

**26TH ANNUAL GENERAL MEETING**

Date : 29th September, 2010
Day : Wednesday
Time : 10.30 A.M.
Place : Bengal National Chamber
of Commerce & Industry
23, Sir R. N. Mukherjee Road
Kolkata - 700 001

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NICCO UCO ALLIANCE CREDIT LIMITED

BOARD OF DIRECTORS

(As on 31st May, 2010)

Mr. Debdatta Saila
Hon'ble Justice N. K. Bhattacharyya (Retired)
Mr. Lakshmi Narain Kaul
Mr. Kartick Kumar Chatterjee
Mr. Bimalendu Sankar Gupta
Mr. Biswajit Roy

Chairman (Independent Director)
Director
Managing Director & Secretary
Non-Executive Director
Non-Executive Director (Independent Director)
Non-Executive Director (Independent Director)

BOARD COMMITTEES

Audit Committee

Mr. Debdatta Saila	Chairman
Mr. Kartick Kumar Chatterjee	Member
Mr. Bimalendu Sankar Gupta	Member

Shareholders'

Grievances Committee

Mr. Bimalendu Sankar Gupta	Chairman
Mr. Lakshmi Narain Kaul	Member
Mr. Kartick Kumar Chatterjee	Member

Remuneration Committee

Mr. Debdatta Saila	Chairman
Mr. Kartick Kumar Chatterjee	Member
Mr. Bimalendu Sankar Gupta	Member
Mr. Biswajit Roy	Member

BANKERS

UCO Bank
United Bank of India
Punjab & Sind Bank
The Federal Bank Ltd.
Dena Bank
Canara Bank
State Bank of India
State Bank of Travancore
Indian Overseas Bank
Central Bank of India
The South Indian Bank Ltd.
Bank of Baroda
State Bank of Mysore
Catholic Syrian Bank
The Indusind Bank Ltd.

AUDITORS

Messrs. Singhi & Company
Chartered Accountants, Kolkata

REGISTERED OFFICE

Nicco House
2, Hare Street, Kolkata - 700001
Ph. No. : (033) 66285260 / 5261
Fax No. : (033) 2242-9465, 2230-9443
E-mail : nufslcal@gmail.com

SHARE TRANSFER AGENT

R & D INFOTECH PVT.LTD.
22/4, Nakuleshwar Bhattacharjee Lane
Kolkata - 700 026
Ph. No. : (033) 24631658
Fax No. : (033) 24631657
E-mail : rdinfotec@yahoo.com

SHARE LISTED AT :

The Stock Exchange, Mumbai
PJ Towers, Dalal Street, Fort
Mumbai - 400 001

There is no arrear of Annual
Listing fee payable to Mumbai
Stock Exchange.

**Notice of the Twenty Sixth Annual General Meeting to the Members**

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on Wednesday, the 29th September, 2010 at 10.30 a.m. at Bengal National Chamber of Commerce & Industry, 23, Sir R. N. Mukherjee Road, Kolkata - 700 001 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2010 and the Audited Balance Sheet as on date with the Reports of the Directors and Auditors thereon.
2. (a) To appoint a Director in place of Mr. N. K. Bhattacharyya (Retired), who retires by rotation and, being eligible, offers himself for re-appointment.

(b) To appoint a Director in place of Mr. L. N. Kaul, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s Singhi & Co., Chartered Accountants, Kolkata be and is hereby re-appointed as Auditor of the Company to hold office from the conclusion of Twenty Sixth Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration plus reimbursement of out of pocket expenses as may be agreed between the Board of Directors and the Auditor".

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956 or any, amendment or modification thereof, approval is hereby accorded to the reappointment of Mr. Lakshmi Narain Kaul, Managing Director and Company Secretary with effect from 15th April, 2010 to 14th April, 2013, salary and perquisites as set out in the attached explanatory statement subject to the approval of the Central Government and/or any other bodies.

Registered Office :
NICCO HOUSE
2, Hare Street
Kolkata - 700 001
Date : 31st May, 2010

By Order of the Board
for NICCO UCO ALLIANCE CREDIT LTD.

L. N. KAUL
Managing Director & Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be submitted at the Company's Registered Office, not less than 48 hours before the commencement of the meeting.
2. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 21st September, 2010 to Wednesday, the 29th September, 2010, both days inclusive.
3. Trading in equity shares of the Company through Stock Exchanges was made compulsory in dematerialisation/electronic form. To facilitate trading in demat form, the Company has entered into agreement with both the depositories in India i.e. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL), shareholders can open account with any of the depository participants registered with any of these depositories. But considering the present financial health of the company and finding that transaction in CDSL is negligible, the Company has discontinued the facility with CDSL. Members are requested to have their transaction in NSDL only as this would bring in savings of cost to Company.



ANNEXURE - A

**Details of Directors seeking appointment/re-appointment at the
Twenty Sixth Annual General Meeting
(In pursuance of Clause 49VI(A) of Listing Agreement)**

Name of the Director	Hon'ble Justice N. K. Bhattacharyya (Retired)	Mr. L. N. Kaul
Date of Birth	20.03.1935	05.06.1947
Date of appointment	21.06.2004	21.06.2004
Expertise	Wide experience in varied legal fields, initially as advocate and subsequently as a Judge/High Court Judge.	Wide experience in legal, shares, secretarial, fixed deposit, Personnel and Administration, recovery.
Qualifications	B.A., LL.B	M.Com, LL.B, ACS
List of other Companies in which directorship held	Nil	Nil
Membership/Chairmanship of Committee of Directors of the Company	Nil	Shareholders' Grievances Committee - Member



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

IN RESPECT OF ITEM NO. 4

Board of Directors of the Company in its meeting held on 14th April, 2010 had approved the reappointment of Mr. Lakshmi Narain Kaul as Managing Director and Company Secretary for three years i.e. from 15th April, 2010 to 14th April, 2013 and have also approved of the revised salary and perquisites in the wake of unanimous approval and recommendation by the Remuneration Committee subject to approval of Shareholders and Central Government. The details of remuneration are as under :

- I. Salary** : Basic Salary Rs. 66,000/- p.m. for the entire period of three years.
- II. Perquisites** : Perquisites shall be in addition to Salary and they shall be restricted to the following :
- (i) Reimbursement of fees to a Professional Institution : Actual
- (ii) Provident Fund/ Superannuation fund : As per the rules of the Company.
- (iii) Gratuity : As per the rules of the Company
- (iv) Leave : As per the rules of the Company
- (v) Car & Telephone : Provision of car for use on Company's business and telephone at residence. These will not be considered as perquisites. However, personal long distance calls on telephone shall be billed by the Company.
- III. Minimum Remuneration** : Notwithstanding anything contained herein, where in any financial year, during the currency of tenure of Mr. Lakshmi Narain Kaul as Managing Director and Secretary, the Company has no profits or its profits are inadequate, the company will pay him remuneration by way of salary and perquisites specified above, not exceeding salary limit specified in Part II (Section II-B) of Schedule XIII of the Companies Act, 1956, provided however the following perquisites will not be included in Computation of the ceiling limit ;
- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b) Gratuity payable as per rules of the Company; and
- c) Encashment of leave at the time of retirement/severance.
- (1) The above terms and conditions of the appointment may be altered and varied by the Board/Remuneration Committee, as it may, in its discretion, deem fit within maximum amount payable to Managing Director and Company Secretary in accordance with Schedule XIII of the Companies Act, 1956 or any amendments made hereafter in this regard.
- (2) Appointment may be terminated before the expiry of the term by either party by giving the other party six month's Notice or salary in lieu thereof.
- (3) If at any time Mr.L.N.Kaul ceases to be the Managing Director he ceases to be a Director of the Company and vice-versa. The office of the Managing Director is liable to retire by rotation.

Memorandum of Concern or Interest of Directors

Excepting Mr. L. N. Kaul who is interested in his remuneration payable to him, no other Director is concerned or interested in the aforesaid payment of remuneration.



INFORMATION REQUIRED PURSUANT TO PARA 1(B) (iv) OF SECTION II OF PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956 IS AS UNDER :

I. General Information :

- (1) Nature of Industry
Windmill and investments.
- (2) Date or expected date of commencement of commercial production.
The Company was incorporated in the year 1989 and is an existing operating Company. Windmill operation started from the year 1995.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.
Not applicable
- (4) Financial performance based on given indicators.

	(Rs. in lakhs)
	<u>31.3.2010</u>
Equity Share Capital	4010.13
Sales and Other Income	526.38
Profit before Interest, Depreciation & Tax	372.78
Interest	3865.95
Depreciation	26.08
Profit before Tax	(3519.25)
Provision for Tax	0.43
Profit after Tax	(3519.68)
- (5) Export performance and net foreign exchange collaborations.
Nil
- (6) Foreign investments or collaborators, if any.
None

II. Information about the appointee :

- (1) Background details
Mr. Lakshmi Narain Kaul joined the company as Company Secretary in the year 1993 and had risen to the Management hierarchy level of General Manager, Vice-President and Sr. Vice President, Executive Director before being appointed as Managing Director & Company Secretary.
- (2) Past Remuneration
Rs. 56000/- p.m. for the period 15th April, 2008 to 14th April, 2010
(Yearly remuneration applied for was Rs. 9 lacs whereas Central Govt. approved Rs. 8.26 lacs. Appeal made to Central Govt. for review).
- (3) Recognition or awards
Nil
- (4) Job profile and his suitability
As a Managing Director & Company Secretary he has been entrusted with the responsibility to run the company in respect of its day to day affairs, under the superintendence, control and guidance of the Board and he is assisted by C.F.O. and Dy. G.M and a few other officials of the company at various levels. He has wide experience of 41 years in respect of Legal, Secretarial, Shares and Administration matter. Since April, 2005, he has steered the company well in difficult times and collected outstandings from all critical borrowers. In view of the foregoing, Mr. L. N. Kaul is best suited for the position.
- (5) Remuneration proposed
As referred in item no. 4 of the Notice of AGM.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.
Taking into consideration the size of the company, profile of Mr. Lakshmi Narain Kaul, responsibility shouldered by him and



Industry Bench Mark, remuneration proposed to be paid is in commensurate with remuneration paid to similar senior level counterpart in other companies.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any.

Besides, remuneration proposed to be paid to Mr. Lakshmi Narain Kaul, he does not have any pecuniary relationship with the company.

III. Other information :

- (1) Reasons of loss or inadequate profit.

Company suffered loss for the first time in the financial year 2003-04 primarily due to default by borrowers. The reason for constant increase in loss is mainly due to providing interest on (1) Bank borrowings (2) fixed deposit and (3) writing off assets/ provisioning of NPA as per RBI guidelines and diminution in value of investments.

- (2) Steps taken or proposed to be taken for improvement.

The company is constantly making efforts in recovery of its outstandings. Between 2004-05 and 2009-10 Rs. 33 Crores was recovered from critical borrowers. In the year 2010-11 company is expecting to have impressive collection from defaulting borrowers. Windmill income in the year 2009-10 is Rs. 23.88 lacs as compared to Rs. 21.11 lacs in the previous year. This was achieved due to more focus on timely maintenance and prompt repairs despite windmills being as old as 15 years.

- (3) Expected increase in productivity and profits in measurable terms.

An estimated recovery of around 750 lacs is expected from delinquent borrowers in Hyderabad, Ahmedabad, Chattisgarh etc. in 2010-11.

IV. Disclosures :

The information as required under Section 1 & 2 had been appropriately covered, wherever applicable, in the current Annual Report for the financial year 2009-10.

Registered Office :
NICCO HOUSE
2, Hare Street
Kolkata - 700 001
Date : 31st May, 2010

By Order of the Board
for NICCO UCO ALLIANCE CREDIT LTD.

L. N. KAUL
Managing Director & Company Secretary



REPORT OF THE DIRECTORS
For the year ended 31st March, 2010

The directors hereby present their 26th Annual Report together with the audited statement of accounts for the year ended 31st March 2010.

1. FINANCIAL RESULTS

Rs. In Lacs

	2009-10	2008-09
Loss before Tax	3519.24	4071.48
Less : Provision for Taxation/Fringe benefit Tax	0.43	1.10
	3519.67	4072.58
Add : Balance of Loss brought forward from last year	33293.57	29220.99
Transfer to Balance Sheet	36813.24	33293.57

2. DIVIDEND :

In view of the loss, your Directors regret their inability to recommend any dividend for the year under review.

3. OPERATIONS :

Income from operation dropped in the current year from the year 2008-09 because mostly all deals have matured. The reason for constant increase in loss is mainly due to provision for interest on bank/FII borrowings and fixed deposit, provisioning of NPA as per RBI guidelines and diminution in value of investment.

Company made a relentless efforts for collection this year from written off/provided/ NPA parties because the company was experiencing that resorting to legal recourse was not yielding desired result and was also impacting adversely company's cash flow. But this year's collection drive was not satisfactory. A few, defaulting clients have been reidentified and if in the next financial year the company is successful in this objective, an impressive amount is expected to be collected.

Discussion for out of court settlement with UCO Bank , leader of Consortium of Banks did not make any satisfactory progress.

Scheme of Arrangement for Re-organisation of Share Capital of Nicco Uco Alliance Credit Limited and Compromise with Fixed Deposit Holders under Sec.391 & 394 of the Companies Act, 1956 is on the verge of final stage: the Judge of the Hon'ble High Court, Calcutta has reserved her verdict. However, Company is paying to such depositors who were aged and/or required funds for medical exigency.

The case filed by the Consortium of Banks in DRT Kolkata was being contested by the Company on the ground of maintainability and Contempt proceedings against the company and its Directors in the Board in 2005-06 was also opposed and the matter is pending. Another case in DRT Court had been filed by UCO Bank for the funding of Mehta Transport deal which was inadvertently not included when the above case was filed by the Banks with other consortium members. IFCI not being part of Consortium of Banks, had filed a separate case in DRT Kolkata for their share of loan. Indusind Bank had filed a suit in DRT Court in Chennai on account of securitised loan. Axis Bank Chennai has filed a suit in Chennai on account of securitization loan. IFCW has filed a suit in Kolkata for recovery of the loan amount. All these cases are being contested by the Company.

In the Sarfaeci proceedings initiated by UCO Bank and other against the company, being aggrieved by DRAT's Order, company filed a Writ Petition before Hon'ble High Court, Calcutta and due to some deficiency in the procedure followed by UCO Bank and Ors., the said Court Ordered that no coercive steps should be taken by Bank. Bank had appealed against this Order.

4. FIRE AT NICCO HOUSE :

As reported earlier, due to fire on 27th March '09, Company has incurred substantial loss and an on account payment of Rs. 10 lacs has been received from Insurance Company and accordingly various repair and rehabilitation works were undertaken and they are at the stage of completion when the documents would be lodged with Insurance company for final settlement.

Various modern fire prevention instruments are being installed including erection of two way staircase for which Company is also contributing proportionately. Electric connection had been restored in Nicco House with effect from August, 2009 which brought normalcy in working condition.

5. INVESTIGATION U/S 235 OF THE COMPANIES ACT, 1956 :

At the report of Registrar of Companies, West Bengal, Investigation had been initiated by Serious fraud Investigation Office (SFIO) w.e.f 26th June '08 and it is on the verge of completion and SFIO shall submit its report to Central Govt., Ministry of Corporate Affairs, New Delhi and a copy shall be forwarded to the Company as per the procedure laid down in the Companies Act, 1956.

6. MIS-APPROPRIATION OF COMPANY'S FUND :

Two employees were identified to be the culprit for misappropriation of Company's fund amounting to Rs. 140.32 lacs and Rs. 0.30 lacs in the financial year 2008-09 and 2009-10 respectively. They were arrested and kept in police/jail custody. As given to understand, DCDD, Lal Bazar, Kolkata had located various investments made out of that fund which had been attached. Company is making all endeavours for the recovery of misappropriated fund. Investigation is still in progress.



Domestic Enquiry against the two employees have been completed in April '10. One of the employee have moved City Civil Court for Injunction which has been opposed by the company.

7. SUBSIDIARY COMPANY :

The wholly owned subsidiary, Nicco Insurance Agents and Consultants Ltd. (NIACL) has incurred a loss of Rs. 0.29 lacs as they could not generate any business.

8. STATUTORY INFORMATION :

The company has generally observed all prudential norms prescribed by RBI excepting maintenance of SLR though the certificate of Registration has been cancelled by RBI.

There were no employees during the year ended 31st March '10 in respect of whom the particulars are required to be disclosed with reference to Section 217(2A) of the Company's Act 1956.

Since your Company has no manufacturing activities, the disclosure relating to conservation of energy, technology absorption is not applicable under the provisions of companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988.

The Company had no Foreign exchange earnings and outgo during the year under review.

9. DIRECTORS :

Justice N. K. Bhattacharyya (Retd.) and Mr. L. N. Kaul retire by rotation in the ensuing twenty sixth Annual General Meeting and being eligible offer themselves for reappointment.

Company has received a letter dt. 21st May '10 from Ministry of Corporate Affairs (MCA) approving the remuneration of Mr. L. N. Kaul Managing Director for the period 15th April '08 to 14th April '10 with marginal reduction in remuneration. While granting approval MCA did not give its sanction in respect of Rs. 2.72 lacs paid earlier for the financial year 2007-08. Company is writing to MCA to kindly review its decision for the aforesaid two periods..

Due to indifferent health Justice N. K. Bhattacharyya (Retd.) Chairman, has opted not to have Chairman's office at his residence and therefore, with effect from 1st March '10 Chairman's office had been discontinued. Till full recovery of health of Mr. Bhattacharyya, Mr. Debdatta Saila was appointed as Chairman in the Board Meeting held on 31st May, 2010.

10. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the provisions of Section 217(2AA) of the Act, the Directors state that :

- (a) in the preparation of the Annual Accounts for the year ended March 31, 2010, applicable Accounting Standards have been followed with no material departure;
- (b) your directors have selected such accounting policies and applied them consistently and made judgments and estimate that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2010;
- (c) Your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of Companies Act, 1956 for safeguarding assets of the company for preventing and detecting fraud and other irregularities and while discharging their duties they had relied on the contention of the Management and also on the report of the Internal Auditors (outside firm) both of which required improvement in several aspects.
- (d) The accounts for the year ended March 31, 2010 have been prepared on a going concern concept based on legal opinion obtained preceding final outcome of the appeal preferred by the Company against cancellation of Certificate of Registration by RBI.

11. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE :

In accordance with the requirement of the listing Agreements with the Stock Exchange, a report on the Management Discussion and Analysis is attached hereto (Annexure 'A'). A Report on the status of Compliance of Corporate Governance norms along with the certificate of the Auditors is also attached (Annexure 'B').

12. AUDITORS & AUDITORS' REPORT :

M/s.Singhi & Co., Chartered Accountants, retire and being eligible offer themselves for reappointment. The auditor have confirmed that the reappointment, if made, will be within the limit prescribed under Section 224 (1B) of the Companies Act, 1956.

In regard to qualification made by Auditors in Auditor's Report, Annexure to the Auditor's Report and Certificate issued on compliance of conditions of Corporate Governance , all of them dated 31st May,2010, the comments of the Board of Directors are as under against respective clauses of the said report :

AUDITORS' REPORT :

- Cl.5 Directors are of the view that although none of the Directors on the Board are Director/s in any other company, the provision of 274(i)(g) is not applicable because 5 years have already elapsed when the company defaulted first in the year 2004-05 in paying interest /principal amount to fixed deposit holders.
- Cl.6 (a)(i) Please refer to Note No. 10 in Schedule 15B in this regard. Necessary action, if any, will be taken on disposal of the appeal.
- (a)(ii) Please refer to Note No. 11(a) in Schedule 15B in this regard. Necessary action, if any, will be taken on disposal of the case.
- (a)(iii) Please refer to Note No. 11(g) in Schedule 15B in this regard. Necessary action, if any, will be taken on disposal of the case.
- (b) Please refer to Note No. 14 in Schedule 15B in this regard. Huge loss suffered by the company since the F.Y 2003 – 2004 to date along with embargo on the company by RBI from doing fund based business have adversely impacted the cash flow position of the company. Shortfall in payment of fixed deposit as per modified CLB order arose due to paucity of fund.



NICCO UCO ALLIANCE CREDIT LIMITED

- (c) Please refer to Note No. 3(b) in Schedule 15B in this regard. The matter is pending before the Central Government and necessary action, if any, will be taken after the final decision.
- (d) Please refer to Note No. 12 in Schedule 15B in this regard. Positive balances lying in the current accounts with the member of the consortium bank and other secured lenders are Non-encumbered in nature and the company has not relinquished its right over such asset. Hence, provisioning on unconfirmed current account balance was not felt necessary.
- (e) Please refer to Note No. 19 in Schedule 15B in this regard. Repairs and renovation work is on the verge of completion and relevant documents will be lodged with the insurance company for final settlement. Settlement effect will be given thereafter.
- (f) Please refer to Note No. 21 in Schedule 15B in this regard. The investigation conducted by SFIO is on the verge of completion.
- (g) Necessary steps being taken to make payment to depositors / deposit with "Investors Education and Protection Fund".

ANNEXURE TO AUDITORS' REPORT :

Annexure 1

- (a) Recreation of fixed asset register of Eastern Divisional Office (EDO) is under process from available old documents.
- (b) The major value of fixed assets consisted of land, building and windmill which were visited by Directors / senior officials of the company during usual course of business. No major discrepancies were noticed during the year.
- 2(a) & (b) Since there is no live Lease and Hire Purchase deals and the outstanding against earlier deals have been provided for, the scope for physical verification of inventory doesn't exist and accordingly the same has not been verified.
- Cl. 4(i) Please refer Note No.14 in Schedule 15B in this regard. Interest was provided at contracted rate and as per CLB order on outstanding fixed deposit liability. Steps are being taken for the said reconciliation.
- (ii) Appropriate steps have been initiated by devising a multi layer checking system to remove the weaknesses noticed in the internal control system which is under constant review for scope of up gradation, if any.
- Cl.6 Net worth of the company has completely been eroded due to huge loss suffered by the company. Thus, present outstanding fixed deposit liability of the company has exceeded the prescribed ceiling.
- (a) The order has been duly complied with by the company.
- (b) Please refer to Note No. 10 in Schedule 15B in this regard. Necessary action, if any, will be taken on disposal of the appeal.
- (c) Please refer to Note No. 14 in Schedule 15B in this regard. Huge loss suffered by the company since the F.Y 2003 – 2004 to date along with embargo on the company by RBI from doing fund based business have adversely impacted the cash flow position of the company. Shortfall in payment of fixed deposit as per modified CLB order arose due to paucity of fund.
- (d) Due to paucity of fund as explained above, the company couldn't comply with the prescribed liquidity requirement during the year.
- Cl.9 (a) Due to mounting loss, closure of business / cancellation of certificate by RBI, exodus of executives, the company is unable to identify the liability. Efforts are being taken for verification of such liability. However, necessary steps being taken to make payment to depositors / deposit with " Investors Education and Protection Fund" for dues more than seven years.
- Cl.10 Net worth of the company has completely been eroded due to huge loss suffered and large provisioning made by the company.
- Cl.11 Consequent upon cancellation of certificate of registration by RBI, projections made in the scheme filed u/s 391(1) and 391(6) of the Companies Act, 1956 for revival of the company was jeopardized. UCO Bank and other secured lenders have then initiated various legal actions against the company as detailed in Note No. 11(a) to 11(g) in Schedule 15B. The company was then compelled to withdraw the said scheme filed u/s 391(1) and 391(6) of the Companies Act, 1956. As the matter is sub-judice, necessary action, if any, will be taken on disposal of the pending cases.
- Cl.14 Most of the companies are making huge losses / have gone into liquidation and therefore despite writing to them for transfer of shares in the name of the company, no response has been received.
- Cl.21 Please refer to Note No. 20 in Schedule 15B in this regard. Final impact of the fraud perpetrated on the company could be identified on completion of the investigation.

In regard to qualification under clause (b) of certificate on Corporate Governance , we state that there is an embargo on the company from doing fund based business due to cancellation of Registration by RBI (appeal preferred by Company is pending).Hence, question of risk assessment and minimization procedure does not arise.

13. APPRECIATION :

Your Directors wish to thank the company's stakeholders and fixed deposit holders for their support.

31st May, 2010

Kolkata

ON BEHALF OF THE BOARD OF DIRECTORS

DEBADATTA SAILA

Chairman

**ANNEXURE TO DIRECTORS' REPORT
Management Discussion & Analysis Report****OVERVIEW AND INDUSTRY STRUCTURE & DEVELOPMENTS :**

During the year under review the Company could not carry on any fund based business is Leasing and H.P. due to cancellation of Certificate of registration by Reserve Bank of India. However, maximum efforts has been given for recoveries from N.P.A/ written off parties.

OPPORTUNITIES, THREATS, RISKS, CONCERNS, PEFFORMANCE AND OUTLOOK :

The entire efforts of the company continued to be directed towards managing its liabilities. Cancellation of the Certificate of Registration by Reserve Bank of India has resulted in discontinuation of fund based business which was the primary source of income of the company. Net owned fund of the company has been completely wiped out due to heavy loss incurred by the company in last few years.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

Your company has an effective system of accounting and administrative control supported by an internal audit system with proper and adequate system of internal check and control to ensure safety and proper recording of all assets of the company. In current year deficiency in Internal Control System in certain areas were noted and steps have been taken to remove them.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

Attention is drawn to the report of the Directors in general and issues discussed under the head "Operations" in particular and comments under the head "Operations, Threats, Risks, Concerns, Performance and Outlook". The Company's financial position is critical and a combined effort of secured creditors, F.D. holders and shareholders may improve the position in the long run.

HUMAN RESOURCES :

The relation with employees continues to be cordial and harmonious.

Kolkata

31st May, 2010

ON BEHALF OF THE BOARD OF DIRECTORS

DEBADATTA SAILA

Chairman

**ANNEXURE TO THE DIRECTORS' REPORT****CORPORATE GOVERNANCE****(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)****1. Company's Philosophy**

Nicco Uco Alliance Credit Ltd. is complying with all the requirements of Clause 49 of the Listing Agreement of the Stock Exchange. Though the license of the company as NBFC has been cancelled by RBI, still the company provides the information as asked by RBI from time to time.

2. BOARD OF DIRECTORS

The Board of Directors of the Company oversees the business operations of the Company headed by Chairman. The day to day business operations are managed by Managing Director and Chief Financial Officer, and supported by other senior officials.

A. Constitution of Board of Directors and related information

The present Board comprises of a Chairman, who is neither an Executive nor a Promoter, Managing Director and four non-executive directors, of which three are independent directors forms the full strength of six directors on the Board.

Table 1 : Details about Nicco Uco Alliance Credit Ltd.'s Board of Directors

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	No. of other Directorships	No. of shares held in the Company
1.	Hon'ble Justice N. K. Bhattacharyya (Retired)	Chairman	6	Yes	—	—
2.	Mr. L. N. Kaul	Managing Director & Company Secretary	6	Yes	—	1
3.	Mr. Kartick Kumar Chatterjee	Non-Executive Director	6	Yes	—	180
4.	Mr. Biswajit Roy	Non-Executive Independent Director	5	No	—	—
5.	Mr. Debdatta Saila	Non-Executive Independent Director	6	Yes	—	—
6.	Mr. Bimalendu Sankar Gupta	Non-Executive Independent Director	6	Yes	—	—

None of the directors on the Board are related to one another.

The Company did not have any pecuniary relationship or transactions with the non-executive directors during the period under review except in case of Justice N. K. Bhattacharyya (Retd.), Chairman.

B. Code of Conduct

A Code of Conduct as formulated and adopted by the Board of Directors is reproduced hereunder :-

Board Members and Senior Management personnel will :

- Ø Act in the best interest of and fulfill their fiduciary obligations to Nicco Uco's Stakeholders;
- Ø Act honestly, fairly, ethically and with integrity;
- Ø Conduct themselves in a professional, courteous and respectful manner;
- Ø Comply with all applicable laws, rules and regulations;



- Ø Act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- Ø Act in a manner to enhance and maintain the reputation of NUACL;
- Ø Disclose potential interest that they may have regarding any matters that may come before the Board and abstain from discussion and voting on any matter in which the Director has or may have a conflict of interest;
- Ø Make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operation of Nicco Uco Alliance Credit Ltd. and its Board of Directors;
- Ø Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors and as Senior Management personnel except when authorised or legally required to disclose such information and
- Ø Not use confidential information acquired in the course of their service as Directors and as Senior Management personnel for their personal advantage.

All Board Members and Senior Management personnel shall affirm compliance with the Code on an annual basis.

A declaration from the Managing Director that all Board Members and Sr. Management Personnel have duly complied with the Code of Conduct for the financial year ended March 31, 2010 forms part of this Annual Report.

C. Number of Board Meetings

During the year, 2009-2010 Board Meetings were held on 29th April, 2009, 17th June, 2009, 30th June, 2009, 31st July, 2009, 30th October, 2009, 30th January, 2010.

D. BOARD PROCEDURE

Information supplied to the Board

Among others, this includes :

- a. review of annual operating plans of businesses, capital budgets, updates,
- b. quarterly results of the Company and its operating divisions or business segments,
- c. minutes of meeting of audit committee and other committees,
- d. information on recruitment and remuneration of senior officers just below the Board level,
- e. materially important show cause, demand, prosecution and penalty notices,
- f. fatal or serious accidents or dangerous occurrences,
- g. any materially relevant default in financial obligations to and by the Company,
- h. any issue which involves possible public or product liability claims of a substantial nature,
- i. significant labour problems and their proposed solutions,
- j. significant development on the human resources and industrial relations fronts,
- k. sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business,
- l. non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer and
- m. Details of any deal with foreign financiers or collaboration agreements.

The Board of Nicco Uco Alliance Credit Ltd. is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board Meetings or are tabled during the course of the Board Meetings.

D. Remuneration of Directors :

Sitting Fees, Salary, Perquisites and Commissions

Table 2 gives the details of the remuneration package of Directors and their relationships with each other.

**Table 2 : Remuneration paid or payable to Directors during the Financial year 2009-2010****(Rupees in lacs)**

Name of Directors	Relationship with other Directors	Sitting fees	Commission or Profits	Salary (Basic)	Contribution to PF/SAF	Perquisites and other allowances	Total
Hon'ble Justice N. K. Bhattacharyya (Retired)	None	0.24	N.A.	N.A.	N.A.	N.A.	0.24
Mr. L. N. Kaul *	None	Nil	N.A.	6.72	1.82	0.01	8.55
Mr. Kartick Kumar Chatterjee	None	0.42	N.A.	N.A.	N.A.	N.A.	0.42
Mr. Biswajit Roy	None	0.20	N.A.	N.A.	N.A.	N.A.	0.20
Mr. Debdatta Saila	None	0.39	N.A.	N.A.	N.A.	N.A.	0.39
Mr. Bimalendu Sankar Gupta	None	0.42	N.A.	N.A.	N.A.	N.A.	0.42

* (1) The Service contract of Managing Director & Company Secretary was for two years and it expired 14th April, 2010. Board renewed it further for 3 years from 15th April, 2010 to 14th April, 2013.

(2) Notice period is 6 months from either side or 6 months salary in lieu thereof.

(3) There is no stock option extended to any director/executive.

E. Non-Executive Directors

Sitting fee of Rs. 3000/- is paid to Non-Executive Directors for attending committee meetings and Rs. 4000/- for attending Board Meetings. Chairman had been provided an office admeasuring 500 sq.ft. w.e.f 1st July, 2006 and telephone bill in full and electricity bill in part and minor expenses on office maintenance is being reimbursed. This was necessary so as to continue to have his guidance and advice. However, of late Chairman due to indifferent health has vacated Chairman's office from 1st March, 2010.

3. AUDIT COMMITTEE

1. Constitution of Audit Committee and related information

The Audit Committee of the Board comprises of three non-executive directors of which two are independent directors. The Committee met five times during the year and attendance of the members at these meetings were as follows :

Table 3 : Attendance record of Audit Committee Members

Sl. No.	Name of the Member	Status	No. of Meetings attended
1.	Mr. D. Saila	Chairman	5
2.	Mr. K. K. Chatterjee	Member	5
3.	Mr. B. S. Gupta	Member	5

The Statutory Auditor, Managing Director & Company Secretary, Chief Financial Officer and Deputy General Manager are invitees to the Audit Committee Meetings.

Managing Director & Company Secretary acts as Secretary to Audit committee and also as invitee to the Audit Committee Meeting as a Managing Director.

II. Meetings

During the financial year ended March 31, 2010, the Audit Committee met on following dates :-

28th May, 2009, 30th June, 2009, 31st July, 2009, 30th October, 2009, 30th January, 2010.

III. Terms of reference :

Terms of reference of Audit Committee of the Board of Directors are as per the requirement of listing agreement as well as Company's Act, 1956 and includes the following :-

- To investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956, or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company.
- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that



the financial statement is correct, sufficient and credible.

- f) Recommending the appointment and removal of external Auditors, fixation of Audit fee and also approval for payment for any other services.
- g) Reviewing with the management the annual financial statements before submissions to the Board, focusing primarily on :-
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions, i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries, or relatives, etc., that may have potential conflict with the interest of the company at large.
 - Compliance with RBI prudential norms guidelines on income recognition, provisioning, capital adequacy concentration of investment norms etc.
- h) Reviewing with the management, external auditors, the adequacy of internal control systems.
- i) Reviewing the adequacy of internal audit function, including reviewing internal audit report with internal auditor on any significant findings and follow up thereon.
- j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- k) Reviewing with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board.
- l) Company does not have financial and risk management policies.

4. Remuneration Committee

Remuneration Committee consists of the following Directors.

1. Mr. D. Saila – Chairman
2. Mr. Kartick Kumar Chatterjee – Member
3. Mr. B. S. Gupta – Member
4. Mr. Biswajit Roy – Member

No meeting of Remuneration Committee was held in the Financial Year 2009-10.

5. Shareholder Grievance Committee

Shareholder Grievance Committee consists of the following two Non-Executive Directors and Managing Director :

1. Mr. B. S. Gupta – Chairman
2. Mr. K. K. Chatterjee – Member
3. Mr. L. N. Kaul – Member

One meeting of Shareholders' Grievance Committee was held during the year viz 31st March, 2010. It was attended by full strength of the Committee.

All investors' complaints are being dealt by Mr. L. N. Kaul, Managing Director & Company Secretary and Compliance Officer. The Shareholders' Grievance Committee was apprised of each complaint in the meeting and appropriate direction was obtained.

Table - 4 Number and Nature of complaints regarding shares during the year April 1, 2009 to March 31, 2010

Type of Complaint	Total Complaints Received	Complaints Redressed	Redressal under Process
Correspondence / Complaints regarding Dividend (Non-receipt of Dividend, correction of Bank Mandate details, etc.)	—	—	—
Correspondence / Complaints regarding shares (Non-receipt of shares after transfer / transmission correction of names, consolidation / sub-division, non-receipt of credit of dematted shares, exchange of shares and general transfer correspondence).	17	17	—
Miscellaneous correspondence/ complaints received other than above category.	3	3	—
Total	20	20	—



* Note : The Company endeavours to settle all shareholder complaints in the minimum possible time.

The Company confirms that there were no share transfers lying pending as on 31.03.2010, and all requests for dematerialisation and re-materialisation of shares as on that date were confirmed / rejected in NSDL / CDSL system.

The Company has no material non-listed Indian Subsidiary Company as per definition in Sub-Clause 3 of Clause 49 of listing agreement. Hence, the requirement as spelt out in said Sub-Clause will not be applicable.

6. General Body Meetings

Table - 5 : The last three AGMs were held as under :

Financial Year	Date	Time	Venue
2006-2007	28.09.2007	09.30 AM	Bengal National Chamber of Commerce & Industry 23, Sir R. N. Mukherjee Road, Kolkata-700 001
2007-2008	26.09.2008	10.30 AM	Bengal National Chamber of Commerce & Industry 23, Sir R. N. Mukherjee Road, Kolkata-700 001
2008-2009	23.09.2009	10.30 AM	Bengal National Chamber of Commerce & Industry 23, Sir R. N. Mukherjee Road, Kolkata-700 001

In the Annual General Meetings held in financial years 2006-2007, Special Resolutions was passed but in the financial years 2007-2008 and 2008-2009 no such Resolution were passed.

There is no proposal to pass any Special Resolution by way of Postal Ballot in the ensuing Annual General Meeting.

7. Disclosures

There were no materially significant transactions made by the Company with its promoters, directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large. The Register of Contracts is placed before the board regularly for its approval.

Disclosures on related party transactions, as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, is detailed in Point no. 5 in Schedule-15B of Annual Accounts for the year 2009-10.

There has been no non-compliance by the Company and no penalties and strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.

8. Means of Communication

Quarterly, Half yearly and Yearly results of the company are promptly sent to the Stock Exchanges and published in prominent daily newspapers viz. The Echo of India and Aarthik Lipi (Bengali) newspaper.

9. General Shareholders' Information

I. Annual General Meeting is proposed to be held on Wednesday, the 29th September, 2010.

Time : 10.30 A.M.

Venue : Bengal National Chamber of Commerce & Industry, 23, Sir R. N. Mukherjee Road, Kolkata - 700 001.

Book Closing : Tuesday, the 21st Sept.'10 to Wednesday, the 29th Sept.'10.

II. The Company has furnished information as required by Clause 49 of the Listing Agreement of the Stock Exchange, relating to the re-appointment of directors. Shareholders may kindly refer to Annexure-A appearing after the Explanatory Statement convening the 26th Annual General Meeting of the Company. Besides, age, educational qualification and expertise in specific functional areas, the names of companies in which these Directors also holds directorship and the Chairmanship / Membership of Committee of the Board are given separately including their shareholdings, if any.

III. Financial Calendar

Financial year # 1st April to 31st March

For the year ended 31st March, 2010 results announced on

First Quarter # July 2009

Half Yearly # October 2009



Third Quarter # January 2010
 Fourth Quarter and Annual (Audited) # May 2010

For the year ended 31st March, 2011 results are expected to be announced on :

First Quarter # July 2010
 Half yearly # October 2010
 Third Quarter # January 2011
 Fourth Quarter (Audited) # May/June 2011

10. Dates of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from Tuesday, the 21st September, 2010 to Wednesday, the 29th September, 2010 (both days inclusive).

11. Dividend Payment

In view of the present financial condition of the company, no dividend is recommended for the financial year 2009-2010.

12. Listing of Equity Shares on Stock Exchanges, etc.

The Company's shares are listed on the Stock Exchange in Mumbai only and the listing fees for the period 2010-2011 have been paid.

Stock Code :

Name of the Stock Exchange	Stock Code	
	Physical	Demat
The Stock Exchange, Mumbai	23209	523209

Table - 6 : NUACL Share Price vis a vis BSE Sensex April, 2009 - March, 2010

Month	NUACL Share Price in BSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April 2009	1.00	0.65	11492.10	9546.29
May 2009	1.32	0.72	14930.54	11621.30
June 2009	1.82	1.15	15600.30	14016.95
July 2009	1.36	0.98	15732.81	13219.99
August 2009	1.20	0.92	16002.46	14684.45
September 2009	1.37	1.03	17142.52	15356.72
October 2009	1.28	0.92	17493.17	15805.20
November 2009	1.13	0.87	17290.48	15330.56
December 2009	1.20	0.89	17530.94	16577.78
January 2010	1.90	1.06	17790.33	15982.08
February 2010	1.60	1.39	16669.25	15651.99
March 2010	1.78	1.35	17793.01	16438.45

**13. Distribution of Shareholding as on March 31st, 2010****Table – 7**

Category of Shares	Nos. of Holders	%	Total Shares	%
1 – 100	16616	58.17	951648	2.37
101 – 500	8309	29.25	1911847	4.76
501 – 1000	1800	6.30	1457477	3.63
1001 – 5000	1402	4.91	3386249	8.44
5001 – 10000	216	0.76	1690576	4.21
10001 & Above	222	0.77	30748976	76.59
Total :	28565	100.00	40146773	100.00

14. Pattern of Shareholding as on March 31st, 2010**Table - 8**

Sl. No.	Category	Nos. of Equity Shares held	Percentage of Shareholding
A.	Promoters' holding		
1.	Promoters :		
	- Indian Promoters	9372809	23.35
	- Foreign Promoters	Nil	Nil
2.	Persons acting in concert	1609371	4.01
	Sub Total :	10982180	27.36
B.	Non-Promoters' Holding :		
3.	Institutional Investors		
a.	Mutual Funds & UTI	2080	0.01
b.	Banks, Financial Institutions, Insurance companies (Central/State Govt. Institutions/ Non-governmental Institutions)	1985929	4.95
c.	FIIS	250	0.00
	Sub Total :	1988259	4.95
4.	Others :	—	—
a.	Private Corporate bodies	11079860	27.60
b.	Indian Public	13349537	33.25
c.	NRIs/OCBs	775509	1.93
	Any Others :	—	—
d.	Foreign Body Corporates	1971428	4.91
	Sub Total :	27176334	67.69
	GRAND TOTAL	40146773	100.00

15. Dematerialisation of Shares

As on March 31, 2010, 58.84 % of the Company's total shares representing 23621492 shares were held in dematerialised form and the balance 41.16 % representing 16525281 shares were held in physical form.

**16. Share Transfer Committee**

Meeting of Share Transfer Committee consisting of Managing Director and Company Secretary, Chief Financial Officer are held on a fortnightly basis to ensure that all matters relating to transfer of shares, issue of duplicate certificates and certificates after splits / consolidation / renewal and rematerialisation of shares are processed and despatched within 30 days from the date of receipt as per the requirement of listing agreement. A brief report alongwith status of transfers of important nature is reported to the Board regularly and the Minutes of Share Transfer Committee is placed before the Board regularly for information.

17. Dedicated e-mail for redressing the complaints by investors :

Pursuant to amendment in the Listing Agreement by insertion of Clause 47(f), a new e-mail ID has been opened viz. **nuac1complaints@yahoo.com** so that the shareholders can directly send their complaints/queries on e-mail and the Company can redress them on e-mail promptly.

In view thereof, we are requesting all the shareholders/investors to kindly use the aforesaid e-mail ID to communicate their complaint for a prompt reply.

18. Share Transfer Agent

R & D Infotech Pvt. Ltd. is acting as Share Transfer Agent for both segment of share activity – physical and electronic.

As mentioned in the previous report trading in Company's shares can now be done only in dematerialised form hence request for demat and remat should be sent to Share Department/Share Transfer Agent as per the address given under clause 22. Shareholders have the option to open their accounts with NSDL only as the Company has entered into agreement with this depository. To reduce cost, the company has asked CDSL to discontinue the membership, as the transaction in the CDSL depository is negligible.

19. Share Transfer system

As already stated, the Company's shares are traded in the Stock Exchange compulsorily in demat mode. Therefore, investors/ shareholders should send physical documents, viz. Demat Request Form (DRF) and Share Certificates etc. by their Depository Participants (DP's) directly to Share Department/ Share Transfer Agent. Any delay on the part of the DP's to send the DRF and the related Share Certificates beyond 15 days, from the date of generation of the DRF by the DP, will be rejected / cancelled. This is being done to ensure that no demat requests remain pending with the Company beyond a period of 21 days. Investors / Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to the Share Department / Share Transfer Agent after generating the DRF.

20. Non-mandatory requirements

- (i) Half-yearly results including summary of the significant events are presently not being sent to the shareholders of the Company.
- (ii) There is no formal mechanism existing at present for performance evaluation of non-executive Directors.
- (iii) The Company has not established any formal Whistle blower policy.

21. CEO/CFO Certificate

In terms of the requirement of the amended Clause 49 of the Listing Agreement with the Stock Exchanges, the certificate from CEO/CFO has been obtained.

The above Report has been placed before the Board of Directors of the Company at its meeting held on 31st May, 2010 and the same was approved.



NICCO UCO ALLIANCE CREDIT LIMITED

22. Address of Correspondence

Shareholder's Correspondence should be addressed to :

NICCO UCO ALLIANCE CREDIT LTD.
SHARE DEPARTMENT
"NICCO HOUSE" 2 HARE STREET,
KOLKATA - 700 001
TELEPHONE NOS. (033) 66285260
FAX : (91) 33 2230-9443, 2242-9465
E-MAIL : nufslcal@gmail.com
E-MAIL : GRIEVANCE REDRESSAL DIVISION/COMPLIANCE OFFICER :
nuaclcomplaints@yahoo.com
Contact person : Mr. L. N. KAUL, MANAGING DIRECTOR & COMPANY SECRETARY

SHARE TRANSFER AGENT

R & D INFOTECH PVT. LTD.
GROUND FLOOR
22/4, NAKULESHWAR BHATTACHARJEE LANE
KOLKATA – 700 026
FAX No. : 033 24631657
PHONE NO. : 033 24631658
E-MAIL : rd.infotech@vsnl.com
rdinfotech@yahoo.co.in
CONTACT PERSON : MR. RATAN MISHRA
DIRECTOR

On behalf of the Board of Directors

Kolkata
31st May, 2010

Debadatta Saha
Chairman

Annexure - C

**CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT
OF THE COMPANY**

This is to state that the Company has duly adopted a Code of Conduct in the meeting of Board of Directors held on 14th April, 2005. The Company has since received declarations from all the Board Members and senior management personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year ended 31st March, 2010.

Kolkata
31st May, 2010

L. N. KAUL
Managing Director &
Company Secretary



SINGHI & CO.
Chartered Accountants

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Shareholders of Nicco Uco Alliance Credit Limited

We have examined the compliance of conditions of Corporate Governance of Nicco Uco Alliance Credit Limited for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was 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 explanation given to us, *subject to the following* :

- a) *As stated the company does not have its own website. However, the Company has sent Annual audited results to Stock Exchange by electronic mail, so that it can put it on its own website.*
- b) *The Company does not have a risk assessment and minimization procedure.*

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

FOR SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No.- 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
The 31st day of May, 2010



Auditors' Report to the Members of NICCO UCO ALLIANCE CREDIT LIMITED

We have audited the attached Balance Sheet of **NICCO UCO ALLIANCE CREDIT LIMITED** as at 31st March, 2010, and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, subject to our observations made in para 6 below proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except for AS-28 relating to the "Impairment of Assets" prescribed by The Institute of Chartered Accountants of India, refer note no. 9 of schedule 15B and subject to our observation mentioned in para 6 below.
5. *In view of default in repayment of fixed deposits and interest thereon, all the directors of the company are disqualified as on 31st March, 2010 from being appointed as directors in other public companies in terms of clause (g) subsection (1) of section 274 of The Companies Act, 1956.*
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to,
 - a) (i) *Note No. 10 in Schedule 15B regarding cancellation of certificate of registration of the company to carry out non-banking financial activities by Reserve Bank of India (RBI) vide its order dated 31st March 2005, against which the company has preferred an appeal before the Appellate Authority for Non-Banking Finance Company (NBFC), Joint Secretary, Ministry of Finance, Govt. of India, New Delhi which is pending.*
 - (ii) *Note No. 11 (a) in schedule 15B, UCO bank, the leader of the consortium of bankers moved an application in the Debt Recovery Tribunal (DRT) on 29.11.2005 to recover the outstanding dues against the company, which the company has contested. The learned DRT has passed an order on 01.12.2005 appointing two receivers for making an inventory and taking a symbolic possession of secured properties of the company but at the same time directing that till disposal of the prayer for interim relief, the company will not deal with or transfer or dispose of any of its secured properties. However, the company shall carry on its business as usual.*
 - (iii) *Note number 11(g) in Schedule 15 B regarding measures taken by UCO bank u/s 13(4) of the SARFESI act against the company.*

As the decision with regard to appeal against cancellation of license is pending for reasons as stated in the note above, the accounts of the company have been prepared on going concern assumption on the basis of legal opinion obtained.

In the event of adverse decision/ development the financial statements may require necessary adjustments in the value of its assets and liabilities.
- b) *Note No. 14 of schedule 15B regarding default made by the Company in repayment of its Fixed Deposits liability as per order of Company Law Board (CLB).*
- c) *Note No. 3 (b) of schedule 15B regarding managing director's excess remuneration awaiting approval from Central Government for the financial year 2007-08. Further, for FY 2008-09 & 2009-10 company has received approval from Central Government for paying Rs. 8.26 lakhs per annum; however, actual payment crossed the above limit in the above mentioned years by Rs.0.47 Lacs and Rs. 0.29 Lacs respectively.*



- d) Note No. 12 of schedule 15B regarding non-confirmation of balances by Banks and Financial Institutions (FI's) in whose Books the account of Company has turned Non Performing Assets (NPA). Non-confirmation is in respect of loan accounts, interest payable on such loan accounts; fixed deposit accounts & Current accounts held by the company with them. Fixed deposits and current account balances with lender Banks include an amount of Rs. 192.78 lacs, realisability of which appears to be negligible. No provision for the same has been made in the accounts. We are therefore unable to ascertain the actual position of these accounts with such Banks and FI's.
- e) Note No. 19 of Schedule 15B regarding non ascertainment and accounting of losses arising out of fire on fixed assets etc. at the registered office of the company.
- f) Note No. 21 regarding Serious Fraud Investigation against the company on recommendation of Registrar of Companies (ROC).
- g) Non transferring of Rs. 10.57 lacs regarding unclaimed Bonds (including interest accrued thereon till the maturity date) and Rs. 3.13 lacs regarding unclaimed Fixed Deposits (including interest accrued thereon till the maturity date) to "Investors Education and Protection Fund", even after the expiry of more than seven years, as required by Sec 205(c) of the Companies Act 1956.

and read with other notes in Schedule 15 give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- (b) In the case of the Profit and Loss Account, of the **Loss** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

FOR SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No.- 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
The 31st day of May, 2010

Annexure to the Auditors' Report
(Referred to in Paragraph 3 of our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets in respect of its Southern Divisional Office (SDO). *Due to fire taken place in Eastern Divisional Office (EDO), substantial part of fixed asset register was damaged; however the same is being recreated now.*
- (b) *According to the information and explanations given to us, physical verification of Fixed Assets has not been carried out by the management/ other agencies during the year; hence we are unable to comment on the discrepancies if any.*
- (c) Substantial part of Fixed Assets has not been disposed off during the year so as to affect the going concern.
2. (a) There is no live agreement for lease and hire purchase stock as on date. All such assets have turned Non-performing and necessary provision has been made for the same. *As such there is little scope for physical verification and accordingly the same has not been done during the year.*
- (b) *Since the company has not conducted the physical verification of its inventories the question of following proper procedure does not arise.*
- (c) The company is maintaining proper records of the stocks on hire under Hire Purchase Contracts.
3. (a) According to the information and explanation given to us by the management, the company has not given any loan secured or unsecured during the year to Companies, firms or other parties covered in the Register maintained u/s 301 of the Companies Act, 1956 except expenditure incurred on behalf of its subsidiary company, the maximum amount of which outstanding at any time during the year and closing balance as on 31.03.2010 was Rs. 0.06 lacs. As explained to us the above advance is repayable on demand. Accordingly clauses 4(III)(b) to (d) of the order are not applicable.



NICCO UCO ALLIANCE CREDIT LIMITED

- (b) According to the information and explanation given to us by the management, the company has not taken any loan secured or unsecured during the year from Companies, firms or other parties covered in the Register maintained u/s 301 of the Companies Act, 1956. Accordingly clauses 4(III)(f) and (g) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an internal control system which is commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. *During the year some weaknesses were noticed in the system as mentioned below:*
- (i) *in respect of reconciliation of subsidiary ledger of interest payable on fixed deposits with such figure as appearing in the control ledger.*
- (ii) *regarding repayment of fixed deposits.*
- However, the company is taking necessary steps to remove the weaknesses noticed in the system for repayment of fixed deposits.*
5. As per the information and explanations given to us, the particulars of contracts and arrangements, which need to be entered into the register of contracts, maintained u/s 301 of the Companies Act 1956 have been so entered. As the amount of such transactions is not more than Rs. 5 lacs, Para 5(b) of the order is not applicable.
6. *The Company has not accepted any deposit during the year from the public as per the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder. However the balance of the deposits as on 31st of March 2010 exceeded the ceiling limit fixed by Reserve Bank of India by Rs. 2363.60 lakhs excluding interest payable on that. According to the information and explanations given to us, no order has been passed by National Company Law Tribunal or any court or any other Tribunal on the company except the following orders passed by RBI and Company Law Board:*
- a) *Not to accept fixed deposits w.e.f. 14.06.04 and do renewal of fixed deposits from 01.07.04 which the company has duly complied with.*
- b) *Reserve Bank of India (RBI) vide order dated 31.03.05 has cancelled the Certificate of Registration of the company to carry on the business of a Non-banking Finance Company(NBFC) against which the company has preferred an appeal before Appellate Authority for NBFC, Joint Secretary Ministry of Finance, Government of India, New Delhi, which is pending.*
- c) *Honorable Company Law Board Eastern Region Bench has passed an order vide order dated 22nd March, 2005 against Company's Petition No. 641(58AA)/ERB/2004 for rescheduling the repayment of Company's Fixed Deposit liability including interest accrued thereon u/s 45QA of the RBI Act 1934. As at 31.03.2010 there was default of Rs. 2015.85 lacs in repayment of fixed deposit dues vis-a-vis the amount supposed to be paid as per Company Law Board (CLB) schedule.*
- The Company has submitted a scheme for reduction of share capital and issue of shares to the deposit holders in lieu of the principal held by them as on 01.04.2007. The scheme was approved by the deposit holders and shareholders and now pending before Hon'ble High Court at Calcutta for approval.*
- d) *The Company has not complied with prescribed liquidity requirement of Reserve Bank of India.*
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Company has given yearly maintenance job of its Wind Mills to outside agencies on contract. There are no other costs for which cost records are to be maintained.
9. (a) According to the records of the company, the company has generally been regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, investor education and protection fund, employee state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues whichever applicable, during the year *except for default in deposit of Service Tax (of SDO) amounting to Rs. 1,06,306/- , Profession tax (of SDO) amounting to Rs. 5,077/- and regarding deposit of unclaimed Bonds amounting to Rs.10,57,756/- and regarding unclaimed Fixed Deposits amounting to Rs. 3,12,628/- which were due for more than six months as on 31st March 2010. Also refer para no 6 (g) of audit report in this regard.*
- (b) According to the records of the company, the dues of sales tax, custom duty, wealth tax, income tax, excise duty, service tax and cess which have not been deposited on account of dispute and the forum where the disputes are pending are as under;



Nature of Contingent liability	Status of case	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
Contingent liability w.r.t Central and States Sales Tax (A.Y. 1995-1996 to 2002-2003)	The disputed demand is pending before W.B. Commercial Taxes Appellate and Revisional Board	27.50	27.50
Karnataka Sales Tax Act, 1957, Karnataka High Court	Matter is pending with Karnataka High Court.	26.53	26.53
Contingent Liability w.r.t. Income Tax Act, 1961 (A.Y. 2000-01, 2001-02 & 2003-04)	Disputed demand is pending before C.I.T. (Appeals) - VI	—	114.01
Service Tax applicable on Lease & Hire Purchase Transactions at SDO	Disputed demand is pending before Supreme Court	29.33	—
	Total	83.36	168.04

10. *The accumulated losses of the company are more than its net worth. The company has incurred cash losses during the current financial year covered by our audit and also in the immediately preceding financial year.*
11. *Consequent upon withdrawal of the petition filed u/s 391(1) and 391(6) of the Companies Act, 1956 interest on working capital and term loans aggregating to Rs. 16,289.22 lakhs provided for the period February, 2004 to March, 2010 remain unpaid. Term Loan to the tune of Rs. 1,348.97 lakhs and securitisation instalment payable to the extent of Rs. 992.95 lakhs also remain unpaid.*
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a Nidhi/ Mutual Benefit fund/ Society.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities and other investments. The company has maintained proper records of transactions and contracts in respect of shares, securities, debentures and other investments and timely entries have been made therein. We also report that the company has held shares, securities, debentures and other investments in its own name *except in a few cases where transfer is pending in the name of the company.*
15. The company has not given any guarantee for loans taken by other companies from banks or Financial Institutions.
16. Based on the information and explanations given to us by the management, no term loan was obtained by the company during the year.
17. On the basis of our overall examination of the balance Sheet, the company raised no fund on short-term basis during the year. However the loss incurred by the company which is technically long term outflow of fund is observed to have been predominantly financed by erosion of short/long term resources.
18. The company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any Debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. *We have been informed by the management regarding the fraud perpetrated on the company by a few employees of the company in the F.Y 2008-09 and there after which has been stated in Note No. 20 in Schedule 15B. As investigation is in progress so exact amount can be quantified only on completion of investigation.*

FOR SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No.- 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
The 31st day of May, 2010



NICCO UCO ALLIANCE CREDIT LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share Capital	1	401012730	401012730
Reserves & Surplus	2	47849900	47851007
		<u>448862630</u>	<u>448863737</u>
LOAN FUNDS :			
Secured Loans	3	2831193595	2460459652
Unsecured Loans	4	200647632	222387023
		<u>3031841227</u>	<u>2682846675</u>
TOTAL		<u>3480703857</u>	<u>3131710412</u>
APPLICATION OF FUNDS :			
Gross Block	5	948482980	950706453
Less : Depreciation		641217150	639908546
Less : Accumulated Lease adjustment		209281957	209281957
Net Block		97983873	101515950
Capital Work in Progress		799600	—
TOTAL		<u>98783473</u>	<u>101515950</u>
Investments	6	113714522	113714522
Current Assets, Loans & Advances	7		
Inventories		956364794	973521408
Sundry Debtors		29873057	30653483
Other Current Assets		23208513	24593775
Cash & Bank Balances		87277016	80930901
Loans & Advances		139185266	138245333
		<u>1235908646</u>	<u>1247944900</u>
Less : Current Liabilities & Provisions	8		
Current Liabilities		329756401	344741066
Provisions		1319270935	1316081164
Net Current Assets		<u>-413118690</u>	<u>-412877330</u>
Miscellaneous Expenditure (To the extent not w/off or adjusted)	9		
Debit balance in Profit & Loss Account		3681324552	3329357270
TOTAL		<u>3480703857</u>	<u>3131710412</u>
Significant Accounting Policies & Notes to Accounts	15		

Schedules referred to above form an integral part of the Balance Sheet

As per our Report attached
for SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
the 31st day of May, 2010

Mr. Debdatta Saila
Mr. L. N. Kaul
Mr. K. K. Chatterjee
Mr. Biswajit Roy
Mr. Bimalendu Sankar Gupta
Mr. J. Mukherjee

Chairman
Managing Director &
Company Secretary
Director
Director
Director
Chief Financial Officer

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
REVENUE :			
Income From Operations	10	218100	7113417
Dividend & Other Income	11	52419733	61297395
TOTAL		<u>52637833</u>	<u>68410812</u>
EXPENDITURE :			
Employee Costs	12	3041160	3619917
Operating & Administration Expenses	13	8891462	35997895
Interest & Other Finance Costs	14	386595508	360819890
Depreciation		2608002	4063896
TOTAL		<u>401136132</u>	<u>404501598</u>
Profit / Loss(-) before Tax and Other Adjustments		<u>- 348498299</u>	<u>- 336090786</u>
Less : Provisions/Contingencies including write off	13	3426346	71057378
Profit / Loss(-) before Tax		<u>- 351924645</u>	<u>- 407148164</u>
Less : Provision for Tax		—	—
Less : Provision for Fringe Benefit Tax		—	110473
Less : Provision for Tax (for earlier years)		42637	—
Profit / Loss(-) after Tax		<u>- 351967282</u>	<u>- 407258637</u>
Add : Balance of Profit / Loss Brought Forward from last year		<u>- 3329357271</u>	<u>- 2922098633</u>
		<u>- 3681324552</u>	<u>- 3329357270</u>
Profit available for appropriation :			
Balance carried to Balance Sheet		<u>- 3681324552</u>	<u>- 3329357270</u>
TOTAL		<u>- 3681324552</u>	<u>- 3329357270</u>
Basic & Diluted EPS		- 8.77	- 10.14
Significant Accounting Policies & Notes to Accounts	15		

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

As per our Report attached
for SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
the 31st day of May, 2010

Mr. Debdatta Saila
Mr. L. N. Kaul
Mr. K. K. Chatterjee
Mr. Biswajit Roy
Mr. Bimalendu Sankar Gupta
Mr. J. Mukherjee

Chairman
Managing Director &
Company Secretary
Director
Director
Director
Chief Financial Officer



NICCO UCO ALLIANCE CREDIT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2010

(Pursuant to Clause 32 of Listing Agreement)

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended	For the year ended
	31st March, 2010	31st March, 2009
	Rs.	Rs.
Net Profit/(Loss) before tax & extraordinary items	(351924645)	(407148165)
Add : Adjustments for		
Loss on Conversion of Stock Of Shares	—	559537
Depreciation	2608002	4063896
Provisions for debts,leave salary,gratuity	3396346	(64064412)
Interest & dividend on investments	(201431)	(195195)
Profit on sale of fixed assets	(10363324)	(51606981)
Loss on sale of fixed assets/Hire Purchase stock	10436	6488588
Liability no longer required written back	(28554019)	(2756997)
Foreign exchange fluctuation loss / (gain)	(10750788)	20579004
Interest	386595508	360819890
Operating profit / (loss) before working capital changes	(9183913)	(133260835)
(Increase)/Decrease in trade receivable	1054013	(7922589)
Decrease in stock of H.P.	17156614	55998584
Decrease/(Increase) in loans & advances	(244564)	5914213
Increase/(decrease) in trade payables	(9854411)	10575924
Cash generated from operations	(1072262)	(68694703)
Interest paid (net)	(16748072)	(8141650)
Tax Paid/Tax Deducted at source	(944581)	(121362)
Cash flow before extraordinary items	(18764916)	(76957715)
Net Cash from operating activities	(18764916)	(76957715)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(851600)	(7100)
Sale of fixed assets	11327856	125887032
Interest received	9889549	231573
Dividend received on investments	201431	195195
Net Cash used in investing activities	20567236	126306700
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (repayment) of borrowings	4543795	(607557)
Dividend paid and Tax thereon	—	(221197)
Net Cash used in financing activities	4543795	(828754)
Net increase in cash and cash equivalents	6346115	48520231
Opening cash and cash equivalents	80930901	32410669
Closing cash and cash equivalents	87277016	80930901

Notes :

- Above statement has been prepared in indirect method except in case of interest (net) and dividend on investment, purchase and sale of Fixed assets and Investments which have been considered on the basis of actual movement of Cash, with corresponding adjustments in assets and liabilities.
- Cash and Cash equivalents consist of Cash in hand, fixed deposits and balances with banks which includes

	Figures in Lakhs	
	As on 31.03.10	As on 31.03.09
a) Fixed Deposit considered doubtful and provided for	13.76	13.76
b) Unaccessible positive balance lying with banks (Secured lenders)	208.20	208.20
c) Balances unconfirmed by the bankers	1.07	0.95
Total	223.03	222.91

- Negative figures indicate cash outflow.
- Figures for the previous year have been regrouped / rearranged wherever considered necessary.

As per our Report attached

for SINGHI & CO.

Chartered Accountants

Firm Regn. No. 302049E

L. N. Dey

M.No. 3569

Partner

1B, Old Post Office Street

Kolkata – 700 001

the 31st day of May, 2010

Mr. Debdata Saila

Mr. L. N. Kaul

Mr. K. K. Chatterjee

Mr. Biswajit Roy

Mr. Bimalendu Sankar Gupta

Mr. J. Mukherjee

Chairman

Managing Director &

Company Secretary

Director

Director

Director

Chief Financial Officer

**SCHEDULES FORMING PART OF BALANCE SHEET**

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
70,00,000 Redeemable Cumulative Non-Convertible Preference shares of Rs. 10/- each	70000000	70000000
4,30,00,000 Equity Shares of Rs. 10/- each	430000000	430000000
TOTAL	<u>500000000</u>	<u>500000000</u>
Issued, Subscribed & Paid up :		
40147173 Equity Shares of Rs. 10/- each	401471730	
Less : Cancellation on amalgamation	4000	
Less : Calls-in-Arrear	<u>455000</u>	401012730
TOTAL	<u>401012730</u>	<u>401012730</u>

Note :

- (1) Equity shares issued for consideration other than cash include 9,60,000 Equity Share of Rs. 10/- each allotted pursuant to amalgamation of Sanpaolo Hambro Nicco Finance Ltd.
- (2) 4,00,000 Equity Share of Rs. 10/- each allotted pursuant to amalgamation of Nicco Investments Ltd.
- (3) 19,72,560 Equity Shares of Rs. 10/- each issued as free share in the ratio 1:7 due as per scheme of merger approved by Hon'ble Calcutta High Court on 21st April, 1999.
- (4) 1,38,66,687 Equity Shares of Rs. 10/- each issued to the share holders of Alliance Credit & Investments Limited as per scheme of amalgamation approved by Hon'ble Calcutta High Court on 21st April, 1999.
- (5) 1,05,00,000 Equity Shares of Rs. 10/- each issued to the shareholders of Overseas Sanmar Financial Limited as per scheme of amalgamation approved by Hon'ble Calcutta High Court on 20th April, 2000 and Hon'ble Chennai High Court on 10th May, 2000.



NICCO UCO ALLIANCE CREDIT LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 2 : RESERVES & SURPLUS		
Capital Reserve I		
Paid up amount on shares forfeited	<u>20500</u>	<u>20500</u>
Capital Reserve II		
Non - refundable capital grant	45735	46842
Less : Prorata Adjustment of Fixed Assets (Refer Schedule - 5)	<u>1107</u>	<u>1107</u>
	44628	45735
Capital Reserve III		
On amalgamation of Nicco Investments Ltd.	1000000	1000000
Total Capital Reserve	<u>1065128</u>	<u>1066235</u>
Capital Redemption Reserve		
Balance as per last Account	<u>20000000</u>	<u>20000000</u>
	<u>20000000</u>	<u>20000000</u>
Statutory Reserve Fund		
Balance as per last account	26784772	26784772
	<u>26784772</u>	<u>26784772</u>
TOTAL	<u>47849900</u>	<u>47851007</u>



SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 3 : SECURED LOANS (TO THE EXTENT SECURED)		
1. From Banks (Working Capital Loan)		
Cash Credit	327477899	327477899
Working Capital Demand Loan	739897142	739897142
(Secured by hypothecation of gross assets for leasing & hire purchase activities save and except assets specifically hypothecated against Term Loan. In addition certain own fixed assets of the company are also charged to the secured lenders of the company)	<u>1067375041</u>	<u>1067375041</u>
2. Term Loan		
(Secured by hypothecation of gross assets for Lease / Hire Purchase activities.)		
i) From Banks	46484295	46484295
ii) From Financial Institutions & others		
International Finance Corporation - Washington	84575376	95326164
Industrial Finance Corporation of India	3837053	3837053
3. Interest accrued and due	1628921831	1247437099
TOTAL	<u>2831193595</u>	<u>2460459652</u>

(Term Loan including accrued interest repayable within next 1 year amounts to Rs. 17638.19 lacs, previous year Rs. 14110.00 lacs)

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 4 : UNSECURED LOANS		
1. Fixed Deposits	200647632	222387023
TOTAL	<u>200647632</u>	<u>222387023</u>

(Repayable within next 1 year amounts to Rs. 2171.29 lacs including unclaimed fixed deposit amounting to Rs. 357.12 lacs shown under current liability as per modified CLB order, previous year Rs. 2185.18 lacs)



SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 5 : FIXED ASSET

PARTICULARS OF ASSET	GROSS BLOCK				DEPRECIATION				LEASE ADJUSTMENT A/C				NET BLOCK	
	As at 1st April 2009	Addition/ Adjusted during the year	Sold/ Adjusted during the year	As at 31st March 2010	As at 1st April 2009	Provided/ Adjusted during the year	Sold/ Adjusted during the year	As at 31st March 2010	As at 1st April 2009	Provided during the year	Sold/ Adjusted during the year	As at 31st March 2010	As at 31st March 2010	As at 31st March 2009
OWN ASSET														
Land	47984670	—	—	47984670	—	—	—	—	—	—	—	47984670	47984670	47984670
Building	24242892	—	1079200	23163692	6558806	378506	314149	6623163	—	—	—	16540529	17684086	17684086
Furniture, Fixture & Office Eqpmt.	19358120	53807	54093	19357834	19298344	7521	54088	19251777	—	—	—	106057	59776	59776
Motor Car	4852581	—	1030789	3921792	4711404	45556	835913	3921047	—	—	—	745	241177	241177
Windmill	36100798	—	—	36100798	23139267	1724185	—	24863452	—	—	—	11237346	12961531	12961531
Machinery	12779214	1803	111390	12669627	8322491	456951	96354	8683088	—	—	—	3986639	4456723	4456723
Sub Total	145418275	55610	2275472	143198413	62030312	2612719	1300504	63342527	—	—	—	79855883	83387963	83387963
Previous Year	159022236	7100	13611061	145418275	64787554	4065003	6822245	62030312	—	—	—	83387963	—	—
For Lease Activities														
Finance Lease :														
Computer & accessories	91475691	—	—	91475691	76312549	—	—	76312549	—	—	—	12077167	3085975	3085975
Machinery	385899571	—	—	385899571	230526700	—	—	230526700	—	—	—	140407630	14865241	14865241
Vehicles	292491121	—	—	292491121	237949768	—	—	237949768	—	—	—	54540946	407	407
Office Equipment	13972071	—	—	13972071	12806635	—	—	12806635	—	—	—	1089084	76352	76352
Generator set	4461540	—	—	4461540	4461540	—	—	4461540	—	—	—	—	—	—
Furniture & Fixture	16099999	—	—	16099999	14932852	—	—	14932852	—	—	—	1167130	17	17
Two Wheeler	884574	—	—	884574	884574	—	—	884574	—	—	—	—	—	—
Sub Total	805284567	—	—	805284567	577874618	—	—	577874618	—	—	—	209281957	18127989	18127992
Previous Year	894496216	—	88211649	805284567	58855517	—	10680899	577874618	—	—	4550927	18127992	—	—
Total	950702842	55610	2275472	948482980	639904930	2612719	1300504	641217150	209281957	—	—	209281957	97983873	101515950
Capital W.I.P.	—	799600	—	799600	—	—	—	—	—	—	—	—	799600	—
Previous year	1053518462	7100	102822710	950702842	653343071	4065003	17503144	639904930	213832884	4550927	209281957	101515950	—	—

* Depreciation amounting to Rs. 1,107/- adjusted against Non-refundable capital grant. ** Certain fixed assets owned by the company are charged with secured lenders of the company.



SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 6 : INVESTMENTS

LONG TERM INVESTMENTS - OTHER THAN TRADE	AS AT 1ST APRIL 2009				PURCHASED/ADJUSTED DURING THE YEAR				SOLD/ADJUSTED DURING THE YEAR				AS AT 31ST MARCH 2010			
	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	
																No.
1. GOVERNMENT SECURITIES																
NSC (VIII th Issue)	—	—	15000	—	—	—	—	—	—	—	—	—	—	—	15000	
	—	—	15000	—	—	—	—	—	—	—	—	—	—	—	15000	
2.A. EQUITY SHARES (QUOTED)																
Nicco Corporation Ltd.	4093575	2	62376305	—	—	—	—	—	—	—	—	—	—	—	62376305	
Nicco Parks & Resorts Ltd.	3300	10	34650	—	—	—	—	—	—	—	—	—	—	—	34650	
Alliance Management & Fiscal services Ltd.	3582400	10	15619264	—	—	—	—	—	—	—	—	—	—	—	15619264	
Hanuman Tea Co. Ltd.	7000	10	73150	—	—	—	—	—	—	—	—	—	—	—	73150	
Amrit Enterprise Ltd.	2000	10	1	—	—	—	—	—	—	—	—	—	—	—	1	
G R Magnets Ltd.	30000	10	147000	—	—	—	—	—	—	—	—	—	—	—	147000	
Bhagavati Gas Ltd.	400	10	920	—	—	—	—	—	—	—	—	—	—	—	920	
G.S.L. (India)	886509	10	21719470	—	—	—	—	—	—	—	—	—	—	—	21719470	
Indian Overseas Bank	2900	10	68600	—	—	—	—	—	—	—	—	—	—	—	68600	
Amrit Banaspatti Company Ltd.	1500	10	15000	—	—	—	—	—	—	—	—	—	—	—	15000	
Archie Greeting Ltd.	700	10	31745	—	—	—	—	—	—	—	—	—	—	—	31745	
Bata India Ltd.	750	10	77850	—	—	—	—	—	—	—	—	—	—	—	77850	
DIC India Ltd.	1000	10	119900	—	—	—	—	—	—	—	—	—	—	—	119900	
Colgate Ltd.	750	1	187418	—	—	—	—	—	—	—	—	—	—	—	187418	
Crystal Cables Ltd.	25000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Eveready Industries Ltd.	3333	5	59327	—	—	—	—	—	—	—	—	—	—	—	59327	
Meleod Russel	3333	5	—	—	—	—	—	—	—	—	—	—	—	—	—	
Ricoh India	300	10	3687	—	—	—	—	—	—	—	—	—	—	—	3687	
Hanuman Tea Ltd.	7500	10	—	—	—	—	—	—	—	—	—	—	—	—	—	
HCL Infosys Ltd.	1500	2	114000	—	—	—	—	—	—	—	—	—	—	—	114000	
Hindustan Unilever	2000	1	476400	—	—	—	—	—	—	—	—	—	—	—	476400	
Malwika Steel Ltd.	16900	10	—	—	—	—	—	—	—	—	—	—	—	—	—	
Pasari Spinning Mills Ltd.	500	10	1860	—	—	—	—	—	—	—	—	—	—	—	1860	



SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 6 : INVESTMENTS (Continued)

LONG TERM INVESTMENTS - OTHER THAN TRADE	AS AT 1ST APRIL 2009				PURCHASED / ADJUSTED DURING THE YEAR				SOLD / ADJUSTED DURING THE YEAR				AS AT 31ST MARCH 2010			
	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT Rs.	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT Rs.	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT Rs.	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT Rs.	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT Rs.	
																No.
Shristi Infra. Dev. Corp. Ltd.	100	10	9400	—	—	—	—	—	—	—	—	—	100	10	9400	
Rayban Sun Optics India Ltd.	306	10	—	—	—	—	—	—	—	—	—	—	306	10	—	
Reliance Capital Ltd.	500	10	120130	—	—	—	—	—	—	—	—	—	500	10	120130	
Tata Tea Ltd.	250	10	85200	—	—	—	—	—	—	—	—	—	250	10	85200	
Timex Watches Ltd.	1000	1	—	—	—	—	—	—	—	—	—	—	1000	1	—	
	—	—	101342277	—	—	—	—	—	—	—	—	—	—	—	101342277	
B. EQUITY SHARES (UNQUOTED)																
Daimal Tower Premises Co-op. Society Ltd.	5	50	250	—	—	—	—	—	—	—	—	—	5	50	250	
Hindustan Wire & Metal Products Ltd.	22000	6	115500	—	—	—	—	—	—	—	—	—	22000	6	115500	
Associated Industrial Dev. Co. (P) Ltd.	1300	100	196000	—	—	—	—	—	—	—	—	—	1300	100	196000	
Vinicab India Private Limited	900	100	90000	—	—	—	—	—	—	—	—	—	900	100	90000	
Coromondal Stamping Stones Ltd.	10000	10	1	—	—	—	—	—	—	—	—	—	10000	10	1	
Besant Raj International Ltd.	20000	10	149000	—	—	—	—	—	—	—	—	—	20000	10	149000	
Nicco Financial Services Ltd.	118889	10	1106290	—	—	—	—	—	—	—	—	—	118889	10	1106290	
Global Procurement Consultants Ltd.	50000	10	325238	—	—	—	—	—	—	—	—	—	50000	10	325238	
Alliance Stock Broking Ltd.	235500	1	1011586	—	—	—	—	—	—	—	—	—	235500	1	1011586	
Alliance Finlease Ltd.	4651000	1	2674377	—	—	—	—	—	—	—	—	—	4651000	1	2674377	
Dibrusadia Tea Estate Ltd.	4000	10	1	—	—	—	—	—	—	—	—	—	4000	10	1	
Bishnu Forge Industries Ltd.	50000	10	1	—	—	—	—	—	—	—	—	—	50000	10	1	
Sikkim Bank Ltd.	18300	10	1	—	—	—	—	—	—	—	—	—	18300	10	1	
Brindavan Gardens Ltd.	198800	10	1	—	—	—	—	—	—	—	—	—	198800	10	1	
Brunosante Ltd.	100000	10	1	—	—	—	—	—	—	—	—	—	100000	10	1	
C. K. Exim Pvt. Ltd.	60000	10	1	—	—	—	—	—	—	—	—	—	60000	10	1	
Brindavan Gardens Ltd.	25500	10	1	—	—	—	—	—	—	—	—	—	25500	10	1	
Bruno Sante Ltd.	50000	10	1	—	—	—	—	—	—	—	—	—	50000	10	1	
	—	—	5668250	—	—	—	—	—	—	—	—	—	—	—	5668250	



SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 6 : INVESTMENTS (Continued)

LONG TERM INVESTMENTS - OTHER THAN TRADE	AS AT 1ST APRIL 2009				PURCHASED / ADJUSTED DURING THE YEAR				SOLD / ADJUSTED DURING THE YEAR				AS AT 31ST MARCH 2010			
	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	
																No.
C. SUBSIDIARY CO.																
Nicco Insurance Agent & Consultants Ltd.	50000	10	500000	—	—	—	—	—	—	—	—	—	—	—	500000	
3. MUTUAL FUND UNITS (UNQUOTED)																
HDFC Equity Fund	4105	—	269373	—	—	—	—	—	—	—	—	—	—	—	269373	
HSBC Equity Fund	7389	—	269726	—	—	—	—	—	—	—	—	—	—	—	269726	
Franklin India Blue Chip Fund	4202	—	270356	—	—	—	—	—	—	—	—	—	—	—	270356	
Principal Growth Fund	9828	—	266980	—	—	—	—	—	—	—	—	—	—	—	266980	
UTI Equity Fund	13800	—	112560	—	—	—	—	—	—	—	—	—	—	—	112560	
	—	—	118995	—	—	—	—	—	—	—	—	—	—	—	118995	
4. PREFERENCE SHARES (UNQUOTED)																
Prestige Foods Ltd. (10% non-cum. convertible Pref.share)	500000	10	5000000	—	—	—	—	—	—	—	—	—	—	—	5000000	
TOTAL	—	—	5000000	—	—	—	—	—	—	—	—	—	—	—	5000000	
	—	—	113714522	—	—	—	—	—	—	—	—	—	—	—	113714522	
Less : Provision																
GRAND TOTAL	—	—	113714522	—	—	—	—	—	—	—	—	—	—	—	113714522	

	As at 31st March, 2010		As at 31st March, 2009	
	Book Value	Market Value	Book Value	Market Value
	Rs.	Rs.	Rs.	Rs.
Quoted	101342277	20935495	101342277	18910233
Unquoted	12372245		12372245	
	<u>113714522</u>		<u>113714522</u>	

**SCHEDULES FORMING PART OF BALANCE SHEET**

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES		
a) Inventories		
Stock on Hire under Hire Purchase Agreement including HP debtors (Considered doubtful Rs. 9563.65 Lac, previous year Rs. 9563.91 Lac)	956364794	973521408
TOTAL	<u>956364794</u>	<u>973521408</u>
b) Sundry Debtors - (considered good Rs. 3.41 lacs and considered doubtful Rs. 295.32 lacs, previous year Rs. 10.86 lacs and Rs. 295.67 lacs respectively.) Debts outstanding for a period exceeding 6 months Below six months	29531720 341337	30378043 275440
TOTAL	<u>29873057</u>	<u>30653483</u>
c) Other Current Assets (Unsecured - Considered Good Rs. 28.24 lacs, previous year Rs. 145.07 lacs & Considered Doubtful Rs. 344.47 lacs, previous year Rs. 241.19 lacs) Interest Receivable on Govt Securities & Others Accounts Receivable - Others (refer point no. 20 in Schedule 15B) Less : Provision	1581630 35689241 14062358	2693305 35932828 14032358
TOTAL	<u>23208513</u>	<u>24593775</u>
d) Cash and Bank Balances		
i) Balance with Scheduled Banks :		
In Current Accounts (Considered doubtful Rs. 15.42 lacs, previous year Rs. 15.42 lacs)	20676069	21270637
In Fixed Deposit (Considered doubtful Rs. 13.76 lacs, previous year Rs. 13.76 lacs refer point no. 12(d) of Schedule 15B)	66555677	59585210
ii) Cash in hand	45270	75054
TOTAL	<u>87277016</u>	<u>80930901</u>
e) Loans and Advances (Unsecured, considered good unless otherwise stated)		
Advances for HP pending rentalisation	302852	309792
Advance recoverable in cash or in kind or for value to be received (considered doubtful Rs. 64.28 lacs, previous year Rs. 75.64 lacs)	9240223	8893254
Expenses recoverable from subsidiary company	5956	101421
Deposits under subjudice (fully provided for in earlier years)	34000000	34000000
Loan against Fixed Deposits/NCD	974159	974159
(Secured by pledge of Fixed Deposits Receipts)		
Payment of Advance Tax & Tax deducted at source	94662076	93966707
TOTAL	<u>139185266</u>	<u>138245333</u>



SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities :		
Sundry Creditors :-		
For Others	124888506	128548609
Advance Lease Rental & Hire purchase Instalment	809662	809662
Received in Advance From Party	231129	2880000
Security Deposits	4419826	7965263
Interest accrued but not due (refer point no. 14 in schedule 15B)	162637117	165496539
Investor's Education & Protection Fund to be credited by :		
Unclaimed Fixed Deposit	35712405	37983237
Unclaimed Bond including accrued interest	1057756	1057756
TOTAL	<u>329756401</u>	<u>344741066</u>
B. Provisions		
Provision against creditors	16090997	13158000
Provision for Income Tax & FBT	91757002	91963577
Provision for doubtful advance	39705447	39705447
Provision for doubtful deposits	1376282	1376282
Provision for other receivables	856974962	856511613
Provision against NPA	221391287	221391287
Provision against diminution in value of investments	91974958	91974958
TOTAL	<u>1319270935</u>	<u>1316081164</u>
<hr/>		
	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 9 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
a) Share Issue Expense		
Brought forward	—	—
Add : Addition during the year	—	—
Less : Written off	—	—
	<u>—</u>	<u>—</u>
b) Preliminary Expenses		
Brought forward	—	—
Add : Addition during the year	—	—
Less : Written off	—	—
	<u>—</u>	<u>—</u>
c) Deferred Revenue Expenses		
Brought forward	—	—
Add : Addition during the year	—	—
Less : Written off	—	—
	<u>—</u>	<u>—</u>
TOTAL	<u>—</u>	<u>—</u>
Total W/off during the year	—	—
Less : Adjusted with Securities Premium account	—	—
Net amount debited to P/L account	<u>—</u>	<u>—</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 10 : INCOME FROM OPERATIONS		
Leasing Income	—	2804173
Less: Lease Equalisation Adjustment.	—	—
	<u>—</u>	<u>2804173</u>
Finance Income on Asset on Lease	—	99875
Hire Purchase Income	218100	4209369
	<u>218100</u>	<u>4209369</u>
TOTAL	<u>218100</u>	<u>7113417</u>

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 11 : DIVIDEND & OTHER INCOME		
Dividend on Investments - longterm	201431	150110
Dividend on Others - shortterm	—	45085
Liability no longer required written back	28554019	2756996
Profit on sale of HP/LeasedAssets/Fixed Assets	10363324	51606981
Foreign exchange fluctuation gain	10750788	—
Income from Electricity generation by Windmill	2388470	2111133
Other Receipt	161701	4627090
	<u>52419733</u>	<u>61297395</u>
TOTAL	<u>52419733</u>	<u>61297395</u>

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 12 : EXPENSES ON EMPLOYEES		
Salaries, Bonus & Gratuity etc.	2546664	3094509
Contribution to Provident and other Funds	440111	376385
Staff Welfare	54385	149023
	<u>3041160</u>	<u>3619917</u>
TOTAL	<u>3041160</u>	<u>3619917</u>



SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 13 : OPERATING & ADMINISTRATION		
Rent	551795	620233
Printing & Stationery	491799	405408
Motor Vehicle Expenses	458274	524026
Rates & Taxes	31486	232709
Windmill Project Expenses	543317	288303
Legal charges	2695565	2023106
Travelling and Conveyance Expenses	770715	694257
Repairs & Maintenance (others)	493137	554954
Insurance Premium	128600	33095
Electricity Charges	220654	359439
AUDITORS' REMUNERATION :		
Audit Fees	165452	165450
Tax Audit Fees	38604	38605
Bank Charges	26105	78513
Service charges	—	39865
Advertisement	41873	25157
Consultancy Charges	711099	1249301
Director Fees	167000	166000
Foreign Exchange Fluctuation Loss	—	20579004
Loss on Sale of Hire Purchase Stock / Fixed Asset	10436	6488588
Loss on Conversion of Stock of Shares	—	559537
Miscellaneous Expenses	1345551	872345
TOTAL	<u>8891462</u>	<u>35997895</u>
Provisions & Contingencies :		
Provision against N.P.A.	—	6208235
Provision for Doubtful Deposit	—	1376282
Provision against diminution in value of investment	—	49307782
Provision for other receivables	493349	14165079
Provision against Creditors	2932997	—
TOTAL	<u>3426346</u>	<u>71057378</u>

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 14 : INTEREST & OTHER FINANCE COSTS		
On Fixed Deposits	21908408	20697840
On Term Loans from Financial Institutions & others	17787048	29696613
On Loans from Banks	355676243	312691241
Interest to others	1683	139066
(A)	<u>395373382</u>	<u>363224760</u>
Less : Interest Income		
Interest on delayed payment on lease/HP	3110	27952
Interest others	8774764	2376918
(B)	<u>8777874</u>	<u>2404870</u>
TOTAL (A-B)	<u>386595508</u>	<u>360819890</u>



SCHEDULE - 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India, the provisions of Companies Act 1956, and the Guideline issued by RBI and adopted consistently by the Company.

2. Fixed Assets

Fixed assets are stated at cost. Capital Work-in-Progress forming part of Schedule of fixed assets includes advances paid to acquire fixed assets and the cost of assets not put to use before the year end.

3. Depreciation

- a) Depreciation on own fixed assets (other than leased assets) have been provided on straight line basis at the rates specified in Schedule XIV of the Companies Act 1956.
- b) Leased Assets are depreciated at rates specified in Schedule XIV to the Companies Act, 1956 as required by AS-19 regarding 'Leases' issued by the Institute of Chartered Accountants of India. The difference between the depreciation charge, as computed on the basis of the IRR implicit in the lease, to ensure capital recovery over the primary lease period, and that arrived at in terms of Schedule XIV to the Companies Act, 1956, is reflected in the lease equalisation account.
- c) As per Accounting Standard AS-19 regarding 'Leases' issued by the Institute of Chartered Accountants of India, which has been made mandatory w.e.f. 01.04.2001, Assets given under finance lease, are shown under current assets, loans and advances at an amount equal to the net investment value in the lease, initial indirect cost forming part of net investment value.

4. Impairment

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

5. Investments

- a) Long term quoted investments are valued at cost less provision for diminution in market value if decline in carrying cost of the investment is considered to be other than temporary in nature.
- b) Long term unquoted Investments are valued at cost less provision for decline in break up value vis-a-vis cost.
- c) Quoted Current Investments are valued at cost or market value, whichever is lower.
- d) Unquoted Equity Shares in the nature of current investments are valued at cost or break-up value, whichever is lower. Where balance sheet of the investee company is not available for two years, such shares are valued at Re. 1 only.
- e) Investment in Unquoted Government Securities or Government Guaranteed Bonds are valued at carrying cost.

6. Recognition of Income & Expenditure

a) Income :-

(i) Lease Income :

Lease income is computed as per agreement and in accordance with directions of Reserve Bank of India applicable to Non-Banking Financial Companies and Accounting standard (AS-19) regarding 'Leases' issued by the Institute of Chartered Accountants of India.

Moreover, income from assets on lease in respect of lease agreement on or after 01.04.2001 are recognized on capital recovery basis over the effective lease period of the assets to comply with the requirement of Accounting Standard (AS-19) regarding 'lease' issued by the Institute of Chartered Accountants of India.



(ii) Hire Purchase Income :

Hire Purchase income is computed on the basis of internal rate of return implicit in contracts.

(iii) Dividend income is accounted for as and when received.

b) Expenditure :-

Brokerage on public fixed deposits is amortised over the period of the Deposit.

7. Retirement Benefits to Employees

a) Defined Contribution Plan :-

Provident Fund, Employees Pension and Employees State Insurance are provided on accrual basis. The accrued amount being deposited to the respective Trust / Authority.

b) Defined Benefit Plan :-

Gratuity, Leave Salary and Superannuation benefit form part of defined benefit plan schemes existing in the company.

The above benefits are accounted for on the basis of accrual of liability towards obligation on account of past/present service cost, interest and actuarial adjustment net of return on fund invested to cover the obligation in planned assets and actuarial gain/loss thereon in terms of calculation made by actuary under Unit Projected Credit Method.

c) Short Term Benefit Plan :-

Benefits payable within a year has been accounted for on accrual basis in terms of non discounted value.

8. Taxes on Income

Provision for income tax is made on the basis of estimated taxable income.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences as per Accounting Standard (AS-22) regarding 'Accounting for taxes on income' issued by the Institute of Chartered Accountants of India, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

9. Foreign Currency Transactions

a) Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year end balance of foreign currency transactions is translated at the year end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expenses in the period in which they arise.

b) In respect of transactions covered by Forward Exchange Contracts (except for firm commitments and highly probable forecast transactions), the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expenses over the life of the contract.

10. Valuation of Stock, etc.

a) Stock on hire under hire purchase agreement - At agreement value less amounts received.

b) Stock of Shares - Category-wise at lower of cost and market value in conformity to RBI prudential guidelines.

11. Contingent Liabilities

Where there is reliable estimable amount of present obligation that warrant to be settled as a result of past event with possible outflow of resources embodying economic benefit, provision is recognized in account therefor. Otherwise no provision is made against contingent liabilities which are disclosed in notes to accounts.

12. Miscellaneous Expenditure

Preliminary and Share issue expenses are being amortised over a period of ten years. Expenses on merger and commitment charges paid on term loans; both forming part of deferred Revenue expenses, are amortised over a period of five years and the tenure of loan respectively in such a manner so that the expenditure so deferred are not carried forward to accounting periods commencing on or after 1st April, 2010.

**B. NOTES ON ACCOUNTS**

1. The Company has complied with the guidelines issued by the Reserve Bank of India in respect of Prudential Norms for income recognition, accounting standards, provisions/ write-downs of bad and doubtful debts.

2. Contingent Liabilities

- a) Claims/Disputed liabilities not acknowledged as debt.

The Company has received the following demands which are disputed by the Company and are not provided for :

Nature of Contingent liability	Status of the case	As at 31st March 2010 (Rs. lacs)	As at 31st March 2009 (Rs. lacs)
Contingent liability w.r.t Central and State Sales Tax (A.Y. 1995-1996 to 2004-2005)	The disputed demand is pending before W.B.Commercial Taxes Appellate & Revisional Board.	27.50	27.50
Contingent liability w.r.t Income Tax (A.Y. 2000-01, 2001-02 & 2003-04)	The disputed demand was pending before Commissioner (Appeals) - VI	—	114.01
	Total	27.50	141.51

- b) Advance paid / Bank Guarantee of Rs. 26.53 lacs (Previous Year Rs. 26.53 lacs) was issued in favour of Assistant Commissioner of Commercial Tax, Bangalore against an appeal preferred by the company and pending before the Karnataka Appellate Tribunal for Commercial Tax at Bangalore.
- c) In respect of certain future hire purchase instalments of Rs. nil lacs (Previous Year Rs. 2.27 lacs) against securitisation with bank and financial institution.
3. (a) Wholtime Directors' including Managing Director's Remuneration (Minimum)

(Rs. in lacs)

Particulars	2009-2010	2008-2009
Salary	6.72	6.65
House Rent Allowance / Leased Accommodation	—	0.11
Contribution of Provident Fund	0.81	0.79
Contribution of Superannuation Fund	1.01	1.00
Other benefits	0.01	0.18
Total	8.55	8.73
Directors' Fees	1.67	1.66

- (b) The Managing Director was paid overall remuneration within the sanctioned scale of pay approved by the shareholders at the Annual General meeting held on 28th September, 2005 and subsequently approved by Central Government on 7th August, 2006. However payments made during the F.Y 2007-08 in terms of the scale approved for the first year crossed the permissible limit by Rs. 2.72 lacs under section 198(4) of the Companies Act, 1956 for which the company has sought the required approval of the Central Government.
- The Managing Director of the Company was re appointed for a period of two years, i.e. from 15th April' 2008 to 14th April, 2010. His reappointment alongwith salary and perquisites amounting to Rs. 9.00 lacs per annum were approved by the Board of Directors in its meeting held on 12th April, 2008 and subsequently by the shareholders of the company on 26th September, 2008 in the Annual General Meeting of the company. Approval from Central Government vide letter dated 14th May, 2010 has been received reducing the remuneration to Rs. 8.26 lacs per annum. Board has decided to appeal to Central Government to reconsider the decision and to follow up the pending approval for the excess remuneration paid in the year 2007-08.
4. Subsequent to cessation of SWAP agreement with UCO Bank, foreign currency loan has been valued at the rate prevailing as at close of 31.03.2010 and Rs. 107.51 Lacs (previous year foreign currency fluctuation loss of Rs. 205.79 Lacs, refer Schedule 13) has been taken into profit & loss account as foreign currency fluctuation gain (refer Schedule 11).



5. Related Party disclosures

Related party disclosures as required under Accounting Standard AS-18 on 'related party disclosures' issued by the Institute of Chartered Accountants of India are given below :

Name of the Party	Nature of Relationship
1. Subsidiary Company	Nicco Insurance Agents & Consultants Ltd.
2. Associates	Alliance Management & Fiscal Services Ltd.
3. Key Management personnel	Hon'ble Justice N K Bhattacharyya (Retired) Chairman L N Kaul – Managing Director & Company Secretary J Mukherjee – Chief Financial Officer S K Saha – Deputy General Manager

Transaction with related parties

Nature of Transaction	31.03.2010 (Rs. In lacs)	31.03.2009 (Rs. In lacs)	Related party's to transaction
Remuneration & others	19.82	19.34	Key Management personnel
Advance recovered	0.00	39.05	Subsidiary Company
Expenses incurred	0.06	1.01	Subsidiary Company
	1.01	7.97	Subsidiary Company
Balance as on 31.03.2010 :-			
Expenses recoverable	0.06	1.01	Subsidiary Company
Investment in equity (fully provided for)	156.19	156.19	Associate Company
Investment in equity	5.00	5.00	Subsidiary Company

6. Disclosure for Lease under Accounting Standard (AS-19)

All the Lease deals of the company has already been matured. Hence, no separate disclosure under AS-19 is required.

7. Information pursuant to Accounting Standard (AS-22)

In view of uncertainty of future profits for reasons stated in note no. 10 and 11 of Schedule 15B, net deferred tax asset arising as at 31.03.2010 has not been recognized in the books of accounts.

8. The company is primarily engaged in the business of Hire Purchase and Leasing. Revenue from sale of power has not exceeded 10% of total revenue including write back. Hence, there is no other reportable segment as defined under the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
9. There being no indication of decline in net realizable market value below it's carrying cost as per valuers report obtained by the company, impairment of the assets of the company coming under the purview in terms of Accounting Standard 28 has not been considered.
10. RBI has cancelled the Certificate of Registration of the Company to carry out Non-Banking Financial activities of the Company vide it's order dated 31st March, 2005 against which Company has preferred an appeal before appellate authority for NBFC, Joint Secretary, Ministry of Finance, Govt. of India, New Delhi which is also pending. In view of the above, the accounts of the company has been prepared on going concern concept based on the legal opinion obtained.
11. a) Uco Bank, the leader of the consortium of bankers, moved an application in the Debt Recovery Tribunal on 29.11.2005 to recover the outstanding dues amounting to Rs. 119.23 crores (previous year Rs. 119.23 crores) pending against the company which the company has contested. The learned D.R.T has passed an order on 01.12.2005 that till disposal of the prayer for interim relief, the company will not deal with or transfer or dispose of any of it's secured properties. However, the company shall carry on it's business as usual.
- b) Uco Bank has filed another application in DRT - I to recover Rs. 327 lacs (previous year Rs. 327 lacs) on account of term loan, matter is pending.
- c) IFCI has filed an application in DRT - I to recover Rs. 62.91 lacs (previous year Rs. 62.91 lacs), matter is pending.
- d) Indus Ind Bank has filed an application in DRT, Chennai to recover Rs. 164.46 lacs (previous year Rs. 164.46 lacs) on account of Securitisation loan which is being contested.
- e) Axis Bank has filed an application in DRT, Chennai to recover Rs. 1368 lacs (previous year Rs. Nil) which is also being contested.
- f) International Finance Corporation initiated a suit in the Hon'ble High Court at Calcutta for recovery of a sum of US\$



NICCO UCO ALLIANCE CREDIT LIMITED

26,82,877.73 (previous year US\$ 26,82,877.73) with further interest against the company. The case is being contested.

- g) UCO Bank has taken measure under section 13(4) of the SARFESI Act against the company. The company filed an application under section 17(1) of the said Act.

In the Sarfesi proceedings against the company by UCO Bank, being aggrieved by DRAT's Order, company filed a Writ Petition before Hon'ble High Court, Calcutta and due to some deficiency in the procedure followed by UCO Bank and Ors., High Court Ordered that no coercive steps should be taken by Bank. Bank has appealed against this order.

- h) UTKAL Auto has filed a claim of Rs. 76.90 lacs against the company before Arbitrator at Cuttack. The company has filed a counter claim of Rs. 482.74 lacs against UTKAL Auto before the Arbitrator, which is pending. Necessary action, if any, will be taken on disposal of the arbitration proceedings.

12. (a) The loan accounts of the company amounting to Rs. 120.23 crores (previous year Rs. 121.30 crores) has become NPA in the books of the lenders. The banks/ Financial Institutions have stopped giving statements and confirmations. Interest on these accounts have been provided as per the last agreed rates. However, the said accounts remain unconfirmed.
- (b) Positive balance lying in the current accounts with the members of the consortium bank, i.e, Rs. 162.11 lac (previous year Rs. 162.11 lacs) in UCO Bank, Rs. 0.19 lac (previous year Rs. 0.19 lacs) in Bank of Baroda, Rs. 3.01 lac (previous year Rs. 3.01 lacs) in Canara Bank, Rs. 0.10 lac (previous year Rs. 0.10 lacs) in Central Bank of India, Rs. 0.01 lac (previous year Rs. 0.01 lacs) in United Bank of India, Rs. 42.53 lac (previous year Rs. 42.53 lacs) in Indian Overseas Bank, Rs. 0.05 lac (previous year Rs. 0.05 lacs) in State Bank of Mysore and Rs. 0.20 lac (previous year Rs. 0.20 lacs) in State Bank of Travancore remain unconfirmed and unaccessible for the reasons stated in point no. 12(a) above.
- (c) Balance of Rs. 1.07 lac (previous year Rs. 0.95 lac) from other Banks also remain unconfirmed.
- (d) Fixed deposit made by the company with the members of the consortium bank, i.e, Rs. 13.46 lac (previous year Rs.13.46 lacs) with Bank of Baroda, Rs. 0.05 lac (previous year Rs. 0.05 lac) in Indian Overseas Bank and with other bank amounting to Rs. 0.25 lac (previous year Rs. 0.25 lac) remain unconfirmed and accordingly was provided for.

13. Employee Benefits :

Following adjustments relating to employee benefits have been made in these accounts in keeping with Accounting Standard 15 (Revised) issued by the Institute of Chartered Accountants of India.

- a) Expenses under defined contribution plans in terms of following break up has been recognised during the year. Details as per given below :

Particulars	For the year ended on 31.03.2010 Rs. lacs	For the year ended on 31.03.2009 Rs. lacs
Provident Fund	0.37	0.49
Employees Pension Scheme	0.77	0.93
Employees State Insurance	0.00	0.01
Total	1.14	1.43

- b) Particulars in respect of post retirement benefit under defined benefit plans :

Description	Gratuity	Leave Salary	Superannuation	Total
A. Reconciliation of opening and closing balances of obligation	(Funded) (Rs. lacs)	(Funded) (Rs. lacs)	(Funded) (Rs. lacs)	(Total) (Rs. lacs)
a) Obligation as at 01.04.09	7.49	6.73	—	14.22
b) Past Service Cost	—	—	—	—
c) Current Service Cost	0.72	0.09	—	0.81
d) Interest cost	0.58	0.52	—	1.10
e) Actuarial (gain)/loss	(0.74)	(0.45)	—	(1.19)
f) Benefits paid	0.42	0.52	—	0.94
g) Obligation as at 31.03.10	7.63	6.37	—	14.00
B. Change in Plan Assets (Reconciliation of opening & closing balances)				
a) Fair value of plan assets as at 01.04.09	7.74	7.01	—	14.75
b) Expected return on plan assets	0.62	0.56	—	1.18
c) Actuarial (gain)/loss	(0.62)	(0.83)	—	(1.45)
d) Contributions by the employer	0.74	0.00	—	0.74
e) Benefits paid	0.42	0.52	—	0.94
f) Fair value of plan assets as at 31.03.10	9.30	7.88	—	17.18



C. Reconciliation of fair value of plan assets and present value of defined benefit obligation				
a) Present value of obligation as at 31.03.10	7.63	6.37	—	14.00
b) Fair value of plan assets as at 31.03.10	9.30	7.88	—	17.18
c) Amount recognised in the balance sheet	1.67	1.51	—	3.18
D. Expense recognized in the period				
a) Current Service Cost	0.72	0.10	—	0.82
b) Past Service Cost	—	—	—	—
c) Interest Cost	0.58	0.52	—	1.10
d) Expected return on plan assets (gain)/loss	(0.62)	(0.56)	—	(1.18)
e) Actuarial (gain)/loss	(1.36)	(1.29)	—	(2.65)
f) Expense recognised in the period (a to e)	(0.68)	(1.23)	—	(1.91)
E. Assumptions				
a) Discount rate (per annum) (%)				8.00
b) Estimated rate of return on plan assets (per annum) (%)				8.00
c) Inflation rate (%)				5.00
d) Remaining working life (in years)				8
e) Method used			Projected unit credit method	
f) Mortality factor			As per LIC1 1994 - 1996	
g) Staff turnover			10 per / 1000 per annum	
h) Super annuation age			At 60 years	
F. The plan assets created against the Gratuity and Leave Encashment liability of the company wholly comprised of the rights under insurance policies taken from the LIC1.				
G. Implementation of revised AS-15 has resulted change in treatment of defined benefit plan which has contributed to decrease in defined benefit obligation by Rs. 1.91 lacs with corresponding decrease in loss by Rs. 1.91 lacs.				
H. The entitlement of pension accrues to the eligible employee after completion of 15 years of service beyond a specific grade at normal retirement age. As total service period as on 31.03.2010 is less than 15 years for the concerned employees of the company there is no eligibility for pension as on that date and hence accrued pension as at 31.03.2010 was not valued during actuarial valuation of superannuation fund. However, contribution to the super annuation fund amounting to Rs. 1.51 lacs (previous year Rs. 1.27 lacs) was made as per the service rules of the company for the eligible employees and was debited to 'Expenses on Employees'.				
I. In respect of Provident funds in the matter of defined benefit plan, in the absence of issuance of Guidance Note from the Actuarial Society of India, it is difficult to get it reliably measured. Therefore, contribution to those provident funds amounting to Rs. 1.11 lacs (previous year Rs. 1.06 lacs) during the year is recognised as expenses and included in 'Expenses on Employees'. Shortfall of Rs. 0.64 lacs (previous year Rs. nil) in contribution to the provident funds in the nature of defined benefit plans is provided to the extent of the information available with the company.				
14. Honorable Company Law Board Eastern Region Bench had passed an order vide it's order dated 22nd March, 2005 against Company's petition No. 641(58AA)/ERB/2004 for rescheduling the repayment of Company's Fixed Deposit liability including interest accrued thereon u/s 45QA of the RBI Act. The company had filed an application before CLB in the month of February 2007 to extend the period of payment of these dues and CLB has modified the order dated 22nd March, 2005 vide their order dated 28.06.2007 granting an extension of six months on payment of deposit from the date of maturity of deposits from March 2007 and onwards. The said order also stipulates that no interest need to be paid alongwith the last instalment as directed in the original scheme and the question of payment of interest shall be decided later and accordingly interest provided at contracted rate and as per CLB order on outstanding Fixed Deposit liability has been shown as 'interest accrued but not due' under current liability.				
<p>Persuant to an application made by the company u/s 391 and 394 of the Companies Act, 1956 before the Hon'ble High Court, Calcutta to reduce the share capital of the company and issue equity share to the fixed deposit holders in lieu of their outstanding principal as at 01.04.2007, seperate meetings of shareholders and fixed deposit holders were convened as per the order of the Hon'ble High Court, Calcutta under the chairmanship of seperate court appointed chairperson and the scheme was duly approved with requisite majority in both the meetings. The matter is pending before the Hon'ble High Court, Calcutta.</p> <p>Company has obtained an interim stay order from Hon'ble High Court Calcutta vide order dated 15th February, 2008 restraining deposit holders from initiating any proceedings against the company and stayed the proceedings already initiated till disposal of the application made by the company u/s 391 and 394 of the Companies Act, 1956 pending before Hon'ble High Court, Calcutta.</p> <p>As against the outstanding dues of Rs. 2547.91 lacs payable upto 31.03.2010 as per CLB order, the company has paid / adjusted Rs. 532.06 lacs towards Fixed Deposit.</p>				
15. Networth of the company has completely been eroded due to large provisioning and huge loss suffered and consequently outstanding balance of fixed deposit has exceeded the ceiling fixed by Reserve Bank of India.				
16. Basic/diluted earning per shares, as required by Accounting Standard (AS-20) " Earning per share", of Rs. -8.77 (previous year Rs. -10.14) has been calculated by dividing the net loss after taxation for the year as per the accounts which is attributable to equity shareholder by 40146773 being the weighted average number of equity shares outstanding during the year.				



17. Disclosure as per Accounting Standard – 29 regarding Provisions, Contingent Liabilities and Contingent Assets :

Particulars	As at 31.03.2010 Other Obligation (Rs. in Lacs)	As at 31.03.2009 Other Obligation (Rs. in Lacs)
Opening Balance	131.58	131.58
Addition	29.33	—
Sub-total	160.91	131.58
Utilisation	—	—
Sub-total	160.91	131.58
Reversal	—	—
Closing Balance	160.91	131.58
Previous Year Balance	131.58	131.58

Interim stay has been vacated by the Hon'ble High Court of Madras which was granted earlier against the applicability of Service Tax on Lease and Hire Purchase transaction and the matter is pending before Supreme Court. Based on the interim stay, Service Tax on financial transaction amounting to Rs.29.33 lacs which was not paid earlier at Southern Division of the company has now being provided for.

18. Reserve Bank of India vide Notification No. DNBS.167/CGN (OPA)-2003 dt. March 29, 2003 has directed that every NBFC shall append to its balance sheet prescribed under the Companies Act, 1956, the particulars in the format as set out in the schedule annexed, is complied with.
19. A fire broke out at the Registered office of the company at Nicco House on 27th March, 2009 affecting the operations of the company apart from causing damage to Building, Furniture & Fixture, Computer system, certain records for earlier years. General Diary for fire was lodged by the company and on account payment of Rs. 10 lacs was received which was utilised for repair, renovation and rehabilitation work in the office premises. The said amount was received against claim under relevant policies which was lodged with the Insurance Company awaiting settlement and the amount of settlement will be adjusted in the year of settlement as the amount is unascertained.
20. It has been observed by the management that a fraud had been perpetrated by a few employees of the company during the F.Y. 2008-09 and thereafter. The matter was referred to Deputy Commissioner (Detective Department) Kolkata Police, Lalbazar for further investigation. Two employees were identified as perpetrator of fraud against whom necessary action was taken by police. Investigation is still in progress, impact of which could be ascertained on completion of the investigation. However, based on the prima facie investigation made by the management a sum of Rs. 140.62 lacs has appeared to have been misappropriated by the employees which has been shown under the head " Accounts Receivable - Others " in Schedule 7(c) and has been provided for. Further an amount of Rs. 4.33 lacs and Rs. 2.60 lacs, debited and credited respectively by bank has not been responded in the absence of proper details.
21. On recommendation from Registrar of Companies, Kolkata, Ministry of Corporate Affairs, Government of India directed Serious Fraud Investigation Office to carry out investigation against the company under section 235 of the Companies Act, 1956 which is under progress.
22. (i) Interest cost includes provision of Rs. 1.57 lacs (previous year Rs. 29.39 lacs) towards penal interest levied by RBI for shortfall in maintenance of SLR.
(ii) Interest is net of Rs. 87.78 lacs (previous year Rs. 24.05 lacs) being interest earned on deposit and others.
23. Other receipts include Rs. 1.25 lacs from rent. HP income includes Rs. 3.63 lacs recovered from NPA parties.
24. Based on the informations available with the company, there are no dues towards Micro and Small Enterprises as on 31.03.2010.
25. The previous year figures have been recast / restated wherever necessary to conform to the current year's classification.

Signature to the Schedules 1 to 15

On behalf of the Board of Directors

As per our Report attached
for SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
the 31st day of May, 2010

Mr. Debdata Saila
Mr. L. N. Kaul
Mr. K. K. Chatterjee
Mr. Biswajit Roy
Mr. Bimalendu Sankar Gupta
Mr. J. Mukherjee

Chairman
Managing Director &
Company Secretary
Director
Director
Director
Chief Financial Officer



26. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(PART IV OF SCHEDULE VI OF THE COMPANY'S ACT, 1956 AS AMENDED)

I. REGISTRATION DETAILS

Registration No.

	3	7	6	1	4
--	---	---	---	---	---

 State Code

2	1
---	---

Balance Sheet Date

3	1		0	3		2	0	1	0
---	---	--	---	---	--	---	---	---	---

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs Thousands)

Public Issue

N	I	L
---	---	---

 Right Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs Thousands)

Total Liabilities

3	4	8	0	7	0	4
---	---	---	---	---	---	---

 Total Assets

3	4	8	0	7	0	4
---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-up Capital

	4	0	1	0	1	3
--	---	---	---	---	---	---

 Reserves & Surplus

		4	7	8	5	1
--	--	---	---	---	---	---

Secured Loans

2	8	3	1	1	9	4
---	---	---	---	---	---	---

 Unsecured Loans

	2	0	0	6	4	8
--	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

		9	7	9	8	4
--	--	---	---	---	---	---

 Investments

	1	1	3	7	1	5
--	---	---	---	---	---	---

Net Current Assets

-	4	1	3	1	1	9
---	---	---	---	---	---	---

 Misc. Expenditure

				N	I	L
--	--	--	--	---	---	---

Accumulated Losses

3	6	8	1	3	2	5
---	---	---	---	---	---	---

IV. PERFORMANCE OF THE COMPANY (Amount in Rs Thousands)

Turnover

		5	2	6	3	8
--	--	---	---	---	---	---

 Total Expenditure

	4	0	4	5	6	2
--	---	---	---	---	---	---

Profit/Loss before tax

-	3	5	1	9	2	5
---	---	---	---	---	---	---

 Profit/Loss after tax

-	3	5	1	9	6	7
---	---	---	---	---	---	---

Earning per share (in Rs.)

	-	0	8	.	7	7
--	---	---	---	---	---	---

 Dividend Rate %

				N	I	L
--	--	--	--	---	---	---

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (As per monetary terms)

Item Code No.

N	O	T		A	P	P	L	I	C	A	B	L	E
---	---	---	--	---	---	---	---	---	---	---	---	---	---

Service Description

I	N	V	E	S	T	M	E	N	T				
---	---	---	---	---	---	---	---	---	---	--	--	--	--

Item Code No.

N	O	T		A	P	P	L	I	C	A	B	L	E
---	---	---	--	---	---	---	---	---	---	---	---	---	---

Service Description

C	O	R	P	O	R	A	T	E		F	U	N	D	I	N	G
---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---

Item Code No.

N	O	T		A	P	P	L	I	C	A	B	L	E
---	---	---	--	---	---	---	---	---	---	---	---	---	---

Service Description

F	E	E		B	A	S	E	D		O	P	E	R	A	T	I	O	N
---	---	---	--	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---



NICCO UCO ALLIANCE CREDIT LIMITED

**STATEMENT PURSUANT TO SECTION 212 OF THE
COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY**

1. Name of the Subsidiary Company	:	Nicco Insurance Agents and Consultants Ltd.
2. Financial period of the Subsidiary Company ended on	:	31st March, 2010
3. Extent of interest in Subsidiary Company	:	100%
4. Net aggregate amount of profits of the Subsidiary Company as far as it concerns the members of the Company		
a) Dealt with in the Company's accounts		
i) for the financial year of the subsidiary	:	NIL
ii) for the previous financial years of the Subsidiary since it became the Subsidiary of the Company	:	NIL
b) Not dealt with in the Company's accounts		
i) for the financial year of the subsidiary	:	(Rs. 29,248/-)
ii) for the previous financial years of the Subsidiary since it became the Subsidiary of the Company	:	Rs. 58,184/-



**Schedule to the
Balance Sheet of a Non-Banking Financial Company as on 31.03.2010**

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

Particulars		Total Rs. in lacs	
LIABILITIES SIDE :			
1)	Loans and advances availed by the NBFCs inclusive of Interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue
	a) Debentures : Secured Unsecured (other than falling within the meaning of public deposits*)		
	b) Deferred Credits		
	c) Term Loans	1348.97	1348.97
	d) Inter-corporate loans and borrowing		
	e) Commercial Paper		
	f) Public Deposits* (including interest accrued thereon)	4000.55	2026.43
	g) Other Loans (specify nature) (Loan from Bank & others)	27955.92	27955.92
	*Please see Note 1 below		
2)	Break-up of (1) (f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :		
	a) In the form of Unsecured debentures		
	b) In the form of partly secured debentures, i.e. debentures where there is a shortfall in the value of security		
	c) Other public deposits	2026.43	2026.43
	*Please see Note 1 below		
ASSETS SIDE :			
3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	a) Secured	10.36	
	b) Unsecured	463.92	
4)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP :		
	i) Lease assets including lease rentals under sundry debtors :		
	a) Financial lease	182.68	
	b) Operating lease	0.00	
	ii) Stock on hire including hire charges under sundry debtors :		
	a) Assets on hire	9857.56	
	b) Repossessed Assets		
	iii) Hypothecation loans counting towards EL/HP activities :		
	a) Loans where assets have been repossessed		
	b) Loans other than (a) above		



Particulars	Total Rs. in lacs	
5) Break-up of Investments :		
Current Investments :		
1. Quoted :		
i) Shares :		
a) Equity		
b) Preference		
ii) Debentures and Bonds		
iii) Units of Mutual Funds		
iv) Government Securities		
v) Others (Please specify)		
2. Unquoted :		
i) Shares :		
a) Equity		
b) Preference		
ii) Debentures and Bonds		
iii) Units of mutual funds		
iv) Government securities		
v) Others (Please specify)		
Long-Term investments :		
1. Quoted :		
i) Shares :		
a) Equity	1013.42	
b) Preference		
ii) Debentures and Bonds		
iii) Units of Mutual Funds	11.89	
iv) Government Securities	0.15	
v) Others (Please specify)		
2. Unquoted :		
i) Shares :		
a) Equity	56.68	
b) Preference	50.00	
ii) Debentures and Bonds		
iii) Units of Mutual Funds		
iv) Government securities		
v) Others (Subsidiary Company)	5.00	

6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances : (Please see Note 2 below)			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
a) Subsidiaries		0.06	0.06
b) Companies in the same group			
c) Other related parties			
2. Other than related parties	10.36	10504.10	10514.46
Total	10.36	10504.16	10514.52



7) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) : (Please see Note 3 below)		
Category	TOTAL	
	Market Value/Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
a) Subsidiaries	5.46	5.00
b) Companies in the same group		NIL
c) Other related parties	—	NIL
2. Other than related parties	310.64	212.40
Total	137.15	217.40

As per Accounting Standard of ICAI

(Please see Note 3 below)

8. Other Information :	
Particulars	Total Amount
i) Gross Non-Performing Assets #	
a) Related parties	
b) Other than related parties	10804.16
ii) Net Non-Performing Assets :	
a) Related Parties	
b) Other than related parties	NIL
iii) Assets acquired in satisfaction of debt	0.00

excluding investment and bank balances

Notes :

- As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 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 column (5) above.



FINANCIAL RESULTS OF
NICCO INSURANCE AGENTS & CONSULTANTS LTD.
(SUBSIDIARY COMPANY)



CONSOLIDATED FINANCIAL STATEMENT OF
NICCO UCO ALLIANCE CREDIT LIMITED
AND ITS SUBSIDIARY



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

REPORT OF THE DIRECTORS For the year ended 31st March, 2010

Your Directors have the pleasure in presenting their Eighth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

	For the year ended 31.3.2010 (Rs.)	For the year ended 31.3.2009 (Rs.)
Profit before Tax	(29,248)	13,305
Less : Provision for Tax	—	4,111
Less : Provision for Fringe Benefit Tax	—	386
Profit after Tax	(29,248)	8,808
Add : Balance of Profit transferred from last year	87,432	78,624
Profit available for appropriation	58,184	87,432
Balance transferred to Balance Sheet	58,184	87,432

OPERATIONS

In earlier years your Company concentrated more on Bills Discounting Business as the Insurance Agency business was found to be highly competitive and unremunerative. Apart from this the biggest constraint faced by the Company was lack of trained insurance marketing personnel. The Company therefore had to depend largely on interest earned on deposits which also was not forthcoming and as a result the Company could not earn any income in the year under review.

DIVIDEND

Due to losses incurred during the year, no dividend was declared for the year under review.

PUBLIC DEPOSITS

Your Company did not accept any Public Deposits during the year ended 31st March, 2010.

PARTICULARS OF EMPLOYEES

There are no employees whose particulars need to be disclosed under Section 217(2A) of the Companies Act, 1956.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

The Directors' responsibility statement setting out the compliance with the accounting and financial reporting requirements specified under Section 217 (2AA) of the Companies (Amendment) Act, 2000 in respect of the financial statements, is annexed to this report (Annexure - A).

REPORT UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE DIRECTOR'S REPORT) RULES, 1986

In terms of the abovementioned Rule, disclosure of the following particulars is made :

(A) Conservation of Energy & (B) Technology Absorption

The main activity of your Company being non-manufacturing there is no information to report under these heads.

(C) Foreign Exchange Earnings and Outgo :

Income : Nil (Nil)

Outgo : Nil (Nil)



AUDITORS' REPORT

The comments in the Auditors' Report are adequately explained in the Notes to the Accounts. Members are requested to refer to Notes for details.

DIRECTORS

Mr. Jayanta Mukherjee retires by rotation at the ensuing Annual General Meeting and being eligible offered himself for reappointment.

ACKNOWLEDGEMENT

Your Directors record their appreciation for the co-operation and assistance provided to the Company by its shareholders.

Your Directors wish to place on record their appreciation of the dedicated service and hard work put in by the associates of your company at all levels.

Date : 26th May, 2010

Place : Kolkata

On behalf of the Board of Directors

J. Mukherjee
Chairman

ANNEXURE - A

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

The Directors hereby confirm :-

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors had prepared the annual accounts on a going concern basis.



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

AUDITORS' REPORT

To the Members of **NICCO INSURANCE AGENTS & CONSULTANTS LIMITED**

We have audited the attached Balance Sheet of **NICCO INSURANCE AGENTS & CONSULTANTS LIMITED** as at 31st March, 2010, the Profit & Loss Account for the year ended on that date and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. 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;
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes on account in Schedule "9" give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) In the case of the Profit and Loss Account, of the **LOSS** for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

1B, Old Post Office Street
Kolkata

Dated, the 26th day of May, 2010

For SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner

Annexure to the Auditors' Report

(Referred to in Paragraph 3 of our report of even date)

1. The Company has not yet acquired any Fixed Asset. Hence clauses 1(b) & (c) of the order are not applicable to the Company for the current year.
2. As the Company is not trading in goods, the clause relating to inventory is not applicable to the Company.
3. (a) The Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the Register maintained U/S 301 of the Companies Act, 1956. Hence Clauses 3(b), (c) and (d) of the order are also not applicable to the company for the current year.



- (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained U/S 301 of the Companies Act, 1956. However, holding company has incurred expenditure on behalf of subsidiary company, the balance of which is Rs 0.06 lacs as on 31st March, 2010.
- (f) As per the information and explanation given to us, the expenditure incurred by the Holding Company is repayable on demand and is not prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books of accounts and according to the information and explanations given to us, we have not come across nor have we been informed of any instances of major weaknesses in the aforesaid internal control system.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no contracts or arrangements the particulars of which need to be entered into the register maintained u/s 301 of the Companies Act 1956. Accordingly, clause 4(v)(b) of the order is not applicable.
6. The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made thereunder. According to information and explanations given to us no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Tribunal on the company.
7. The requirement of internal audit is not applicable to the Company.
8. The maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 is not applicable to the company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there exist no dues of Income Tax, Wealth Tax, Cess etc, which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March 2010. It has incurred cash losses in the current financial year but no cash loss was incurred in the financial year immediately preceding the current financial year.
11. The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund/hidhi/mutual benefit fund/society.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. The Shares, Securities, Debentures and other investments have been held by the Company in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956
15. According to the information and explanation given to us the company has not given any guarantee for loans taken by other from bank or financial institutions.
16. The Company has not obtained any term loan.
17. According to the information and explanation given to us, the company has not raised any short term loan during the year.
18. During the year under Audit, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures hence the question of creating securities in respect thereof does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

1B, Old Post Office Street
Kolkata

Dated, the 26th day of May, 2010

For SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
A. Share Capital	1	500000	500000
B. Reserves & Surplus	2	58184	87432
TOTAL		<u>558184</u>	<u>587432</u>
 APPLICATION OF FUNDS :			
Investments	3	450000	450000
Current Asset, Loans & Advances :			
a) Bank Balance		37298	156185
b) Receivable	4	174647	174260
Total Current Asset		<u>211945</u>	<u>330445</u>
Less:			
Current Liabilities & Provisions	5	116184	211649
Net Current Asset		<u>95761</u>	<u>118796</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)	6	12423	18636
TOTAL		<u>558184</u>	<u>587432</u>
 Significant Accounting Policies & Notes on Accounts	 9		

Schedules referred to above form an integral part of the Balance Sheet

As per our attached Report of even date

For SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
the 26th day of May, 2010

On behalf of the Board of Directors

Mr. J. Mukherjee Chairman
Mr. S. S. Majumder Director
Mr. P. K. Basu Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
REVENUE :			
Income From Operations	7	—	152692
TOTAL		<u>—</u>	<u>152692</u>
EXPENDITURE :			
Operating & Administration	8	29248	139387
TOTAL		<u>29248</u>	<u>139387</u>
Profit before Tax		<u>(29248)</u>	<u>13305</u>
Less : Provision for Tax		—	4111
Provision for Fringe Benefit Tax		—	386
Profit after Tax		<u>(29248)</u>	<u>8808</u>
Add : Balance Brought Forward from last year		<u>87432</u>	<u>78624</u>
Profit available for appropriation :		<u>58184</u>	<u>87432</u>
Balance carried to Balance Sheet		<u>58184</u>	<u>87432</u>
Weighted average number of ordinary shares outstanding during the year		50000	50000
Basic & Diluted earnings per share of Rs. 10/- each (in Rupees)		(-) 0.58	0.15
Significant Accounting Policies & Notes on Accounts	9		

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

As per our attached Report of even date

For SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
the 26th day of May, 2010

On behalf of the Board of Directors

Mr. J. Mukherjee Chairman
Mr. S. S. Majumder Director
Mr. P. K. Basu Director



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2010

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
Net Profit before tax & extraordinary items	(29248)	13305
Miscellaneous Expenditure charged to P/L	6213	6213
Operating profit before working capital changes	<u>(23035)</u>	<u>19518</u>
Increase/Decrease in trade receivable	—	25963
Increase/Decrease in trade payables	(95466)	(4601412)
Cash generated from operations	<u>(118501)</u>	<u>(4555931)</u>
Tax Paid/Tax Deducted at source	(387)	(21078)
Cash flow before extraordinary items	<u>(118887)</u>	<u>(4577009)</u>
Net Cash from operating activities	<u>(118887)</u>	<u>(4577009)</u>
Net increase in cash and cash equivalents	(118887)	(4577009)
Opening cash and cash equivalents	156185	4733194
Closing cash and cash equivalents	<u>37298</u>	<u>156185</u>

Notes :

1. Above statement has been prepared in indirect method except in case of Tax Paid which has been considered on the basis of actual movement of Cash, with corresponding adjustments in assets and liabilities.
2. Cash and Cash equivalents consist of balances with banks.
3. Negative figures indicate cash outflow.
4. Figures for the previous year have been regrouped wherever considered necessary.

As per our attached Report of even date

For SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
the 26th day of May, 2010

On behalf of the Board of Directors

Mr. J. Mukherjee Chairman
Mr. S. S. Majumder Director
Mr. P. K. Basu Director



SCHEDULES FORMING PART OF BALANCE SHEET

As at 31st
March, 2010
Rs.

As at 31st
March, 2009
Rs.

SCHEDULE 1 : SHARE CAPITAL

Authorised :

2,50,000 Equity Shares of Rs. 10/- each 25,00,000 25,00,000

Issued, Subscribed & Paid up :

50000 Equity Shares of Rs. 10/- each 5,00,000 5,00,000

SCHEDULE 2 : RESERVES & SURPLUS

Opening Balance	87432	78624
Add / (Less) : Transfer from Profit & Loss A/c	-29248	8808
Closing Balance	<u>58184</u>	<u>87432</u>

SCHEDULE 3 : INVESTMENTS

Long term other than trade

	<u>Unit</u>	<u>NAV</u>	<u>Amount</u>	<u>Amount</u>
Unquoted				
Prudential ICICI Liquid - Growth Plan				
Opening Balance	31745.136	—	450000	450000
Add : Purchased during the period	—	—	—	—
Less : Sold during the period	—	—	—	—
Closing Balance	<u>31745.136</u>	<u>21.9719</u>	<u>450000</u>	<u>450000</u>

SCHEDULE 4 : CURRENT ASSETS, LOANS & ADVANCES

Receivables

Advance Tax & Tax deducted at source	174647	174260
TOTAL	<u>174647</u>	<u>174260</u>

SCHEDULE 5 : CURRENT LIABILITIES & PROVISIONS

Sundry Creditors	37345	37345
Payable to holding company against expenses	5956	101421
Provision for Income Tax	72883	72883
TOTAL	<u>116184</u>	<u>211649</u>



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 6 : MISCELLANEOUS EXPENDITURE		
Preliminary Expenses		
Opening Balance	18636	24849
Incurred during the period	—	—
Less : Written off	6213	6213
Closing Balance	<u>12423</u>	<u>18636</u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 7 : INCOME FROM OPERATIONS		
Merchant Banking Fees	—	2541
Other Income	—	150151
TOTAL	<u>—</u>	<u>152692</u>

SCHEDULE 8 : OPERATING & ADMINISTRATION

Auditor's Remuneration :

Statutory Audit Fees	16545	16545
Office Maintenance	—	44155
Consultancy Charge	2000	6500
Telephone Expenses	—	6240
Printing & Stationery	170	1768
Preliminary Expenses written off	6213	6213
Rates & Taxes	1900	1900
Filing Fees	1500	2000
Electricity Charges	—	44960
Computer Expenses	—	2298
Bank Charges	920	6808
TOTAL	<u>29248</u>	<u>139387</u>

**SCHEDULES FORMING PART OF BALANCE SHEET****SCHEDULE 9 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :****A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Investments

Long term investments are stated at cost. Provision for diminution in value is made if the decline in value is other than temporary in the opinion of management.

Current investment are stated at lower of cost or fair value.

3. Recognition of income and expenditure

Income & expenditure are recognised on accrual basis.

4. Taxes of Income

Provision for income tax is made on the basis of estimated taxable annual income.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences as per Accounting Standard (AS-22) issued by the Institute of Chartered Accountants of India, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

5. Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

6. Miscellaneous Expenditure

Preliminary expenses are written off over a period of 10 years in equal annual installments.

7. Contingent liabilities

Contingencies which are material and the future outcome of which can not be ascertained with reasonable certainty are disclosed by way of Notes to Accounts as contingent liabilities.

B. NOTES TO ACCOUNTS

1. The company is a wholly owned subsidiary company of Nicco Uco Alliance Credit Limited.
2. Expenses which are initially disbursed by M/s. Nicco Uco Alliance Credit Ltd. (holding Co.) towards payment of FBT, Municipal Tax, Printing & Stationery, Consultancy fees and filing fees amounting to Rs. 5,956/- (previous year Rs. 1,01,421/-) due to be reimbursed to the Holding Co have been incorporated in the accounts on the basis of the agreement.



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

SCHEDULES FORMING PART OF BALANCE SHEET

3. Related Party disclosures

Related party disclosures as required under Accounting Standard (AS) - 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are given below :

<u>Nature of Relationship</u>	<u>Name of the Party</u>
1. Holding Company	Nicco Uco Alliance Credit Limited

Transaction with related parties	31.03.2010 (Rs. in lacs)	31.03.2009 (Rs. in lacs)	
Advance repaid	0.00	39.05	Holding Company
Expenses incurred	0.06	1.01	Holding Company
Expenses repaid	1.01	7.97	Holding Company
Balance as on 31.03.2010			
Expenses repayable	0.06	1.01	Holding Company

- There is no contingent liability at the end of the year.
- Based on the informations available with the company, there are no dues towards Micro and Small Enterprises as on 31.03.2010.
- Previous year's figures have been regrouped /rearranged wherever considered necessary.

As per our attached Report of even date

For SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
the 26th day of May, 2010

On behalf of the Board of Directors

Mr. J. Mukherjee Chairman
Mr. S. S. Majumder Director
Mr. P. K. Basu Director



**Auditors' Report to the Board of Directors of
Nicco Uco Alliance Credit Limited
on the Consolidated Financial Statements of
Nicco Uco Alliance Credit Limited and its subsidiary**

We have audited the attached Balance Sheet of **NICCO UCO ALLIANCE CREDIT LIMITED** and its subsidiary **Nicco Insurance Agents and Consultants Ltd.** as at 31st March, 2010, and also the consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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.
2. We report that the consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standard 21 & 23, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the company and its subsidiaries included in the consolidated Financial Statements.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to,
 - a) (i) *Note No. 10 in Schedule 15B regarding cancellation of certificate of registration of the company to carry out non-banking financial activities by Reserve Bank of India (RBI) vide its order dated 31st March, 2005, against which the company has preferred an appeal before the Appellate Authority for Non-Banking Finance Company (NBFC), Joint Secretary, Ministry of Finance, Govt. of India, New Delhi which is pending.*
 - (ii) *Note No. 11 (a) in schedule 15B, UCO bank, the leader of the consortium of bankers moved an application in the Debt Recovery Tribunal (DRT) on 29.11.2005 to recover the outstanding dues against the company, which the company has contested. The learned DRT has passed an order on 01.12.2005 appointing two receivers for making an inventory and taking a symbolic possession of secured properties of the company but at the same time directing that till disposal of the prayer for interim relief, the company will not deal with or transfer or dispose of any of its secured properties. However, the company shall carry on its business as usual.*
 - (iii) *Note number 11(g) in Schedule 15 B regarding measures taken by UCO bank u/s 13(4) of the SARFESI act against the company. As the decision with regard to appeal against cancellation of license is pending for reasons as stated in the note above, the accounts of the company have been prepared on going concern assumption on the basis of legal opinion obtained. In the event of adverse decision/development the financial statements may require necessary adjustments in the value of its assets and liabilities.*
 - b) *Note No. 14 of schedule 15B regarding default made by the Company in repayment of its Fixed Deposits liability as per order of Company Law Board (CLB).*
 - c) *Note No. 3 (b) of schedule 15B regarding managing director's excess remuneration awaiting approval from Central Government for the financial year 2007-08. Further, for FY 2008-09 & 2009-10 company has received approval from Central Government for paying Rs. 8.26 lakhs per annum; however, actual payment crossed the above limit in the above mentioned years by Rs. 0.47 Lacs and Rs. 0.29 Lacs respectively.*
 - d) *Note No. 12 of schedule 15B regarding non-confirmation of balances by Banks and Financial Institutions (FI's) in whose Books the account of Company has turned Non Performing Assets (NPA). Non-confirmation is in respect of loan accounts, interest payable on such loan accounts; fixed deposit accounts & Current accounts held by the company with them. Fixed deposits and current account balances with lender Banks include an amount of Rs. 192.78 lacs, realisability of which appears to be negligible. No provision for the same has been made in the accounts. We are therefore unable to ascertain the actual position of these accounts with such Banks and FI's.*
 - e) *Note No. 19 of Schedule 15B regarding non ascertainment and accounting of losses arising out of fire on fixed assets etc. at the registered office of the company.*
 - f) *Note No. 21 regarding Serious Fraud Investigation against the company on recommendation of Registrar of Companies (ROC).*
 - g) *Non transferring of Rs. 10.57 lacs regarding unclaimed Bonds (including interest accrued thereon till the maturity date) and Rs. 3.13 lacs regarding unclaimed Fixed Deposits (including interest accrued thereon till the maturity date) to "Investors Education and Protection Fund", even after the expiry of more than seven years, as required by Sec 205(c) of the Companies Act 1956. and read with other notes in Schedule 15 give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :*
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) In the case of the Profit and Loss Account, of the **Loss** for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

1B, Old Post Office Street
Kolkata – 700 001
The 31st day of May, 2010

FOR SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M. No. 3569
Partner



NICCO UCO ALLIANCE CREDIT LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share Capital	1	401012730	401012730
Reserves & Surplus	2	47849900	47851007
		<u>448862630</u>	<u>448863737</u>
LOAN FUNDS :			
Secured Loans	3	2831193595	2460459652
Unsecured Loans	4	200647632	222387023
		<u>3031841227</u>	<u>2682846675</u>
	TOTAL	<u>3480703857</u>	<u>3131710412</u>
APPLICATION OF FUNDS :			
Gross Block	5	948482980	950706453
Less : Depreciation		641217150	639908546
Less : Accumulated Lease adjustment		209281957	209281957
Net Block		97983873	101515950
Capital Work in Progress		799600	—
	TOTAL	<u>98783473</u>	<u>101515950</u>
Investments	6	113664522	113664522
Current Assets, Loans & Advances	7		
Inventories		956364794	973521408
Sundry Debtors		29873057	30653483
Other Current Assets		23208513	24593775
Cash & Bank Balances		87314314	81087086
Loans & Advances		139353957	138318172
		<u>1236114635</u>	<u>1248173924</u>
Less : Current Liabilities & Provisions	8		
Current Liabilities		329793746	344778411
Provisions		1319343818	1316154047
Net Current Assets		<u>-413022929</u>	<u>-412758534</u>
Miscellaneous Expenditure (To the extent not w/off or adjusted)	9	12423	18636
Debit balance in Profit & Loss Account		3681266369	3329269839
	TOTAL	<u>3480703857</u>	<u>3131710412</u>
Significant Accounting Policies & Notes on Accounts	15		

Schedules referred to above form an integral part of the Balance Sheet

As per our Report attached
for SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
the 31st day of May, 2010

Mr. Debdatta Saila
Mr. L. N. Kaul
Mr. K. K. Chatterjee
Mr. Biswajit Roy
Mr. Bimalendu Sankar Gupta
Mr. J. Mukherjee

Chairman
Managing Director &
Company Secretary
Director
Director
Director
Chief Financial Officer

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
REVENUE :			
Income From Operations	10	218100	7113417
Dividend & Other Income	11	52419733	61450087
	TOTAL	<u>52637833</u>	<u>68563504</u>
EXPENDITURE :			
Employee Costs	12	3041159	3619917
Operating & Administration Expenses	13	8920711	36137283
Interest & Other Finance Costs	14	386595508	360819890
Depreciation		2608002	4063896
	TOTAL	<u>401165380</u>	<u>404640986</u>
Profit / Loss(-) before Tax and Other Adjustments		<u>- 348527547</u>	<u>- 336077482</u>
Less : Provisions/Contingencies including write off	13	3426346	71057378
Profit / Loss(-) before Tax		<u>- 351953893</u>	<u>- 407134860</u>
Less : Provision for Tax		—	4111
Less : Provision for Fringe Benefit Tax		—	110859
Less : Provision for Tax (for earlier years)		42637	—
Profit / Loss(-) after Tax		<u>- 351996530</u>	<u>- 407249830</u>
Add : Balance of Profit / Loss (-) Brought Forward from last year		<u>- 3329269839</u>	<u>- 2922020009</u>
		<u>- 3681266369</u>	<u>- 3329269839</u>
Profit available for appropriation			
Balance carried to Balance Sheet		<u>- 3681266369</u>	<u>- 3329269839</u>
	TOTAL	<u>- 3681266369</u>	<u>- 3329269839</u>
Basic & Diluted EPS		- 8.77	- 10.14
Significant Accounting Policies & Notes on Accounts	15		

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

As per our Report attached
for SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
the 31st day of May, 2010

Mr. Debdatta Saila
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Mr. J. Mukherjee

Chairman
Managing Director &
Company Secretary
Director
Director
Director
Chief Financial Officer



NICCO UCO ALLIANCE CREDIT LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Pursuant to Clause 32 of Listing Agreement)

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended	For the year ended
	31st March, 2010	31st March, 2009
	Rs.	Rs.
Net Profit/(Loss) before tax & extraordinary items	(351953893)	(407134860)
Add : Adjustments for		
Loss on Conversion of Stock Of Shares	—	559537
Depreciation	2608002	4063896
Provisions for debts,leave salary,gratuity	3396346	(64064412)
Interest & dividend on investments	(201431)	(195195)
Profit on sale of fixed assets	(10363324)	(51606981)
Loss on sale of fixed assets/Hire Purchase stock	10436	6488588
Liability no longer required written back	(28554019)	(2756997)
Foreign exchange fluctuation loss / (gain)	(10750788)	20579004
Miscellaneous Expenditure charged to P/L	6213	6213
Interest	386595508	360819890
Operating profit / (loss) before working capital changes	(9206950)	(133241317)
(Increase)/Decrease in trade receivable	1054013	(7896626)
Decrease in stock of H.P.	17156614	55998584
Decrease/(Increase) in loans & advances	(244564)	5914213
Increase/(decrease) in trade payables	(9949876)	5974512
Cash generated from operations	(1190763)	(73250634)
Interest paid (net)	(16748072)	(8141650)
Tax Paid/Tax Deducted at source	(944968)	(142440)
Cash flow before extraordinary items	(18883803)	(81534724)
Net Cash from operating activities	(18883803)	(81534724)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(851600)	(7100)
Sale of fixed assets	11327856	125887032
Interest received	9889549	231573
Dividend received on investments	201431	195195
Net Cash used in investing activities	20567236	126306700
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (repayment) of borrowings	4543795	(607557)
Dividend paid and Tax thereon	—	(221197)
Net Cash used in financing activities	4543794	(828753)
Net increase in cash and cash equivalents	6227227	43943223
Opening cash and cash equivalents	81087086	37143863
Closing cash and cash equivalents	87314314	81087086

Notes :

- Above statement has been prepared in indirect method except in case of interest (net) and dividend on investment, purchase and sale of Fixed assets and Investments which have been considered on the basis of actual movement of Cash, with corresponding adjustments in assets and liabilities.
- Cash and Cash equivalents consist of Cash in hand, fixed deposits and balances with banks which includes

	Figures in Lakhs	
	As on 31.03.10	As on 31.03.09
a) Fixed Deposit considered doubtful and provided for	13.76	13.76
b) Unaccessible positive balance lying with banks (Secured lenders)	208.20	208.20
c) Balances unconfirmed by the bankers	1.07	0.95
Total	223.03	222.91

- Negative figures indicate cash outflow.

- Figures for the previous year have been regrouped / rearranged wherever considered necessary.

As per our Report attached

for SINGHI & CO.

Chartered Accountants

Firm Regn. No. 302049E

L. N. Dey

M.No. 3569

Partner

1B, Old Post Office Street

Kolkata – 700 001

the 31st day of May, 2010

Mr. Debdata Saila

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Mr. Biswajit Roy

Mr. Bimalendu Sankar Gupta

Mr. J. Mukherjee

Chairman

Managing Director &
Company Secretary

Director

Director

Director

Chief Financial Officer



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
70,00,000 Redeemable Cumulative Non-Convertible Preference shares of Rs. 10/- each	70000000	70000000
4,30,00,000 Equity Shares of Rs. 10/- each	430000000	430000000
TOTAL	<u>500000000</u>	<u>500000000</u>
Issued, Subscribed & Paid up :		
40147173 Equity Shares of Rs. 10/- each	401471730	
Less : Cancellation on amalgamation	4000	
Less : Calls-in-Arrear	<u>455000</u>	401012730
TOTAL	<u>401012730</u>	<u>401012730</u>

Note :

- (1) Equity shares issued for consideration other than cash include 9,60,000 Equity Share of Rs. 10/- each allotted pursuant to amalgamation of Sanpaolo Hambro Nicco Finance Ltd.
- (2) 4,00,000 Equity Share of Rs. 10/- each allotted pursuant to amalgamation of Nicco Investments Ltd.
- (3) 19,72,560 Equity Shares of Rs. 10/- each issued as free share in the ratio 1:7 due as per scheme of merger approved by Hon'ble Calcutta High Court on 21st April, 1999.
- (4) 1,38,66,687 Equity Shares of Rs. 10/- each issued to the share holders of Alliance Credit & Investments Limited as per scheme of amalgamation approved by Hon'ble Calcutta High Court on 21st April, 1999.
- (5) 1,05,00,000 Equity Shares of Rs. 10/- each issued to the shareholders of Overseas Sanmar Financial Limited as per scheme of amalgamation approved by Hon'ble Calcutta High Court on 20th April, 2000 and Hon'ble Chennai High Court on 10th May, 2000.



NICCO UCO ALLIANCE CREDIT LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 2 : RESERVES & SURPLUS		
Capital Reserve I		
Paid up amount on shares forfeited	<u>20500</u>	<u>20500</u>
Capital Reserve II		
Non - refundable capital grant	45735	46842
Less : Prorata Adjustment of Fixed Assets (Refer Schedule - 5)	<u>1107</u>	<u>1107</u>
	44628	45735
Capital Reserve III		
On amalgamation of Nicco Investments Ltd.	<u>1000000</u>	<u>1000000</u>
Total Capital Reserve	<u>1065128</u>	<u>1066235</u>
Capital Redemption Reserve		
Balance as per last Account	<u>20000000</u>	<u>20000000</u>
	<u>20000000</u>	<u>20000000</u>
Statutory Reserve Fund		
Balance as per last account	<u>26784772</u>	<u>26784772</u>
	<u>26784772</u>	<u>26784772</u>
TOTAL	<u>47849900</u>	<u>47851007</u>



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 3 : SECURED LOANS (TO THE EXTENT SECURED)		
1. From Banks (Working Capital Loan)		
Cash Credit	327477899	327477899
Working Capital Demand Loan	739897142	739897142
(Secured by hypothecation of gross assets for leasing & hire purchase activities save and except assets specifically hypothecated against Term Loan. In addition certain own fixed assets of the company are also charged to the secured lenders of the company)	<u>1067375041</u>	<u>1067375041</u>
2. Term Loan		
(Secured by hypothecation of gross assets for Lease / Hire Purchase activities.)		
i) From Banks	46484295	46484295
ii) From Financial Institutions & others		
International Finance Corporation - Washington	84575376	95326164
Industrial Finance Corporation of India	3837053	3837053
3. Interest accrued and due	1628921831	1247437099
TOTAL	<u>2831193595</u>	<u>2460459652</u>

(Term Loan including accrued interest repayable within next 1 year amounts to Rs. 17638.19 lacs, previous year Rs. 14110.00 lacs)

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 4 : UNSECURED LOANS		
1. Fixed Deposits	200647632	222387023
TOTAL	<u>200647632</u>	<u>222387023</u>

(Repayable within next 1 year amounts to Rs. 2171.29 lacs including unclaimed fixed deposit amounting to Rs. 357.12 lacs shown under current liability as per modified CLB order, previous year Rs. 2185.18 lacs)



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

SCHEDULE 5 : FIXED ASSET

PARTICULARS OF ASSET	GROSS BLOCK			DEPRECIATION			LEASE ADJUSTMENT A/C			NET BLOCK			
	As at 1st April 2009	Addition/ Adjusted during the year	Sold/ Adjusted during the year	As at 31st March 2010	As at 1st April 2009	Provided/ Adjusted during the year	Sold/ Adjusted during the year	As at 31st March 2010	As at 1st April 2009	Provided during the year	Sold/ Adjusted during the year	As at 31st March 2010	As at 31st March 2009
OWN ASSET													
Land	47984670	—	—	47984670	—	—	—	—	—	—	—	47984670	47984670
Building	24242892	—	1079200	23163692	6558806	378506	314149	—	—	—	—	16540529	17684086
Furniture, Fixture & Office Eqpmt.	19358120	53807	54093	19357834	19298344	7521	54088	—	—	—	—	106057	59776
Motor Car	4952581	—	1030789	3921792	4711404	45556	835913	—	—	—	—	745	241177
Windmill	36100798	—	—	36100798	23139267	1724185	—	—	—	—	—	11237346	12961531
Machinery	12779214	1803	111390	12669627	8322491	456951	96354	—	—	—	—	3986539	4456723
Sub Total	145418275	55610	2275472	143198413	62030312	2612719	1300504	—	—	—	—	79955883	83387963
Previous Year	159022236	7100	13611061	145418275	64787554	4065003	6822245	—	—	—	—	83387963	—
For Lease Activities													
Finance Lease :													
Computer & accessories	91475691	—	—	91475691	76312549	—	—	—	12077167	—	—	3085975	3085975
Machinery	385899571	—	—	385899571	230526700	—	—	—	140407630	—	—	14965241	14965241
Vehicles	292491121	—	—	292491121	237949768	—	—	—	54540946	—	—	407	407
Office Equipment	13972071	—	—	13972071	12806635	—	—	—	1089084	—	—	76352	76352
Generator set	4461540	—	—	4461540	4461540	—	—	—	—	—	—	—	—
Furniture & Fixture	16099999	—	—	16099999	14932852	—	—	—	1167130	—	—	17	17
Two Wheeler	884574	—	—	884574	884574	—	—	—	—	—	—	—	—
Sub Total	805284567	—	—	805284567	577874618	—	—	—	209281957	—	—	18127989	18127992
Previous Year	894496216	—	88211649	805284567	568555517	—	10680899	—	213832884	—	4550927	18127992	—
Total	950702842	55610	2275472	948482990	639904930	2612719	1300504	—	209281957	—	—	97983873	101515950
Capital W.I.P.	—	799600	—	799600	—	—	—	—	—	—	—	799600	—
Previous year	1053518462	7100	102822710	950702842	653343071	4065003	17503144	—	213832884	—	4550927	101515950	—

* Depreciation amounting to Rs. 1,107/- adjusted against Non-refundable capital grant. ** Certain fixed assets owned by the company are charged with secured lenders of the company.



NICCO UCO ALLIANCE CREDIT LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

SCHEDULE 6 : INVESTMENTS

	AS AT 1ST APRIL 2009			PURCHASED / ADJUSTED DURING THE YEAR			SOLD / ADJUSTED DURING THE YEAR			AS AT 31ST MARCH 2010		
	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT
1. GOVERNMENT SECURITIES												
NSC (VIII th Issue)	—	—	15000	—	—	—	—	—	—	—	—	15000
	—	—	15000	—	—	—	—	—	—	—	—	15000
2.A. EQUITY SHARES (QUOTED)												
Nicco Corporation Ltd.	4093575	2	62376305	—	—	—	—	—	—	—	—	62376305
Nicco Parks & Resorts Ltd.	3300	10	34650	—	—	—	—	—	—	—	—	34650
Alliance Management & Fiscal services Ltd.	3582400	10	15619264	—	—	—	—	—	—	—	—	15619264
Hanuman Tea Co. Ltd.	7000	10	73150	—	—	—	—	—	—	—	—	73150
Amrit Enterprise Ltd.	2000	10	1	—	—	—	—	—	—	—	—	1
G R Magnets Ltd.	30000	10	147000	—	—	—	—	—	—	—	—	147000
Bhagavathi Gas Ltd.	400	10	920	—	—	—	—	—	—	—	—	920
G.S.L. (India)	886509	10	21719470	—	—	—	—	—	—	—	—	21719470
Indian Overseas Bank	2900	10	69600	—	—	—	—	—	—	—	—	69600
Amrit Banaspati Company Ltd.	1500	10	15000	—	—	—	—	—	—	—	—	15000
Archie Greeting Ltd.	700	10	31745	—	—	—	—	—	—	—	—	31745
Bata India Ltd.	750	10	77850	—	—	—	—	—	—	—	—	77850
DIC India Ltd.	1000	10	119900	—	—	—	—	—	—	—	—	119900
Colgate Ltd.	750	1	187418	—	—	—	—	—	—	—	—	187418
Crystal Cables Ltd.	25000	—	—	—	—	—	—	—	—	—	—	—
Eveready Industries Ltd.	3333	5	59327	—	—	—	—	—	—	—	—	59327
McLeod Russel	3333	5	—	—	—	—	—	—	—	—	—	—
Ricoh India	300	10	3687	—	—	—	—	—	—	—	—	3687
Hanuman Tea Ltd.	7500	10	—	—	—	—	—	—	—	—	—	—
HCL Infosys Ltd.	1500	2	114000	—	—	—	—	—	—	—	—	114000
Hindustan Unilever	2000	1	476400	—	—	—	—	—	—	—	—	476400
Mawika Steel Ltd.	16900	10	—	—	—	—	—	—	—	—	—	—
Passari Spinning Mills Ltd.	500	10	1860	—	—	—	—	—	—	—	—	1860



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

SCHEDULE 6 : INVESTMENTS (Continued)

LONG TERM INVESTMENTS - OTHER THAN TRADE	AS AT 1ST APRIL 2009			PURCHASED / ADJUSTED DURING THE YEAR			SOLD / ADJUSTED DURING THE YEAR			AS AT 31ST MARCH 2010		
	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT
Shristi Infra. Dev. Corp. Ltd.	100	10	9400	—	—	—	—	—	—	100	10	9400
Rayban Sun Optics India Ltd.	306	10	—	—	—	—	—	—	—	306	10	—
Reliance Capital Ltd.	500	10	120130	—	—	—	—	—	—	500	10	120130
Tata Tea Ltd.	250	10	85200	—	—	—	—	—	—	250	10	85200
Timex Watches Ltd.	1000	1	—	—	—	—	—	—	—	1000	1	—
	—	—	101342277	—	—	—	—	—	—	—	—	101342277
B. EQUITY SHARES (UNQUOTED)												
Daimal Tower Premises Co-op. Society Ltd.	5	50	250	—	—	—	—	—	—	5	50	250
Hindustan Wire & Metal Products Ltd.	22000	6	115500	—	—	—	—	—	—	22000	6	115500
Associated Industrial Dev. Co. (P) Ltd.	1300	100	196000	—	—	—	—	—	—	1300	100	196000
Vinicab India Private Limited	900	100	90000	—	—	—	—	—	—	900	100	90000
Coromondal Stamping Stones Ltd.	10000	10	1	—	—	—	—	—	—	10000	10	1
Besant Raj International Ltd.	20000	10	149000	—	—	—	—	—	—	20000	10	149000
Nicco Financial Services Ltd.	118889	10	1106290	—	—	—	—	—	—	118889	10	1106290
Global Procurement Consultants Ltd.	50000	10	325238	—	—	—	—	—	—	50000	10	325238
Alliance Stock Broking Ltd.	235500	1	1011586	—	—	—	—	—	—	235500	1	1011586
Alliance Finlease Ltd.	4651000	1	2674377	—	—	—	—	—	—	4651000	1	2674377
Dibrusadia Tea Estate Ltd.	4000	10	1	—	—	—	—	—	—	4000	10	1
Bishnu Forge Industries Ltd.	50000	10	1	—	—	—	—	—	—	50000	10	1
Sikkim Bank Ltd.	18300	10	1	—	—	—	—	—	—	18300	10	1
Brindavan Gardens Ltd.	198800	10	1	—	—	—	—	—	—	198800	10	1
Brunosante Ltd.	100000	10	1	—	—	—	—	—	—	100000	10	1
C. K. Exim Pvt. Ltd.	60000	10	1	—	—	—	—	—	—	60000	10	1
Brindavan Gardens Ltd.	25500	10	1	—	—	—	—	—	—	25500	10	1
Bruno Sante Ltd.	50000	10	1	—	—	—	—	—	—	50000	10	1
	—	—	5668250	—	—	—	—	—	—	—	—	5668250



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

SCHEDULE 6 : INVESTMENTS (Continued)

LONG TERM INVESTMENTS - OTHER THAN TRADE	AS AT 1ST APRIL 2009			PURCHASED / ADJUSTED DURING THE YEAR			SOLD / ADJUSTED DURING THE YEAR			AS AT 31ST MARCH 2010		
	NO. OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ SHARE/UNIT	AMOUNT
3. MUTUAL FUND UNITS (UNQUOTED)												
HDFC Equity Fund	4105	—	269373	—	—	—	—	—	—	4105	—	269373
HSBC Equity Fund	7389	—	269726	—	—	—	—	—	—	7389	—	269726
Franklin India Blue Chip Fund	4202	—	270356	—	—	—	—	—	—	4202	—	270356
Principal Growth Fund	9828	—	266980	—	—	—	—	—	—	9828	—	266980
UTI Equity Fund	13800	—	112560	—	—	—	—	—	—	13800	—	112560
PRINCIPAL ICICI LIQUID GROWTH FUND	31745	14	450000	—	—	—	—	—	—	31745	14	450000
	—	—	1638995	—	—	—	—	—	—	—	—	1638995
4. PREFERENCE SHARES (UNQUOTED)												
Prestige Foods Ltd. (10% non-cum. convertible Pref.share)	500000	10	5000000	—	—	—	—	—	—	500000	10	5000000
	—	—	5000000	—	—	—	—	—	—	—	—	5000000
TOTAL	—	—	113664522	—	—	—	—	—	—	—	—	113664522
GRAND TOTAL	—	—	113664522	—	—	—	—	—	—	—	—	113664522

	As at 31st March, 2010		As at 31st March, 2009	
	Book Value	Market Value	Book Value	Market Value
Quoted	Rs. 101342277	Rs. 20935495	Rs. 101342277	Rs. 18910233
Unquoted	Rs. 12322245		Rs. 12322245	
	<u>Rs. 113664522</u>		<u>Rs. 113664522</u>	



NICCO UCO ALLIANCE CREDIT LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES		
a) Inventories		
Stock on Hire under Hire Purchase Agreement including HP debtors (Considered doubtful Rs. 9563.65 Lac, previous year Rs. 9563.91 Lac)	956364794	973521408
TOTAL	<u>956364794</u>	<u>973521408</u>
b) Sundry Debtors - (considered good Rs. 3.41 lacs and considered doubtful Rs. 295.32 lacs, previous year Rs. 10.86 lacs and Rs. 295.67 lacs respectively.) Debts outstanding for a period exceeding 6 months Below six months	29531720 341337	30378043 275440
TOTAL	<u>29873057</u>	<u>30653483</u>
c) Other Current Assets (Unsecured - Considered Good Rs. 28.24 lacs, previous year Rs. 147.07 lacs & Considered Doubtful Rs. 344.47 lacs, previous year Rs. 241.19 lacs) Interest Receivable on Govt Securities & Others Accounts Receivable - Others (refer point no. 20 in Schedule 15B) Less : Provision	1581630 35689241 14062358	2693305 35932828 14032358
TOTAL	<u>23208513</u>	<u>24593775</u>
d) Cash and Bank Balances		
i) Balance with Scheduled Banks :		
In Current Accounts (Considered doubtful Rs. 15.42 lacs, previous year Rs. 15.42 lacs)	20713367	21426822
In Fixed Deposit (Considered doubtful Rs. 13.76 lacs, previous year Rs. 13.76 lacs refer point no. 12(d) of Schedule 15B)	66555677	59585210
ii) Cash in hand	45270	75054
TOTAL	<u>87314314</u>	<u>81087086</u>
e) Loans and Advances (Unsecured, considered good unless otherwise stated)		
Advances for HP pending rentalisation	302852	309792
Advance recoverable in cash or in kind or for value to be received (considered doubtful Rs. 64.28 lacs, previous year Rs. 75.64 lacs)	9240223	8893254
Deposits under subjudice (fully provided for in earlier years)	34000000	34000000
Loan against Fixed Deposits/NCD	974159	974159
(Secured by pledge of Fixed Deposits Receipts)		
Payment of Advance Tax & Tax deducted at source	94836723	94140967
TOTAL	<u>139353957</u>	<u>138318172</u>



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities :		
Sundry Creditors :-		
For Others	124925851	128585954
Advance Lease Rental & Hire purchase Instalment	809662	809662
Received in Advance From Party	231129	2880000
Security Deposits	4419826	7965263
Interest accrued but not due (refer point no. 14 in schedule 15B)	162637117	165496539
Investor's Education & Protection Fund to be credited by :		
Unclaimed Fixed Deposit	35712405	37983237
Unclaimed Bond including accrued interest	1057756	1057756
TOTAL	<u>329793746</u>	<u>344778411</u>
B. Provisions		
Provision against creditors	16090997	13158000
Provision for Income Tax & FBT	91829885	92036460
Provision for doubtful advance	39705447	39705447
Provision for doubtful deposits	1376282	1376282
Provision for other receivables	856974962	856511613
Provision against NPA	221391287	221391287
Provision against diminution in value of investments	91974958	91974958
TOTAL	<u>1319343818</u>	<u>1316154047</u>
<hr/>		
	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE 9 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
a) Share Issue Expenses		
Brought forward	—	—
Add : Addition during the year	—	—
Less : Written off	—	—
	<u>—</u>	<u>—</u>
b) Preliminary Expenses		
Brought forward	18636	24849
Add : Addition during the year	—	—
Less : Written off	6213	6213
	<u>12423</u>	<u>18636</u>
c) Deferred Revenue Expenses		
Brought forward	—	—
Add : Addition during the year	—	—
Less : Written off	—	—
	<u>—</u>	<u>—</u>
TOTAL	<u>12423</u>	<u>18636</u>
Total W/off during the year	6213	6213
Less : Adjusted with Securities Premium account		
Net amount debited to P/L account	<u>6213</u>	<u>6213</u>

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT**

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 10 : INCOME FROM OPERATIONS		
Leasing Income	—	2804173
Less: Lease Equalisation Adjustment.	—	—
	<u>—</u>	<u>2804173</u>
Finance Income on Asset on Lease	—	99875
Hire Purchase Income	218100	4209369
	<u>218100</u>	<u>4209369</u>
TOTAL	<u>218100</u>	<u>7113417</u>

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 11 : DIVIDEND & OTHER INCOME		
Dividend on Investments - longterm	201431	150110
Dividend on Others - shortterm	—	45085
Liability no longer required written back	28554019	2756996
Profit on sale of HP/LeasedAssets/Fixed Assets	10363324	51606981
Foreign exchange fluctuation gain	10750788	—
Income from Electricity generation by Windmill	2388470	2111133
Other Receipt	161701	4779782
	<u>52419733</u>	<u>61450087</u>
TOTAL	<u>52419733</u>	<u>61450087</u>

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 12 : EXPENSES ON EMPLOYEES		
Salaries, Bonus & Gratuity etc.	2546663	3094509
Contribution to Provident and other Funds	440111	376385
Staff Welfare	54385	149023
	<u>3041159</u>	<u>3619917</u>
TOTAL	<u>3041159</u>	<u>3619917</u>



SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 13 : OPERATING & ADMINISTRATION		
Rent	551795	620233
Printing & Stationery	491969	407177
Motor Vehicle Expenses	458274	524026
Rates & Taxes	33386	234609
Windmill Project Expenses	543317	288303
Legal charges	2695565	2023106
Travelling and Conveyance Expenses	770715	694257
Repairs & Maintenance (others)	493138	599109
Insurance Premium	128600	33095
Electricity Charges	220654	404399
AUDITORS' REMUNERATION :		
Audit Fees	181997	181995
Tax Audit Fees	38604	38605
Bank Charges	27025	85321
Service charges	—	39865
Advertisement	41873	25157
Consultancy Charges	713099	1255801
Director Fees	167000	166000
Foreign Exchange Fluctuation Loss	—	20579004
Loss on Sale of Hire Purchase Stock / Fixed Asset	10436	6488588
Loss on Conversion of Stock of Shares	—	559537
Miscellaneous Exp	1353264	889096
TOTAL	<u>8920711</u>	<u>36137283</u>
Provisions & Contingencies :		
Provision against N.P.A.	—	6208235
Provision for Doubtful Deposit	—	1376282
Provision against diminution in value of investment	—	49307782
Provision for other receivables	493349	14165079
Provision against Creditors	2932997	—
TOTAL	<u>3426346</u>	<u>71057378</u>

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE 14 : INTEREST & OTHER FINANCE COSTS		
On Fixed Deposits	21908408	20697840
On Term Loans from Financial Institutions & others	17787048	29696613
On Loans from Banks	355676243	312691241
Interest to others	1683	139066
(A)	<u>395373382</u>	<u>363224760</u>
Less : Interest Income		
Interest on delayed payment on lease/hp	3110	27952
Interest others	8774764	2376918
(B)	<u>8777874</u>	<u>2404870</u>
TOTAL (A-B)	<u>386595508</u>	<u>360819890</u>

**SCHEDULE - 15****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS****A. ACCOUNTING POLICIES****1. Principles of Consolidation**

The consolidated financial statements relate to Nicco Insurance Agents & Consultants Ltd. It's subsidiary company. The consolidated financial statements have been prepared on the following basis :

- (i) The financial statements of the company and it's subsidiary company have been combined on a line-to-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses.
- (ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.

2. Other Accounting Policies

These are set out under "Accounting Policies" of the financial statements of Nicco Uco Alliance Credit Ltd. And Nicco Insurance Agents and Consultants Limited.

B. NOTES ON ACCOUNTS

1. The Company has complied with the guidelines issued by the Reserve Bank of India in respect of Prudential Norms for income recognition, accounting standards, provisions/ write-downs of bad and doubtful debts.

2. Contingent Liabilities

- a) Claims/Disputed liabilities not acknowledged as debt.

The Company has received the following demands which are disputed by the Company and are not provided for :

Nature of Contingent liability	Status of the case	As at 31st March 2010 (Rs. lacs)	As at 31st March 2009 (Rs. lacs)
Contingent liability w.r.t Central and State Sales Tax (A.Y. 1995-1996 to 2004-2005)	The disputed demand is pending before W.B.Commercial Taxes Appellate & Revisional Board.	27.50	27.50
Contingent liability w.r.t Income Tax (A.Y. 2000-01, 2001-02 and 2003-04)	The disputed demand was pending before Commissioner (Appeals) - VI	—	114.01
	Total	27.50	141.51

- b) Advance paid / Bank Guarantee of Rs. 26.53 lacs (Previous Year Rs. 26.53 lacs) was issued in favour of Assistant Commissioner of Commercial Tax, Bangalore against an appeal preferred by the company and pending before the Karnataka Appellate Tribunal for Commercial Tax at Bangalore.
- c) In respect of certain future hire purchase instalments of Rs. Nil (Previous Year Rs. 2.27 lacs) against securitisation with bank and financial institution.

3. (a) Wholtime Directors' including Managing Director's Remuneration (Minimum)

(Rs. in lacs)

Particulars	2009-2010	2008-2009
Salary	6.72	6.65
House Rent Allowance / Leased Accommodation	—	0.11
Contribution of Provident Fund	0.81	0.79
Contribution of Superannuation Fund	1.01	1.00
Other benefits	0.01	0.18
Total	8.55	8.73
Directors' Fees	1.67	1.66



- (b) The Managing Director was paid overall remuneration within the sanctioned scale of pay approved by the shareholders at the Annual General meeting held on 28th September, 2005 and subsequently approved by Central Government on 7th August, 2006. However payments made during the F.Y. 2007-08 in terms of the scale approved for the first year crossed the permissible limit by Rs. 2.72 lacs under section 198(4) of the Companies Act, 1956 for which the company has sought the required approval of the Central Government.

The Managing Director of the Company was reappointed for a period of two years, i.e. from 15th April, 2008 to 14th April, 2010. His reappointment alongwith salary and perquisites amounting to Rs. 9.00 lacs per annum were approved by the Board of Directors in its meeting held on 12th April, 2008 and subsequently by the shareholders of the company on 26th September, 2008 in the Annual General Meeting of the company. Approval from Central Government vide letter dated 14th May, 2010 has been received reducing the remuneration to Rs. 8.26 lacs per annum. Board has decided to appeal to Central Government to reconsider the decision and to follow up the pending approval for the excess remuneration paid in the year 2007-08.

4. Subsequent to cessation of SWAP agreement with UCO Bank, foreign currency loan has been valued at the rate prevailing as at close of 31.03.2010 and Rs. 107.51 Lacs (previous year foreign currency fluctuation loss of Rs. 205.79 Lacs, refer Schedule 13) has been taken into profit & loss account as foreign currency fluctuation gain (refer Schedule 11).

5. Related Party disclosures

Related party disclosures as required under Accounting Standard (AS)-18 on 'related party disclosures' issued by the Institute of Chartered Accountants of India are given below :

Name of the Party	Nature of Relationship
1. Subsidiary Company	Nicco Insurance Agents & Consultants Ltd.
2. Associates	Alliance Management & Fiscal Services Ltd.
3. Key Management personnel	Hon'ble Justice N K Bhattacharyya (Retired) Chairman L N Kaul – Managing Director & Company Secretary . J Mukherjee – Chief Financial Officer. S K Saha – Deputy General Manager

Transaction with related parties

Nature of Transaction	31.03.2010 (Rs. In lacs)	31.03.2009 (Rs. In lacs)	Related party's to transaction
Remuneration & others	19.82	19.34	Key Management personnel
Advance recovered	0.00	39.05	Subsidiary Company
Expenses incurred	0.06	1.01	Subsidiary Company
Expenses recovered	1.01	7.97	Subsidiary Company
Balance as on 31.03.2010 :-			
Expenses recoverable	0.06	1.01	Subsidiary Company
Investment in equity (fully provided for)	156.19	156.19	Associate Company
Investment in equity	5.00	5.00	Subsidiary Company

6. Disclosure for Lease under Accounting Standard (AS-19)

All the Lease deals of the company has already been matured. Hence, no separate disclosure under AS-19 is required.

7. Information pursuant to Accounting Standard (AS-22)

In view of uncertainty of future profits for reasons stated in note no. 10 and 11 of Schedule 15B, net deferred tax asset arising as at 31.03.2010 has not been recognized in the books of accounts.

8. The company is primarily engaged in the business of Hire Purchase and Leasing. Revenue from sale of power has not exceeded 10% of total revenue including write back. Hence, there is no other reportable segment as defined under the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
9. There being no indication of decline in net realizable market value below it's carrying cost as per valuers report obtained by the company, impairment of the assets of the company coming under the purview in terms of Accounting Standard 28 has not been considered.
10. RBI has cancelled the Certificate of Registration of the Company to carry out Non-Banking Financial activities of the Company vide it's order dated 31st March, 2005 against which Company has preferred an appeal before appellate authority for NBFC, Joint



NICCO UCO ALLIANCE CREDIT LIMITED

Secretary, Ministry of Finance, Govt. of India, New Delhi which is also pending. In view of the above, the accounts of the company has been prepared on going concern concept based on the legal opinion obtained.

11. a) Uco Bank, the leader of the consortium of bankers, moved an application in the Debt Recovery Tribunal on 29.11.2005 to recover the outstanding dues amounting to Rs. 119.23 crores (previous year Rs. 119.23 crores) pending against the company which the company has contested. The learned D.R.T has passed an order on 01.12.2005 that till disposal of the prayer for interim relief, the company will not deal with or transfer or dispose of any of it's secured properties. However, the company shall carry on it's business as usual.
- b) Uco Bank has filed another application in DRT - I to recover Rs. 327 lacs (previous year Rs. 327 lacs) on account of term loan, matter is pending.
- c) IFCI has filed an application in DRT - I to recover Rs. 62.91 lacs (previous year Rs. 62.91 lacs), matter is pending.
- d) Indus Ind Bank has filed an application in DRT, Chennai to recover Rs. 164.46 lacs (previous year Rs. 164.46 lacs) on account of Securitisation loan which is being contested.
- e) Axis Bank has filed an application in DRT, Chennai to recover Rs. 1368.47 lacs (previous year Rs. Nil) which is also being contested.
- f) International Finance Corporation initiated a suit in the Hon'ble High Court at Calcutta for recovery of a sum of US\$ 26,82,877.73 (previous year US\$ 26,82,877.73) with further interest against the company. The case is being contested.
- g) UCO Bank has taken measure under section 13(4) of the SARFESI Act against the company. The company filed an application under section 17(1) of the said Act.

In the Sarfesi proceedings against the company by UCO Bank, being aggrieved by DRAT's Order, company filed a Writ Petition before Hon'ble High Court, Calcutta and due to some deficiency in the procedure followed by UCO Bank and Ors., High Court Ordered that no coercive steps should be taken by Bank. Bank has appealed against this order.

- h) UTKAL Auto has filed a claim of Rs. 76.90 lacs against the company before Arbitrator at Cuttack. The company has filed a counter claim of Rs. 482.74 lacs against UTKAL Auto before the Arbitrator, which is pending. Necessary action, if any, will be taken on disposal of the arbitration proceedings.
12. (a) The loan accounts of the company amounting to Rs. 120.23 crores (previous year Rs. 121.30 crores) has become NPA in the books of the lenders. The banks/ Financial Institutions have stopped giving statements and confirmations. Interest on these accounts have been provided as per the last agreed rates. However, the said accounts remain unconfirmed.
- (b) Positive balance lying in the current accounts with the members of the consortium bank, i.e, Rs. 162.11 lacs (previous year Rs. 162.11 lacs) in UCO Bank, Rs. 0.19 lac (previous year Rs. 0.19 lac) in Bank of Baroda, Rs. 3.01 lacs (previous year Rs. 3.01 lacs) in Canara Bank, Rs. 0.10 lac (previous year Rs. 0.10 lac) in Central Bank of India, Rs. 0.01 lac (previous year Rs. 0.01 lac) in United Bank of India, Rs. 42.53 lacs (previous year Rs. 42.53 lacs) in Indian Overseas Bank, Rs. 0.05 lac (previous year Rs. 0.05 lac) in State Bank of Mysore and Rs. 0.20 lac (previous year Rs. 0.20 lac) in State Bank of Travancore remain unconfirmed and unaccessible for the reasons stated in point no. 12(a) above.
- (c) Balance of Rs. 1.07 lacs (previous year Rs. 0.95 lac) from other Banks also remain unconfirmed.
- (d) Fixed deposit made by the company with the members of the consortium bank, i.e, Rs. 13.46 lacs (previous year Rs.13.46 lacs) with Bank of Baroda, Rs. 0.05 lac (previous year Rs. 0.05 lac) in Indian Overseas Bank and with other bank amounting to Rs. 0.25 lac (previous year Rs. 0.25 lac) remain unconfirmed and accordingly was provided for.

13. Employee Benefits :

Following adjustments relating to employee benefits have been made in these accounts in keeping with Accounting Standard 15 (Revised) issued by the Institute of Chartered Accountants of India.

- a) Expenses under defined contribution plans in terms of following break up has been recognised during the year. Details as per given below :

Particulars	For the year ended on 31.03.2010 Rs. lacs	For the year ended on 31.03.2009 Rs. lacs
Provident Fund	0.37	0.49
Employees Pension Scheme	0.77	0.93
Employees State Insurance	0.00	0.01
Total	1.14	1.43



b) Particulars in respect of post retirement benefit under defined benefit plans :

Description	Gratuity	Leave Salary	Superannuation	Total
A. Reconciliation of opening and closing balances of obligation	(Funded) (Rs. lacs)	(Funded) (Rs. lacs)	(Funded) (Rs. lacs)	(Total) (Rs. lacs)
a) Obligation as at 01.04.09	7.49	6.73	—	14.22
b) Past Service Cost	—	—	—	—
c) Current Service Cost	0.72	0.09	—	0.81
d) Interest cost	0.58	0.52	—	1.10
e) Actuarial (gain)/loss	(0.74)	(0.45)	—	(1.19)
f) Benefits paid	0.42	0.52	—	0.94
g) Obligation as at 31.03.10	7.63	6.37	—	14.00
B. Change in Plan Assets (Reconciliation of opening & closing balances)				
a) Fair value of plan assets as at 01.04.09	7.74	7.01	—	14.75
b) Expected return on plan assets	0.62	0.56	—	1.18
c) Actuarial (gain)/loss	(0.62)	(0.83)	—	(1.45)
d) Contributions by the employer	0.74	0.00	—	0.74
e) Benefits paid	0.42	0.52	—	0.94
f) Fair value of plan assets as at 31.03.10	9.30	7.88	—	17.18
C. Reconciliation of fair value of plan assets and present value of defined benefit obligation				
a) Present value of obligation as at 31.03.10	7.63	6.37	—	14.00
b) Fair value of plan assets as at 31.03.10	9.30	7.88	—	17.18
c) Amount recognised in the balance sheet	1.67	1.51	—	3.18
D. Expense recognized in the period				
a) Current Service Cost	0.72	0.10	—	0.82
b) Past Service Cost	—	—	—	—
c) Interest Cost	0.58	0.52	—	1.10
d) Expected return on plan assets (gain)/loss	(0.62)	(0.56)	—	(1.18)
e) Actuarial (gain)/loss	(1.36)	(1.29)	—	(2.65)
f) Expense recognised in the period (a to e)	(0.68)	(1.23)	—	(1.91)
E. Assumptions				
a) Discount rate (per annum) (%)				8.00
b) Estimated rate of return on plan assets (per annum) (%)				8.00
c) Inflation rate (%)				5.00
d) Remaining working life (in years)				8
e) Method used			Projected unit credit method	
f) Mortality factor			As per LIC1 1994 - 1996	
g) Staff turnover			10 per / 1000 per annum	
h) Super annuation age			At 60 years	

F. The plan assets created against the Gratuity and Leave Encashment liability of the company wholly comprised of the rights under insurance policies taken from the LIC1.

G. Implementation of revised AS-15 has resulted change in treatment of defined benefit plan which has contributed to decrease in defined benefit obligation by Rs. 1.91 lacs with corresponding decrease in loss by Rs. 1.91 lacs.

H. The entitlement of pension accrues to the eligible employee after completion of 15 years of service beyond a specific grade at normal retirement age. As total service period as on 31.03.2010 is less than 15 years for the concerned employees of the company there is no eligibility for pension as on that date and hence accrued pension as at 31.03.2010 was not valued during actuarial valuation of superannuation fund. However, contribution to the super annuation fund amounting to



Rs. 1.51 lacs (previous year Rs. 1.27 lacs) was made as per the service rules of the company for the eligible employees and was debited to 'Expenses on Employees'.

- I. In respect of Provident funds in the matter of defined benefit plan, in the absence of issuance of Guidance Note from the Actuarial Society of India, it is difficult to get it reliably measured. Therefore, contribution to those provident funds amounting to Rs. 1.11 lacs (previous year Rs. 1.06 lacs) during the year is recognised as expenses and included in 'Expenses on Employees'. Shortfall of Rs. 0.64 lacs (previous year Rs.nil) in contribution to the provident funds in the nature of defined benefit plans is provided to the extent of the information available with the company.
14. Honorable Company Law Board Eastern Region Bench had passed an order vide it's order dated 22nd March, 2005 against Company's petition No. 641(58AA)/ERB/2004 for rescheduling the repayment of Company's Fixed Deposit liability including interest accrued thereon u/s 45QA of the RBI Act. The company had filed an application before CLB in the month of February 2007 to extend the period of payment of these dues and CLB has modified the order dated 22nd March 2005 vide their order dated 28.06.2007 granting an extension of six months on payment of deposit from the date of maturity of deposits from March 2007 and onwards. The said order also stipulates that no interest need to be paid alongwith the last instalment as directed in the original scheme and the question of payment of interest shall be decided later and accordingly interest provided at contracted rate and as per CLB order on outstanding Fixed Deposit liability has been shown as 'interest accrued but not due' under current liability.
- Persuant to an application made by the company u/s 391 and 394 of the Companies Act, 1956 before the Hon'ble High Court, Calcutta to reduce the share capital of the company and issue equity share to the fixed deposit holders in lieu of their outstanding principal as at 01.04.2007, seperate meetings of shareholders and fixed deposit holders were convened as per the order of the Hon'ble High Court, Calcutta under the chairmanship of seperate court appointed chairperson and the scheme was duly approved with requisite majority in both the meetings. The matter is pending before the Hon'ble High Court, Calcutta.
- Company has obtained an interim stay order from Hon'ble High Court Calcutta vide order dated 15th February, 2008 restraining deposit holders from initiating any proceedings against the company and stayed the proceedings already initiated till disposal of the application made by the company u/s 391 and 394 of the Companies Act, 1956 pending before Hon'ble High Court, Calcutta.
- As against the outstanding dues of Rs.2547.91 lacs payable upto 31.03.2010 as per CLB order, the company has paid / adjusted Rs. 532.06 lacs towards Fixed Deposit.
15. Networth of the company has completely been eroded due to large provisioning and huge loss suffered and consequently outstanding balance of fixed deposit has exceeded the ceiling fixed by Reserve Bank of India.
 16. Basic/diluted earning per shares, as required by Accounting Standard (AS-20) " Earning per share", of Rs. -8.77 (previous year Rs. -10.14) has been calculated by dividing the net loss after taxation for the year as per the accounts which is attributable to equity shareholder by 40146773 being the weighted average number of equity shares outstanding during the year.
 17. Disclosure as per Accounting Standard – 29 regarding Provisions, Contingent Liabilities and Contingent Assets :

Particulars	As at 31.03.2010 Other Obligation (Rs. in Lacs)	As at 31.03.2009 Other Obligation (Rs. in Lacs)
Opening Balance	131.58	131.58
Addition	29.33	—
Sub-total	160.91	131.58
Utilisation	—	—
Sub-total	160.91	131.58
Reversal	—	—
Closing Balance	160.91	131.58
Previous Year Balance	131.58	131.58

Interim stay has been vacated by the Hon'ble High Court of Madras which was granted earlier against the applicability of Service Tax on Lease and Hire Purchase transaction and the matter is pending before Supreme Court. Based on the interim stay, Service Tax on financial transaction amounting to Rs.29.33 lacs which was not paid earlier at Southern Division of the company has now being provided for.



18. Reserve Bank of India vide Notification No. DNBS.167/CGN (OPA)-2003 dt. March 29, 2003 has directed that every NBFC shall append to its balance sheet prescribed under the Co's Act 1956, the particulars in the format as set out in the schedule annexed, is complied with.
19. A fire broke out at the Registered office of the company at Nicco House on 27th March, 2009 affecting the operations of the company apart from causing damage to Building, Furniture & Fixture, Computer system, certain records for earlier years. General Diary for fire was lodged by the company and on account payment of Rs. 10 lacs was received which was utilised for repair, renovation and rehabilitation work in the office premises. The said amount was received against claim under relevant policies which was lodged with the Insurance Company awaiting settlement and the amount of settlement will be adjusted in the year of settlement as the amount is unascertained.
20. It has been observed by the management that a fraud had been perpetrated by a few employees of the company during the F.Y. 2008-09 and thereafter. The matter was referred to Deputy Commissioner (Detective Department) Kolkata Police, Lalbazar for further investigation. Two employees were identified as perpetrator of fraud against whom necessary action was taken by police. Investigation is still in progress, impact of which could be ascertained on completion of the investigation. However, based on the prima facie investigation made by the management a sum of Rs. 140.62 lacs has appeared to have been misappropriated by the employees which has been shown under the head " Accounts Receivable - Others " in Schedule 7(c) and has been provided for. Further an amount of Rs. 4.33 lacs and Rs. 2.60 lacs, debited and credited respectively by bank has not been responded in the absence of proper details.
21. On recommendation from Registrar of Companies, Kolkata, Ministry of Corporate Affairs, Government of India directed Serious Fraud Investigation Office to carry out investigation against the company under section 235 of the Companies Act, 1956 which is under progress.
22. Miscellaneous expenses amortised to the extent of Rs. 0.06 lac (previous year Rs. 0.06 lac) charged to Profit & Loss A/c.
23. Nicco Insurance Agents & Consultants Limited is a wholly owned subsidiary company of Nicco Uco Alliance Credit Limited which was incorporated in India.
24. (i) Interest cost includes provision of Rs. 1.57 lacs (previous year Rs. 29.39 lacs) towards penal interest levied by RBI for shortfall in maintenance of SLR.
(ii) Interest is net of Rs. 87.78 lacs (previous year Rs. 24.05 lacs) being interest earned on deposit and others.
25. Other receipts include Rs. 1.25 lacs from rent. HP income includes Rs. 3.63 lacs recovered from NPA parties.
26. Based on the informations available with the company, there are no dues towards Micro and Small Enterprises as on 31.03.2010.
27. The previous year figures have been recast / restated wherever necessary to conform to the current year's classification.

Signature to the Schedules 1 to 15

On behalf of the Board of Directors

As per our Report attached
for SINGHI & CO.
Chartered Accountants
Firm Regn. No. 302049E
L. N. Dey
M.No. 3569
Partner
1B, Old Post Office Street
Kolkata – 700 001
the 31st day of May, 2010

Mr. Debdatta Saila
Mr. L. N. Kaul
Mr. K. K. Chatterjee
Mr. Biswajit Roy
Mr. Bimalendu Sankar Gupta
Mr. J. Mukherjee

Chairman
Managing Director &
Company Secretary
Director
Director
Director
Chief Financial Officer



Nicco Uco Alliance Credit Limited

Registered Office :
Nicco House, 2, Hare Street, Kolkata - 700001
26TH ANNUAL GENERAL MEETING
AT Bengal National Chamber of Commerce & Industry
23, Sir R. N. Mukherjee Road, Kolkata - 700 001
on Wednesday the 29th September, 2010 at 10-30 a.m.

ATTENDANCE SLIP

Folio No. / Client I.D. No., Name & Address of Shareholder

I / We certify that I / We are registered Shareholder(s) of the Company and hold.....shares.

Name of the Proxy in block letters.....

Shareholder's / Proxy's Signature

Note : Shareholder / Proxy holder must bring the Attendance Slip at the meeting and hand over at the entrance, duly signed.



Nicco Uco Alliance Credit Limited

PROXY FORM

I/We.....
of..... being a member / members of Nicco Uco
Alliance Credit Limited hereby appoint of.....
or failing him..... of.....
or failing him..... of.....
as my/our Proxy to attend and vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company, to be held on
Wednesday, the 29th September, 2010 and at any adjournment thereof.

Shareholder(s) Signature.....

Folio No./Client I.D. No.....

No. of shares held.....

Affix
Rs. 1/-
Revenue
Stamp

Note : The Proxy must be returned so as to reach the Registered Office of the Company, Nicco House, 2, Hare Street, Kolkata - 700 001, not less than Forty-eight hours before the time for holding the aforesaid meeting.

BOOK POST



If undelivered please return to :-

NICCO UCO ALLIANCE CREDIT LIMITED

'NICCO HOUSE', 2, HARE STREET

KOLKATA - 700 001

(Creative : 2554 5959)



Annual Report 2009 - 2010

NICCO UCO ALLIANCE CREDIT LIMITED