



26TH ANNUAL GENERAL MEETING

Date : 29th September, 2011
 Day : Thursday
 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 27th May, 2011)

Mr. Debdatta Saila
Mr. Lakshmi Narain Kaul
Mr. Kartick Kumar Chatterjee
Mr. Bimalendu Sankar Gupta
Mr. Biswajit Roy

Chairman (Independent 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.
1st Floor, 7A, Beltala Road
Kolkata - 700 026
Ph. No. : (033) 2419-2641/2642
Fax No. : (033) 2463-1658
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 Seventh Annual General Meeting to the Members**

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on Thursday, the 29th September, 2011 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, 2011 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. D. Saila, who retires by rotation and, being eligible, offers himself for re-appointment.
(b) To appoint a Director in place of Mr. K. K. Chatterjee, 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 Seventh 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".

Registered Office :
NICCO HOUSE
2, Hare Street
Kolkata - 700 001
Date : 27th May, 2011

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 Thursday, the 22nd September, 2011 to Thursday, the 29th September, 2011, 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 Seventh Annual General Meeting
(In pursuance of Clause 49VI(A) of Listing Agreement)**

Name of the Director	Mr. D Saila	Mr. K. K. Chatterjee
Date of Birth	15.11.1940	09.01.1957
Date of appointment	27.03.2006	21.06.2004
Expertise	Wide experience in Corporate Accounts and Secretarial activity.	Wide experience in Legal field and Corporate affairs.
Qualifications	M.COM, I.C.W.A., C.S.	B.A (ECO), M.Com, LL.B, MBA
List of other Companies in which directorship held	Nil	Nil
Membership/Chairmanship of Committee of Directors of the Company	Audit Committee - Chairman Remuneration Committee - Chairman	Audit Committee - Member, Shareholders' Grievances Committee - Member, Remuneration Committee - Member



REPORT OF THE DIRECTORS For the year ended 31st March, 2011

The directors hereby present their 27th Annual Report together with the audited statement of accounts for the year ended 31st March 2011.

1. FINANCIAL RESULTS

Rs. In Lacs

	2010-11	2009-10
Loss before Tax	4029.49	3519.24
Less : Provision for Taxation/Fringe benefit Tax	—	0.43
	4029.49	3519.67
Add : Balance of Loss brought forward from last year	36813.25	33293.57
Transfer to Balance Sheet	40842.74	36813.24

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 to nil because 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 and pursued settlement route wherever there was a reciprocation from other side because resorting to legal recourse was not yielding desired result and was adversely impacting cash flow. In the year under review company has made collection from clients at Raipur and Ahmedabad which was over due.

Efforts are on for out of court settlement with UCO Bank/Leader of the Consortium of banks and the company is hopeful that a settlement with them shall be reached in the current financial year.

Scheme of arrangement for reorganization of share capital of the company and compromise with fixed deposit holders under Sec. 391 & 394 of the Companies Act, 1956 is pending before Hon'ble High Court, Calcutta. However, company is paying to such depositors who are approaching company on hardship conditions provided fund flow permits.

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. AXIS Bank and Indusind Bank for their respective Securitised loan filed separate suit in DRT Court in Chennai. IFCI not being part of Consortium of Banks, had filed a separate suit in DRT Kolkata for their share of loan. IFCW had filed a suit in Kolkata for recovery of its old loan. All these cases are being contested by the Company.

In the Sarfaeci proceeding against the company initiated by UCO Bank with other Consortium of 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., the said Court Ordered that no coercive steps should be taken by Bank. Bank had appealed against this Order which is pending.

4. FIRE AT NICCO HOUSE :

As reported earlier, company had to do various repairs and rehabilitation work amounting to Rs. 28,41,472/-, against which Insurance company has reimbursed to the extent of Rs. 16,18,693/-.

Various modern Fire Prevention Instruments had been installed including erection of 2 ways stair-case in Nicco House for which company had contributed proportionately and it is expected that by September '11 this system will be operational.

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

On completion of investigation a report by SFIO had been sent to Central Government, Ministry of Corporate Affairs, New Delhi for necessary direction in the matter with a copy to the company which was received on 29th June, 2010. As required, company had informed all the concerned about the charges levelled against them. Till date, no communication and/ or action had been initiated by Central Government Ministry of Corporate Affairs, New Delhi.

6. MIS-APPROPRIATION OF COMPANY'S FUND :

Investigation by DCDD, Lal Bazar, Kolkata against two employees who misappropriated company's fund is on the verge of completion shortly. Company is exploring the possibility to file another case in a forum for recovery of misappropriated fund.



On termination of service of two employees following domestic enquiry, one of the employees had moved City Civil Court for injunction which was not granted by the Court and the matter is pending before the court.

7. SUBSIDIARY COMPANY :

The wholly owned subsidiary, Nicco Insurance Agents and Consultants Ltd. (NIACL) has incurred a loss of Rs. 0.42 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.) who was suffering for quite sometime succumbed to his illness on 4th March '11. Company records its deep appreciation for the valuable services and guidance rendered by late Justice N. K. Bhattacharyya during his tenure as Chairman/Director.

Mr. D. Saila and Mr. K. K. Chatterjee retire by rotation in the ensuing Twenty Seventh Annual General Meeting and being eligible offer themselves for reappointment.

Mr. L. N. Kaul, Managing Director has refunded an amount of Rs. 3,74,808/- to the company as excess remuneration drawn by him as Managing Director during the period 2007- 2011, pending an appeal lying before Ministry of Corporate Affairs, Govt. of India.

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 31,2011, 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, 2011;
- (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, 2011 have been prepared on a going concern concept based on legal opinion obtained pending 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.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(b) to (e) in Schedule 15B in this regard. Necessary action, if any, will be taken on disposal of the cases.
- (a)(iv) Please refer to note no.11(f) of Schedule 15(B). The case is being contested.
- (a)(v) Please refer to note no.11(g) of Schedule 15(B). The case is pending before High Court, Calcutta.



- (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.
- (c) 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 it's right over such asset. Hence, provisioning on unconfirmed current account balance was not felt necessary.
- (d) Please refer to Note No. 21 in Schedule 15B in this regard. The investigation conducted by SFIO is on the verge of completion.
- (e) As already explained in note 15(B) the Company could not transfer the fund due to critical financial condition.
- (f) The major fixed assets are being inspected by the Directors/Senior officers during the year.

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)(c) 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. Please also refer note no. 27 of Schedule 15(B) in this regard.
- (4) 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.
- 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. However, some initiation has been taken by the company as mentioned in note (29).

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.

27th May, 2011

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, Fixed Deposit Holders and Shareholders may improve the position in the long run.

HUMAN RESOURCES :

The relation with employees continues to be cordial and harmonious.

Kolkata

27th May, 2011

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

Your Company continues to practice transparency in its dealings with emphasis on integrity and compliance of regulatory provisions. It attaches great importance to practice of good corporate governance for meeting the interests and aspirations of the stakeholders. Your Company has implemented the mandatory requirements regarding Corporate Governance as mentioned in Clause 49 of the Listing Agreements.

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 an independent director but he is neither an Executive nor a Promoter, Managing Director and three non-executive directors, of which two are independent directors, forms the full strength of five 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 shares held in the Company
1.	Hon'ble Justice N. K. Bhattacharyya * (Retired)	Chairman & Independent	Nil	No	—
2.	Mr. L. N. Kaul	Managing Director & Company Secretary	5	Yes	1
3.	Mr. Kartick Kumar Chatterjee	Non-Executive	5	Yes	180
4.	Mr. Biswajit Roy	Independent Non-Executive	5	No	—
5.	Mr. Debdatta Saila **	Non-Executive Independent Director	5	No	—
6.	Mr. Bimalendu Sankar Gupta	Independent Non-Executive	5	Yes	—

* Due to failing health relinquished the position of Chairman from 30th May, 2010 and ceased to be a director from 4th March, 2011 on his death.

** Elevated to the position of Chairman w.e.f. 31st May, 2010.

** Aforesaid directors do not hold directorship, membership/chairmanship of committee in any other company.

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.

B. Number of Board Meetings

During the year, 2010-2011 Board Meetings were held on 14th April, 2010, 31st May, 2010, 31st July, 2010, 10th November, 2010, 11th February, 2011.

C. Code of Conduct

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

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;



NICCO UCO ALLIANCE CREDIT LIMITED

- 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

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, 2011 forms part of this Annual Report.

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.

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 Independent & Non-executive	Chairman	5
2.	Mr. K. K. Chatterjee Non-executive	Member	5
3.	Mr. B. S. Gupta Independent & Non-executive	Member	5



Managing Director & Company Secretary, Chief Financial Officer, Deputy General Manager, representative of the Statutory Auditors and Head of Internal Auditors are invitees to the Audit Committee Meetings.

Managing Director & Company Secretary acts as Secretary to the Audit Committee.

II. Meetings

During the financial year ended March 31, 2011, the Audit Committee met on following dates :-

14th April, 2010, 31st May, 2010, 31st July, 2010, 10th November, 2010, 11th February, 2011.

III. Terms of reference :

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

- a) 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.
- a) 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.
- b) To investigate any activity within its terms of reference.
- c) To seek information from any employee.
- d) To obtain outside legal or other professional advice.
- e) 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 regulations 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) Reviewing financial and risk management policies (this does not apply considering the very limited function of the company at present).

**4. Remuneration Committee :**

i) 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 2010-2011**(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	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. L. N. Kaul **	None	Nil	N.A.	6.72	1.82	0.01	8.54
Mr. Kartick Kumar Chatterjee	None	0.41	N.A.	N.A.	N.A.	N.A.	0.41
Mr. Biswajit Roy	None	0.23	N.A.	N.A.	N.A.	N.A.	0.23
Mr. Debdatta Saila ***	None	0.38	N.A.	N.A.	N.A.	N.A.	0.38
Mr. Bimalendu Sankar Gupta	None	0.41	N.A.	N.A.	N.A.	N.A.	0.41
TOTAL :		1.43		6.72	1.82		9.97

- (1) * Justice N. K. Bhattacharyya (Retd.) who was not maintaining good health for sometime, expired on 4th March, 2011.
- (2) ** The Service contract of Managing Director & Company Secretary was for two years and it expired on 14th April, 2010. Board renewed it further for 3 years from 15th April, 2010 to 14th April, 2013 and the notice period is 6 months from either side or 6 months' salary in lieu thereof.
- (3) *** Elevated as Chairman w.e.f 31st May, 2010.
- (4) There is no stock option extended to any director/executive.
- (5) Managing Director & Secretary has repaid the excess remuneration drawn between the period 2007-08 and 2010-11 amounting to Rs. 3.74 lacs on 25th May, 2011.

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.

ii) Remuneration Committee consists of the following Directors :

- | | | | | |
|---------------------------------|---|----------|---|-----------------------------|
| 1. Mr. D. Saila | – | Chairman | - | Independent & Non-executive |
| 2. Mr. Kartick Kumar Chatterjee | – | Member | - | Non-executive |
| 3. Mr. B. S. Gupta | – | Member | - | Independent & Non-executive |
| 4. Mr. Biswajit Roy | – | Member | - | Independent & Non-executive |

iii) One meeting of Remuneration Committee was held during the year viz. 14th April, 2010. It was attended by full strength of the Committee.

iv) In the Board Meeting held on 14th April'10 the term of Managing Director and Company Secretary, Mr. Lakshmi Narain Kaul was renewed for 3 years i.e from 15th April'10 to 14th April'13 at a Basic Salary of Rs.66000/- per month and terminal benefits as per the rules of the company. Shareholders in the Annual General Meeting held on 29th September'10 approved unanimously the term and remuneration as approved by the Board of Directors.

Central Government vide its letter dt.15th February'11 approved the annual remuneration of Managing Director and Company Secretary, Mr. Lakshmi Narain Kaul at a reduced remuneration of Rs.8,26,092/- . An appeal has been made to Central Government to reconsider the matter and it is pending.

5. Shareholders' / Investors' Grievance Committee

The Committee consists of the following Directors and Managing Director :

- | | | | | |
|-------------------------|---|----------|---|---------------------------------------|
| 1. Mr. B. S. Gupta | – | Chairman | - | Independent & Non-executive |
| 2. Mr. K. K. Chatterjee | – | Member | - | Non-executive |
| 3. Mr. L. N. Kaul | – | Member | - | Managing Director & Company Secretary |



One meeting of Shareholders' Grievance Committee was held during the year viz 31st March, 2011. It was attended by full strength of the Committee.

All shareholders' 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, 2010 to March 31, 2011

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).	8	8	—
Miscellaneous correspondence/ complaints received other than above category.	2	2	—
Total	10	10	—

* Note : The Company confirmed that there were no share transfers lying pending as on 31.03.2011, 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
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
2009-2010	29.09.2010	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 2007-2008 & 2008-2009 no Special Resolutions were passed except for in the financial year 2009-2010 where a special Resolution was passed for re-appointment of Managing Director & Company Secretary. No special Resolution was passed by Postal Ballot in previous year and in the previous year and there is no proposal to pass any Special Resolution through 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 2010-11.

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 Bombay Stock Exchanges and published in prominent daily newspapers viz. The Echo of India and Aarthik Lipi (Bengali) newspaper. Since the company does not have its own website, it sends its Quarterly/Annual Financial Results to Bombay Stock Exchange in such a form so that they can put it on their own Website.

**9. General Shareholders' Information**

I. Annual General Meeting is proposed to be held on Thursday, the 29th September, 2011.

Time : 10.30 A.M.

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

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 27th 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 (tentative and subject to change)

1st Quarterly Results

2nd Quarterly / Half Yearly Results Within 45 days of the end of the quarter.

3rd Quarterly Results

Audited Yearly Results for the Year ending 31st March, 2012 Within 60 days of the end of the Financial Year.

10. Dates of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from Thursday, the 22nd September, 2011 to Thursday, the 29th September, 2011 (both days inclusive).

11. Dividend Payment

In view of the present financial condition of the company, no dividend is recommended for the financial year 2010-2011.

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

The Company's Equity shares are listed on the Stock Exchange in Mumbai only and the listing fees for the period 2011-2012 have been paid.

Stock Code :

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

ISIN Code for the Company

Equity Shares : INE917B01015

Company Identification No. (CIN) : L65910WB1984PLC037614

Table - 6 : Stock Market Price data for the year**NUACL Share Price in BSE**

Month	B S E		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April 2010	1.68	1.35	18047.86	17276.80
May 2010	1.53	1.11	17536.86	15960.15
June 2010	1.29	1.06	17919.62	16318.39
July 2010	1.34	1.09	18237.56	17395.58
August 2010	1.31	1.12	18475.27	17819.99
September 2010	1.47	1.10	20267.98	18027.12
October 2010	1.65	1.21	20854.55	19768.96
November 2010	1.56	1.17	21108.64	18954.82
December 2010	1.50	1.04	20552.03	19074.57
January 2011	1.24	0.89	20664.80	18038.48
February 2011	1.10	0.72	18690.97	17295.62
March 2011	0.78	0.61	19575.16	17792.17



13. Distribution of Shareholding as on March 31st, 2011

Table – 7

Category of Shares	Nos. of Holders	%	Total Shares	%
1 – 100	16202	61.01	924564	2.53
101 – 500	7645	28.79	1709658	4.66
501 – 1000	1389	5.23	1087001	2.96
1001 – 5000	999	3.76	2308321	6.29
5001 – 10000	152	0.57	1159192	3.16
10001 & Above	171	0.64	29482600	80.40
	26558	100.00	36671336	100.00
Total Shareholding in CDSL			3475437	
Total			40146773	

14. Pattern of Shareholding as on March 31st, 2011

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.	FIIIS	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
	Non-Promoters's Holding :	29164593	72.64
	GRAND TOTAL	40146773	100.00



15. Dematerialisation of Shares

As on March 31, 2011, 58.92 % of the Company's total shares representing 23655991 shares were held in dematerialised form and the balance 41.08 % representing 16490782 shares were held in physical form.

16. Secretarial Audit :

As stipulated by Securities and Exchange Board of India (SEBI) a practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to Bombay Stock Exchange and is also placed before the Board of Directors.

17. Share Transfer Committee

The members of this committee are :

1. Mr. L. N. Kaul - Managing director & Company Secretary
2. Mr. Jayanta Mukherjee - Chief Financial Officer

The meeting of this Committee is convened every month 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 alongwith the details of Share Transfers.

No sitting fee is paid to members for attending such meeting.

18. Share Transfer System

To ensure that all matter relating to transfer of shares, issue of duplicate certificates after splits/consolidation/renewal and rematerialisation of shares are processed and dispatched within 30 days from the date of receipt as per the requirement of listing agreement. A brief report along with status of transfer of important nature is reported to the Board regularly and the details of Share Transfer are placed before the Board regularly for information.

19. 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. **nuaclcomplaints@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.

20. Share Transfer Agent

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

R & D Infotech Pvt. Ltd.
1st Floor, 7A, Beltala Road,
Kolkata - 700 026
Phone No. : 91-33-24192641, 91-33-24192642
Fax No. : 033-24631658
E-mail: rdinfotech@yahoo.com

CONTACT PERSON : MR. RATAN MISHRA
Director

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. 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.

**21. Non-mandatory requirements**

Non Mandatory requirements are not complied with by the Company.

22. CEO/CFO Certificate

Managing director & Company Secretary and Chief Financial Officer of the Company have issued necessary certificate pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchange and the same is attached and forms part of the Annual Report.

23. 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

E-MAIL : nufscal@gmail.com

E-MAIL : GRIEVANCE REDRESSAL DIVISION/COMPLIANCE OFFICER :

nuaclcomplaints@yahoo.com

Contact person : Mr. L. N. KAUL, MANAGING DIRECTOR & COMPANY SECRETARY

On behalf of the Board of Directors

Kolkata

27th May, 2011

Debadatta Saha

Chairman

Annexure - C

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and senior management personnel of the Company. All the Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial year ended 31st March,2011 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

Kolkata

27th May, 2011

L. N. KAUL

Managing Director &
Company Secretary



NICCO UCO ALLIANCE CREDIT LIMITED

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, 2011 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 sends its Quarterly / Annual audited results to the Stock Exchange in such a form, so that they can put it on their own website.*
- b) *The Company does not have a risk assessment and minimization procedure.*
- c) *The distribution of shareholding with CDSL has not been furnished in the absence of availability of data from them.*

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 27th day of May, 2011



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, 2011, 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, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the 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, 2011 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.*

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.

- (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 No. 11(b) to 11(e) regarding applications filed by various banks and financial institutions to DRT and DRT 1 to recover their dues.*
- (iv) *Note No. 11(f) regarding suit initiated by International Finance Corporation in High Court at Calcutta.*
- (v) *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.*
- 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. 12(a) 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.

Current account balances with consortium and other banks include an amount of Rs. 209.25 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. Refer Note No. 12(b) & (c) of Schedule 15B.

- d) **Note No. 21 regarding Serious Fraud Investigation against the company on recommendation of Registrar of Companies (ROC).**
- e) *Non transferring of Rs. 16.48 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. Refer Note No. 15 (b) of Schedule 15B.*
- f) *Non ascertainment of impairment of assets as required by AS-28.*

and read with other notes and in particular note no 3(b) and 11(h) in Schedule 15(b) 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, 2011;
- (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 27th day of May, 2011

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), fixed asset register was damaged; however the same is yet to be prepared.*
- Further, in the absence of Fixed Asset register, the Company is unable to identify the assets lost due to fire in 2009/sold during the year. Accordingly the same has not been accounted for.*
- (b) *According to the information and explanations given to us, physical verification of Fixed Assets has not been carried out during the year; hence shortage, excesses if any has not been ascertained. Consequently 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. *Physical verification for the same has not been done during the year. However as explained to us, there is little scope for doing the same.*
- (b) *Since the company has not conducted the physical verification of its inventories the question of following proper procedure does not arise.*
- (c) All Assets under Hire Purchase have turned Non Performing Assets in the books of the company and necessary provision has been made for the same. *List of such inventories submitted to us was not complete. We are unaware of any record*



available with the company in this regard in the light of the fire which took place in the office as mentioned in Para 1(a) above.

3. (a) According to the information and explanations 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 unsecured advances given to its subsidiary company, the maximum amount of which outstanding at any time during the year and closing balance as on 31.03.2011 was Rs. 5.12 Lacs and Rs. 0.35 Lacs respectively. As explained to us the above advance is repayable on demand. Accordingly clause 4(III) (b) to (d) of the order are not applicable.
- (b) According to the information and explanations 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 clause 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, *considering the financial position, size and the nature of the business of the company, we observed weakness in the system of internal control in respect of physical verification and control over its fixed assets and current assets, non-reconciliation of Income & Expenditure, Assets & Liabilities, repayment of Fixed deposits, etc, which needs improvement. Refer para 1, 2, 9 and 14 in this regard.*
5. 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 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 2011 exceeded the ceiling limit fixed by Reserve Bank of India by Rs. 1982.04 Lacs (refer note no 15(a) of Schedule 15B) 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 Reserve Bank of India 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, as stated, 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. Refer Note No. 10 of Schedule 15B.*
 - c) *Honourable 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 31.03.2011 there was default of Rs. 1982.04 Lacs in repayment of fixed deposit dues vis-a-vis the amount supposed to be paid as per Company Law Board (CLB) schedule. Refer Note No. 14 (a) & (d) of Schedule 15B.*
 - d) *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. Refer Note No. 14(b) of Schedule 15B.*
 - e) *The Company has not complied with prescribed liquidity requirement of Reserve Bank of India.*
8. The Company has given yearly maintenance job of its Wind Mills to outside agencies on contract. As explained to us, there are no other costs for which cost records are to be maintained.
9. (a) According to the records of the company, during the year 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, *except for default in deposit of Service Tax amounting to Rs. 1,06,306/- , Profession tax amounting to Rs. 8,020/-, Tax Deducted at Source (TDS) amounting to Rs. 26,311/- and unclaimed Fixed Deposits as referred to in Para no 6 (e) of our audit report in this regard.*



NICCO UCO ALLIANCE CREDIT LIMITED

10. (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 any dispute and the forum where the disputes are pending are as under :

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)*	Forum where pending
Central and States Sales Tax Laws	Central and State Sales Tax	27.50	W.B. Commercial Taxes Appellate and Revisional Board.
Karnataka Sales Tax Act, 1957	State Sales Tax	26.53	Karnataka High Court.
	Total	54.03	

* The above figures are as per the information made available to us.

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. 20518.53 Lacs provided for the period February, 2004 to March, 2011 remain unpaid. Working capital, term Loan to the tune of Rs. 12013.68 Lacs and securitisation installment payable to the extent of Rs. 992.95 Lacs 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 records of transactions and contracts in respect of shares, securities, debentures and other investments *however the same is not updated.* 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 others 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. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

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 27th day of May, 2011

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share Capital	1	401012730	401012730
Reserves & Surplus	2	47848793	47849900
		<u>448861523</u>	<u>448862630</u>
LOAN FUNDS :			
Secured Loans	3	3253221353	2831193595
Unsecured Loans	4	171206780	200647632
		<u>3424428133</u>	<u>3031841227</u>
		<u>3873289656</u>	<u>3480703857</u>
APPLICATION OF FUNDS :			
Gross Block	5	929486505	948482980
Less : Depreciation		643764371	641217150
Less : Accumulated Lease adjustment		209281957	209281957
Net Block		76440177	97983873
Add : Capital Work in Progress		799600	799600
		<u>77239777</u>	<u>98783473</u>
Investments	6	113714524	113714522
Current Assets, Loans & Advances	7		
Inventories		956364794	956364794
Sundry Debtors		30626304	29873057
Other Current Assets		16718362	23208513
Cash & Bank Balances		87634506	87277016
Loans & Advances		139389775	139185266
		<u>1230733741</u>	<u>1235908646</u>
Less : Current Liabilities & Provisions	8		
Current Liabilities		306267873	329756401
Provisions		1326404936	1319270935
Net Current Assets		<u>(401939068)</u>	<u>(413118690)</u>
Miscellaneous Expenditure	9	—	—
(To the extent not w/off or adjusted)			
Debit balance in Profit & Loss Account		4084274423	3681324552
		<u>3873289656</u>	<u>3480703857</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 27th day of May, 2011

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

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

	Schedule	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
REVENUE :			
Income From Operations	10	—	218100
Dividend & Other Income	11	48331694	52419733
Prior Period Incomes (Net)		576287	—
TOTAL		<u>48907981</u>	<u>52637833</u>
EXPENDITURE :			
Employee Costs	12	2857183	3041160
Operating & Administration Expenses	13	6908693	8891462
Interest & Other Finance Costs	14	432411863	386595508
Depreciation		2546113	2608002
TOTAL		<u>444723852</u>	<u>401136132</u>
Profit / (Loss) before Tax and Other Adjustments		<u>(395815871)</u>	<u>(348498299)</u>
Less : Provisions/Contingencies including write off	13	7134000	3426346
Profit / (Loss) before Tax		<u>(402949871)</u>	<u>(351924645)</u>
Less : Provision for Tax		—	—
Less : Provision for Tax for earlier years		—	42637
Profit / (Loss) after Tax		<u>(402949871)</u>	<u>(351967282)</u>
Add : Balance of Profit / (Loss) Brought Forward from last year		<u>(3681324552)</u>	<u>(3329357271)</u>
		<u>(4084274423)</u>	<u>(3681324552)</u>
Profit available for appropriation :			
Balance carried to Balance Sheet		<u>(4084274423)</u>	<u>(3681324552)</u>
TOTAL		<u>(4084274423)</u>	<u>(3681324552)</u>
Basic & Diluted EPS		(10.04)	(8.77)
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 27th day of May, 2011

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2011**

(Pursuant to Clause 32 of Listing Agreement)

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended	For the year ended
	31st March, 2011	31st March, 2010
	Rs.	Rs.
Net Profit/(Loss) before tax & extraordinary items	(402949871)	(351924645)
Add/(Less) : Adjustments for		
Depreciation	2546113	2608002
Provisions for debts, leave salary	7134000	3426346
Dividend on investments	(230279)	(201431)
Profit on sale of fixed assets	(660272)	(10363324)
Loss on sale of fixed assets/Hire Purchase stock	199775	10436
Liability no longer required written back	(44388403)	(28554019)
Foreign exchange fluctuation loss / (gain)	(903744)	(10750788)
Bad Debt Written off	20341	—
Interest (net)	432411863	386595508
Operating profit / (loss) before working capital changes	(6820477)	(9153915)
(Increase)/Decrease in trade receivable	8011698	1024013
(Increase)/Decrease in stock of H.P.	—	17156614
(Increase)/Decrease in loans & advances	(204509)	(939933)
Increase/(Decrease) in trade payables	1667715	(10940072)
Cash generated from operations	2654427	(2853293)
Interest paid	(535413)	(102954)
Tax Paid	—	(249212)
Cash flow before extraordinary items	2119014	3205459
Net Cash from operating activities	2119014	3205459
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(343250)	(855210)
Sale of fixed assets	19800225	11327856
Interest received	1480948	9889549
Dividend received on investments	230279	201431
Net Cash used in investing activities	21168202	20563626
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (repayment) of borrowings	(22929726)	(11012052)
Dividend paid and Tax thereon	—	—
Net Cash used in financing activities	(22929726)	(11012052)
Net increase/(decrease) in cash and cash equivalents	357490	6346115
Opening cash and cash equivalents	87277016	80930901
Closing cash and cash equivalents	87634506	87277016

Notes :

- Above statement has been prepared in indirect method except in case of interest 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 31.03.11	As on 31.03.10
a) Fixed Deposit with banks 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 banks	1.05	1.07
Total	223.01	223.03

- Negative figures indicate cash outflow.

- Figures for the previous year have been regrouped / restated 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 27th day of May, 2011

Mr. Debdatta Saila

Mr. L. N. Kaul

Mr. K. K. Chatterjee

Mr. Biswajit Roy

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Mr. J. Mukherjee

Chairman

Managing Director &

Company Secretary

Director

Director

Director

Chief Financial Officer



NICCO UCO ALLIANCE CREDIT LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

		As at 31st March, 2011 Rs.	As at 31st March, 2010 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	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.


SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 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	44628	45735
Less : Prorata Adjustment of Fixed Assets (Refer Schedule - 5)	<u>1107</u>	<u>1107</u>
	43521	44628
Capital Reserve III		
On amalgamation of Nicco Investments Ltd.	1000000	1000000
Total Capital Reserve	<u>1064021</u>	<u>1065128</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>47848793</u>	<u>47849900</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

	As at 31st March, 2011 Rs.	As at 31st March, 2010 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	83671632	84575376
Industrial Finance Corporation of India (refer point no. 12 (a) in schedule 15B)	3837053	3837053
3. Interest accrued and due	2051853332	1628921831
TOTAL	<u>3253221353</u>	<u>2831193595</u>

(Term Loan including accrued interest repayable within next 1 year amounts to Rs. 21858.46 lacs, previous year Rs. 17638.19 lacs)

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 4 : UNSECURED LOANS		
Fixed Deposits	171206780	200647632
TOTAL	<u>171206780</u>	<u>200647632</u>

(Repayable within next 1 year amounts to Rs. 1982.04 lacs including unclaimed fixed deposit amounting to Rs. 269.97 lacs shown under current liability, in Schedule 8, as per modified CLB order, previous year Rs. 2171.29 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 2010	Addition/ Adjusted during the year	Sold/ Adjusted during the year	As at 31st March 2011	As at 1st April 2010	Provided/ Adjusted during the year	Deductions/ Adjusted during the year	As at 31st March 2011	As at 1st April 2010	Provided during the year	Sold/ Adjusted during the year	As at 31st March 2011	As at 31st March 2010
OWN ASSET													
Land	47984670	—	19339728	28644942	—	—	—	—	—	—	—	28644942	47984670
Building	23163692	—	—	23163692	6623163	368857	—	6982020	—	—	—	16181672	16540529
Furniture, Fixture & Office Eqmpt.	19357634	343250	—	19701084	19251777	21502	—	19273279	—	—	—	427805	106057
Motor Car	3921792	—	—	3921792	3921047	—	—	3921047	—	—	—	745	745
Windmill	36100798	—	—	36100798	24863452	1714788	—	26578240	—	—	—	9522558	11237346
Machinery	12669627	—	—	12669627	8683088	452073	—	9135161	—	—	—	3534466	3986539
Sub Total	143198413	343250	19339728	124201936	63342527	2547220	—	65689747	—	—	—	56312188	79855683
Previous Year	145418275	55610	2275472	143198413	62030312	2612719	1300504	63342527	—	—	—	79855684	—
For Lease Activities													
Finance Lease : Computer & accessories	91475691	—	—	91475691	76312549	—	—	76312549	12077167	—	—	3085975	3085975
Machinery	38589571	—	—	38589571	230526700	—	—	230526700	140407630	—	—	14965241	14965241
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	209281961	—	—	18127989	18127989
Previous Year	805284567	—	—	805284567	577874618	—	—	577874618	209281961	—	—	18127989	—
Total of Current Year	948482980	343250	19339728	929486503	641217150	2547220	—	643764365	209281961	—	—	76440177	97983873
Capital W.I.P. of C. Year	799600	—	—	799600	—	—	—	—	—	—	—	799600	799600
G. Total of Current Year	9949282580	343250	19339728	930286103	641217150	2547220	—	643764365	209281961	—	—	77239777	98783473
Previous Year Total	950702842	55610	2275472	948482980	639904930	2612719	1300504	641217150	209281957	—	4055927	97983873	—
P. Year Capital W.I.P.	—	799600	—	799600	—	—	—	—	—	—	—	799600	—
G. Total of Previous Year	950702842	855210	2275472	949282580	639904930	2612719	1300504	641217150	209281957	—	4055927	99783473	—

* 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 BALANCE SHEET

SCHEDULE 6 : INVESTMENTS

LONG TERM INVESTMENTS - OTHER THAN TRADE	AS AT 1ST APRIL 2010			PURCHASED / ADJUSTED DURING THE YEAR			SOLD / ADJUSTED DURING THE YEAR			AS AT 31ST MARCH 2011		
	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT
	No.	Rs.	Rs.	No.	Rs.	Rs.	No.	Rs.	Rs.	No.	Rs.	Rs.
1. GOVERNMENT SECURITIES												
NSC (VIII th Issue)	—	—	15000	—	—	—	—	—	—	—	—	15000
	—	—	15000	—	—	—	—	—	—	—	—	15000
2.A. EQUITY SHARES (QUOTED)												
Nicco Corporation Ltd.	4093575	2	62376305	—	—	—	—	—	—	4093575	2	62376305
Nicco Parks & Resorts Ltd.	3300	10	34650	29700	—	—	—	—	—	33000	1	34650
Alliance Management & Fiscal services Ltd.	3582400	10	15619264	—	—	—	—	—	—	3582400	10	15619264
Hanuman Tea Co. Ltd.	14500	10	73150	—	—	—	—	—	—	14500	10	73150
Amrit Enterprise Ltd.	2000	10	1	—	—	—	—	—	—	2000	10	1
G R Magnets Ltd.	30000	10	147000	—	—	—	—	—	—	30000	10	147000
Bhagavathi Gas Ltd.	400	10	920	—	—	—	—	—	—	400	10	920
G.S.L. (India)	886509	10	21719470	—	—	—	—	—	—	886509	10	21719470
Indian Overseas Bank	2900	10	69600	—	—	—	—	—	—	2900	10	69600
Amrit Banaspati Company Ltd.	1500	10	15000	—	—	—	—	—	—	1500	10	15000
Archie Greeting Ltd.	700	10	31745	2800	—	—	—	—	—	3500	2	31745
Bata India Ltd.	750	10	77850	—	—	—	—	—	—	750	10	77850
DIC India Ltd.	1000	10	119900	—	—	—	—	—	—	1000	10	119900
Colgate Ltd.	750	1	187418	—	—	—	—	—	—	750	1	187418
Crystal Cables Ltd.	25000	10	—	—	—	—	—	—	—	25000	10	—
Eveready Industries Ltd.	3333	5	59327	—	—	—	—	—	—	3333	5	59327
McLeod Russel	3333	5	—	—	—	—	—	—	—	3333	5	—
Ricoh India	300	10	3687	—	—	—	—	—	—	300	10	3687
Hanuman Tea Ltd.	7500	10	—	—	—	—	—	—	—	7500	10	—
HCL Infosys Ltd.	1500	2	114000	—	—	—	—	—	—	1500	2	114000
Hindustan Unilever	2000	1	476400	—	—	—	—	—	—	2000	1	476400
Mawika Steel Ltd.	16900	10	—	—	—	—	—	—	—	16900	10	—
Passari Spinning Mills Ltd.	500	10	1860	—	—	—	—	—	—	500	10	1860



SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 6 : INVESTMENTS (Continued)

LONG TERM INVESTMENTS - OTHER THAN TRADE	AS AT 1ST APRIL 2010				PURCHASED / ADJUSTED DURING THE YEAR				SOLD / ADJUSTED DURING THE YEAR				AS AT 31ST MARCH 2011			
	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	
																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	2250	—	—	—	—	—	—	—	—	2500	1	85200	
Timex Watches Ltd.	1000	1	—	—	—	—	—	—	—	—	—	—	1000	1	—	
	8675306	—	101342277	34750	—	—	—	—	—	—	—	—	8710056	—	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	
Coromandal Stamping Stones Ltd.	10000	10	1	—	—	—	—	—	—	—	—	—	10000	10	1	
BesantRaj 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 Finease 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	2	—	—	—	—	—	—	—	—	—	100000	10	2	
C. K. Exim Pvt. Ltd.	60000	10	1	—	—	—	—	—	—	—	—	—	60000	10	1	
Brindavan Gardens Ltd.	25500	10	1	—	—	—	—	—	—	—	—	—	25500	10	1	
	—	—	5668250	—	—	—	—	—	—	—	—	—	—	—	5668250	



SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 6 : INVESTMENTS (Continued)

LONG TERM INVESTMENTS - OTHER THAN TRADE	AS AT 1ST APRIL 2010			PURCHASED / ADJUSTED DURING THE YEAR			SOLD / ADJUSTED DURING THE YEAR			AS AT 31ST MARCH 2011		
	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT
	No.	Rs.	Rs.	No.	Rs.	Rs.	No.	Rs.	Rs.	No.	Rs.	Rs.
C. SUBSIDIARY CO.												
Nicco Insurance Agent & Consultants Ltd.	50000	10	500000	—	—	—	—	—	—	50000	10	500000
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
	—	—	1188995	—	—	—	—	—	—	—	—	1188995
4. PREFERENCE SHARES (UNQUOTED)												
Prestige Foods Ltd. (10% non-cum. convertible Pref.share)	500000	10	5000000	—	—	—	—	—	—	500000	10	5000000
	—	—	5000000	—	—	—	—	—	—	—	—	5000000
TOTAL	—	—	113714522	—	—	—	—	—	—	—	—	113714522
GRAND TOTAL	—	—	113714522	—	—	—	—	—	—	—	—	113714522

	As at 31st March, 2011		As at 31st March, 2010	
	Book Value	Market Value	Book Value	Market Value
	Rs.	Rs.	Rs.	Rs.
Quoted	101342279	16762993	101342277	20935495
Unquoted	12372245	—	12372245	—
	<u>113714524</u>		<u>113714522</u>	


SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 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 -		
Debts outstanding for a period exceeding 6 months	29531720	29531720
Below six months (considered good Rs. 10.94 lacs and considered doubtful Rs. 295.32 lacs, previous year Rs. 3.41 lacs and Rs. 295.32 lacs respectively.)	1094584	341337
TOTAL	<u>30626304</u>	<u>29873057</u>
c) Other Current Assets (Unsecured - Considered Good Rs. 57.06 lacs, previous year Rs. 28.24 lacs & Considered Doubtful Rs. 250.75 lacs, previous year Rs. 344.47 lacs)		
Interest Receivable on Govt Securities & Others	3876765	1581630
Accounts Receivable - Others (refer point no. 20 in Schedule 15B)	26903955	35689241
Less : Provision	14062358	14062358
TOTAL	<u>16718362</u>	<u>23208513</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)	19007362	20676069
In Fixed Deposit (Considered doubtful Rs. 13.76 lacs, previous year Rs. 13.76 lacs refer point no. 12(d) of Schedule 15B)	68597847	66555677
ii) Cash in hand	29297	45270
TOTAL	<u>87634506</u>	<u>87277016</u>
e) Loans and Advances (Unsecured, considered good unless otherwise stated)		
Advances for Hire Purchase pending rentalisation (Considered doubtful for Rs. 3.03 lacs)	302852	302852
Advance recoverable in cash or in kind or for value to be received (considered doubtful Rs. 75.64 lacs, previous year Rs. 64.28 lacs)	9296543	9240223
Expenses recoverable from subsidiary company	35354	5956
Deposits under subjudice (fully provided for in earlier years)	34000000	34000000
Loan against Fixed Deposits/NCD (Secured by pledge of Fixed Deposits Receipts)	974159	974159
Payment of Advance Tax & Tax deducted at source	94780867	94662076
TOTAL	<u>139185266</u>	<u>138245333</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

	As at 31st March, 2011 EASTERN Rs.	As at 31st March, 2011 SOUTHERN Rs.	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS				
A. Current Liabilities :				
Sundry Creditors :-				
For Others	22971558	104025751	126997309	124888506
Advance Lease Rental & Hire purchase Instalment		809662	809662	809662
Received in Advance From Party	—	—	—	231129
Security Deposits	4419826	—	4419826	4419826
Interest accrued but not due on Fixed Deposit (refer point no. 14(a) in schedule 15B)	132378667	14665302	147043969	162637117
Investor's Education & Protection Fund to be credited by :				
Unclaimed Fixed Deposit	20467518	6529589	26997107	35712405
Unclaimed Bond including accrued interest (Rs. 1647712 was due for deposit as on 31.03.2011, Previous year Rs. 1370384) (refer point no. 15(b) in schedule 15B)	—	—	—	1057756
TOTAL	180237569	126030304	306267873	329756401
B. Provisions				
Provision against contingencies (refer point no. 17 in schedule 15B)	13158000	2932997	16090997	16090997
Provision for Income Tax & Fringe Benefit Tax	495637	91261365	91757002	91757002
Provision for doubtful advance	5705447	34000000	39705447	39705447
Provision for doubtful deposits	—	1376282	1376282	1376282
Provision for other receivables	42326263	815124689	857450952	856974962
Provision against Non Performing Assets	108490372	112900915	221391287	221391287
Provision against dimunition in value of investments	98632969	—	91974958	91974958
TOTAL	268808688	1057596248	1326404936	1319270935

	As at 31st March, 2011 EASTERN Rs.	As at 31st March, 2011 SOUTHERN Rs.	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 9 : MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
Preliminary Expenses				
Brought forward	—	—	—	—
Add : Addition during the year	—	—	—	—
Less : Written off	—	—	—	—
TOTAL	—	—	—	—



SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 10 : INCOME FROM OPERATIONS		
Hire Purchase Income	218100	218100
TOTAL	<u>218100</u>	<u>218100</u>

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 11 : DIVIDEND & OTHER INCOME		
Dividend on Investments - longterm	230279	201431
Liability no longer required written back	44388403	28554019
Profit on sale of Hire Purchase/LeasedAssets/Fixed Assets	660272	10363324
Foreign exchange fluctuation gain	903744	10750788
Income from Electricity generation by Windmill	2016996	2388470
Other Receipt	132000	161701
TOTAL	<u>48331694</u>	<u>52419733</u>

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 12 : EXPENSES ON EMPLOYEES		
Salaries, Bonus & Gratuity etc.	2508937	2546664
Contribution to Provident and other Funds	340945	440111
Staff Welfare	7301	54385
TOTAL	<u>2857183</u>	<u>3041160</u>

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

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 13 : OPERATING & ADMINISTRATION		
Rent	416258	551795
Printing & Stationery	454707	491799
Motor Vehicle Expenses	521208	458274
Rates & Taxes	26526	31486
Windmill Project Expenses	617028	543317
Legal charges	1185291	2695565
Travelling and Conveyance Expenses	383783	770715
Registrar Service Charges	22060	—
Repairs & Maintenance (others)	989214	493137
Insurance Premium	46790	128600
Electricity Charges	185990	220654
AUDITORS' REMUNERATION :		
Audit Fees	165452	165452
Tax Audit Fees	38604	38604
Bank Charges	29533	26105
Advertisement	74227	41873
Consultancy Charges	372279	711099
Director Fees	143000	167000
Loss on Sale of Hire Purchase Stock / Fixed Asset	199775	10436
Bad debts/amounts written off	20341	—
Miscellaneous Expenses	1016627	1345551
TOTAL	<u>6908693</u>	<u>8891462</u>
Provisions & Contingencies :		
Provision for Doubtful Deposit	302852	—
Provision against diminution in value of investment	6658011	—
Provision against Contingencies	—	2932997
Provision for other receivables	173137	493349
TOTAL	<u>7134000</u>	<u>3426346</u>
<hr/>		
	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 14 : INTEREST & OTHER FINANCE COSTS		
On Fixed Deposits	13252843	21908408
On Term Loans from Financial Institutions & others	18453502	17787048
On Loans from Banks	404481601	355676243
Interest to others	—	1683
(A)	<u>436187946</u>	<u>395373382</u>
Less : Interest Income		
Interest on delayed payment on lease/hire purchase	—	3110
Interest others	3776083	8774764
(B)	<u>3776083</u>	<u>8777874</u>
TOTAL (A-B)	<u>432411863</u>	<u>386595508</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 2011 (Rs. lacs)	As at 31st March 2010 (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
	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.
3. (a) Managing Director's Remuneration (Minimum) is as follows :-

(Rs. in lacs)

Particulars	2010-2011	2009-2010
Salary	6.72	6.72
House Rent Allowance / Leased Accommodation	—	—
Contribution of Provident Fund	0.81	0.81
Contribution of Superannuation Fund	1.01	1.01
Other benefits	—	0.01
Total	8.54	8.55
Directors' Fees	1.43	1.67

- (b) Remuneration paid to Managing Director in the financial year 2007-08 was in excess by Rs. 2.72 lacs in reference to the remuneration approved by the Central Government. An appeal was made to the Central Government to approve this payment.

The Managing Director of the Company was reappointed for a period of two years i.e. from 15th April' 2008 to 14th April' 2010 and again reappointed for a period of three years i.e from 15th April' 2010 to 14th April' 2013.

Further for the F/Y 2008-09, 2009-10 and 2010-11 company has received approval from the Central Government for paying him Rs. 8.26 lacs p.a. Actual payment crossed the above limit fixed by the Central Government in the above mentioned four years by Rs. 3.75 lacs. However the entire amount of such excess remuneration paid to him has since been refunded back to the Company.

4. Subsequent to cessation of SWAP agreement with UCO Bank, foreign currency loan has been valued at the rate prevailing as at close of 31.03.2011 and Rs. 9.04 lacs (previous year foreign currency fluctuation gain of Rs. 107.51 lacs, refer Schedule 11) 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 (upto 30th May '2010) D. D. Saila – Chiarman (from 31st May '2010) L. N. Kaul – Managing Director & Company Secretary J. Mukherjee – Chief Financial Officer S. K. Saha – Deputy General Manager upto 31.12.10

Transaction with related parties

Nature of Transaction	31.03.2011 (Rs. In lacs)	31.03.2010 (Rs. In lacs)	Related parties
Remuneration & others	19.82	19.82	Key Management personnel
Expenses incurred	0.35	0.06	Subsidiary Company
Expenses recovered	0.06	1.01	Subsidiary Company
Balance as on 31.03.2011 :-			
Expenses recoverable	0.35	0.06	Subsidiary Company
Investment in equity (fully provided for)	156.19	156.19	Associate Company
Investment in equity shares	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 31.03.2011 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 off 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. 1368 lacs) 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 Others., 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 (previous year 76.90 lacs) against the company before Arbitrator at Cuttack. The company has filed a counter claim of Rs. 482.74 lacs (previous year 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 entire secured loan accounts of the company (except interest accrued and due) amounting to Rs. 120.14 crores (previous year Rs. 120.23 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 lacs (previous year Rs. 0.19 lacs) in Bank of Baroda, Rs. 3.01 lacs (previous year Rs. 3.01 lacs) in Canara Bank, Rs. 0.10 lacs (previous year Rs. 0.10 lacs) in Central Bank of India, Rs. 0.01 lacs (previous year Rs. 0.01 lacs) in United Bank of India, Rs. 42.53 lacs (previous year Rs. 42.53 lacs) in Indian Overseas Bank, Rs. 0.05 lacs (previous year Rs. 0.05 lacs) in State Bank of Mysore, Rs. 0.20 lacs (previous year Rs. 0.20 lacs) in State Bank of Travancore remain unconfirmed and inaccessible for the reasons stated in point no. 12(a) above.
- (c) Balance of Rs. 1.05 lacs 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 lacs (previous year Rs. 0.05 lacs) in Indian Overseas Bank and with other bank amounting to Rs. 0.25 lacs (previous year Rs. 0.25 lacs) 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 31.03.2011 Rs. lacs	For the year ended on 31.03.2010 Rs. lacs
Provident Fund	0.31	0.37
Employees Pension Scheme	0.64	0.77
Total	0.96	1.14

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

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 01.04.10	7.63	6.37	—	14.00
b) Past Service Cost	2.31	—	—	2.31
c) Current Service Cost	0.64	3.98	—	4.62
d) Interest cost	0.59	0.51	—	1.10
e) Actuarial (gain)/loss	(107)	(4.83)	—	(5.90)
f) Benefits paid	0.54	0.00	—	0.54
g) Obligation as at 31.03.11	9.56	6.03	—	15.59

**B. Change in Plan Assets (Reconciliation of opening & closing balances)**

a) Fair value of plan assets as at 01.04.10	9.30	7.88	—	17.18
b) Expected return on plan assets	0.74	0.63	—	1.37
c) Actuarial (gain)/loss	(0.05)	(0.19)	—	(0.24)
d) Contributions by the employer	0.04	0.00	—	0.04
e) Benefits paid	0.54	0.00	—	0.54
f) Fair value of plan assets as at 31.03.11	9.49	8.32	—	17.81

C. Reconciliation of fair value of plan assets and present value of defined benefit obligation

a) Present value of obligation as at 31.03.11	9.56	6.03	—	15.59
b) Fair value of plan assets as at 31.03.11	9.49	8.33	—	17.82
c) Amount recognised in the balance sheet	(0.07)	2.30	—	2.23

D. Expense recognized in the period

a) Current Service Cost	0.63	3.98	—	4.61
b) Past Service Cost	2.31	—	—	2.31
c) Interest Cost	0.59	0.51	—	1.10
d) Expected return on plan assets (gain)/loss	0.74	0.63	—	1.37
e) Actuarial (gain)/loss	(1.01)	(4.64)	—	(5.65)
f) Expense recognised in the period (a to e)	1.78	(0.78)	—	1.00

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)				7
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 increase in defined benefit obligation by Rs. 1.00 lac (previous year decrease of Rs. 1.91 lacs) with corresponding increase in loss by Rs. 1.00 lac (previous year decrease of 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 31.03.2011 is less than 15 years for the concerned employees of the company there is no eligibility for pension as on date. Upto date shortfall, if any, as per actuarial valuation, in respect of contribution towards such fund is yet to be identified. However, contribution to the super annuation fund amounting to Rs. 1.30 lacs (previous year Rs. 1.51 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 for eligible employees maintained by a trust, in the nature of defined benefit plan, upto date shortfall, if any, as per actuarial valuation, in respect of contribution towards such fund is yet to be identified. However contribution to those provident funds amounting to Rs. 1.07 lacs during the year (previous year Rs. 1.11 lacs) is recognised as expenses and included in 'Expenses on Employees'. Shortfall of Rs. 0.09 lacs (previous year Rs. 0.64 lacs) in contribution to such provident funds has been provided to the extent of the information available with the company.

14. (a) Honourable 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 along with the last instalement 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.



- (b) Pursuant to an application dated 17.03.2008 made by the company u/s 391 and 394 of the Companies Act, 1956 before the Hon'ble High Court, Calcutta to reduce the paid up equity share capital from Rs. 10 to Rs. 2 each and issue new equity shares of Rs. 2 each to the fixed deposit holders to the extent of their principal amount due in the company as on 01.04.2007 at a price in conformity with SEBI (Disclosure and Investor Protection Guidelines 2000). Separate meetings of shareholders and fixed deposit holders were convened as per the order of the Hon'ble High Court, Calcutta under the chairmanship of separate 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.
- (c) 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.
- (d) Entire amount of Fixed Deposits (principal value excluding interest) amounting to Rs. 1982.04 lacs (previous year Rs. 2363.60 lacs) has matured and is due for payment as on 31st March, 2011.
15. (a) 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.
- (b) The unclaimed deposit has been arrived at based on such depositor who had not claimed their deposit amount by surrendering the deposit receipt with the Company though they have matured and also payable as per CLB Order. Many depositors amongst them are traceable but despite request not surrendering their deposit receipt because they are treating FDR as basic proof of deposit of money and willing to part with it only if deposit amount is paid in one lump sum. Company is unable to pay to depositor due to the precarious financial condition but settling with such depositors who are approaching the company under hardship condition. Besides, a Scheme of Compromise with fixed depositors under Section 391 and 394 of the Companies Act, 1956 is pending before Hon'ble High Court, Calcutta which covers these depositors also.
- In the view of the critical financial conditions which the company is facing , it could not transfer an amount of Rs 1,647,712 (previous year Rs. 1,370,384) to 'Investors Education and Protection Fund'.
16. Basic/diluted earning per share, as required by Accounting Standard (AS-20) " Earning per share", of Rs. -10.04 (previous year Rs. -8.77 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 31.03.2011 Other Obligation (Rs. in Lacs)	As at 31.03.2010 Other Obligation (Rs. in Lacs)
Opening Balance	160.91	131.58
Addition	—	29.33
Sub-total	160.91	160.91
Utilisation	—	—
Sub-total	160.91	160.91
Reversal	—	—
Closing Balance	160.91	160.91

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 amounted to Rs. Nil (previous year(s) Rs. 29.33 lacs which has already been 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, which has been 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 in the previous year 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 and a further payment of Rs. 6.19 lacs was received during the year as full and final settlement amount, which was also utilised for the said purpose.



NICCO UCO ALLIANCE CREDIT LIMITED

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 2009-10. 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.
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. 2.08 lacs (previous year Rs. 1.57 lacs) towards penal interest levied by RBI for shortfall in maintenance of SLR.
(ii) Interest expense is net of Rs. 37.76 lacs (Previous year Rs. 87.78 lacs) being interest earned on deposit and others.
23. Other receipts include Rs. 1.25 lacs (previous year Rs. 1.25 lacs) from rent HP income includes Rs. Nil (previous year Rs. 3.63 lacs) recovered from NPA parties.
24. Based on the informations available with the company, there are no dues towards Micro, Small and Medium Enterprises as on 31.03.2011.
25. The Company has paid to a number of depositors on hardship cases on settlement basis based on principal amount outstanding.
26. The process of preparation of Fixed Asset register destroyed in the fire has been initiated. However, the W.D.V of assets (i.e furniture, computers etc.) destroyed in fire is not significant.
27. All assets financed through Hire Purchase / Lease have turned Non Performing Assets (N.P.A) in the books of the Company and have been provided for. List of such inventories are available excepting a few cases where financing were made through dealer which is not substantial.
28. The areas have been identified where there is a scope of improvement for internal control system and steps have been taken for the said improvement.
29. The initiation has been taken to complete the process of transfer of shares where ever possible and to update the records.
30. The investigation for the fraud committed by two employees in the F.Y. 2008-09 and thereafter is on the verge of completion and amount will be finally ascertained on receipt of final report from Kolkata Police.
31. The previous year figures have been regrouped / restated wherever considered necessary to conform to the current year's classification.

Signature to the Schedules 1 to 15

As per our Report of even date 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 27th day of May, 2011

On behalf of the Board of Directors

Mr. Debdatta Saha	Chairman
Mr. L. N. Kaul	Managing Director & Company Secretary
Mr. K. K. Chatterjee	Director
Mr. Biswajit Roy	Director
Mr. Bimalendu Sankar Gupta	Director
Mr. J. Mukherjee	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	1
---	---	--	---	---	--	---	---	---	---

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	9	0	0	2	8	7
---	---	---	---	---	---	---

 Total Assets

3	9	0	0	2	8	7
---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-up Capital

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

 Reserves & Surplus

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

Secured Loans

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

 Unsecured Loans

	1	9	8	2	0	4
--	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

		7	6	4	4	0
--	--	---	---	---	---	---

 Investments

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

Net Current Assets

-	3	7	4	9	4	2
---	---	---	---	---	---	---

 Misc. Expenditure

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

Accumulated Losses

4	0	8	4	2	7	2
---	---	---	---	---	---	---

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

Turnover

		4	8	9	8	1
--	--	---	---	---	---	---

 Total Expenditure

		4	5	1	9	3	0
--	--	---	---	---	---	---	---

Profit/Loss before tax

-	4	0	2	9	5	0
---	---	---	---	---	---	---

 Profit/Loss after tax

-	4	0	2	9	5	0
---	---	---	---	---	---	---

Earning per share (in Rs.)

	-	1	0	.	0	4
--	---	---	---	---	---	---

 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, 2011
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. 42,610/-)
ii) for the previous financial years of the Subsidiary since it became the Subsidiary of the Company	:	Rs. 15,574/-



Schedule to the
Balance Sheet of a Non-Banking Financial Company as on 31.03.2011
(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	1339.93	1339.93
	d) Inter-corporate loans and borrowing		
	e) Commercial Paper		
	f) Public Deposits* (including interest accrued thereon)	3452.48	1982.04
	g) Other Loans (specify nature) (Loan from Bank & others) (including interest accrued and due there on)	32185.23	32185.23
	*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* (including interest accrued but not due)	3452.48	1982.04
	*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	10.60	
	b) Unsecured (net of Income Tax provisions)	519.28	
4)	Break-up of Leased Assets and stock on hire and or other assets counting towards AFC activities :		
	i) Lease assets including lease rentals under sundry debtors :		
	a) Financial lease	276.76	
	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 AFC activities :		
	a) Loans where assets have been repossessed		
	b) Loans other than (a) above		
	TOTAL (pt. 3 & 4)	10664.20	



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		
iv) Government Securities		
v) Others (Please specify)		
2. Unquoted :		
i) Shares :		
a) Equity	56.68	
b) Preference	50.00	
ii) Debentures and Bonds	Nil	
iii) Units of Mutual Funds	11.89	
iv) Government securities	0.15	
v) Others (Subsidiary Company)	5.00	
TOTAL	1137.14	

6) Borrower group-wise classification of assets financed as in (3) and (4) above :			
Please see Note 2 below			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
a) Subsidiaries		0.35	0.35
b) Companies in the same group			
c) Other related parties			
2. Other than related parties	10.60	10653.25	10663.85
Total	10.60	10653.60	10664.20



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	5.15	5.00
b) Companies in the same group		NIL
c) Other related parties	—	NIL
2. Other than related parties	208.23	145.82
Total	213.38	150.82

As per Accounting Standard of ICAI
(Please see Note 3)

8. Other Information :	
Particulars	Amount
i) Gross Non-Performing Assets #	
a) Related parties	NIL
b) Other than related parties	10932.68
ii) Net Non-Performing Assets :	
a) Related Parties	NIL
b) Other than related parties	NIL
iii) Assets acquired in satisfaction of debt	NIL

excluding investments.

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, 2011

Your Directors have the pleasure in presenting their Ninth Annual Report and the Audited Statement of Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

	<u>For the year ended 31.03.2011 (Rs.)</u>	<u>For the year ended 31.03.2010 (Rs.)</u>
Profit before Tax	(42,610)	(29,248)
Less : Provision for Tax	—	—
Less : Provision for Fringe Benefit Tax	—	—
Profit after Tax	<u>(42,610)</u>	<u>(29,248)</u>
Add : Balance of Profit transferred from last year	58,184	87,432
Profit available for appropriation	<u>15,574</u>	<u>58,184</u>
Balance transferred to Balance Sheet	<u><u>15,574</u></u>	<u><u>58,184</u></u>

OPERATIONS

The Company could not earn any income in the year under review since there was no business.

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, 2011.

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 Auditor's Report are duly explained in the Notes to the Accounts. Members are requested to refer to Notes for details.

DIRECTORS

Mr. S. S. Majumdar 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 : 24th May, 2011

Place : Kolkata

On behalf of the Board of Directors

J. Mukherjee
Chairman

ANNEXURE - A

DIRECTOR'S' 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, 2011, the Profit & Loss Account 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the 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 accounts 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, 2011;
 - (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 24th day of May, 2011

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) According to the information and explanations given to us by the management, 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 clause 3(b), (c) and (d) of the order are not applicable to the company for the current year.



- (e) According to the information and explanations given to us by the management, the Company has not taken any loans 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. However, it has taken unsecured advances from the Holding Company, the maximum balance of which outstanding at any time during the year and the closing balance outstanding as on 31st March '2011 were Rs. 5.12 lacs and Rs. 0.35 lacs respectively.
- (f) According to the information and explanations given to us by the management, the advances granted 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 is an internal control system which is commensurate with the size of the Company and the 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 weakness in the aforesaid internal control system.
 5. Based on the audit procedure 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 as per the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made there under. According to the 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 other 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 accounts, the company has been generally regular in depositing 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 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 2011 for a period of more than six months from the date they become 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 dispute.
 10. The company has no accumulated losses as on 31st March 2011. It has incurred cash losses during the current financial year covered by our audit and also in the immediately preceding 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 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, 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 Companies Act, 1956.
 15. According to the information and explanations given to us by the Management, the Company has not given any guarantee for loans taken by others 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. According to the information and explanations 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 by the management, no fraud on or by the Company has been noticed or reported during the year.

1B, Old Post Office Street
Kolkata
Dated, the 24th day of May, 2011

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, 2011

	Schedule	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
A. Share Capital	1	500000	500000
B. Reserves & Surplus	2	15574	58184
TOTAL		<u>515574</u>	<u>558184</u>
 APPLICATION OF FUNDS :			
Investments	3	450000	450000
Current Asset, Loans & Advances :			
a) Bank Balances		53054	37298
b) Receivables	4	174647	174647
Total Current Asset		<u>227701</u>	<u>211945</u>
Less:			
Current Liabilities & Provisions	5		
Current Liabilities		89244	43301
Provisions		72883	72883
Net Current Asset		<u>65574</u>	<u>95761</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)	6	—	12423
TOTAL		<u>515574</u>	<u>558184</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 24th day of May, 2011

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, 2011

	Schedule	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
REVENUE :			
Income From Operations	7	—	—
	TOTAL	<u>—</u>	<u>—</u>
EXPENDITURE :			
Operating & Administration Expenses	8	42610	29248
	TOTAL	<u>42610</u>	<u>29248</u>
Profit before Tax		<u>(42610)</u>	<u>(29248)</u>
Less : Provision for Tax		—	—
Profit after Tax		<u>(42610)</u>	<u>(29248)</u>
Add : Balance brought forward from last year		58184	87432
Profit available for appropriation :		<u>15574</u>	<u>58184</u>
Balance carried to Balance Sheet		<u>15574</u>	<u>58184</u>
Weighted average number of ordinary shares outstanding during the year		50000	50000
Basic & Diluted earnings per share of Rs. 10/- each (in Rupees)		(0.85)	(0.58)
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 24th day of May, 2011

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 31.03.2011

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
Net Profit before tax & extraordinary items	(42610)	(29248)
Miscellaneous Expenditure charged to P/L	12423	6213
Operating profit before working capital changes	<u>(30187)</u>	<u>(23035)</u>
Increase/Decrease in trade receivable	—	—
Increase/Decrease in trade payables	45943	(95466)
Cash generated from operations	<u>15756</u>	<u>(118501)</u>
Tax Paid/Tax Deducted at source	—	(387)
Cash flow before extraordinary items	<u>15756</u>	<u>(118887)</u>
Net Cash from operating activities	<u>15756</u>	<u>(118887)</u>
Net increase in cash and cash equivalents	15756	(118887)
Opening cash and cash equivalents	37298	156185
Closing cash and cash equivalents	<u>53054</u>	<u>37298</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 24th day of May, 2011

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, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
2,50,000 Equity Shares of Rs. 10/- each	<u>2500000</u>	<u>2500000</u>
Issued, Subscribed & Paid up :		
50000 Equity Shares of Rs. 10/- each	<u>500000</u>	<u>500000</u>
SCHEDULE 2 : RESERVES & SURPLUS		
Profit & Loss Account Balance	<u>15574</u>	<u>58184</u>

SCHEDULE 3 : INVESTMENTS

Long term other than trade Units in Mutual Funds Unquoted				
	<u>Unit</u>	<u>NAV</u>	<u>Amount</u>	<u>Amount</u>
Prudential ICICI Liquid - Growth Plan				
Opening Balance	3174.518	—	450000	450000
Add : Purchased during the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Less : Sold during the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Closing Balance	<u>3174.518</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	174647
	TOTAL	<u>174647</u>	<u>174647</u>

SCHEDULE 5 : CURRENT LIABILITIES & PROVISIONS

Current Liabilities			
Statutory Audit Fees		33090	16545
Internal Audit Fees		20800	20800
Payable to Nicco Uco Alliance Credit Ltd.		35354	5956
Provisions			
Provision for Income Tax		72883	72883
	TOTAL	<u>162127</u>	<u>116184</u>



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 6 : MISCELLANEOUS EXPENDITURE		
Preliminary Expenses		
Opening Balance	12423	18636
Incurred during the period	—	—
Less : Written off	12423	6213
Closing Balance	<u>—</u>	<u>12423</u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 7 : INCOME FROM OPERATIONS		
	—	—
TOTAL	<u>—</u>	<u>—</u>

SCHEDULE 8 : OPERATING & ADMINISTRATION

Auditor's Remuneration :

Statutory Audit Fees	16545	16545
Consultancy Charge	—	2000
Printing & Stationery	—	170
Preliminary Expenses written off	12423	6213
Rates & Taxes	1900	1900
Filing Fees	2865	1500
Bank Charges	8877	920
TOTAL	<u>42610</u>	<u>29248</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

Miscellaneous expenses Rs. 0.12 lacs fully amortised (previous year Rs. 0.06 lacs) & charged.

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 Municipal Tax, Filing fees etc. amounting to Rs. 4,765/- (previous year Rs. 5,956/-) due to be reimbursed to the Holding Co. have been incorporated in the accounts.



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	31.03.2011 (Rs. in lacs)	31.03.2010 (Rs. in lacs)	
Advance received	0.30	0.00	Holding Company
Expenses incurred	0.05	0.06	Holding Company
Expenses repaid	0.06	1.01	Holding Company
Balance outstanding as on 31.03.2011			
Expenses repayable	0.05	0.06	Holding Company
Advance repayable	0.30	0.00	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, Small and Medium Enterprises as on 31.03.2011.
- The entire amount of Preliminary Expenses i.e. Rs. 0.12 lacs (previous year Rs. 0.06 lacs) has been amortised during the year.
- 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 24th day of May, 2011

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, 2011, 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.*
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.
 - (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 No. 11(b) to 11(e) regarding applications filed by various banks and financial institutions to DRT and DRT 1 to recover their dues.*
 - (iv) *Note No. 11(f) regarding suit initiated by International Finance Corporation in High Court at Calcutta.*
 - (v) *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.*
 - 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. 12(a) 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.*
Current account balances with consortium and other banks include an amount of Rs. 209.25 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. Refer Note No. 12(b) & (c) of Schedule 15B.
 - d) *Note No. 21 regarding Serious Fraud Investigation against the company on recommendation of Registrar of Companies (ROC).*
 - e) *Non transferring of Rs. 16.48 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. Refer Note No. 15 (b) of Schedule 15B.*
 - f) *Non ascertainment of impairment of assets as required by AS-28.*

and read with other notes and in particular note no 3(b), 11(h) in Schedule 15(b) 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, 2011;
 - (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 27th day of May, 2011

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, 2011

	Schedule	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share Capital	1	401012730	401012730
Reserves & Surplus	2	47848793	47849900
		<u>448861523</u>	<u>448862630</u>
LOAN FUNDS :			
Secured Loans	3	3253221353	2831193595
Unsecured Loans	4	171206780	200647632
		<u>3424428133</u>	<u>3031841227</u>
	TOTAL	<u>3873289656</u>	<u>3480703857</u>
APPLICATION OF FUNDS :			
Gross Block	5	929486505	948482980
Less : Depreciation		643764371	641217150
Less : Accumulated Lease adjustment		209281957	209281957
Net Block		76440177	97983873
Add : Capital Work in Progress		799600	799600
	TOTAL	<u>77239777</u>	<u>98783473</u>
Investments	6	113664524	113664522
Current Assets, Loans & Advances	7		
Inventories		956364794	956364794
Sundry Debtors		30626304	29873057
Other Current Assets		16718362	23208513
Cash & Bank Balances		87687560	87314314
Loans & Advances		139529068	139353957
		<u>1230926088</u>	<u>1236114635</u>
Less : Current Liabilities & Provisions	8		
Current Liabilities		306321763	329793746
Provisions		1326477819	1319343818
Net Current Assets		<u>(401873494)</u>	<u>(413022929)</u>
Miscellaneous Expenditure (To the extent not w/off or adjusted)	9	—	12423
Debit balance in Profit & Loss Account		4084258849	3681266369
	TOTAL	<u>3873289656</u>	<u>3480703857</u>
Significant Accounting Policies & Notes to Accounts	15		

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

As per our Report even date 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 27th day of May, 2011

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, 2011**

	Schedule	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
REVENUE :			
Income From Operations	10	—	218100
Dividend & Other Income	11	48331694	52419733
Prior Period Incomes (Net)		576287	—
	TOTAL	<u>48907981</u>	<u>52637833</u>
EXPENDITURE :			
Employee Costs	12	2857183	3041160
Operating & Administration Expenses	13	6951302	8920711
Interest & Other Finance Costs	14	432411863	386595508
Depreciation		2546113	2608002
	TOTAL	<u>444766461</u>	<u>401165380</u>
Profit / (Loss) before Tax and Other Adjustments		<u>(395858480)</u>	<u>(348527547)</u>
Less : Provisions/Contingencies including write off	13	7134000	3426346
Profit / (Loss) before Tax		<u>(402992480)</u>	<u>(351953893)</u>
Less : Provision for Tax		—	—
Less : Provision for Tax for earlier years		—	42637
Profit / (Loss) after Tax		<u>(402992480)</u>	<u>(351996530)</u>
Add : Balance of Profit / (Loss) Brought Forward from last year		<u>(3681266369)</u>	<u>(3329269839)</u>
		<u>(4084258849)</u>	<u>(3681266369)</u>
Profit available for appropriation :			
Balance carried to Balance Sheet		<u>(4084258849)</u>	<u>(3681266369)</u>
	TOTAL	<u>(4084258849)</u>	<u>(3681266369)</u>
Basic & Diluted EPS		(10.04)	(8.77)
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 27th day of May, 2011

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Pursuant to Clause 32 of Listing Agreement)

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended	For the year ended
	31st March, 2011	31st March, 2010
	Rs.	Rs.
Net Profit/(Loss) before tax & extraordinary items	(402992481)	(351953893)
Add/(Less) : Adjustments for		
Depreciation	2546113	2608002
Provisions for debts, leave salary	7134000	3426346
Dividend on investments	(230279)	(201431)
Profit on sale of fixed assets	(660272)	(10363324)
Loss on sale of fixed assets/Hire Purchase stock	199775	10436
Liability no longer required written back	(44388403)	(28554019)
Foreign exchange fluctuation loss / (gain)	(903744)	(10750788)
Bad Debt Written off	32764	6213
Interest (net)	432411863	386595508
Operating profit / (loss) before working capital changes	(6850664)	(9176950)
(Increase)/Decrease in trade receivable	8011698	1024013
(Increase)/Decrease in stock of H.P.	—	17156614
(Increase)/Decrease in loans & advances	(204509)	(939933)
Increase/(Decrease) in trade payables	1713658	(11035538)
Cash generated from operations	2670183	(2971794)
Interest paid	(535413)	(102954)
Tax Paid	—	(249599)
Cash flow before extraordinary items	2134770	3324347
Net Cash from operating activities	2134770	3324347
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(343250)	(855210)
Sale of fixed assets	19800225	11327856
Interest received	1480948	9889549
Dividend received on investments	230279	201431
Net Cash used in investing activities	21168202	20563626
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (repayment) of borrowings	(22929726)	(11012052)
Net Cash used in financing activities	(22929726)	(11012052)
Net increase/(decrease) in cash and cash equivalents	373246	6227227
Opening cash and cash equivalents	87314314	81087086
Closing cash and cash equivalents	87687560	87314314

Notes :

- Above statement has been prepared in indirect method except in case of interest 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 31.03.11	As on 31.03.10
a) Fixed Deposit with banks 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 banks	1.05	1.07
Total	223.01	223.03

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

As per our Report of even date 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 27th day of May, 2011

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



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 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, 2011 Rs.	As at 31st March, 2010 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	44628	45735
Less : Prorata Adjustment of Fixed Assets (Refer Schedule - 5)	<u>1107</u>	<u>1107</u>
	43521	44628
Capital Reserve III		
On amalgamation of Nicco Investments Ltd.	1000000	1000000
Total Capital Reserve	<u>1064021</u>	<u>1065128</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>47848793</u>	<u>47849900</u>



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 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	83671632	84575376
Industrial Finance Corporation of India (refer point no. 12 (a) in schedule 15B)	3837053	3837053
3. Interest accrued and due	2051853332	1628921831
TOTAL	<u>3253221353</u>	<u>2831193595</u>

(Term Loan including accrued interest repayable within next 1 year amounts to Rs. 21858.46 lacs, previous year Rs. 17638.19 lacs)

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 4 : UNSECURED LOANS		
Fixed Deposits	171206780	200647632
TOTAL	<u>171206780</u>	<u>200647632</u>

(Repayable within next 1 year amounts to Rs. 1982.04 lacs including unclaimed fixed deposit amounting to Rs. 269.97 lacs shown under current liability, in Schedule 8, as per modified CLB order, previous year Rs. 2171.29 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 2010	Addition/ Adjusted during the year	Sold/ Adjusted during the year	As at 31st March 2011	As at 1st April 2010	Provided/ Adjusted during the year	Deductions/ Adjusted during the year	As at 31st March 2011	As at 1st April 2010	Provided during the year	Sold/ Adjusted during the year	As at 31st March 2011	As at 31st March 2010
OWN ASSET													
Land	47984670	—	19339728	28644942	—	—	—	—	—	—	—	28644942	47984670
Building	23163692	—	—	23163692	6623163	368857	—	6982020	—	—	—	16181672	16540529
Furniture, Fixture & Office Eqmpt.	19357634	343250	—	19701084	19251777	21502	—	19273279	—	—	—	427805	106057
Motor Car	3921792	—	—	3921792	3921047	—	—	3921047	—	—	—	745	745
Windmill	36100798	—	—	36100798	24863452	1714788	—	26578240	—	—	—	9522558	11237346
Machinery	12669627	—	—	12669627	8683088	452073	—	9135161	—	—	—	3534466	3986539
Sub Total	143198413	343250	19339728	124201936	63342527	2547220	—	65689747	—	—	—	56312188	79855683
Previous Year	145418275	55610	2275472	143198413	62030312	2612719	1300504	63342527	—	—	—	79855684	—
For Lease Activities													
Finance Lease : Computer & accessories	91475691	—	—	91475691	76312549	—	—	76312549	12077167	—	—	3085975	3085975
Machinery	38589571	—	—	38589571	230526700	—	—	230526700	140407630	—	—	14965241	14965241
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	209281961	—	—	18127989	18127989
Previous Year	805284567	—	—	805284567	577874618	—	—	577874618	209281961	—	—	18127989	—
Total of Current Year	948482980	343250	19339728	929486503	641217150	2547220	—	643764365	209281961	—	—	76440177	97983873
Capital W.I.P. of C. Year	799600	—	—	799600	—	—	—	—	—	—	—	799600	799600
G. Total of Current Year	9949282580	343250	19339728	930286103	641217150	2547220	—	643764365	209281961	—	—	77239777	98783473
Previous Year Total	950702842	55610	2275472	948482980	639904930	2612719	1300504	641217150	209281957	—	4055927	97983873	—
P. Year Capital W.I.P.	—	799600	—	799600	—	—	—	—	—	—	—	799600	—
G. Total of Previous Year	950702842	855210	2275472	949282580	639904930	2612719	1300504	641217150	209281957	—	4055927	99783473	—

* 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 CONSOLIDATED BALANCE SHEET

SCHEDULE 6 : INVESTMENTS

LONG TERM INVESTMENTS - OTHER THAN TRADE	AS AT 1ST APRIL 2010			PURCHASED / ADJUSTED DURING THE YEAR			SOLD / ADJUSTED DURING THE YEAR			AS AT 31ST MARCH 2011		
	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT
	No.	Rs.	Rs.	No.	Rs.	Rs.	No.	Rs.	Rs.	No.	Rs.	Rs.
1. GOVERNMENT SECURITIES												
NSC (VIII th Issue)	—	—	15000	—	—	—	—	—	—	—	—	15000
	—	—	15000	—	—	—	—	—	—	—	—	15000
2.A. EQUITY SHARES (QUOTED)												
Nicco Corporation Ltd.	4093575	2	62376305	—	—	—	—	—	—	4093575	2	62376305
Nicco Parks & Resorts Ltd.	3300	10	34650	29700	—	—	—	—	—	33000	1	34650
Alliance Management & Fiscal services Ltd.	3582400	10	15619264	—	—	—	—	—	—	3582400	10	15619264
Hanuman Tea Co. Ltd.	14500	10	73150	—	—	—	—	—	—	14500	10	73150
Amrit Enterprise Ltd.	2000	10	1	—	—	—	—	—	—	2000	10	1
G R Magnets Ltd.	30000	10	147000	—	—	—	—	—	—	30000	10	147000
Bhagavathi Gas Ltd.	400	10	920	—	—	—	—	—	—	400	10	920
G.S.L. (India)	886509	10	21719470	—	—	—	—	—	—	886509	10	21719470
Indian Overseas Bank	2900	10	69600	—	—	—	—	—	—	2900	10	69600
Amrit Banaspati Company Ltd.	1500	10	15000	—	—	—	—	—	—	1500	10	15000
Archie Greeting Ltd.	700	10	31745	2800	—	—	—	—	—	3500	2	31745
Bata India Ltd.	750	10	77850	—	—	—	—	—	—	750	10	77850
DIC India Ltd.	1000	10	119900	—	—	—	—	—	—	1000	10	119900
Colgate Ltd.	750	1	187418	—	—	—	—	—	—	750	1	187418
Crystal Cables Ltd.	25000	10	—	—	—	—	—	—	—	25000	10	—
Eveready Industries Ltd.	3333	5	59327	—	—	—	—	—	—	3333	5	59327
McLeod Russel	3333	5	—	—	—	—	—	—	—	3333	5	—
Ricoh India	300	10	3687	—	—	—	—	—	—	300	10	3687
Hanuman Tea Ltd.	7500	10	—	—	—	—	—	—	—	7500	10	—
HCL Infosys Ltd.	1500	2	114000	—	—	—	—	—	—	1500	2	114000
Hindustan Unilever	2000	1	476400	—	—	—	—	—	—	2000	1	476400
Mawika Steel Ltd.	16900	10	—	—	—	—	—	—	—	16900	10	—
Pasari Spinning Mills Ltd.	500	10	1860	—	—	—	—	—	—	500	10	1860



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

SCHEDULE 6 : INVESTMENTS (Continued)

LONG TERM INVESTMENTS - OTHER THAN TRADE	AS AT 1ST APRIL 2010				PURCHASED / ADJUSTED DURING THE YEAR				SOLD / ADJUSTED DURING THE YEAR				AS AT 31ST MARCH 2011			
	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	
																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	2250	—	—	—	—	—	—	—	—	2500	1	85200	
Timex Watches Ltd.	1000	1	—	—	—	—	—	—	—	—	—	—	1000	1	—	
	8675306	—	101342277	34750	—	—	—	—	—	—	—	—	8710056	—	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	
Coromandal 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 Finease 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	2	—	—	—	—	—	—	—	—	—	100000	10	2	
C. K. Exim Pvt. Ltd.	60000	10	1	—	—	—	—	—	—	—	—	—	60000	10	1	
Brindavan Gardens Ltd.	25500	10	1	—	—	—	—	—	—	—	—	—	25500	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 2010			PURCHASED / ADJUSTED DURING THE YEAR			SOLD / ADJUSTED DURING THE YEAR			AS AT 31ST MARCH 2011		
	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT	NO. OF SHARES/ UNITS	FACE VALUE/ UNIT	AMOUNT
3. MUTUAL FUND UNITS (UNQUOTED)												
HDFC Equity Fund	4105	—	268373	—	—	—	—	—	—	—	—	268373
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
Principal ICICI Liquid Growth Fund	31745	—	450000	—	—	—	—	—	—	—	—	450000
	—	—	1638995	—	—	—	—	—	—	—	—	1638995
4. PREFERENCE SHARES (UNQUOTED)												
Prestige Foods Ltd. (10% non-cum. convertible Pref.share)	500000	10	5000000	—	—	—	—	—	—	—	—	5000000
	—	—	5000000	—	—	—	—	—	—	—	—	5000000
TOTAL	—	—	113664524	—	—	—	—	—	—	—	—	113664524
GRAND TOTAL	—	—	113664524	—	—	—	—	—	—	—	—	113664524

NOTE : Face Value of existing Equity Shares of Nicco Parks & Resorts Ltd. of Rs. 10/- each was sub-divided (Split) to face value of Re. 1/- ex-split date 31.01.2011

Face Value of existing Equity Shares of Archie Greeting Ltd. of Rs. 10/- each was sub-divided (Split) to face value of Re. 2/- ex-split date 31.12.2010

Face Value of existing Equity Shares of Tata Tea Ltd. of Rs. 10/- each was sub-divided (Split) to face value of Re. 1/- ex-split date 30.06.2010

	As at 31st March, 2011		As at 31st March, 2010	
	Book Value	Market Value	Book Value	Market Value
Quoted	Rs. 101342279	Rs. 16762993	Rs. 101342277	Rs. 20935495
Unquoted	Rs. 12322245	Rs. 12322245	Rs. 12322245	Rs. 12322245
	<u>Rs. 113664524</u>	<u>Rs. 113664524</u>	<u>Rs. 113664522</u>	<u>Rs. 113664524</u>



NICCO UCO ALLIANCE CREDIT LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 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. 10.94 lacs and considered doubtful Rs. 295.32 lacs, previous year Rs. 3.41 lacs and Rs. 295.32 lacs respectively.)		
Debts outstanding for a period exceeding 6 months	29531720	29531720
Below six months	1094584	341337
TOTAL	<u>30626304</u>	<u>29873057</u>
c) Other Current Assets (Unsecured - Considered Good Rs. 57.06 lacs, previous year Rs. 28.24 lacs & Considered Doubtful Rs. 250.75 lacs, previous year Rs. 344.47 lacs)		
Interest Receivable on Govt Securities & Others	3876765	1581630
Accounts Receivable - Others (refer point no. 20 in Schedule 15B)	26903955	35689241
Less : Provision	14062358	14062358
TOTAL	<u>16718362</u>	<u>23208513</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)	19060416	20713367
In Fixed Deposit (Considered doubtful Rs. 13.76 lacs, previous year Rs. 13.76 lacs refer point no. 12(d) of Schedule 15B)	68597847	66555677
ii) Cash in hand	29297	45270
TOTAL	<u>87687560</u>	<u>87314314</u>
e) Loans and Advances (Unsecured, considered good unless otherwise stated)		
Advances for Hire Purchase pending rentalisation (Considered doubtful for Rs. 3.03 lacs)	302852	302852
Advance recoverable in cash or in kind or for value to be received (considered doubtful Rs. 75.64 lacs, previous year Rs. 64.28 lacs)	9296543	9240223
Deposits under subjudice (fully provided for in earlier years)	34000000	34000000
Loan against Fixed Deposits/NCD (Secured by pledge of Fixed Deposits Receipts)	974159	974159
Payment of Advance Tax & Tax deducted at source	94955514	94836723
TOTAL	<u>139529068</u>	<u>139353957</u>



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities :		
Sundry Creditors :-		
For Others	127051199	124925851
Advance Lease Rental & Hire purchase Instalment	809662	809662
Received in Advance From Party	—	231129
Security Deposits	4419826	4419826
Interest accrued but not due on Fixed Deposit (refer point no. 14(a) in schedule 15B)	147043969	162637117
Investor's Education & Protection Fund to be credited by :		
Unclaimed Fixed Deposit	26997107	35712405
Unclaimed Bond including accrued interest (Rs. 1647712 was due for deposit as on 31.03.2011, Previous year Rs. 1370384) (refer point no. 15(b) in schedule 15B)	—	1057756
TOTAL	<u>306321763</u>	<u>329793746</u>
B. Provisions		
Provision against contingencies (refer point no. 17 in schedule 15B)	16090997	16090997
Provision for Income Tax & Fringe Benefit Tax	91829885	91829885
Provision for doubtful advance	39705447	39705447
Provision for doubtful deposits	1376282	1376282
Provision for other receivables	857450952	856974962
Provision against Non Performing Assets	221391287	221391287
Provision against diminution in value of investments	98632969	91974958
TOTAL	<u>1326477819</u>	<u>1319343818</u>
<hr/>		
	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 9 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses		
Brought forward	12423	18636
Add : Addition during the year	—	—
Less : Written off	12423	6213
TOTAL	<u>—</u>	<u>12423</u>
Total W/off during the year	12423	6213
Less : Adjusted with Securities Premium account	—	—
Net amount debited to P/L account	<u>12423</u>	<u>6213</u>



NICCO UCO ALLIANCE CREDIT LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 10 : INCOME FROM OPERATIONS		
Hire Purchase Income	—	218100
TOTAL	<u>—</u>	<u>218100</u>

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 11 : DIVIDEND & OTHER INCOME		
Dividend on Investments - longterm	230279	201431
Liability no longer required written back	44388403	28554019
Profit on sale of Hire Purchase/LeasedAssets/Fixed Assets	660272	10363324
Foreign exchange fluctuation gain	903744	10750788
Income from Electricity generation by Windmill	2016996	2388470
Other Receipt	132000	161701
TOTAL	<u>48331694</u>	<u>52419733</u>

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 12 : EXPENSES ON EMPLOYEES		
Salaries, Bonus & Gratuity etc.	2508937	2546664
Contribution to Provident and other Funds	340945	440111
Staff Welfare	7301	54385
TOTAL	<u>2857183</u>	<u>3041160</u>



SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 13 : OPERATING & ADMINISTRATION		
Rent	416258	551795
Printing & Stationery	454707	491799
Motor Vehicle Expenses	521208	458274
Rates & Taxes	28426	33386
Windmill Project Expenses	617028	543317
Legal charges	1185291	2695565
Travelling and Conveyance Expenses	383783	770715
Registrar Service Charges	22060	—
Repairs & Maintenance (others)	989214	493137
Insurance Premium	46790	128600
Electricity Charges	185990	220654
AUDITORS' REMUNERATION :		
Audit Fees	181997	181997
Tax Audit Fees	38604	38604
Bank Charges	38410	27025
Advertisement	74227	41873
Consultancy Charges	372279	711099
Director Fees	143000	167000
Loss on Sale of Hire Purchase Stock / Fixed Asset	199775	10436
Preliminary Expenses written off	12423	6213
Bad debts/amounts written off	20341	—
Miscellaneous Expenses	1019491	1347051
TOTAL	<u>6951302</u>	<u>8920711</u>
Provisions & Contingencies :		
Provision for Doubtful Deposit	302852	—
Provision against diminution in value of investment	6658011	—
Provision against Contingencies	—	2932997
Provision for other receivables	173137	493349
TOTAL	<u>7134000</u>	<u>3426346</u>
	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 14 : INTEREST & OTHER FINANCE COSTS		
On Fixed Deposits	13252843	21908408
On Term Loans from Financial Institutions & others	18453502	17787048
On Loans from Banks	404481601	355676243
Interest to others	—	1683
(A)	<u>436187946</u>	<u>395373382</u>
Less : Interest Income		
Interest on delayed payment on lease/hire purchase	—	3110
Interest others	3776083	8774764
(B)	<u>3776083</u>	<u>8777874</u>
TOTAL (A-B)	<u>432411863</u>	<u>386595508</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 :

- 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.
- 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

- 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

- 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 2011 (Rs. lacs)	As at 31st March 2010 (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
	Total	27.50	141.51

- 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.

- (a) Managing Director's Remuneration (Minimum) is as follows :-

(Rs. in lacs)

Particulars	2010-2011	2009-2010
Salary	6.72	6.72
House Rent Allowance / Leased Accommodation	—	—
Contribution of Provident Fund	0.81	0.81
Contribution of Superannuation Fund	1.01	1.01
Other benefits	—	0.01
Total	8.54	8.55
Directors' Fees	1.43	1.67

- Remuneration paid to Managing Director in the financial year 2007-08 was in excess by Rs. 2.72 lacs in reference to the remuneration approved by the Central Government. An appeal was made to the Central Government to approve this payment.

The Managing Director of the Company was reappointed for a period of two years i.e. from 15th April' 2008 to 14th April' 2010 and again reappointed for a period of three years i.e from 15th April' 2010 to 14th April' 2013.

Further for the F/Y 2008-09, 2009-10 and 2010-11 company has received approval from the Central Government for paying him Rs. 8.26 lacs p.a. Actual payment crossed the above limit fixed by the Central Government in the above mentioned four years by Rs. 3.75 lacs. However the entire amount of such excess remuneration paid to him has since been refunded back to the Company.

- Subsequent to cessation of SWAP agreement with UCO Bank, foreign currency loan has been valued at the rate prevailing as at close of 31.03.2011 and Rs. 9.04 lacs (previous year foreign currency fluctuation gain of Rs. 107.51 lacs, refer Schedule 11) 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 (upto 30th May '2010) D. D. Saila – Chiarman (from 31st May '2010) L. N. Kaul – Managing Director & Company Secretary J. Mukherjee – Chief Financial Officer S. K. Saha – Deputy General Manager upto 31.12.10

Transaction with related parties

Nature of Transaction	31.03.2011 (Rs. In lacs)	31.03.2010 (Rs. In lacs)	Related parties
Remuneration & others	17.03	19.82	Key Management personnel
Expenses incurred	0.35	0.06	Subsidiary Company
Expenses recovered	0.06	1.01	Subsidiary Company
Balance as on 31.03.2011 :-			
Expenses recoverable	0.35	0.06	Subsidiary Company
Investment in equity (fully provided for)	156.19	156.19	Associate Company
Investment in equity shares	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 31.03.2011 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 off 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.



NICCO UCO ALLIANCE CREDIT LIMITED

- e) Axis Bank has filed an application in DRT, Chennai to recover Rs. 1368.47 lacs (previous year Rs. 1368 lacs) 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 Others., 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 (previous year 76.90 lacs) against the company before Arbitrator at Cuttack. The company has filed a counter claim of Rs. 482.74 lacs (previous year 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 entire secured loan accounts of the company (except interest accrued and due) amounting to Rs. 120.14 crores (previous year Rs. 120.23 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 lacs (previous year Rs. 0.19 lacs) in Bank of Baroda, Rs. 3.01 lacs (previous year Rs. 3.01 lacs) in Canara Bank, Rs. 0.10 lacs (previous year Rs. 0.10 lacs) in Central Bank of India, Rs. 0.01 lacs (previous year Rs. 0.01 lacs) in United Bank of India, Rs. 42.53 lacs (previous year Rs. 42.53 lacs) in Indian Overseas Bank, Rs. 0.05 lacs (previous year Rs. 0.05 lacs) in State Bank of Mysore, Rs. 0.20 lacs (previous year Rs. 0.20 lacs) in State Bank of Travancore remain unconfirmed and inaccessible for the reasons stated in point no. 12(a) above.
 - (c) Balance of Rs. 1.05 lacs 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 lacs (previous year Rs. 0.05 lacs) in Indian Overseas Bank and with other bank amounting to Rs. 0.25 lacs (previous year Rs. 0.25 lacs) 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 31.03.2011 Rs. lacs	For the year ended on 31.03.2010 Rs. lacs
Provident Fund	0.64	0.77
Employees Pension Scheme	0.00	0.00
Total	0.64	0.77

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

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 01.04.10	7.63	6.37	—	14.00
b) Past Service Cost	2.31	—	—	2.31
c) Current Service Cost	0.64	3.98	—	4.62
d) Interest cost	0.59	0.51	—	1.10
e) Actuarial (gain)/loss	(107)	(4.83)	—	(5.90)
f) Benefits paid	0.54	0.00	—	0.54
g) Obligation as at 31.03.11	9.56	6.03	—	15.59



B. Change in Plan Assets (Reconciliation of opening & closing balances)					
a)	Fair value of plan assets as at 01.04.10	9.30	7.88	—	17.18
b)	Expected return on plan assets	0.74	0.63	—	1.37
c)	Actuarial (gain)/loss	(0.05)	(0.19)	—	(0.24)
d)	Contributions by the employer	0.04	0.00	—	0.04
e)	Benefits paid	0.54	0.00	—	0.54
f)	Fair value of plan assets as at 31.03.11	9.49	8.32	—	17.81
C. Reconciliation of fair value of plan assets and present value of defined benefit obligation					
a)	Present value of obligation as at 31.03.11	9.56	6.03	—	15.59
b)	Fair value of plan assets as at 31.03.11	9.49	8.33	—	17.82
c)	Amount recognised in the balance sheet	(0.07)	2.30	—	2.23
D. Expense recognized in the period					
a)	Current Service Cost	0.63	3.98	—	4.61
b)	Past Service Cost	2.31	—	—	2.31
c)	Interest Cost	0.59	0.51	—	1.10
d)	Expected return on plan assets (gain)/loss	0.74	0.63	—	1.37
e)	Actuarial (gain)/loss	(1.01)	(4.64)	—	(5.65)
f)	Expense recognised in the period (a to e)	1.78	(0.78)	—	1.00
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)				7
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 increase in defined benefit obligation by Rs. 1.00 lac (previous year decrease of Rs. 1.91 lacs) with corresponding increase in loss by Rs. 1.00 lac (previous year decrease of 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 31.03.2011 is less than 15 years for the concerned employees of the company there is no eligibility for pension as on date. Upto date shortfall, if any, as per actuarial valuation, in respect of contribution towards such fund is yet to be identified. However, contribution to the super annuation fund amounting to Rs. 1.30 lacs (previous year Rs. 1.51 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 for eligible employees maintained by a trust, in the nature of defined benefit plan, upto date shortfall, if any, as per actuarial valuation, in respect of contribution towards such fund is yet to be identified. However contribution to those provident funds amounting to Rs. 1.07 lacs during the year (previous year Rs. 1.11 lacs) is recognised as expenses and included in 'Expenses on Employees'. Shortfall of Rs. 0.09 lacs (previous year Rs. 0.64 lacs) in contribution to such provident funds has been provided to the extent of the information available with the company.				
14. (a)	Honourable 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 along with the last instalement 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.				



- (b) Pursuant to an application dated 17.03.2008 made by the company u/s 391 and 394 of the Companies Act, 1956 before the Hon'ble High Court, Calcutta to reduce the paid up equity share capital from Rs. 10 to Rs. 2 each and issue new equity shares of Rs. 2 each to the fixed deposit holders to the extent of their principal amount due in the company as on 01.04.2007 at a price in conformity with SEBI (Disclosure and Investor Protection Guidelines 2000). Separate meetings of shareholders and fixed deposit holders were convened as per the order of the Hon'ble High Court, Calcutta under the chairmanship of separate 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.
- (c) 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.
- (d) Entire amount of Fixed Deposits (principal value excluding interest) amounting to Rs. 1982.04 lacs (previous year Rs. 2363.60 lacs) has matured and is due for payment as on 31st March, 2011.
15. (a) 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.
- (b) The unclaimed deposit has been arrived at based on such depositor who had not claimed their deposit amount by surrendering the deposit receipt with the Company though they have matured and also payable as per CLB Order. Many depositors amongst them are traceable but despite request not surrendering their deposit receipt because they are treating FDR as basic proof of deposit of money and willing to part with it only if deposit amount is paid in one lump sum. Company is unable to pay to depositor due to the precarious financial condition but settling with such depositors who are approaching the company under hardship condition. Besides, a Scheme of Compromise with fixed depositors under Section 391 and 394 of the Companies Act, 1956 is pending before Hon'ble High Court, Calcutta which covers these depositors also.
- In the view of the critical financial conditions which the company is facing , it could not transfer an amount of Rs 1,647,712 (previous year Rs. 1,370,384) to 'Investors Education and Protection Fund'.
16. Basic/diluted earning per share, as required by Accounting Standard (AS-20) " Earning per share", of Rs. -10.04 (previous year Rs. -8.77 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 31.03.2011 Other Obligation (Rs. in Lacs)	As at 31.03.2010 Other Obligation (Rs. in Lacs)
Opening Balance	160.91	131.58
Addition	—	29.33
Sub-total	160.91	160.91
Utilisation	—	—
Sub-total	160.91	160.91
Reversal	—	—
Closing Balance	160.91	160.91

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 amounted to Rs. Nil (previous year(s) Rs. 29.33 lacs which has already been 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, which has been 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 in the previous year 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 and a further payment of Rs. 6.19 lacs was received during the year as full and final settlement amount, which was also utilised for the said purpose.



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 2009-10. 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.
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 Rs. 0.12 lakhs has been fully amortised (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. 2.08 lacs (previous year Rs. 1.57 lacs) towards penal interest levied by RBI for shortfall in maintenance of SLR.
(ii) Interest expense is net of Rs. 37.76 lacs (Previous year Rs. 87.78 lacs) being interest earned on deposit and others.
25. Other receipts include Rs. 1.25 lacs (previous year Rs. 1.25 lacs) from rent HP income includes Rs. Nil (previous year Rs. 3.63 lacs) recovered from NPA parties.
26. Based on the informations available with the company, there are no dues towards Micro, Small and Medium Enterprises as on 31.03.2011.
27. The Company has paid to a number of depositors on hardship cases on settlement basis based on principal amount outstanding.
28. The process of preparation of Fixed Asset register destroyed in the fire has been initiated. However, the W.D.V of assets (i.e furniture, computers etc.) destroyed in fire is not significant.
29. All assets financed through Hire Purchase / Lease have turned Non Performing Assets (N.P.A) in the books of the Company and have been provided for. List of such inventories are available excepting a few cases where financing were made through dealer which is not substantial.
30. The areas have been identified where there is a scope of improvement for internal control system and steps have been taken for the said improvement.
31. The initiation has been taken to complete the process of transfer of shares where ever possible and to update the records.
32. The investigation for the fraud committed by two employees in the F.Y. 2008-09 and thereafter is on the verge of completion and amount will be finally ascertained on receipt of final report from Kolkata Police.
33. The previous year figures have been regrouped / restated wherever considered necessary to conform to the current year's classification.

Signature to the Schedules 1 to 15

As per our Report of even date 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 27th day of May, 2011

On behalf of the Board of Directors

Mr. Debdatta Saila	Chairman
Mr. L. N. Kaul	Managing Director & Company Secretary
Mr. K. K. Chatterjee	Director
Mr. Biswajit Roy	Director
Mr. Bimalendu Sankar Gupta	Director
Mr. J. Mukherjee	Chief Financial Officer



Nicco Uco Alliance Credit Limited

Registered Office :
Nicco House, 2, Hare Street, Kolkata - 700001
27TH ANNUAL GENERAL MEETING
AT Bengal National Chamber of Commerce & Industry
23, Sir R. N. Mukherjee Road, Kolkata - 700 001
on Thursday the 29th September, 2011 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 27th Annual General Meeting of the Company, to be held on
Thursday, the 29th September, 2011 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 2010 - 2011

NICCO UCO ALLIANCE CREDIT LIMITED