b>Actuarial Assumptions:</b>	As at 31/03/2011	As at 31/03/2011
1	Discount Rate	8.25% 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%	5.00%
4	Expected Average remaining working lives of employees (years)	7.33	-
5	Apart from the above the estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion & other relevant factors such as supply & demand in the employment market.		

17. There are no reported micro, small and medium enterprises as defined in "The Micro Small and Medium Enterprise Development Act, 2006" to which the Company owes dues and as such the disclosure requirements under Section 22 of the said Act have not been made.
18. Provision for Minimum Alternative Tax for the current year has been made in view of Inadequate Tax under other provisions of the Income Tax Act, 1961.
19. The Previous year's figures have been regrouped, recast and rearranged wherever necessary to make it comparable with the current year figures.
20. INFORMATION PURSUANT TO THE PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet abstract and Company's general business profile.

- i) Registration Details
- |                    |                           |
|--------------------|---------------------------|
| Registration No.   | L65993 WB 1970 PLC 027781 |
| State Code         | 21                        |
| Balance Sheet Date | 31st March 2011           |
- ii) Capital Raised during the year (Amount in ₹ Thousand)
- |                   |     |
|-------------------|-----|
| Public Issue      | NIL |
| Rights Issue      | NIL |
| Bonus Issue       | NIL |
| Private Placement | NIL |
- iii) Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)
- |                   |         |
|-------------------|---------|
| Total Liabilities | 259,340 |
| Total Assets      | 259,340 |



SCHEDULES TO ACCOUNTS (CONTD)

SCHEDULE 16 (CONTD)

<u>Sources of Funds:</u>	
Paid-up Capital	65,481
Reserves & Surplus	177,250
Secured Loans	59
Unsecured Loans	-
<u>Application of Funds:</u>	
Net Fixed Assets	1,818
Investments	62,577
Net Current Assets	176,677
Misc. Expenditure	-
Deferred Tax	1,718
iv) Performance of Company (Amount in ₹ Thousand)	
Turnover including other income	24,636
Total Expenditure	11,838
Profit (+)/Loss(-) before Tax	12,798
Profit (+)/Loss(-) after Tax	10,083
(considering Deferred Tax Assets)	
Basic & Diluted Earning Per Equity Share	
(considering Deferred Tax Assets) in ₹	1.60
Dividend Rate (%)	
a) on Preference Shares	12.50%
b) on Equity Shares	7.50%
v) Generic Name of the Three Principal Products/Service of the Company.	
(As per Monetary Terms)	
Product Description	ITC Code No.
Lease Financing	Not Applicable
H. P. Financing	Not Applicable
Loan	Not Applicable

21. Particulars in respect of certain details as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

₹ in Lakhs

Particulars		As on 31.03.2011	
<b>Liabilities side</b>			
(1)	<b>Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:</b>	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(other than falling within the meaning of public deposit*)		
	(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	0.59	NIL
	(*) Please see Note 1 below		





## SCHEDULES TO ACCOUNTS (CONTD)

## SCHEDULE 16 (CONTD)

₹ in Lakhs

	Particulars	As on 31.03.2010
	2. <i>Unquoted:</i>	
	(i) Shares : (a) Equity	103.51
	: (b) Preference	521.00
	(ii) Debenture and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL

(5)	<b>Borrower group-wise clarification of Assets financed as in (2) and (3) above:</b> Please see Note 2 below			
	Category	Amount net of provisions		
		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	NIL	NIL
	2. Other than related parties	NIL	1771.01	1771.01
	Total	NIL	1771.01	1771.01

(6)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b> Please see Note 3 below		
	Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	596.01	596.01
	(c) Other related parties	NIL	NIL
	2. Other than related parties	20.12	29.76
	Total	616.13	625.77

\*\* As per Accounting Standard of ICAI (please see Note 3)



## SCHEDULES TO ACCOUNTS (CONTD)

## SCHEDULE 16 (CONTD)

₹ in Lakhs

(7)	Other Information	
	Particulars	Amount
(i)	Gross Non-performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	3.36
(ii)	Net Non-performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
(iii)	Assets acquired in satisfaction of debt	NIL

**Notes:-**

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Banks) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long-term or current in (4) above.

## Signatures to Schedules 1 to 16

6, Church Lane  
Kolkata - 700 001  
Date: 20th May 2011

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  
**Dipankar Chatterji**  
**A.K. Dabriwala**

*Chairman*  
*Mg. Director*



## UNITED CREDIT LIMITED

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

### PROXY FORM

I/We ..... of .....  
..... being member/s of United Credit Limited hereby  
appoint ..... of .....  
or failing him ..... of .....  
..... as my/our proxy to vote for me/us  
and on my/our behalf at the 40th Annual General Meeting of the Company to be held  
on Tuesday, the 26th July, 2011 and at any adjournment thereof.

As witness my/our hand(s) this ..... day of ..... 2011

Signed by the said .....

Account No. ....

DP / Client ID. ....

No. of Shares held .....

Affix Re. 1/-  
Revenue  
Stamp

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

## UNITED CREDIT LIMITED

### ATTENDANCE SLIP

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

I hereby record my presence at the 40th Annual General Meeting of the Company held on  
Tuesday the 26th July, 2011.

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

Account / Folio No. ....

DP / Client ID. ....

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

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

## BOOK - POST / COURIER

*If undelivered, please return to :*

**United Credit Limited**

27B, Camac Street, 8th Floor  
Kolkata - 700 016