

**28TH ANNUAL GENERAL MEETING**

Date : 28th September, 2012  
Day : Friday  
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

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) 6628-5262, 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. : (91-33) 2419-2641/2642  
Fax No. : (91-33) 2463-1658  
E-mail : rdinfotec@yahoo.com

## SHARE LISTED AT :

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

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



### Notice of the Twenty Eighth Annual General Meeting to the Members

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Company will be held on Friday, the 28th September, 2012 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 Statement of Profit & Loss Account of the Company for the year ended 31st March, 2012 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. Biswajit Roy, who retires by rotation and, being eligible, offers himself for re-appointment.  
(b) To appoint a Director in place of Mr. B.S. Gupta, 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 Auditors of the Company to hold office from the conclusion of Twenty Eighth 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 : 30th May, 2012

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 20th September, 2012 to Friday, the 28th September 2012, both days inclusive.
3. Trading in equity shares of the Company through Stock Exchange was made compulsory in dematerialisation/electronic form. To facilitate trading in demat form, the Company has entered into agreement with Central Depository Services (India) Limited (CDSL), shareholders can open account with 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 Eighth Annual General Meeting (In pursuance of Clause 49VI(A) of Listing Agreement)

<b>Name of the Director</b>	Mr. Biswajit Roy	Mr. B. S. Gupta
<b>Date of Birth</b>	10.02.1970	01.01.1945
<b>Date of appointment</b>	27.03.2006	27.03.2006
<b>Expertise</b>	Legal practitioner at High Court at Calcutta.	Project Appraisal, Disbursement, Rehabilitation of sick units
<b>Qualifications</b>	B. COM, L.L.B.	B. E., I.C.W.A. (Intermediate)
<b>List of other Companies in which directorship held</b>	Nil	Nil
<b>Membership/Chairmanship of Committee of Directors of the Company</b>	Remuneration Committee - Member	Shareholders' Grievances Committee - Chairman, Audit Committee - Member, Remuneration Committee - Member



## REPORT OF THE DIRECTORS For the year ended 31st March, 2012

The directors hereby present their 28th Annual Report together with the audited statement of accounts for the year ended 31st March 2012.

### 1. FINANCIAL RESULTS

Rs. In Lacs

#### Loss before Tax

Add : Balance of Loss brought forward from last year

#### Transfer to Balance Sheet

2011-12	2010-11
3992.02	4029.49
40842.74	36813.25
44834.76	40842.74

### 2. DIVIDEND :

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

### 3. OPERATIONS :

There was no income from operations as all deals have matured. Constant increase in loss was mainly due to provision for interest on Banks/FIs borrowings & fixed deposit and provisioning of NPA as per RBI guidelines.

There was no material collection this year because resources on collection were drying up. Regarding one major collection which was due from a client in Hyderabad against whom a court decree had been obtained, it is expected that in the current financial year a settlement/payment would be arrived at.

Despite efforts for out-of-court settlement with its bankers, the move did not materialize in the previous financial year. However, company hoped that tangible solution would emerge, mutually acceptable, 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 still 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 Kolkata had been filed by UCO Bank for the funding of Mehta Transport deal; AXIS Bank and Indusind Bank for their respective Securitised loan filed separate suits in DRT 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 High Court in Calcutta for recovery of its loan. All these cases are being contested by the Company.

Being aggrieved by DRAT Order, Uco Bank with other Consortium of Banks moved a proceeding under Sarfaesi Act. Company filed a Writ Petition before Hon'ble High Court at Calcutta and due to some deficiency in the procedure followed by UCO Bank and others, the said Court had Ordered that no coercive steps should be taken by Bank. Bank had appealed against this Order which is pending.

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

There was no progress on the investigation report prepared by Serious Fraud Investigation office (SFIO) submitted to Central Government, Ministry of Corporate Affairs, New Delhi in June, 2010.

In the meanwhile, office of SFIO in New Delhi had issued Summons to 3 former Directors on 25th May'12, arising out of instruction given by Central Government, Ministry of Corporate Affairs, New Delhi to prepare a supplementary investigation report in respect of certain issues of the company.

### 5. MIS-APPROPRIATION OF COMPANY'S FUND :

DCDD Kolkata Police at Lal Bazar Street, after completion of their investigation had filed their Charge Sheet and accordingly case against two ex.employees of the company was initiated before 5th Magistrate Court at Bankshall Street.

Company has filed money suit in High Court at Calcutta for recovery of mis-appropriated funds from ex.employees of the company.

On termination of service of two employees following domestic enquiry, one of the employees had moved City Civil Court for injunction which is pending for hearing.

### 6. 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.

### 7. STATUTORY INFORMATION :

There were no employees during the year ended 31st March'12 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 and 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.

#### 8. DIRECTORS :

Mr. Biswajit Roy and Mr. B. S. Gupta retire by rotation in the ensuing Twenty Eighth Annual General Meeting and, being eligible, offer themselves for reappointment.

#### 9. 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, 2012, 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, 2012 and of the loss for the year ended 31st March, 2012.
- (c) Your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding assets of the company and/or for preventing and detecting frauds 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, 2012 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.

#### 10. 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').

#### 11. AUDITORS & AUDITORS' REPORT :

M/s. Singhi & Co., Chartered Accountants, retire and being eligible offer themselves for reappointment. The Auditors 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 qualifications made by the Auditors in Auditors' Report, Annexure to the Auditors' Report and Certificate issued on compliance of conditions of Corporate Governance, all of them dated 30th May, 2012, 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.2.21 in this regard. Necessary action, if any, will be taken on disposal of the appeal.
- (a)(ii) Please refer to Note No.2.5(i) in this regard. Necessary action, if any, will be taken on disposal of the case.
  - (a)(iii) Please refer to Note No.2.3 iv (a) to 2.3 iv (d) in this regard. Necessary action, if any, will be taken on disposal of the cases.
  - (a)(iv) Please refer to note no.2.3 iv(e). The case is being contested.
  - (a)(v) Please refer to note no.2.3 iv(f).The case is pending before High Court, Calcutta.
  - (b) Please refer to Note No. 2.3 (x) 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 2.3x to notes on financial statement in this connection.
  - (d) Please refer to Note No. 2.12(d) in this regard. The investigation conducted by SFIO is on the verge of completion.
  - (e) As already explained in note 2.7 (a) & (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. Please also refer to note 2.24 regarding impairment.
  - (g) The land and building held by the company (in excess of its own use) are mostly charged with banks and cannot be liquidated. Unquoted shares could not be disposed off for want of suitable buyer.



**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.

(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. 2.21 to financial statements in this regard. Necessary action, if any, will be taken on disposal of the appeal.

(c) Please refer to Note No.2.3 (x) & (xi) 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.

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.2.3 iv(a) to (f). The company was then compelled to withdraw the said scheme filed u/s 391(1) and 391(6) of the Companies Act, 1956.

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 was received. However, initiatives has been taken by the company to complete the process of transfer and update the record.

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.

12. In regard to qualifications made under certificate issued on Corporate Governance, we state :

(a) To cut cost, company is not having its own Website but sending financial data regularly to Stock Exchange in their required format.

(b) Due to cancellation of Registration by Reserve Bank of India (appeal preferred by company is pending) company cannot do fund based business, hence, question of risk assessment and minimization procedure does not apply.

(c) & (d) In view of present financial condition of the company, effort is made to cut /reduce cost and accordingly Membership of CDSL was given up in the financial year 2005-06 as maximum activity of company's shares are confined to NSDL. Shareholders were also informed to comply with this request through Annual Reports and Accounts. CDSL had stopped sending their data since financial year 2010-11, resultantly, in distribution of shareholding and reconciliation of shares by practicing Company Secretary, the data relating to CDSL did not feature.

**13. APPRECIATION :**

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

30th May, 2012

Kolkata

ON BEHALF OF THE BOARD OF DIRECTORS

**DEBDATTA 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

30th May, 2012

ON BEHALF OF THE BOARD OF DIRECTORS

**DEBDATTA 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. Composition 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.	Mr. Debdatta Saila	Chairman & Independent Non-Executive	6	Yes	—
2.	Mr. L. N. Kaul	Managing Director & Company Secretary	6	Yes	1
3.	Mr. Kartick Kumar Chatterjee	Non-Executive	6	No	180
4.	Mr. Bimalendu Sankar Gupta	Independent Non-Executive	6	Yes	—
5.	Mr. Biswajit Roy	Independent Non-Executive	6	No	—

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 2011-2012 Board Meetings were held on 11.05.2011, 27.05.2011, 12.8.2011, 14.11.2011, 18.11.2011 and 31.01.2012.

**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;
- 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, 2012 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. Composition 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 six times during the year and attendance of the members at these meetings were as follows :

**Table 2 : 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	6
2.	Mr. K. K. Chatterjee Non-executive	Member	6
3.	Mr. B. S. Gupta Independent & Non-executive	Member	6



Managing Director & Company Secretary, Chief Financial Officer, representative of the Statutory Auditors and 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, 2012, the Audit Committee met on following dates :-

05.05.2011, 11.05.2011, 27.05.2011, 12.08.2011, 14.11.2011, 31.01.2012.

## 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.
- 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 3 gives the details of the remuneration package of Directors and their relationships with each other.

**Table 3 : Remuneration paid or payable to Directors during the Financial year 2011-2012**

(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
Mr. Debdatta Saila	None	0.42	N.A.	N.A.	N.A.	N.A.	0.42
Mr. L. N. Kaul	None	Nil	N.A.	6.72	1.82	N.A.	8.54
Mr. Kartick Kumar Chatterjee	None	0.45	N.A.	N.A.	N.A.	N.A.	0.45
Mr. Bimalendu Sankar Gupta	None	0.45	N.A.	N.A.	N.A.	N.A.	0.45
Mr. Biswajit Roy	None	0.24	N.A.	N.A.	N.A.	N.A.	0.24
<b>TOTAL :</b>		1.56		6.72	1.82		10.10

(1) The Service contract of Managing Director & Company Secretary was 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.

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

(3) Managing Director & Company 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. Further, excess remuneration amounting to Rs 0.27 lacs has been paid to Managing Director & Company Secretary in FY 2011-12 which has been shown as receivable under the heading 'Other Current Assets'.

#### 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) No meeting of Remuneration Committee was held during the year.

#### iv) Terms of Reference :

The broad terms of reference of remuneration committee includes the following:

- a) Review of remuneration payable to the directors of the company.
- b) Reviewing and advising the board over the remuneration policy of the company generally.
- c) Such other matters as may be decided by the board from time to time.

#### 5. Shareholders' / Investors' Grievance Committee

This 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 being the 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 received and dealt with during the year FY 2011-12**

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).	2	2	—
Miscellaneous correspondence/ complaints received other than above category.	1	1	—
<b>Total</b>	<b>3</b>	<b>3</b>	<b>—</b>

Note : The Company confirmed that there were no share transfers lying pending as on 31.03.2012, and all requests for dematerialisation and re-materialisation of shares as on that date were confirmed / rejected in NSDL / CDSL system.

#### Subsidiary Companies

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 would not be applicable.

#### 6. General Body Meetings

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

Financial Year	Date	Time	Venue
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
2010-2011	29.09.2011	10.30 AM	Bengal National Chamber of Commerce & Industry 23, Sir R. N. Mukherjee Road, Kolkata-700 001

In the Annual General Meetings held between financial years 2008-2009 & 2010-2011 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 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.

Disclosures on related party transactions, as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, is detailed in note no. 2.28 of Annual Accounts for the year 2011-12.

There has been no non-compliance by the Company and no penalties and strictures have been imposed on the Company by Bombay 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 Friday, the 28th September, 2012.

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 28th Annual General Meeting of the Company where the age, educational qualification and expertise in specific functional areas are given. None of the Directors of the Company hold Directorship and the Chairmanship/Membership of Committee of the Board of other Company and this has been approximately indicated.

III. **Financial Calendar (tentative and subject to change)**

1st Quarterly Results		Within 45 days of the end of the quarter.
2nd Quarterly / Half Yearly Results		
3rd Quarterly Results		
Audited Yearly Results for the Year ending 31st March, 2013		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 the 20th September, 2012 to the 28th September, 2012 (both days inclusive).

11. **Dividend Payment**

In view of the present financial condition of the company, no dividend is recommended for the financial year 2011-2012.

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

The Company's Equity shares are listed on the following Stock Exchange in Mumbai only and the listing fees for the period 2012-2013 have been paid.

**Stock Code :**

Name of the Stock Exchange	Stock Code	
	Physical	Demat
The Bombay Stock Exchange Ltd., 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 2011	0.78	0.62	19811.14	18976.19
May 2011	0.80	0.58	19253.87	17786.13
June 2011	0.81	0.60	18873.39	17314.38
July 2011	0.82	0.64	19131.70	18131.86
August 2011	0.79	0.60	18440.07	15765.53
Sept. 2011	0.73	0.55	17211.80	15801.01
Oct. 2011	0.80	0.66	17908.13	15745.43
Nov. 2011	0.79	0.55	17702.26	15478.69
Dec. 2011	0.71	0.50	17003.71	15135.86
Jan. 2012	0.55	0.42	17258.97	15358.02
Feb. 2012	0.57	0.49	18523.78	17061.55
March 2012	0.52	0.39	18040.69	16920.61

**13. Distribution of Shareholding as on March 31st, 2012****Table – 7**

Category of Shares	Nos. of Holders	%	Total Shares	%
1 – 100	16170	61.19	922158	2.52
101 – 500	7570	28.65	1689088	4.61
501 – 1000	1374	5.20	1074894	2.94
1001 – 5000	992	3.75	2320402	6.33
5001 – 10000	151	0.57	1178616	3.22
10001 & Above	168	0.64	29443817	80.38
	<b>26425</b>	<b>100</b>	<b>366289753</b>	<b>100.00</b>
<b>Total shareholding in CDSL</b>			<b>3517798</b>	
		<b>Total</b>	<b>40146773</b>	

As the data from CDSL is not available, the distribution of shareholding has been prepared based on the shareholders of NSDL and physical segment only.

**14. Pattern of Shareholding as on March 31st, 2012****Table - 8**

Sl. No.	Category	Nos. of Equity Shares held	Percentage of Shareholding
<b>A.</b>	<b>Promoters' holding</b>		
1.	Promoters :		
	- Indian Promoters	9372809	23.35
	- Foreign Promoters	Nil	Nil
2.	Persons acting in concert	1609371	4.01
	<b>Sub Total :</b>	<b>10982180</b>	<b>27.36</b>
<b>B.</b>	<b>Non-Promoters' Holding :</b>		
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
	<b>Sub Total :</b>	<b>1988259</b>	<b>4.95</b>
4.	Others :		
a.	Private Corporate bodies	10109226	25.18
b.	Indian Public	14346549	35.74
c.	NRIs/OCBs	749131	1.86
	Any Others :		
d.	Foreign Body Corporates	1971428	4.91
	<b>Sub Total :</b>	<b>27176334</b>	<b>67.69</b>
	<b>Non-Promoters's Holding :</b>	29164593	72.64
	<b>GRAND TOTAL</b>	<b>40146773</b>	<b>100.00</b>

**15. Dematerialisation of Shares**

As on March 31, 2012, 59.58% of the Company's total shares representing 23918643 shares were held in dematerialised form and the balance 40.42% representing 16228130 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 as 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 shareholders :**

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](mailto: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](mailto: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.



NICCO UCO ALLIANCE CREDIT LIMITED

**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.

**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 : nufslcal@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

30th May, 2012

**Debdatta Saila**

Chairman

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**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, 2012 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

For NICCO UCO ALLIANCE CREDIT LTD.

Kolkata

30th May, 2012

**L. N. KAUL**

Managing Director &  
Company Secretary





**SINGHI & CO.**  
Chartered Accountants

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Shareholders of **Nicco Uco Alliance Credit Limited**

We have examined the compliance of conditions of Corporate Governance of Nicco Uco Alliance Credit Limited for the year ended on 31st March, 2012 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 the 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 / Half Yearly / 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.*
- d) *As stipulated by Securities & Exchange Board of India (SEBI), Secretarial audit to reconcile the total admitted capital and the total issued and listed capital with Central Depository Services (India) Limited (CDSL), is not being carried out by a practicing Company Secretary.*

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.

1B, Old Post Office Street  
Kolkata – 700 001  
The 30th day of May, 2012

FOR SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505



## **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 2012, the statement of Profit and Loss 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, *subject to our observations made in para 6 and the Annexure below* 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 and the Annexure 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 statement of profit and loss 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 Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the 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. 2.24 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, 2012 from being appointed as directors in other public companies in terms of clause (g) of 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. 2.21 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, as stated, 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. 2.5(a), 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. 2.3.iv.a to 2.3.iv.d regarding applications filed by various banks and financial institutions to DRT and DRT 1 to recover their dues.*
  - (iv) *Note No. 2.3.iv.e regarding suit initiated by International Finance Corporation, Washington in High Court at Calcutta.*
  - (v) *Note number 2.3.iv.f regarding measures taken by UCO bank u/s 13(4) of the SARFESI act against the company.*
- b) *Note No. 2.3.x regarding default made by the Company in repayment of its Fixed Deposits liability as per order of Company Law Board (CLB).*
- c) *Note No.2.3.ix regarding non-confirmation of balances by Banks and Financial Institutions (FI's) in whose Books the account of Company has turned Non Performing Assets.(NPAs) Non-confirmation is in respect of loan accounts, interest payable on such loan accounts.*
- d) *Note No. 2.12(d) regarding Serious Fraud Investigation against the company on recommendation of Registrar of Companies (ROC).*



- e) *Non transferring of Rs.6.31 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. 2.7 (a) & (b).*
- f) *Non ascertainment of impairment of assets as required by Accounting Standard (AS)-28 issued by the Institute of Chartered Accountants of India. Refer Note No. 2.24.*
- g) *As per the explanations given by the management the provisions made by the company against non performing assets (NPs) are sufficient to cover any future eventualities.*
- h) *As per the information and explanations given to us, the land and building held by the company in excess of its own use amounting to Rs 299.66 lacs and investments in unquoted shares of companies (other than subsidiary and company in the same group) amounting to Rs 6.80 lacs is in violation of para 19 of Non-Banking Financial (Deposit accepting or holding) Companies, Prudential Norms, (Reserve Bank) directions, 2007 in regards to "Restrictions on investments in land and building and unquoted shares." Moreover as per requirement such land and buildings or unquoted shares acquired in satisfaction of debts are to be disposed off within a period of 3 years from the date of acquisition. In absence of the information regarding acquisition of such shares in satisfaction of debts and the period of holding of such assets, we are unable to comment on the same.*

*However we have been given to understand that such assets are charged with Banks and Financial Institutions and can not be liquidated to bring the same within limits of prudential norms as mentioned above.*

and read with notes and in particular note no. 2.29 & 2.23.c 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, 2012;
- (b) In the case of the statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

1B, Old Post Office Street  
Kolkata – 700 001  
Dated : The 30th day of May, 2012

FOR SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505

**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. Refer note no. 2.33.*
- 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 assumption.
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 31.03.2012 were Rs.0.37 Lacs and Rs.0.37 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.
- (e) 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 non-furnishing of details / non reconciliation of certain accounts, repayment of fixed deposits, etc., which needs improvement. Also 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 2012 exceeded the ceiling limit fixed by Reserve Bank of India by Rs. 1205.07 Lacs (refer note no 2.3.vii) 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, as stated, is pending. Refer Note No.2.21.*
  - c) *Honorable Company Law Board Eastern Region Bench has passed an order vide order dated 22nd March, 2005 against Company's Petition No. 641(58AA)/ERB/2004 for rescheduling the repayment of Company's Fixed Deposit liability including interest accrued thereon u/s 45QA of the RBI Act 1934. As at 31.03.2012 there was default of Rs. 1205.07 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. 2.3.x & xi.*
  - 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. 2.3.v.*
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Company has given yearly maintenance job of its Wind Mills to outside agencies on contract. 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 bought forward balances of Service Tax amounting to Rs. 1,06,306/- , Profession tax amounting to Rs.8,020/-, Tax Deducted at Source (TDS) amounting to Rs. 24,071/- and unclaimed Fixed Deposits as referred to in Para no 6 (e) of our main audit report in this regard.*



- (b) According to the records of the company, the dues of sales tax, custom duty, wealth tax, income tax, excise duty, service tax, and cess which have not been deposited on account of 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.
	<b>Total</b>	<b>54.03</b>	

\* 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. 25,355.90 Lacs provided for the period January, 2004 to March, 2012 remain unpaid. Working capital loan, term Loan to the tune of Rs. 12,134.56 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.

1B, Old Post Office Street  
Kolkata – 700 001  
Dated : The 30th day of May, 2012

FOR SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505



NICCO UCO ALLIANCE CREDIT LIMITED

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Note	Rs.	As at March 31, 2012 Rs.	Rs.	As at March 31, 2011 Rs.
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUND</b>					
Share Capital	2.1	401,012,730		401,012,730	
Reserves and Surplus	2.2	(4,435,628,912)		(4,036,425,630)	
			<b>(4,034,616,182)</b>		<b>(3,635,412,900)</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-Term Borrowings	2.3	—		—	
Long-Term Provisions	2.4	1,219,280,300		1,219,189,889	
			<b>1,219,280,300</b>		<b>1,219,189,889</b>
<b>CURRENT LIABILITIES</b>					
Short-Term Borrowings	2.5	1,067,375,042		1,067,375,042	
Trade Payables	2.6	20,581,573		21,714,834	
Other Current Liabilities	2.7	3,021,475,563		2,658,255,695	
Short-Term Provisions	2.4	959,582		926,189	
			<b>4,110,391,760</b>		<b>3,748,271,761</b>
<b>TOTAL</b>			<b>1,295,055,878</b>		<b>1,332,048,749</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
<b>Fixed Assets</b>					
Tangible Assets	2.8	74,249,118		76,440,177	
Capital Work-In-Progress	2.8	799,600		799,600	
			<b>75,048,718</b>		<b>77,239,777</b>
Non-Current Investments	2.9	113,714,522		113,714,524	
Long-Term Loans and Advances	2.10	41,445,002		41,108,107	
Trade Receivables	2.11	29,531,720		29,531,720	
Other Non-Current Assets	2.12	996,990,384		996,902,509	
			<b>1,181,681,628</b>		<b>1,181,256,861</b>
<b>CURRENT ASSETS</b>					
Trade Receivables	2.11	—		—	
Cash and Bank Balances	2.13	34,009,381		67,284,933	
Short-Term Loans and Advances	2.10	321,456		1,477,002	
Other Current Assets	2.12	3,994,695		4,790,174	
			<b>38,325,532</b>		<b>73,552,111</b>
<b>TOTAL</b>			<b>1,295,055,878</b>		<b>1,332,048,749</b>

Significant Accounting Policies 1

The Notes are an integral part of the Financial Statements

As per our Report annexed  
for SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata - 700 001  
the 30th day of May, 2012

On behalf of the Board of Directors

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



## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
<b>INCOME</b>			
Revenue from Operations	2.14	700,000	—
Other income	2.15	116,385,365	52,484,288
<b>Total Revenue</b>		<b><u>117,085,365</u></b>	<b><u>52,484,288</u></b>
<b>EXPENDITURE</b>			
Changes in Inventories	2.16	—	—
Employee Benefits Expense	2.17	2,788,961	2,857,183
Finance Costs	2.18	504,965,787	436,187,946
Other Expenses	2.19	5,956,505	13,842,918
<b>Total</b>		<b><u>513,711,254</u></b>	<b><u>452,888,047</u></b>
<b>Profit/ (Loss) before Tax, Depreciation &amp; Amortisation</b>		<b>(396,625,889)</b>	<b>(400,403,758)</b>
Depreciation and Amortization Expense	2.20	2,576,283	2,546,113
Profit before Tax		<b><u>(399,202,172)</u></b>	<b><u>(402,949,871)</u></b>
Tax Expense:			
Current Tax		—	—
Deferred Tax		—	—
Income Tax for earlier years		—	—
<b>Profit / (Loss) for the year</b>		<b><u>(399,202,172)</u></b>	<b><u>(402,949,871)</u></b>
<b>Earnings Per Share</b>			
Basic and Diluted earning per share (in Rs.)		<b>(9.94)</b>	<b>(10.04)</b>
(Refer Accompanying Note 2.30)			

Significant Accounting Policies

1

The Notes are an integral part of the Financial Statements

As per our Report annexed  
for SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata - 700 001  
the 30th day of May, 2012

On behalf of the Board of Directors

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

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



NICCO UCO ALLIANCE CREDIT LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2012

(Pursuant to Clause 32 of Listing Agreement )

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended	For the year ended
	31st March, 2012	31st March, 2011
	Rs.	Rs.
Net Profit/(Loss) before tax & extraordinary items	(399,202,172)	(402,949,871)
Add/(Less): Adjustments for		
Depreciation	2,576,283	2,546,113
Provisions for debts,leave salary	—	7,134,000
Provisions for Employee benefits	123,803	—
Dividend on investments	(389,784)	(230,279)
Profit on sale of fixed assets	(48,000)	(660,272)
Profit on sale of Investments	(2,236,812)	—
Loss on sale of fixed assets / hire purchase stock	—	199,775
Liability no longer required written back	(108,078,621)	(44,388,403)
Unrealised Foreign exchange fluctuation loss / (gain)	3,770,724	(903,744)
Bad Debt Written off	—	20,341
Interest Expenses	501,195,063	436,187,946
Interest Income	(3,592,470)	(3,776,083)
<b>Operating profit / (loss) before working capital changes</b>	<b>(5,881,985)</b>	<b>(6,820,477)</b>
(Increase)/Decrease in trade receivable	—	8,011,698
(Increase)/Decrease in stock of H.P.	—	—
(Increase)/Decrease in loans & advances	220,238	(204,509)
Increase/(Decrease) in trade payables/current liabilities	(1,151,852)	1,667,715
<b>Cash generated from operations</b>	<b>(6,813,600)</b>	<b>2,654,427</b>
Interest paid	(18,803)	(535,413)
Tax Paid	—	—
<b>Cash flow before extraordinary items</b>	<b>(6,832,403)</b>	<b>2,119,014</b>
<b>Net Cash from Operating activities</b>	<b>(6,832,403)</b>	<b>2,119,014</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(386,331)	(343,250)
Proceeds from Sale of fixed assets	48,001	19,800,225
Proceeds from Sale of Investments	2,236,814	—
Interest received	4,898,487	1,480,948
Dividend received on investments	389,784	230,279
<b>Net Cash used in Investing activities</b>	<b>7,186,754</b>	<b>21,168,202</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(38,345,502)	(22,929,726)
<b>Net Cash used in Financing activities</b>	<b>(38,345,502)</b>	<b>(22,929,726)</b>
Net increase/(decrease) in cash and cash equivalents	(37,991,150)	357,490
Opening cash and bank balances	87,634,506	87,277,016
Closing cash and bank balances	49,643,356	87,634,506

### Notes :

- Above statement has been prepared in indirect method as given in Accounting Standard - 3 on Cash Flow Statement 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 bank balances consist of Cash in hand, fixed deposits and balances with banks which includes :

	Figures Rs. in Lakhs	
	As on 31.03.12	As on 31.03.11
a) Fixed Deposit with banks considered doubtful and provided for	13.76	13.76
b) Inaccessible positive balances in current accounts lying with banks (Secured lenders)	208.20	208.20
c) Balances unconfirmed by banks in current accounts	2.20	1.05
Total	224.16	223.01

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

As per our Report annexed  
for SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata - 700 001  
the 30th day of May, 2012

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

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





## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 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 Guidelines issued by Reserve Bank of India and adopted consistently by the Company.

The financial statements has been prepared and presented as per the requirement of revised schedule VI as notified under the Companies Act 1956 with effect from current year. The adoption of revised schedule VI does not have any impact on recognition and measurement principles as consistently followed by the company.

### 1.2 Use of Estimates

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

### 1.3 Tangible Assets

Tangible assets are stated at cost. Capital Work-in-Progress forming part of note of fixed assets includes cost of assets not put to use before the year end.

### 1.4 Depreciation & Amortization

- a) Depreciation on own tangible assets (other than leased assets) have been provided on straight line basis at the rates specified in Schedule XIV to 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 non-current assets as other assets at an amount equal to the net investment value in the lease, initial indirect cost forming part of net investment value.

### 1.5 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.

### 1.6 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-à-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.

### 1.7 Recognition of Income & Expenditure

- a) **Income :-**
  - (i) Lease Income :



**SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

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.

**1.8 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 Benefits:**

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

**1.9 Taxes on Income**

Provision for current 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.

**1.10 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 Forward Exchange Contracts (except for firm commitments and highly probable forecast transactions), the premium or discount arising at the inception of Forward Exchange Contracts entered into to hedge an existing asset / liability, is amortised over the life of the contract. Exchange differences between the rate at the inception of such contracts and rate on the reporting date are recognised as income or expense for the period.

**1.11 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.

**1.12 Provisions & 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.



**Notes to Financial Statements for the year ended 31st March, 2012**

**2.1 : SHARE CAPITAL**

Number		Rs.	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>Authorised</b>				
43,000,000 (43,000,000)	Equity Shares of Rs.10/- each		430,000,000	430,000,000
7,000,000 (7,000,000)	Redeemable Cumulative Non-Convertible Preference Shares of Rs.10/- each		70,000,000	70,000,000
			<u>500,000,000</u>	<u>500,000,000</u>
<b>Issued</b>				
40,147,173 (40,147,173)	Equity Shares of Rs.10/- each		<u>401,471,730</u>	<u>401,471,730</u>
<b>Subscribed and Paid-up</b>				
40,147,173	Equity Shares of Rs.10/- each	401,471,730		—
<u>400</u>	Less : Cancellation on Amalgamation	<u>4,000</u>		
40,146,773		401,467,730		
	Less : Calls-in-Arrear	<u>455,000</u>	401,012,730	401,012,730
			<u>401,012,730</u>	<u>401,012,730</u>

- The break-up of equity share subscribed and fully paid-up, subscribed but not fully paid-up could not be furnished in absence of proper details regarding Calls in Arrear, available at present.
- The company has one class of issued shares i.e. equity shares having par value of Rs.10/- per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend.
- There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- The Company does not have any holding company/ultimate holding company.
- Details of shareholders holding more than 5% shares in the company :

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares of Rs. 1 each fully paid</b>				
Nicco Corporation Limited	7,058,524	17.58	7,058,524	17.58
UCO Bank	2,314,285	5.76	2,314,285	5.76

- No equity shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment as at the balance sheet date.
- No securities convertible into equity/preference shares has been issued by the company during the year.

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

- h) No calls are unpaid by any Director and Officer of the Company during the year.
- i) No shares have been allotted or has been bought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- j.i) Equity shares issued for consideration other than cash include 9,60,000 Equity shares of Rs.10/- each allotted pursuant to amalgamation of Sanpaola Hambro Nicco Finance Ltd.
- j.ii) 4,00,000 Equity Shares of Rs.10/- each allotted pursuant to amalgamation of Nicco Investments Ltd.
- j.iii) 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.
- j.iv) 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.
- j.v) 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.

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.2 : RESERVES AND SURPLUS</b>		
<b>Capital Reserve I</b>		
Paid up amount on shares forfeited As per last Financial Statements	20,500	20,500
	<u>20,500</u>	<u>20,500</u>
<b>Capital Reserve II</b>		
Non-refundable capital grant As per last Financial Statements Less : Prorata Adjustement of Fixed Assets (Refer Note 2.8 (a))	43,521 1,110	44,628 1,107
	<u>42,411</u>	<u>43,521</u>
<b>Capital Reserve III</b>		
On amalgamation of Nicco Investments Ltd As per last Financial Statements	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Total Capital Reserve</b>	<b>A</b> <u>1,062,911</u>	<u>1,064,021</u>
<b>Capital Redemption Reserve</b>		
As per last Financial Statements	20,000,000	20,000,000
	<b>B</b> <u>20,000,000</u>	<u>20,000,000</u>
<b>Statutory Reserve Fund</b>		
As per last Financial Statements	26,784,772	26,784,772
	<b>C</b> <u>26,784,772</u>	<u>26,784,772</u>
<b>Surplus / (Deficit)</b>		
As per last Financial Statements Add : Profit / (Loss) for the year	(4,084,274,423) (399,202,172)	(3,681,324,552) (402,949,871)
<b>Net Surplus / (Deficit)</b>	<b>D</b> <u>(4,483,476,595)</u>	<u>(4,084,274,423)</u>
	<b>A to D</b> <u>(4,435,628,912)</u>	<u>(4,036,425,630)</u>



Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

	Non-current portion		Current Maturities	
	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)
<b>2.3 : LONG-TERM BORROWINGS</b>				
<b>Term Loans (Secured)</b>				
Rupee Loans from Banks	—	—	46,484,295	46,484,295
Foreign Currency Loans from Financial Institutions	—	—	99,596,261	87,508,685
	<u>—</u>	<u>—</u>	<u>146,080,556</u>	<u>133,992,980</u>
<b>Total Secured Borrowings</b>	<b>—</b>	<b>—</b>	<b>146,080,556</b>	<b>133,992,980</b>
<b>Deposits (Unsecured)</b>				
Fixed Deposits	—	—	107,047,639	171,206,780
	<u>—</u>	<u>—</u>	<u>107,047,639</u>	<u>171,206,780</u>
<b>Total Unsecured Borrowings</b>	<b>—</b>	<b>—</b>	<b>107,047,639</b>	<b>171,206,780</b>
Amount disclosed under the head "Other Current Liabilities" ( Refer Note 2.7)	—	—	(253,128,195)	(305,199,760)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

- i.a) Rupee Loans from Banks consist of loans from: UCO Bank (Mehta Transport), UTI Bank.
- i.b) **Nature of Security: For Uco Bank (Mehta Transport)** - By an agreement for hypothecation of movable plant and machinery to secure a term loan by the company on November 17, 2000, the company hypothecated the following vehicles as security for the repayment of the said term loan facility availed of by it from the applicant bank being the 50 number of Ashok Leyland Tusker Turbo tractors along with new chasis lent under Hire Purchase to M/s Mehta Transport Services (I) Ltd.
- Further the company hypothecated to and charged in favour of the applicant bank as and by way of first charge thereon:
- (i) all the goods described in general terms in the schedule written thereunder being 50 numbers of trailers to be purchased under the term loan and is to be lent under hire purchase agreement.
- (ii) all the company's present and future book debts, outstanding monies, receivables, claims, bills, contracts etc.
- i.c) **Nature of Security: For UTI Bank:** The facility is secured against assignment of receivable of the selected pool together with the entire interest, ownership and clear title and rights to the assets provided in the hire purchase agreements and also against cash collateral.
- i.d) Foreign Currency Loan consists of **IFC-Washington, IFCI**.
- i.e) Nature of Security - **For IFC Washington:** The company hypothecated and charged as and by way of first fixed and exclusive charge and lien to and / or in favour of the trustee in for the benefit of the corporation, certain properties and assets given on lease or hire purchase or acquired by the company out of finances.
- i.f) **Nature of Security: For IFCI** - The company hypothecated on 29th April, 1999 in favour of the applicant by virtue of which the whole of the specific Industrial Assets, equipments, plant, machinery and other assets together with its spares, tools and other accessories acquired / to be acquired, were more particularly described below to the application were hypothecated in favour of the applicant as security for the term loan.

Particulars of the equipments, plant, machinery, and other assets acquired by the company out of loan :

1. TIL make Cranes



**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

2. particles board plant.

All the movable properties and immovable properties of the company wherever lying and wherever situated.

- ii) All loans have turned Non-Performing Assets in the books of the lenders and the same have been recalled by them and at present being contested in Debt Recovery Tribunals and High Court at Calcutta. Hence, the clause relating to disclosure of terms of repayment of loans in such cases has become inapplicable.
- iii) The details of default given below showing dates and amount (Principal and Interest) referring note no. 2.3.iii is as furnished by the management.
- iv.a) UCO Bank has filed application in DRT - I to recover Rs.327 lacs ( previous year Rs.327 lacs ) on account of term loan, matter is pending.
- iv.b) IFCI has filed an application in DRT - I to recover Rs.62.91 lacs ( previous year Rs.62.91 lacs ), matter is pending.
- iv.c) 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.
- iv.d) Axis Bank has filed an application in DRT, Chennai to recover Rs.1368 lacs ( previous year Rs.1368 lacs ) which is also being contested.
- iv.e) International Finance Corporation Washington 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.
- iv.f) UCO Bank has taken measures under section 13(4) of the SARFAESI Act against the company. The company filed an application under section 17(1) of the said Act.

In the Sarfaesi 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.

- v) 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.
- vi) 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.
- vii) 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.
- viii) The Company has paid to a number of depositors on hardship cases on settlement basis based on principal amount outstanding.
- ix) The entire secured loan accounts of the company amounting to Rs.121.35 crores ( previous year Rs.120.14 crores ) except interest accrued and due, has become NPA in the books of the lenders. The banks/Financial Institutions have stopped giving


**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

statements and confirmations. Interest on these accounts have been provided as per the last agreed rates. However, the said accounts remain unconfirmed.

- x) Honorable Company Law Board Eastern Region Bench had passed an order vide it's order dated 22nd March, 2005 against Company's petition No. 641(58AA)/ERB/2004 for rescheduling the repayment of Company's Fixed Deposit liability including interest accrued thereon u/s 45QA of the RBI Act. The company had filed an application before CLB in the month of February, 2007 to extend the period of payment of these dues and CLB has modified the order dated 22nd March, 2005 vide their order dated 28.06.2007 granting an extension of six months on payment of deposit from the date of maturity of deposits from March, 2007 and onwards. The said order also stipulates that no interest need to be paid along with the last instalment as directed in the original scheme and the question of payment of interest shall be decided later and accordingly interest provided at contracted rate and as per CLB order on outstanding Fixed Deposit liability has been shown as 'interest accrued but not due' under Other Current Liability. Refer note 2.7 - Interest Accrued and not due.
- xi) Entire amount of Fixed Deposits amounting to Rs 1205.07 lacs (previous Year 1982.04 Lacs) has matured and is due for payment.

**Note No. 2.3.iii**
**Statement showing defaults in repayment of long term borrowings and Interest thereon**

Nature of Loan	Refer	Continuing Period of default from	Amount of Default as on 31.03.2012		Amount of Default as on 31.03.2011	
			Principal (Rs.)	Interest (Rs.)	Principal (Rs.)	Interest (Rs.)
<b>Rupee Term Loan from banks</b>						
TERM LOAN- UCO A/C	@	8-May-07	25,319,863	40,737,725	25,319,863	32,725,602
UTI-TLI A/C NO (Axis Bank)	#	March'2007	9,918,463		9,918,463	
UTI TLI II A/C (Axis Bank)		March'2007	11,245,969	34,821,296	11,245,969	27,546,711
<b>Sub-Total</b>			<b>46,484,295</b>	<b>75,559,021</b>	<b>46,484,295</b>	<b>60,272,313</b>
<b>Term Loan in Foreign Currency from banks</b>						
		For Principal 6th Jan'2004		95,759,208		83671632
		For interest 17th Dec' 2003		62,518,937		61,259,851
International Finance Corporation, Washington	\$					
		For Principal - 1st Jan '2004	3,837,053		3,837,053	
I.F.C.I. Loan	*	For Interest - 1st Apr '2004		9,674,822		7,519,940
<b>Sub-Total</b>			<b>99,596,261</b>	<b>72,193,759</b>	<b>87,508,685</b>	<b>68,779,791</b>

@ The Uco bank has recalled the loan and the same is in the Calcutta Debt Recovery tribunal -1 as per original application 54 of 2007, date of default is 08/05/2007 and registration number is O.A. 54 of 2007.

# The Axis bank has recalled the the loan and the same is in the Debt recovery tribunal.

\$ The IFC-W has recalled the loan and the same is in the Calcutta High Court, suit no. 102 of 2009.

\* The IFCI has recalled the loan and the same is in the Debt Recovery tribunal -1 as per original application 65 of 2006.

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	Long-term		Short-term	
	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)
<b>2.4 : PROVISIONS</b>				
Provision for Employee Benefits				
Gratuity	430,239	369,349	619,625	586,583
Leave Encashment	293,123	263,602	339,956	339,606
	<u>723,362</u>	<u>632,951</u>	<u>959,581</u>	<u>926,189</u>
Other Provisions				
Provision for Doubtful Advance	39,705,447	39,705,447	—	—
Provision for Doubtful Fixed Deposits with banks	1,376,282	1,376,282	—	—
Provision for Other Receivables	857,450,951	857,450,951	—	—
Provision against Non-Performing Assets	221,391,287	221,391,287	—	—
Provisions for Diminution in value of Investments	98,632,971	98,632,971	—	—
	<u>1,218,556,938</u>	<u>1,218,556,938</u>	<u>—</u>	<u>—</u>
	<b>1,219,280,300</b>	<b>1,219,189,889</b>	<b>959,581</b>	<b>926,189</b>

- a) 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 however in the opinion of the management the same is not substantial.

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.5 : SHORT TERM BORROWINGS</b>		
Working Capital Demand Loan	739,897,142	739,897,142
Cash Credit	327,477,900	327,477,900
	<u>1,067,375,042</u>	<u>1,067,375,042</u>
<b>The above amount includes</b>		
Secured Borrowings	1,067,375,042	1,067,375,042
Unsecured Borrowings	—	—
	<u>1,067,375,042</u>	<u>1,067,375,042</u>

- i) 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.
- ii.A) **Nature of Security:** The company extended a joint deed of hypothecation in favour of consortium of bankers headed by UCO bank whereby the company hypothecated as and by way of first charge its entire tangible properties and assets both present and future including plant and machinery and /or other assets purchased and / or acquired for its hire purchase/leasing business/operations and all relative lease rentals, hire charges receivables, both present and future.
- ii.B) The company further created equitable mortgage in favour of the applicant banks in respect of the properties by way of deposit of original title deeds on June 20, 2001:
- Office Space at Nicco House, 2nd Floor, 2 Hare Street, Kolkata-700 001;
  - Flat at 718, Dalmal Towers, Nariman Point, Mumbai - 400 021;
  - Flat no. 3 at 9, South North nRoad, Juhu Ville Parle Development Scheme, Mumbai-400 049;
  - Premises at 93/4, Karaya Road, 4th Floor Kolkata - 700 019;




**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

- e) 0.65 acre, 2.92 acres, 1.70 acres, 0.95 acre, 0.85 acre and 5.90 acres of land at Poolavadi, Coimbatore, Tamil Nadu;
- f) 142 kenels, 17 marlas of land in khewat nos. 16,37,38,61 & 79, khatoni nos. 21 min, 143min, 44 min, 83 min, 108min respectively at Village-Salhawas, Tehsil-Rewari, District-Rewari, Haryana.
- iii) All loans have turned Non-Performing Assets in the books of the lenders and the same have been recalled by them and at present being contested in Debt Recovery Tribunals. Hence, the clause relating to disclosure of terms of repayment of loans in such cases has become inapplicable.
- iv) Refer Note 2.3.ix
- v) The details of default given below showing dates and amount (Principal and Interest) referring note no. 2.5.v is as furnished by the management.

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.6 : TRADE PAYABLES</b>		
For Goods & Services	20,581,573	21,714,834
	<b><u>20,581,573</u></b>	<b><u>21,714,834</u></b>

- a) Based on the informations available with the company, there are no dues towards Micro, Small and Medium Enterprises as on 31.03.2012.

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.7 : OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt ( Refer Note 2.3)		
Rupee Loans from Bank	46,484,295	46,484,295
Foreign Currency Loans from Banks	99,596,261	87,508,685
Fixed Deposits	107,047,639	171,206,780
	<u>253,128,195</u>	<u>305,199,760</u>
Unclaimed Fixed Deposits	13,459,591	26,997,107
Interest accrued but not due on Borrowings (Refer Note no. 2.3.x)	87,438,829	147,043,968
Interest accrued and due on Borrowings	2,535,590,412	2,051,853,333
Duties & Taxes Payable	143,382	161,972
Security Deposit	4,424,385	4,424,385
Retention Money	4,576,443	4,576,443
Securitisaton Dues Payable	99,294,865	99,294,865
Book Overdraft	6,782,133	2,066,535
Payable for Service Tax under litigation	16,090,997	16,090,997
Others	546,331	546,331
	<b><u>3,021,475,563</u></b>	<b><u>2,658,255,696</u></b>

- a) 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.
- b) In the view of the critical financial conditions which the company is facing, it could not transfer an amount of Rs. 6,31,535/- (previous year Rs. 1,647,712 ) to 'Investors Education and Protection Fund'.



Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

Note No. 2.5.v

Statement showing defaults in repayment of Short Term Borrowings and Interest thereon

Nature of Loan	Period of default from	Amount of Default as on 31.03.2012		Amount of Default as on 31.03.2011	
		Principal (Rs.)	Interest (Rs.)	Principal (Rs.)	Interest (Rs.)
<b>Working Capital Demand Loan from banks</b>					
(P & S BANK)	1-Apr-04	49,823,355	94,170,542	49,823,355	74,842,956
FEDERAL BANK	1-Nov-05	25,924,317	—	25,924,317	—
FBL/MDC/CC-105	1-Nov-05	10,014,065	59,447,737	10,014,065	47,755,374
UBI	1-Nov-05	53,999,693	126,898,506	53,999,693	102,231,091
UCO BANK	1-Apr-04	240,000,000	490,172,259	240,000,000	395,296,290
WORKING CAPITAL DEMAND LOAN	1-Apr-04	91,900,000	—	91,900,000	—
THE FEDERAL BANK OF INDIA	1-Nov-05	40,000,000	120,082,234	40,000,000	96,788,157
BANK OF BARODA-17		32,000,000	—	32,000,000	—
BANK OF BARODA-172 MAD	1-Sep-04	7,813,814	81,865,492	7,813,814	66,556,167
INDIAN OVERSEAS BANK		18,200,000	—	18,200,000	—
IOB/MDS CC-14		26,596,950	—	26,596,950	—
IOB-I/N A/C NO-804	1-Apr-04	4,351	288,932,581	4,351	233,523,458
THE SOUTH INDIAN BANK LTD.		32,000,000	—	32,000,000	—
SIBL/MDS CC-1036	1-Nov-05	8,030,678	108,350,564	8,030,678	86,549,845
STATE BANK OF TRIVANCORE		54,000,000	—	54,000,000	—
SBT/MDS(CC-125613)		13,260,881	—	13,260,881	—
SBT/VELLORE		8	—	8	—
SBT/MADURAI	1-Feb-04	(90)	155,824,598	(90)	125,238,567
CATHOLIC SYRIAN BANK LTD.		28,000,000	—	28,000,000	—
CSB/MDS CC-1595		7,000,585	—	7,000,585	—
CBS/MDS/CC-220222	1-Nov-05	8,990,257	96,709,876	8,990,257	77,044,588
DENA BANK MADRAS-600001		16,000,000	—	16,000,000	—
DENA BANK-CC20016	1-Jun-05	4,006,264	46,333,975	4,006,264	37,288,624
STATE BANK OF MYSORE		12,039,971	—	12,039,971	—
SBM/MDS CC-13	1-Apr-04	101,393	24,239,951	101,393	19,693,656
CENTRAL BANK OF INDIA	1-Oct-04	36,009,806	108,224,595	36,009,806	87,004,404
INDUSIND BANK		10,000,000	—	10,000,000	—
INDUSIND BANK MDS/CC15048280	1-Aug-05	39,931,056	160,996,352	39,931,056	126,927,557
UTI-BANK LTD.CA-2951 INT.WARRA	1-Apr-04	4,479	—	4,479	—
<b>Sub-Total</b>		<b>865,651,833</b>	<b>1,962,249,262</b>	<b>865,651,833</b>	<b>1,576,740,733</b>
<b>Cash Credit Loan from banks</b>					
UCO BANK - MAIN BRANCH	1-Apr-04	35,675,316	—	35,675,316	—
NUACL- FD. CACR-52	1-Apr-04	8,619,258	111,191,972	8,619,258	90,988,607
PUNJAB & SINDH (CCHPL-3)	1-Apr-04	12,208,114	22,623,864	12,208,114	17,948,393
UBI - CORP.BUS.BRANCH (CC 20039)	1-Nov-05	13,522,496	26,369,322	13,522,496	20,929,644
CANARA BANK	1-Jun-04	7,074,619	15,227,566	7,074,619	12,173,109
DENA BANK	1-Jun-05	18,741,674	45,962,459	18,741,674	37,100,728
FEDERAL BANK - CALCUTTA	1-Nov-05	5,881,711	15,104,619	5,881,711	12,248,279
SBI(IFB)/MDS-CC-974	1-Jul-04	100,000,020	189,108,568	100,000,020	154,671,735
<b>Sub-Total</b>		<b>201,723,210</b>	<b>425,588,370</b>	<b>201,723,210</b>	<b>346,060,495</b>
<b>Total</b>		<b>1,067,375,042</b>	<b>2,387,837,632</b>	<b>1,067,375,042</b>	<b>1,922,801,228</b>



Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

NOTE 2.8 : TANGIBLE ASSETS

PARTICULARS OF ASSET	GROSS BLOCK			DEPRECIATION			LEASE ADJUSTMENT A/C			NET BLOCK	
	As at 1st April 2011	Additions during the year	Deductions/Adjustment during the year	As at 31st March 2012	As at 1st April 2011	Provided during the year	Deductions/Adjustment during the year	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011	
<b>OWN ASSET</b>											
Land	28,644,942			28,644,942						28,644,942	28,644,942
Building	23,163,692			23,163,692	6,982,020	359,839				15,821,833	16,181,672
Furniture, Fixture & Office Equipment	19,701,084	386,331	177,730	19,701,084	19,273,279	36,043	177,730			391,762	427,805
Motor Car	3,921,792			4,130,393	3,921,047	14,278				372,798	745
Windmill	36,100,798			36,100,798	26,578,240	1,719,484				7,803,074	9,522,558
Machinery	12,669,627			12,669,627	9,135,161	447,749				3,086,717	3,534,466
<b>SUB TOTAL</b>	<b>124,201,935</b>	<b>386,331</b>	<b>177,730</b>	<b>124,410,537</b>	<b>65,889,747</b>	<b>2,577,393</b>	<b>177,730</b>			<b>56,121,126</b>	<b>58,312,188</b>
Previous Year	143,198,413	343,250	19,339,728	124,201,936	63,342,527	2,547,220				58,312,188	
<b>FOR LEASE ACTIVITIES</b>											
<b>FINANCE LEASE :</b>											
Computer & Accessories	91,475,691			91,475,691	76,312,549					12,077,167	3,085,975
Machinery	385,899,571			385,899,571	230,526,700					140,407,630	14,965,241
Vehicles	292,491,121			292,491,121	237,949,768					54,540,946	407
Office Equipment	13,972,071			13,972,071	12,806,635					1,089,084	76,352
Generator set	4,461,540			4,461,540	4,461,540					1,167,130	17
Furniture & Fixture	16,099,999			16,099,999	14,932,852						
Two Wheeler	884,574			884,574	884,574						
<b>SUB TOTAL</b>	<b>805,284,567</b>			<b>805,284,567</b>	<b>577,874,618</b>					<b>209,281,961</b>	<b>18,127,989</b>
Previous Year	805,284,567			805,284,567	577,874,618					209,281,961	18,127,989
Total of Current Year	929,486,502	386,331	177,730	929,895,104	643,764,370	2,577,393	177,730			209,281,961	76,440,177
Capital W.I.P. of C. Year	799,600			799,600							799,600
G. Total of Current Year	930,286,102	386,331	177,730	930,494,704	643,764,370	2,577,393	177,730			209,281,961	77,239,777
Previous year Total	948,482,980	343,250	19,339,728	929,486,503	641,217,150	2,547,220				209,281,961	-
P. Year Capital W.I.P.	799,600			799,600	-	-				-	-
G. Total of Previous Year	949,282,580	343,250	19,339,728	930,286,103	641,217,150	2,547,220				209,281,961	-

a) Depreciation amounting to Rs. 1,110/- (Previous Year Rs 1107/-) adjusted against Non-refundable capital grant.

b) Certain fixed assets owned by the company are charged with secured lenders of the company.

c) 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.

d) Furniture & Fixtures and Office Equipments have not been segregated in absence of Fixed Asset Register which is under preparation.

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)****NOTE 2.9 : NON CURRENT INVESTMENTS**

Number of Shares/ Securities/ Bonds/Units	Face Value of Shares/ Units			As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.	
<b>INVESTMENTS :-</b>						
<b>Other than trade (Unless otherwise stated)</b>						
<b>(At cost unless otherwise stated)</b>						
<b>FULLY PAID SHARES / SECURITIES</b>						
<b>INVESTMENT IN EQUITY INSTRUMENT</b>						
<b>Long Term Investment</b>						
<b>Equity Shares in Subsidiary Company-Unquoted</b>						
50000	10	Nicco Insutrance Agents & Consultants Limited	(A)	500,000	500,000	
<b>Equity Shares in Associate Company-Quoted</b>						
3,582,400	10	Alliance Management & Fiscal services Ltd.	(B)	15,619,264	15,619,264	
<b>Equity Shares in Other Companies-Quoted</b>						
4,093,575	2	Nicco Corporation Ltd.		62,376,305	62,376,305	
3,300	10	Nicco Parks & Resorts Ltd.		34,650	34,650	
14,500	10	Hanuman Tea Co. Ltd.		73,150	73,150	
2,000	10	Amrit Enterprise Ltd.		1	1	
30,000	10	G R Magnets Ltd.		147,000	147,000	
400	10	Bhagavati Gas Ltd.		920	920	
886,509	10	G.S.L.(India)		21,719,470	21,719,470	
2,900	10	Indian Overseas Bank		69,600	69,600	
1,500	10	Amrit Bansapati Company Ltd.		15,000	15,000	
700	10	Archie Greeting Ltd.		31,745	31,745	
750	10	Bata India Ltd.		77,850	77,850	
1,000	10	Dic India Ltd		119,900	119,900	
750	1	Colgate Ltd.		187,418	187,418	
25,000	10	Crystal Cables Ltd.		—	—	
3,333	5	Eveready Industries Ltd.		59,327	59,327	
3,333	5	Mcleod Russel		—	—	
300	10	Ricoh India		3,687	3,687	
1,500	2	Hcl Infosys Ltd.		114,000	114,000	
2,000	1	Hindustan Unilever		476,400	476,400	
16,900	10	Malvika Steel Ltd.		—	—	
500	10	Pasari Spinning Mills Ltd.		1,860	1,860	
100	10	Shristi Infrastructure Development Corp Ltd		9,400	9,400	
306	10	Rayban Sun Optics India Ltd.		—	—	
500	10	Reliance Capital Ltd		120,130	120,130	
250	1	Tata Tea Ltd.		85,200	85,200	
1,000	1	Timex Watches Limited		—	—	
				<b>(C)</b>	<b>85,723,015</b>	<b>85,723,015</b>
<b>Equity Shares in Other Companies-Unquoted</b>						
5	50	Dalmal Tower Premises Co-opt. Society Ltd.		250	250	
22,000	6	Hindusthan Wire & Metal Products Ltd.		115,500	115,500	
1,300	100	Associated Industrial Development Co (P) Ltd.		196,000	196,000	
900	100	Vinicab India Private Limited		90,000	90,000	



**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

**NOTE 2.9 : NON CURRENT INVESTMENTS (Contd.)**

Number of Shares/ Securities/ Bonds/Units	Face Value of Shares/ Units		As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
10,000	10	Coromondal Stamping Stones Ltd.	1	1
20,000	10	Besant Raj International Ltd.	149,000	149,000
118,889	10	Nicco Financial Services Ltd.	1,106,290	1,106,290
50,000	10	Global Procurement Consultants Ltd	325,238	325,238
235,500	1	Alliance Stock Broking Ltd.	1,011,586	1,011,586
4,651,000	1	Alliance Finlease Ltd.	2,674,377	2,674,377
4,000	10	Dibrusadia Tea Estate Ltd.	1	1
50,000	10	Bishnu Forge Industries Ltd.	1	1
18,300	10	Sikkim Bank Ltd.	1	1
0	10	Brindavan Gardens Ltd.	—	1
(PY-198800)				
150,000	10	Brunosante Ltd.	2	2
60,000	10	C. K. Exim Pvt. Ltd.	1	1
0	10	Brindavan Gardens Ltd.	—	1
(PY-25500)				
		<b>(D)</b>	<b>5,668,248</b>	<b>5,668,250</b>
		<b>TOTAL INVESTMENT IN EQUITY INSTRUMENTS (A+B+C+D)</b>	<b>107,510,527</b>	<b>107,510,529</b>
		<b>INVESTMENTS IN PREFERENCE SHARES-UNQUOTED</b>		
500,000	10	Prestige Foods Ltd.(10% non-cum. convertible Pref.share) (E)	5,000,000	5,000,000
		<b>INVESTMENT IN GOVERNMENT SECURITIES-UNQUOTED</b>		
		NSC ( VIII th Issue ) (F)	15,000	15,000
		<b>INVESTMENTS IN MUTUAL FUNDS-UNQUOTED</b>		
4,105		HDFC Equity Fund	269,373	269,373
7,389		HSBC Equity Fund	269,726	269,726
4,202		FRANKLIN India Bluechip Fund	270,356	270,356
9,828		PRINCIPAL Growth Fund	266,980	266,980
13,800		UTI Equity Fund	112,560	112,560
		<b>Total (G)</b>	<b>1,188,995</b>	<b>1,188,995</b>
		<b>TOTAL NON CURRENT INVESTMENT [A to G]</b>	<b>113,714,522</b>	<b>113,714,524</b>

  

	As at 31st March, 2012		As at 31st March, 2011	
	Book Value (Rs.)	Market Value (Rs.)	Book Value (Rs.)	Market Value (Rs.)
Quoted	101,342,279	11,015,657	101,342,279	16,762,993
Unquoted	12,372,243		11,872,245	
	<u>113,714,522</u>		<u>113,214,524</u>	

a) The initiation has been taken to complete the process of transfer of shares where ever possible and to update the records.

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	Long-term		Short-term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>2.10 : LOANS &amp; ADVANCES</b>				
Capital Advances	-	-	-	-
Security Deposits				
Unsecured, considered doubtful	1,676,921	1,725,319	-	-
Loan & Advances to Related Parties				
Unsecured, considered good	-	-	37,454	35,354
<b>(A)</b>	<b>1,676,921</b>	<b>1,725,319</b>	<b>37,454</b>	<b>35,354</b>
<b>Other Loans and Advances</b>				
Advance Tax				
Unsecured, considered doubtful (Net of provision Rs.9,17,57,002/-, Previous Year Rs.9,17,57,002/-)	3,486,731	3,100,024	-	-
Advance against supply of Goods and Services				
Unsecured, considered good	-	-	100,875	255,000
Unsecured, considered doubtful	2,278,281	2,278,281	-	-
Prepaid Expenses				
Unsecured, considered good	3,069	4,483	59,034	126,396
Loans & Advances to Employees				
Secured, considered good	-	-	94,093	86,093
Deposits under subjudice (fully provided for in earlier years)				
Unsecured, considered doubtful	34,000,000	34,000,000	-	-
Loans against Fixed Deposits/NCD				
Secured, considered good (Secured by pledge of Fixed Deposit Receipts)	-	-	30,000	974,159
<b>(B)</b>	<b>39,768,081</b>	<b>39,382,788</b>	<b>284,002</b>	<b>1,441,648</b>
<b>Total (A + B)</b>	<b>41,445,002</b>	<b>41,108,107</b>	<b>321,455</b>	<b>1,477,002</b>

	Non Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>2.11 : TRADE RECEIVABLES</b>				
Outstanding for a period exceeding six months				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Unsecured, considered Doubtful	29,531,720	29,531,720	-	-
<b>(A)</b>	<b>29,531,720</b>	<b>29,531,720</b>	<b>-</b>	<b>-</b>
Other Receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A + B)</b>	<b>29,531,720</b>	<b>29,531,720</b>	<b>-</b>	<b>-</b>



Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

	Non Current		Current	
	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)
<b>2.12 : OTHER ASSETS</b>				
Interest accrued on Bank Fixed Deposits				
Secured, considered good	-	-	2,014,765	3,320,782
Residual Value of Assets				
Unsecured , considered Doubtful	9,407,169	9,407,169	-	-
Interest receivable on other deposits				
Unsecured , considered Doubtful	555,983	555,983	-	-
Receivable against Rent				
Unsecured , considered Doubtful	193,873	193,873	-	-
Receivable from Windmill customers				
Unsecured, considered good	-	-	1,952,490	1,094,584
Gratuity -Plan Assets				
Unsecured, considered good	1,114,941	949,351	-	-
Leave Encashment - Plan Assets				
Unsecured, considered good	907,709	832,761	-	-
Inventory - Unsecured, considered doubtful				
Stock on Hire under Hire Purchase Agreement including Hire purchasing debtors	956,364,793	956,364,793	-	-
Disputed Bank Balances in Current Account (refer note (b), (e), & (f) below)				
Unsecured, considered doubtful	21,039,825	21,039,825		
Disputed Fixed Deposits with Bank (Refer note (g) below)				
Unsecured, considered doubtful	1,376,282	1,376,282		
Other Receivables				
Secured, considered good	-	-	27,440	374,808
Unsecured, considered Doubtful	20,092,167	20,244,828	-	-
Less: Provision	(14,062,358)	(14,062,358)	-	-
	<b>996,990,385</b>	<b>996,902,509</b>	<b>3,994,695</b>	<b>4,790,174</b>

- The inventory has turned NPA hence the same is treated as Non-Current Asset.
- Other Assets including some bank balances which are disputed / inaccessible have been treated as non-current.
- 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. On Prima facie investigation made by management; a sum of Rs. 140.62 lacs appear to have been misappropriated by the employees against which the Detective Department filed their chargesheet quantifying the misappropriated amount as Rs.134.86 lacs .The reason for difference is yet to be ascertained.
- On recommendation from Registrar of Companies, Kolkata, Ministry of Corporate Affairs, Government of India directed Serious Fraud Investigation Office (SFIO) to carry out investigation against the company under section 235 of the Companies Act, 1956 which is under progress.
- 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 amounting in total Rs 208.20 lacs (Previous Year Rs 208.20 Lacs) remain unconfirmed and inaccessible for the reasons stated in Note 2.3.ix.
- Balance of Rs.2.20 lacs (P.Y Rs 1.05 lacs) from other Banks also remain unconfirmed.
- 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 ) amounting in total Rs 13.76 lacs (Previous Year Rs 13.76 Lacs) remain unconfirmed and accordingly was provided for.

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.13 : CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances With Banks :		
In Current Account	277,049	34,072
Cash on hand	61,004	29,297
	<u>338,053</u>	<u>63,369</u>
<b>Other Bank Balances</b>		
Fixed Deposit with Banks (With maturity period of between more than 3 months but less than 12 months)	33,671,328	67,221,565
	<u>33,671,328</u>	<u>67,221,565</u>
	<b><u>34,009,381</u></b>	<b><u>67,284,933</u></b>

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>2.14 : REVENUE FROM OPERATIONS</b>		
Hire Purchase/ Leasing Income	700,000	—
	<u>700,000</u>	<u>—</u>

a) HP income includes Rs. 7.00 lacs (previous year Rs. Nil ) recovered from NPA parties.

	Non Current		Current	
	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)
<b>2.15 : OTHER INCOME</b>				
<b>Interest Income</b>				
On Banks Deposits		3,592,470		3,776,083
On Others	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Dividend Income</b>				
On Long term Investments	—	389,784	—	230,279
<b>Prior Period Income</b>				
		—		576,287
<b>Net Gain / (Loss) on sale of Investments</b>				
On Long Term-Investments		2,236,812		—
<b>Other Non Operating Income</b>				
Foreign Exchange Fluctuation Gain	—		903,744	
Income from Electricity Generation at Windmill	1,952,830		2,016,996	
Profit on sale of Fixed Assets	48,000		460,497	
Excess Liabilities and Unclaimed Balances written back	108,078,621		44,388,403	
Sundry Receipts	86,848	110,166,300	132,000	47,901,640
		<u>116,385,365</u>		<u>52,484,288</u>





Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>2.16 : (INCREASE)/ DECREASE IN INVENTORIES</b>		
<b>Inventories at the beginning of the year</b>		
Stock on Hire under Hire Purchase Agreement including Hire Purchase Debtors	956,364,794	956,364,794
	<b>956,364,794</b>	<b>956,364,794</b>
<b>Inventories at the end of the year</b>		
Stock on Hire under Hire Purchase Agreement including Hire Purchase Debtors	956,364,794	956,364,794
	<b>956,364,794</b>	<b>956,364,794</b>
	—	—

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>2.17 : EMPLOYEE BENEFIT EXPENSE</b>		
Salaries & Wages	2,241,553	2,118,548
Contribution to Provident & Other Funds	303,635	525,261
Staff Welfare Expenses	243,773	213,374
	<b>2,788,961</b>	<b>2,857,183</b>

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>2.18 : FINANCE COST</b>		
<b>Interest Expenses</b>		
On Public Fixed Deposits	9,141,132	13,252,843
On Term Loan from Financial Institutions and Others	24,862,630	18,453,502
On Loans from Banks for Working Capital	467,191,301	404,481,601
	501,195,063	436,187,946
<b>Other Borrowing Cost</b>		
Foreign Exchange Loss	3,770,724	—
	<b>504,965,787</b>	<b>436,187,946</b>

- a) Interest cost includes provision of Rs. Nil ( previous year Rs.2.08 lacs) towards penal interest levied by RBI for shortfall in maintenance of SLR.
- b) Subsequent to cessation of SWAP agreement with UCO Bank, foreign currency loan has been valued at the rate prevailing as at close of 31.03.2012 and Rs.37.71 lacs ( previous year foreign currency fluctuation gain of Rs.9.04 lacs ) has been taken into the statement of profit & loss as Other Borrowing Cost.

	For the year ended		For the year ended	
	31st March, 2012 Rs.		31st March, 2011 Rs.	
<b>2.19 : OTHER EXPENSES</b>				
<b>OPERATING &amp; ADMINISTRATION</b>				
Power & Fuel		131,095		185,990
Insurance		51,660		46,790
Repairs & Maintenance				
Buildings	105,463	105,463	737,084	737,084

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	For the year ended 31st March, 2012 Rs.		For the year ended 31st March, 2011 Rs.	
<b>2.19 : OTHER EXPENSES (Contd.)</b>				
Rent		424,833		416,258
Motor Car Expenses		490,955		521,208
Conveyance & Travelling		247,159		383,783
Rates & Taxes		33,672		38,045
Printing & Stationary		460,377		454,707
Professional & Consultancy Fees		516,394		477,063
Auditor's Remuneration				
As Statutory Audit Fees	165,452	165,452	165,452	165,452
Windmill Expenses		1,073,503		617,028
Office Maintainance		199,987		252,130
Legal Charges		598,678		1,185,291
Postage & Courier Charges		397,447		434,239
Provision for Diminution in value of Investment		-		6,658,011
Prior Period Expense		139,635		-
Provision for Doubtful Deposits		-		302,852
Provision for Other Receivables		3		173,137
Bad debts written off		-		20,341
Stock Exchange Fees		140,633		106,071
Directors' Fees		156,000		143,000
Miscellaneous Expenses		623,560		524,439
		<b>5,956,505</b>		<b>13,842,918</b>

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>2.20 : DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation on Tangible Assets	2,576,283	2,546,113
	<b>2,576,283</b>	<b>2,546,113</b>

**2.21** RBI has cancelled the Certificate of Registration of the Company to carry out Non-Banking Financial activities of the Company vide its 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.

**2.22** 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 unless mentioned otherwise.

**2.23 Disclosure regarding 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 2012 (Rs. in lacs)	As at 31st March 2011 (Rs. in 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
<b>Total</b>		<b>27.50</b>	<b>27.50</b>



### Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

- b) Advance paid / Bank Guarantee of Rs.26.53 lacs (Previous Year Rs.26.53 lacs) was issued in favour of Assistant Commissioner of Commercial Tax, Bangalore against an appeal preferred by the company and pending before the Karnataka Appellate Tribunal for Commercial Tax at Bangalore.
- c) UTKAL Auto has filed a claim against the company before Arbitrator at Cuttack amounting to Rs.76.90 lacs (Previous Year Rs 76.90 Lacs) against which the company filed a counter claim of Rs.482.74 lacs against UTKAL Auto before the Arbitrator. An award was passed on 31st December,2011 and the claim is partly accepted amounting to Rs.2.78 lacs with interest at the rate 12% from 1st September, 2006 and the counter claim was rejected. An appeal has been filed in the Hon'ble High Court of Calcutta against the said order which was admitted on 15th May,2012 by the Hon'ble High Court.

**2.24** There being no indication of decline in net realizable market value below its carrying cost as per valuation made in the year 2006-07, impairment of the assets of the company coming under the purview in terms of Accounting Standard 28 has not been considered.

#### 2.25 Segement Reporting as per Accounting Standard – 17 prescribed under the Act.

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.

#### 2.26 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.

#### 2.27 Information pursuant to Accounting Standard (AS-22)

In view of uncertainty of future profits for reasons stated in note no 2.23, 2.5 (a) and 2.3.iv.(a) to 2.3.iv.(f), net deferred tax asset arising as at 31.03.2012 has not been recognized in the books of accounts.

#### 2.28 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 :

Nature of Relationship	Name of the Party
1. <b>Subsidiary Company</b>	Nicco Insurance Agents & Consultants Ltd.
2. <b>Associates</b>	Alliance Management & Fiscal Services Ltd.
3. <b>Key Management personnel</b>	L. N. Kaul – Managing Director & Company Secretary J. Mukherjee – Chief Financial Officer

#### Transaction with related parties

Nature of Transaction	2011-12 (Rs. In lacs)	2010-11 (Rs. In lacs)	Related parties
Remuneration & others	14.52	17.03	Key Management personnel
Expenses incurred	0.02	0.05	Subsidiary Company
Expenses recovered	0.00	0.06	Subsidiary Company
Advance paid	0.30	0.30	Subsidiary Company
<b>Balance as on 31.03.2012 :</b>			
Expenses recoverable	0.07	0.05	Subsidiary Company
Advance recoverable	0.30	0.30	Subsidiary Company
Investment in equity shares (fully provided for)	156.19	156.19	Associate Company
Investment in equity shares	5.00	5.00	Subsidiary Company

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

2.29 Remuneration to Managing Director was paid in excess by Rs. 0.27 lacs in the year 2011-12 in reference to remuneration approved by Central Government and has been shown as receivable under the heading "Other Current Assets."

	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
<b>2.30 EARNINGS PER SHARE</b>		
a) BASIC & DILUTED		
(i) Weighted average number of Equity Shares of Rs.10 each outstanding during the period (As per information available)	40,146,773	40,146,773
(ii) Profit after Tax attributable to Equity Shareholders	(399,202,172)	(402,949,871)
(iii) Basic Earnings per share (in Rs.) [(ii)/(i)]	-9.94	-10.04

b) Basic/diluted earning per share, as required by Accounting Standard (AS-20) "Earning per share", of Rs. -9.94 (previous year Rs.-10.04) has been calculated by dividing the net loss after taxation for the year as per the accounts which is attributable to equity shareholder by 4,01,46,773 being the weighted average number of equity shares outstanding during the year.

**2.31 Employee Benefits :**

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

a) Expenses under defined contribution plan with the following break up has been recognised during the year. Details are given below :

Particulars	For the year ended on 31.03.2012 Rs. in lacs	For the year ended on 31.03.2011 Rs. in lacs
Provident Fund	0.31	0.31
Employees Pension Scheme	0.61	0.64
Total	0.92	0.96

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

Description	(Rs. in lacs)			
	Gratuity		Leave Salary	
A. Reconciliation of opening and closing balances of obligation	(Funded) 2011-12	(Funded) 2010-11	(Funded) 2011-12	(Funded) 2010-11
a) Obligation as on Opening date	9.56	7.63	6.03	6.37
b) Past Service Cost	—	2.31	—	—
c) Current Service Cost	0.66	0.64	0.11	3.98
d) Interest cost	0.81	0.59	0.51	0.51
e) Actuarial (gain)/loss	(0.53)	(1.07)	(0.32)	(4.83)
f) Benefits paid	—	0.54	—	—
g) Obligation as at Closing date	10.50	9.56	6.33	6.03
<b>B. Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>				
a) Fair value of plan assets as on Opening date	9.49	9.30	8.33	7.88
b) Expected return on plan assets	0.76	0.74	0.67	0.63



## Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

(Rs. in lacs)

Description	Gratuity		Leave Salary	
	(Funded) 2011-12	(Funded) 2010-11	(Funded) 2011-12	(Funded) 2010-11
<b>A. Reconciliation of opening and closing balances of obligation</b>				
c) Actuarial (gain)/loss	0.15	(0.05)	0.08	(0.18)
d) Contributions by the employer	0.75	0.04	—	—
e) Benefits paid	—	0.54	—	—
f) Fair value of plan assets as on Closing date	11.15	9.49	9.08	8.33
<b>C. Reconciliation of fair value of plan assets and present value of defined benefit obligation</b>				
a) Present value of obligation on closing date	10.50	9.56	6.33	6.03
b) Fair value of plan assets on closing date	11.15	9.49	9.08	8.33
c) Amount recognised in the balance sheet Net Asset / (Liability)	0.65	(0.07)	2.75	2.30
<b>D. Expense recognized in the period</b>				
a) Current Service Cost	0.66	0.63	0.11	3.98
b) Past Service Cost	—	2.31	—	—
c) Interest Cost	0.81	0.59	0.51	0.51
d) Expected return on plan assets gain/(loss)	(0.76)	(0.74)	(0.67)	(0.63)
e) Actuarial gain/(loss)	(0.68)	(1.01)	(0.40)	(4.64)
f) Expense recognised in the period (a to e)	0.03	1.78	(0.45)	(0.78)
		<b>2011-12</b>	<b>2010-11</b>	
<b>E. Assumptions</b>				
a) Discount rate (per annum) (%)		8.50	8.50	
b) Estimated rate of return on plan assets (per annum) (%)		8.00	8.00	
c) Inflation rate (%)		6.00	5.00	
d) Remaining working life ( in years )		6	7	
e) Method used		Projected unit credit method	Projected unit credit method	
f) Mortality factor		As per LIC 1994 - 1996	As per LIC 1994 - 1996	
g) Staff turnover		10 per / 1000 per annum	10 per / 1000 per annum	
h) Super annuation age		At 60 years	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 LIC.

G. **Super Annuation Fund** - 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 31.03.2012 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.1.30 lacs ) was made as per the service rules of the company for the eligible employees and was debited to 'Expenses on Employees'.

H. 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.0.98 lacs during the year ( previous year Rs.1.07 lacs ) is recognised as expenses and included in 'Expenses on Employees'. Shortfall of Rs. Nil ( previous year Rs.0.09 lacs ) in contribution to such provident funds has been provided to the extent of the information available with the company.



NICCO UCO ALLIANCE CREDIT LIMITED

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

- 2.32** 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.
- 2.33** 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 insurance claims was received in earlier years in full and final settlement to the satisfaction of the company which was utilised for repair, renovation and rehabilitation work in the office premises.
- 2.34** 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.
- 2.35** The previous year figures have been regrouped / restated wherever considered necessary to conform to the current year's classification.

As per our Report annexed  
for SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata - 700 001  
the 30th day of May, 2012

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



**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, 2012
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. 30,275/-)
ii) for the previous financial years of the Subsidiary since it became the Subsidiary of the Company	:	Rs. 14,701/-



**Schedule to the  
Balance Sheet of a Non-Banking Financial Company as on 31.03.2012**

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

Particulars		Rs. in lacs	
<b>LIABILITIES SIDE :</b>			
<b>1)</b>	<b>Loans and advances availed by the Non-banking financial company inclusive of interest accrued thereon but not paid :</b>	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
	a) Debentures :		
	Secured		
	Unsecured		
	(other than falling within the meaning of public deposits*)		
	b) Deferred Credits		
	c) Term Loans	1460.81	1460.81
	d) Inter-corporate loans and borrowing		
	e) Commercial Paper		
	f) Public Deposits		
	Principal	1205.07	1205.07
	Interest accrued but not due	874.39	
	g) Other Loans (Loan from Bank & others) (including interest accrued and due for term loan as well as work)	37022.60	37022.60
	*Please see Note 1 below		
<b>2)</b>	<b>Break-up of (1) (f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :</b>		
	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) Public Deposits		
	Principal	1205.07	1205.07
	Interest accrued but not due	874.89	
	*Please see Note 1 below		
<b>ASSETS SIDE :</b>			
<b>3)</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
	a) Secured	1.24	
	b) Unsecured (net of Income Tax provisions)	503.67	
<b>4)</b>	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :</b>		
	i) Lease assets including lease rentals under sundry debtors :		
	a) Financial lease	276.76	
	b) Operating lease		
	ii) Stock on hire including hire charges under sundry debtors :		
	a) Assets on hire	9857.56	
	b) Repossessed Assets		
	iii) Other loans counting towards AFC activities :		
	a) Loans where assets have been repossessed		
	b) Loans other than (a) above		
	<b>TOTAL (pt. 3 &amp; 4)</b>	<b>10639.23</b>	





Particulars	Rs. in lacs	
<b>5) Break-up of Investments :</b>		
<b>Current Investments :</b>		
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 (Subsidiary Company)		
<b>Long-Term investments :</b>		
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	
<b>TOTAL</b>	<b>1137.15</b>	

<b>6) Borrower group-wise classification of assets financed as in (3) and (4) above :</b>			
Please see Note 2 below			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
a) Subsidiaries		0.37	0.37
b) Companies in the same group			
c) Other related parties			
2. Other than related parties	1.24	10637.61	10638.86
<b>Total</b>	<b>1.24</b>	<b>10637.99</b>	<b>10639.23</b>



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	4.85	5.00
b) Companies in the same group		NIL
c) Other related parties	—	NIL
2. Other than related parties	148.29	145.81
Total	153.14	150.81

**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	11827.02
ii) Net Non-Performing Assets :	
a) Related Parties	NIL
b) Other than related parties	NIL
iii) Assets acquired in satisfaction of debt	#

# Figure could not be ascertained.

**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, 2012

Your Directors have the pleasure in presenting their Ninth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2012.

### FINANCIAL RESULTS

	<u>For the year ended 31.03.2012 (Rs.)</u>	<u>For the year ended 31.03.2011 (Rs.)</u>
Profit before Tax	(30,275)	(42,610)
Less : Provision for Tax	—	—
Less : Provision for Fringe Benefit Tax	—	—
Profit after Tax	<u>(30,275)</u>	<u>(42,610)</u>
Add : Balance of Profit transferred from last year	15,574	58,184
Profit available for appropriation	<u><u>(14,701)</u></u>	<u><u>15,574</u></u>

### OPERATIONS

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

### DIVIDEND

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

### PUBLIC DEPOSITS

Your Company did not accept any Public Deposits during the year ended 31st March, 2012.

### 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. Prasanta Kumar Bose 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 : 30th May, 2012

Place : Kolkata

On behalf of the Board of Directors

**J. Mukherjee**  
Chairman

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**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 2012, the statement of profit and loss 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, the statement of profit and loss 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 statement of profit and loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
5. On the basis of the written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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 to financial statements 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, 2012;
  - (b) In the case of the statement of profit and loss, of the Loss for the year ended on that date; and
  - (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

1B, Old Post Office Street  
Kolkata-700 001  
Dated, the 30th day of May, 2012

**For SINGHI & CO.**  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
Membership No. 051505

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### 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 clause 1(a), (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 anytime during the year and the closing balance outstanding as on 31st March'2012 were Rs.0.37 lacs and Rs.0.37 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, 2012 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 any dispute.
  10. The accumulated losses of the company at the end of the financial year is less than one-half of its net worth. 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-700 001  
Dated, the 30th day of May, 2012

**For SINGHI & CO.**  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
Membership No. 051505



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

**BALANCE SHEET AS AT 31ST MARCH, 2012**

Particulars	Note	Rs.	As at March 31, 2012 Rs.	Rs.	As at March 31, 2011 Rs.
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUND</b>					
Share Capital	2.1	500,000		500,000	
Reserves and Surplus	2.2	<u>(14,701)</u>		<u>15,574</u>	
			485,299		515,574
<b>CURRENT LIABILITIES</b>					
Trade Payables	2.3	77,299		58,655	
Other Current Liabilities	2.4	<u>30,589</u>		<u>30,589</u>	
			107,888		89,243
<b>TOTAL</b>			<b><u>593,187</u></b>		<b><u>604,817</u></b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Non-Current Investments	2.5	450,000		450,000	
Long-Term Loans and Advances	2.6	<u>101,764</u>		<u>101,764</u>	
			551,764		551,764
<b>CURRENT ASSETS</b>					
Cash and Bank Balances	2.7	41,424		53,054	
Other Current Asstes	2.8	<u>—</u>		<u>—</u>	
			41,424		53,054
<b>TOTAL</b>			<b><u>593,187</u></b>		<b><u>604,817</u></b>

Significant Accounting Policies 1

The Notes are an integral part of the Financial Statements

As per our Report annexed

For SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata – 700 001  
the 30th day of May, 2012

On behalf of the Board of Directors

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



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Note	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
<b>INCOME</b>			
Revenue from Operations	2.9	—	—
<b>Total Revenue</b>		<u>—</u>	<u>—</u>
<b>EXPENDITURE</b>			
Other Expenses	2.10	30,275	42,610
<b>Total</b>		<u>30,275</u>	<u>42,610</u>
<b>Profit before Tax, Depreciation &amp; Amortisation</b>		(30,275)	(42,610)
Depreciation and Amortization Expense		—	—
Profit before Tax		<u>(30,275)</u>	<u>(42,610)</u>
Tax Expense :			
Current Tax		—	—
Deferred Tax		—	—
Income Tax for earlier years		—	—
<b>Profit for the year</b>		<u>(30,275)</u>	<u>(42,610)</u>
Earnings Per Share		—	—
Basic and Diluted earning per share (in Rs.)		(0.61)	(0.85)

Significant Accounting Policies

1

The Notes are an integral part of the Financial Statements

As per our Report annexed

For SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata – 700 001  
the 30th day of May, 2012

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 31.03.2012**

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
Net Profit/(Loss) before tax & extraordinary items	(30,275)	(42,610)
Add/(Less): Adjustments for		
Miscellaneous Expeniture Written off	—	12,423
<b>Operating profit / (loss) before working capital changes</b>	<b>(30,275)</b>	<b>(30,187)</b>
Increase/(Decrease) in trade payables/current liabilities	18,644	45,943
<b>Cash generated from operations</b>	<b>(11,631)</b>	<b>15,756</b>
<b>Cash flow before extraordinary items</b>	<b>(11,631)</b>	<b>15,756</b>
<b>Net Cash from Operating activities</b>	<b>(11,631)</b>	<b>15,756</b>
Net increase/(decrease) in cash and cash equivalents	(11,631)	15,756
Opening cash and cash equivalents	53,054	37,298
Closing cash and cash equivalents	41,424	53,054

**Notes :**

1. Above statement has been prepared in indirect method except in case of tax paid, 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.
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 / restated wherever considered necessary.

As per our Report of even date attached

For SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata – 700 001  
the 30th day of May, 2012

On behalf of the Board of Directors

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



## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 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 .

The financial statements has been prepared and presented as per the requirement of revised schedule VI as notified under the Companies Act 1956 with effect from current year. The adoption of revised schedule VI does not have any impact on recognition and measurement principles as consistently followed by the company.

### 1.2 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 investments are stated at lower of cost or fair value.

### 1.3 Recognition of income and expenditure

Income & expenditure are recognised on accrual basis.

### 1.4 Taxes on 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.

### 1.5 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.

### 1.6 Miscellaneous Expenditure

Miscellaneous expenses Rs. Nil fully amortised (previous year Rs.0.12 lacs ) & charged to Profit & Loss A/c.

### 1.7 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.



**Notes to Financial Statements for the year ended 31st March, 2012**

**2.1 : SHARE CAPITAL**

Number		As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>Authorised</b>			
250,000 (250,000)	Equity Shares of Rs.10/- each	2,500,000	2,500,000
		2,500,000	2,500,000
<b>Issued</b>			
50,000 (50,000)	Equity Shares of Rs.10/- each	500,000	500,000
		500,000	500,000
<b>Subscribed and fully Paid-up capital</b>			
50,000 (50,000)	Equity Shares of Rs.10/- each	500,000	500,000
		500,000	500,000

- a) The company has one class of issued shares i.e. equity shares having par value of Rs.10/- per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend.
- b) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- c) The entire share capital of the company is held by its holding company i.e., Nicco Uco Alliance Credit Limited.
- d) Details of shareholders holding more than 5% shares in the company :

As at 31st March, 2012		As at 31st March, 2011	
No. of Shares	% Holding	No. of Shares	% Holding

**Equity Shares of Rs. 10 each fully paid**

Nicco Uco Alliance Credit Limited	50,000	100.00	50,000	100.00
-----------------------------------	--------	--------	--------	--------

- e) No shares have been allotted / or has been bought back or issued by way of bonus shares by the company during the period of 5 years immediately preceding the date as at which the balance sheet has been prepared.
- f) No equity shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment as at the balance sheet date.
- g) No securities convertible into equity / preference shares has been issued by the company during the year.
- h) No calls are unpaid by any Director and Officer of the Company during the year.



**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.2 : RESERVES AND SURPLUS</b>		
<b>Surplus / (Deficit)</b>		
As per last Financial Statements	15,574	58,184
As per current year	(30,275)	(42,610)
	(14,701)	15,574
<b>Net Surplus / (Deficit)</b>	<b><u>(14,701)</u></b>	<b><u>15,574</u></b>

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.3 : TRADE PAYABLES</b>		
For Goods & Services	77,299	58,655
	<b><u>77,299</u></b>	<b><u>58,655</u></b>

- a) Based on the informations available with the company, there are no dues towards Micro, Small and Medium Enterprises as on 31.03.2012.
- b) Trade Payables include Rs. 6865/- (Previous Year Rs 4765/-) payable to holding company i.e. Nicco Uco Alliance Credit Ltd.

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.4 : OTHER CURRENT LIABILITIES</b>		
Others	30,589	30,589
	<b><u>30,589</u></b>	<b><u>30,589</u></b>

- a) Others consist of amount payable to holding company.

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.5 : NON CURRENT INVESTMENTS</b>		
<b>LONG TERM (Other than Trade)</b>		
<b>a) INVESTMENTS IN MUTUAL FUNDS</b>		
<b>UNQUOTED</b>		
(i) ICICI Prudential Liquid Plan	450,000	450,000
(3174.518 units, Previous Year 3174.518 units)		
	<b><u>450,000</u></b>	<b><u>450,000</u></b>
a) Aggregate Book Value of Unquoted Investments	<b><u>450,000</u></b>	<b><u>450,000</u></b>

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	Long-term		Short-term	
	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)
<b>2.6 : LOANS &amp; ADVANCES</b>				
<b>Other Loans and Advances</b>				
Income Tax Advance and Tax deducted at source				
Unsecured, considered doubtful (Net of Provision of Rs 72,883/-, Previous Year Rs 72,883/-)	101,764	101,764	—	—
<b>Total</b>	<b>101,764</b>	<b>101,764</b>	<b>—</b>	<b>—</b>

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
--	----------------------------------	----------------------------------

**2.7 : CASH AND BANK BALANCES****Cash and Cash Equivalents**

Balances With Banks :

In Current Account	41,424	53,054
	<b>41,424</b>	<b>53,054</b>

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
--	----------------------------------	----------------------------------

**2.8 : Other Current Assets****Miscellaneous Expenditure**

Opening Balance	—	12,423
Add: Incurred during the year	—	—
Less: Written off	—	12,423
Closing Balance	<b>—</b>	<b>—</b>

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.

**2.9 : REVENUE FROM OPERATIONS**

	—	—
	<b>—</b>	<b>—</b>



**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
<b>2.10 : OTHER EXPENSES</b>		
<b>OPERATING &amp; ADMINISTRATION</b>		
Rates & Taxes	—	1,900
Auditor's Remuneration		
As Statutory Audit Fees	16,545	16,545
Preliminary Expenses written off	—	12,423
Filing fees	2,100	2,865
Bank Charges	11,630	8,877
<b>Total</b>	<b>30,275</b>	<b>42,610</b>

- a) The entire amount of Preliminary Expenses i.e. Rs. Nil ( previous year Rs.0.12 lacs ) has been amortised.
- b) Expenses which are initially disbursed by M/s. Nicco Uco Alliance Credit Ltd ( Holding Co. ) towards payment of Filing fees,etc amounting to Rs.2,100 /- ( previous year Rs. 4,765/- ) due to be reimbursed to the Holding Co. have been incorporated in the accounts.

**2.11** The company is a wholly owned subsidiary company of Nicco Uco Alliance Credit Limited.

**2.12** There is no contingent liability at the end of the year.

**2.13 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 :

**Nature of Relationship**

**Name of the Party**

1. Holding Company

Nicco Uco Alliance Credit Limited

Transaction with related parties	2011-12 (Rs. in lacs)	2010-11 (Rs. in lacs)	
Advance received	0.30	0.30	Holding Company
Expenses incurred	0.02	0.05	Holding Company
Expenses repaid	0.00	0.06	Holding Company
Balance outstanding as on 31.03.2012			
Expenses repayable	0.07	0.05	Holding Company
Advance repayable	0.30	0.30	Holding Company

**2.14** Previous year's figures have been regrouped /restated wherever considered necessary.

As per our Report annexed

For SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata – 700 001  
the 30th day of May, 2012

On behalf of the Board of Directors

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



NICCO UCO ALLIANCE CREDIT LIMITED

**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 examined the attached Consolidated Balance Sheet of **NICCO UCO ALLIANCE CREDIT LIMITED** and its subsidiary **Nicco Insurance Agents and Consultants Ltd.** as at 31st March 2012, and also the consolidated statement of Profit & Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Nicco Uco Alliance Credit Limited'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 prepared in all material respects in accordance with an identical financial reporting framework and are free of material misstatements. 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.

We report that the consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 & 23, as notified under the Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited financial statements of the company and its subsidiary considered in the consolidated Financial Statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of Nicco Uco Alliance Credit Limited and its Subsidiary, the said accounts subject to,

- a) (i) *Note No. 2.21 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, as stated, 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. 2.5 (a), 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. 2.3.iv.a to 2.3.iv.d regarding applications filed by various banks and financial institutions to DRT and DRT 1 to recover their dues.*
- (iv) *Note No. 2.3.iv.e regarding suit initiated by International Finance Corporation, Washington in High Court at Calcutta.*
- (v) *Note number 2.3.iv.f regarding measures taken by UCO bank u/s 13(4) of the SARFESI act against the company.*
- b) *Note No. 2.3.x regarding default made by the Company in repayment of its Fixed Deposits liability as per order of Company Law Board (CLB).*
- c) *Note No. 2.3.ix regarding non-confirmation of balances by Banks and Financial Institutions (FI's) in whose Books the account of Company has turned Non Performing Assets.(NPAs) Non-confirmation is in respect of loan accounts, interest payable on such loan accounts.*
- d) *Note No. 2.12(d) regarding Serious Fraud Investigation against the company on recommendation of Registrar of Companies (ROC).*
- e) *Non transferring of Rs.6.31 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. 2.7 (a) & (b).*



**Auditors' Report (Contd.)**

- f) *Non ascertainment of impairment of assets as required by Accounting Standard-28 issued by the Institute of Chartered Accountants of India.*
- g) *As per the explanations given by the management the provisions made by the company against non performing assets (NPs) are sufficient to cover any future eventualities.*
- h) *As per the information and explanations given to us, the land and building held by the company in excess of its own use amounting to Rs. 299.66 lacs and investments in unquoted shares of companies (other than subsidiary and company in the same group) amounting to Rs. 6.80 lacs is in violation of para 19 of Non-Banking Financial (Deposit accepting or holding) Companies, Prudential Norms, (Reserve Bank) directions, 2007 in regards to "Restrictions on investments in land and building and unquoted shares."*
- Moreover as per requirement such land and buildings or unquoted shares acquired in satisfaction of debts are to be disposed off within a period of 3 years from the date of acquisition. In absence of the information regarding acquisition of such shares in satisfaction of debts and the period of holding of such assets, we are unable to comment on the same.*
- However we have been given to understand that such assets are charged with Banks and Financial Institutions and can not be liquidated to bring the same within limits of prudential norms as mentioned above.*
- i) *The profit / loss of the "Associate Company" has not been consolidated as accounts of the company for the year ended 31st March, 2012 is not available.*

and read with notes and in particular note no 2.29 & 2.23.c we are of the opinion that :

- (a) the Consolidated Balance Sheet, gives a true and fair view of the consolidated state of affairs as at 31st March, 2012;
- (b) the Consolidated Statement of Profit and loss, gives a true and fair view of the consolidated results of operations for the year then ended; and
- (c) the Consolidated Cash Flow Statement, gives a true and fair view of the Consolidated Cash Flows for the year ended on that date.

1B, Old Post Office Street  
Kolkata - 700 001  
Dated : the 30th day of May, 2012

**For SINGHI & CO.**  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
Membership No. 051505



NICCO UCO ALLIANCE CREDIT LIMITED

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012**

	Note	Rs.	As at March 31, 2012 Rs.	Rs.	As at March 31, 2011 Rs.
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUND</b>					
Share Capital	2.1	401,012,730		401,012,730	
Reserves and Surplus	2.2	(4,435,643,626)		(4,036,410,056)	
			<b>(4,034,630,896)</b>		<b>(3,635,397,326)</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-Term Borrowings	2.3	—		—	
Long-Term Provisions	2.4	1,219,280,301		1,219,189,887	
			<b>1,219,280,301</b>		<b>1,219,189,887</b>
<b>CURRENT LIABILITIES</b>					
Short-Term Borrowings	2.5	1,067,375,042		1,067,375,042	
Trade Payables	2.6	20,658,873		21,773,489	
Other Current Liabilities	2.7	3,021,475,563		2,658,255,695	
Short-Term Provisions	2.4	959,582		926,189	
			<b>4,110,469,059</b>		<b>3,748,330,415</b>
<b>TOTAL</b>			<b>1,295,118,464</b>		<b>1,332,122,976</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
<b>Fixed Assets</b>					
Tangible Assets	2.8	74,249,118		76,440,177	
Capital Work-In-Progress	2.8	799,600		799,600	
			<b>75,048,718</b>		<b>77,239,777</b>
Non-Current Investments	2.9	113,664,522		113,664,524	
Long-Term Loans and Advances	2.10	41,546,765		41,209,871	
Trade Receivables	2.11	29,531,720		29,531,720	
Other Non-Current Assets	2.12	996,990,385		996,902,508	
			<b>1,181,733,392</b>		<b>1,181,308,623</b>
<b>CURRENT ASSETS</b>					
Trade Receivables	2.11	—		—	
Cash and Bank Balances	2.13	34,050,792		67,337,988	
Short-Term Loans and Advances	2.10	290,867		1,446,413	
Other Current Assets	2.12	3,994,695		4,790,174	
			<b>38,336,354</b>		<b>73,574,576</b>
<b>TOTAL</b>			<b>1,295,118,464</b>		<b>1,332,122,976</b>

Significant Accounting Policies 1

The Notes are an integral part of the Financial Statements

As per our Report annexed  
for SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata - 700 001  
the 30th day of May, 2012

On behalf of the Board of Directors

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

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


**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Note	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
<b>INCOME</b>			
Revenue from Operations	2.14	700,000	—
Other income	2.15	116,385,352	52,484,289
<b>Total Revenue</b>		<b><u>117,085,352</u></b>	<b><u>52,484,289</u></b>
<b>EXPENDITURE</b>			
Changes in Inventories	2.16	—	—
Employee Benefits Expense	2.17	2,788,961	2,857,183
Finance Costs	2.18	504,965,787	436,187,946
Other Expenses	2.19	5,986,780	13,885,528
<b>Total</b>		<b><u>513,741,529</u></b>	<b><u>452,930,657</u></b>
<b>Profit/ (Loss) before Tax, Depreciation &amp; Amortisation</b>		<b>(396,656,177)</b>	<b>(400,446,367)</b>
Depreciation and Amortization Expense	2.20	2,576,283	2,546,113
Profit before Tax		<b><u>(399,232,460)</u></b>	<b><u>(402,992,480)</u></b>
Tax Expense:			
Current Tax		—	—
Deferred Tax		—	—
Income Tax for earlier years		—	—
<b>Profit / (Loss) for the year</b>		<b><u>(399,232,460)</u></b>	<b><u>(402,992,480)</u></b>
<b>Earnings Per Share</b>			
Basic and Diluted earning per share (in Rs.)		<b>(9.94)</b>	<b>(10.04)</b>
(Refer Accompanying Note 2.30)			
Significant Accounting Policies	1		

The Notes are an integral part of the Financial Statements

As per our Report annexed  
for SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata - 700 001  
the 30th day of May, 2012

On behalf of the Board of Directors

Mr. Debdatta Saha  
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 ON 31.03.2012**

(Pursuant to Clause 32 of Listing Agreement )

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended	For the year ended
	31st March, 2012	31st March, 2011
	Rs.	Rs.
Net Profit/(Loss) before tax & extraordinary items	(399,232,460)	(402,992,481)
Add/(Less): Adjustments for		
Depreciation	2,576,283	2,546,113
Provisions for Employee benefits	123,803	7,134,000
Dividend on investments	(389,784)	(230,279)
Profit on sale of fixed assets	(48,000)	(660,272)
Profit on sale of Investments	(2,236,812)	—
Loss on sale of fixed assets / hire purchase stock	—	199,775
Liability no longer required written back	(108,078,621)	(44,388,403)
Miscellaneous Expenditure written off	—	12,423
Foreign exchange fluctuation loss / (gain)	3,770,724	(903,744)
Bad Debt Written off	—	20,341
Interest Expenses	501,195,063	436,187,946
Interest Income	(3,592,470)	(3,776,083)
<b>Operating profit / (loss) before working capital changes</b>	<b>(5,912,273)</b>	<b>(6,850,664)</b>
(Increase)/Decrease in trade receivable	—	8,011,698
(Increase)/Decrease in stock of H.P.	—	—
(Increase)/Decrease in loans & advances	220,237	(204,509)
Increase/(Decrease) in trade payables/current liabilities	(1,133,207)	1,713,658
<b>Cash generated from operations</b>	<b>(6,825,244)</b>	<b>2,670,183</b>
Interest paid	(18,803)	(535,413)
Tax Paid	—	—
<b>Cash flow before extraordinary items</b>	<b>(6,844,047)</b>	<b>2,134,770</b>
<b>Net Cash from Operating activities</b>	<b>(6,844,047)</b>	<b>2,134,770</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(386,331)	(343,250)
Proceeds from Sale of fixed assets	48,001	19,800,225
Proceeds from Sale of Investments	2,236,814	—
Interest received	4,898,487	1,480,948
Dividend received on investments	389,784	230,279
<b>Net Cash used in Investing activities</b>	<b>7,186,754</b>	<b>21,168,202</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(38,345,502)	(22,929,726)
<b>Net Cash used in Financing activities</b>	<b>(38,345,502)</b>	<b>(22,929,726)</b>
Net increase/(decrease) in cash and cash equivalents	(38,002,794)	373,246
Opening cash and bank balances	87,687,560	87,314,314
Closing cash and bank balances	<b>49,684,766</b>	<b>87,687,560</b>

**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 bank balances consist of Cash in hand, fixed deposits and balances with banks which includes :

	Figures Rs. in Lakhs	
	As on 31.03.12	As on 31.03.11
a) Fixed Deposit with banks considered doubtful and provided for	13.76	13.76
b) Inaccessible positive balances lying with banks (Secured lenders)	208.20	208.20
c) Balances unconfirmed by banks in current accounts	2.20	1.05
Total	<u>224.16</u>	<u>223.01</u>

3. Negative figures indicate cash outflow.

4. 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

M. L. Shukla  
Partner

M. No. 051505  
1B, Old Post Office Street  
Kolkata - 700 001  
the 30th day of May, 2012

Mr. Debhatta 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



## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Principles of consolidation

The consolidated financial statements relate to Nicco Uco Alliance Credit Limited (the holding company) and Nicco Insurance Agents & Consultants Ltd. (It's 100% subsidiary company, incorporated in India). The consolidated financial statements have been prepared on the following basis :

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

### 1.2 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.

## Notes to Financial Statements for the year ended 31st March, 2012

### 2.1 : SHARE CAPITAL

Number		Rs.	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>Authorised</b>				
43,000,000 (43,000,000)	Equity Shares of Rs.10/- each		430,000,000	430,000,000
7,000,000 (7,000,000)	Redeemable Cumulative Non-Convertible Preference Shares of Rs.10/- each		70,000,000	70,000,000
			<u>500,000,000</u>	<u>500,000,000</u>
<b>Issued</b>				
40,147,173 (40,147,173)	Equity Shares of Rs.10/- each		<u>401,471,730</u>	<u>401,471,730</u>
<b>Subscribed and Paid-up</b>				
40,147,173	Equity Shares of Rs.10/- each	401,471,730		—
<u>400</u>	Less : Cancellation on Amalgamation	<u>4,000</u>		
40,146,773		401,467,730		
	Less : Calls-in-Arrear	<u>455,000</u>	401,012,730	401,012,730
			<u>401,012,730</u>	<u>401,012,730</u>



**Notes to Financial Statements for the year ended 31st March, 2012**

- a) The break-up of equity share subscribed and fully paid-up, subscribed but not fully paid-up could not be furnished in absence of proper details regarding Calls in Arrear, available at present.
- b) The company has one class of issued shares i.e. equity shares having par value of Rs. 10/- per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend.
- c) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- d) The Company does not have any holding company/ultimate holding company.
- e) Details of shareholders holding more than 5% shares in the company :

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares of Rs. 1 each fully paid</b>				
Nicco Corporation Limited	7,058,524	17.58	7,058,524	17.58
UCO Bank	2,314,285	5.76	2,314,285	5.76

- f) No equity shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment as at the balance sheet date.
- g) No securities convertible into equity/preference shares has been issued by the company during the year.
- h) No calls are unpaid by any Director and Officer of the Company during the year.
- i) No shares have been allotted or has been bought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- j.i) Equity shares issued for consideration other than cash include 9,60,000 Equity shares of Rs.10/- each allotted pursuant to amalgamation of Sanpaola Hambro Nicco Finance Ltd.
- j.ii) 4,00,000 Equity Share of Rs.10/- each allotted pursuant to amalgamation of Nicco Investments Ltd.
- j.iii) 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.
- j.iv) 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.
- j.v) 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.



## Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.2 : RESERVES AND SURPLUS</b>		
<b>Capital Reserve I</b>		
Paid up amount on shares forfeited As per last Financial Statements	20,500	20,500
	<u>20,500</u>	<u>20,500</u>
<b>Capital Reserve II</b>		
Non-refundable capital grant As per last Financial Statements	43,521	44,628
Less : Prorata Adjustment of Fixed Assets (Refer Note 2.8 (a))	1,110	1,107
	<u>42,411</u>	<u>43,521</u>
<b>Capital Reserve III</b>		
On amalgamation of Nicco Investments Ltd As per last Financial Statements	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Total Capital Reserve</b>	<b>A</b> <u>1,062,911</u>	<u>1,064,021</u>
<b>Capital Redemption Reserve</b>		
As per last Financial Statements	20,000,000	20,000,000
	<b>B</b> <u>20,000,000</u>	<u>20,000,000</u>
<b>Statutory Reserve Fund</b>		
As per last Financial Statements	26,784,772	26,784,772
	<b>C</b> <u>26,784,772</u>	<u>26,784,772</u>
<b>Surplus / (Deficit)</b>		
As per last Financial Statements	(4,084,258,849)	(3,681,266,369)
Add : Profit / (Loss) for the year	(399,232,460)	(402,992,480)
<b>Net Surplus / (Deficit)</b>	<b>D</b> <u>(4,483,491,309)</u>	<u>(4,084,258,849)</u>
<b>Total A to D</b>	<b>(4,435,643,626)</b>	<b>(4,036,410,056)</b>

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	Non-current portion		Current Maturities	
	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)
<b>2.3 : LONG-TERM BORROWINGS</b>				
<b>Term Loans (Secured)</b>				
Rupee Loans from Banks	—	—	46,484,295	46,484,295
Foreign Currency Loans from Banks	—	—	99,596,261	87,508,685
	<u>—</u>	<u>—</u>	<u>146,080,556</u>	<u>133,992,980</u>
<b>Total Secured Borrowings</b>	<b>—</b>	<b>—</b>	<b>146,080,556</b>	<b>133,992,980</b>
<b>Deposits (Unsecured)</b>				
Fixed Deposits	—	—	107,047,639	177,736,369
	<u>—</u>	<u>—</u>	<u>107,047,639</u>	<u>177,736,369</u>
<b>Total Unsecured Borrowings</b>	<b>—</b>	<b>—</b>	<b>107,047,639</b>	<b>177,736,369</b>
Amount disclosed under the head "Other Current Liabilities" ( Note 2.7)	—	—	(253,128,195)	(311,729,349)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

- i.a) Rupee Loans from Banks consist of loans from: UCO Bank (Mehta Transport), UTI Bank.
- i.b) **Nature of Security: For Uco Bank (Mehta Transport)** - By an agreement for hypothecation of movable plant and machinery to secure a term loan by the company on November 17, 2000, the company hypothecated the following vehicles as security for the repayment of the said term loan facility availed of by it from the applicant bank being the 50 number of Ashok Leyland Tusker Turbo tractors along with new chasis lent under Hire Purchase to M/s Mehta Transport Services (I) Ltd.
- Further the company hypothecated to and charged in favour of the applicant bank as and by way of first charge thereon:
- (i) all the goods described in general terms in the schedule written thereunder being 50 numbers of trailers to be purchased under the term loan and is to be lent under hire purchase agreement.
- (ii) all the company's present and future book debts, outstanding monies, receivables, claims, bills, contracts etc.
- i.c) **Nature of Security: For UTI Bank:** The facility is secured against assignment of receivable of the selected pool together with the entire interest, ownership and clear title and rights to the assets provided in the hire purchase agreements and also against cash collateral.
- i.d) Foreign Currency Loan consists of **IFC-Washington, IFCI**.
- i.e) Nature of Security - **For IFC Washington:** The company hypothecated and charged as and by way of first fixed and exclusive charge and lien to and / or in favour of the trustee in for the benefit of the corporation, certain properties and assets given on lease or hire purchase or acquired by the company out of finances.
- i.f) **Nature of Security: For IFCI** - The company hypothecated on 29th April, 1999 in favour of the applicant by virtue of which the whole of the specific Industrial Assets, equipments, plant, machinery and other assets together with its spares, tools and other accessories acquired / to be acquired, were more particularly described below to the application were hypothecated in favour of the applicant as security for the term loan.

Particulars of the equipments, plant, machinery, and other assets acquired by the company out of loan :

1. TIL make Cranes





## Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

2. particles board plant.

All the movable properties and immovable properties of the company wherever lying and wherever situated.

- ii) All loans have turned Non-Performing Assets in the books of the lenders and the same have been recalled by them and at present being contested in Debt Recovery Tribunals and High Court at Calcutta. Hence, the clause relating to disclosure of terms of repayment of loans in such cases has become inapplicable.
- iii) The details of default given below showing dates and amount (Principal and Interest) referring note no. 2.3.iii is as furnished by the management.
- iv.a) UCO Bank has filed application in DRT - I to recover Rs.327 lacs ( previous year Rs.327 lacs ) on account of term loan, matter is pending.
- iv.b) IFCI has filed an application in DRT - I to recover Rs.62.91 lacs ( previous year Rs.62.91 lacs ), matter is pending.
- iv.c) 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.
- iv.d) Axis Bank has filed an application in DRT, Chennai to recover Rs.1368 lacs ( previous year Rs.1368 lacs ) which is also being contested.
- iv.e) International Finance Corporation Washington 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.
- iv.f) UCO Bank has taken measures under section 13(4) of the SARFAESI Act against the company. The company filed an application under section 17(1) of the said Act.

In the Sarfaesi 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.

- v) 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.
- vi) 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.
- vii) 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.
- viii) The Company has paid to a number of depositors on hardship cases on settlement basis based on principal amount outstanding.
- ix) The entire secured loan accounts of the company amounting to Rs.121.35 crores ( previous year Rs.120.14 crores ) except interest accrued and due, has become NPA in the books of the lenders. The banks/Financial Institutions have stopped giving

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

statements and confirmations. Interest on these accounts have been provided as per the last agreed rates. However, the said accounts remain unconfirmed.

- x) Honorable Company Law Board Eastern Region Bench had passed an order vide it's order dated 22nd March, 2005 against Company's petition No. 641(58AA)/ERB/2004 for rescheduling the repayment of Company's Fixed Deposit liability including interest accrued thereon u/s 45QA of the RBI Act. The company had filed an application before CLB in the month of February, 2007 to extend the period of payment of these dues and CLB has modified the order dated 22nd March, 2005 vide their order dated 28.06.2007 granting an extension of six months on payment of deposit from the date of maturity of deposits from March, 2007 and onwards. The said order also stipulates that no interest need to be paid along with the last instalment as directed in the original scheme and the question of payment of interest shall be decided later and accordingly interest provided at contracted rate and as per CLB order on outstanding Fixed Deposit liability has been shown as 'interest accrued but not due' under Other Current Liability. Refer note 2.7 - Interest Accrued and not due.
- xi) Entire amount of Fixed Deposits amounting to Rs 1205.07 lacs (previous Year 1982.04 Lacs) has matured and is due for payment.

**Note No. 2.3.iii**

**Statement showing defaults in repayment of long term borrowings and Interest thereon**

Nature of Loan	Refer	Continuing Period of default from	Amount of Default as on 31.03.2012		Amount of Default as on 31.03.2011	
			Principal (Rs.)	Interest (Rs.)	Principal (Rs.)	Interest (Rs.)
<b>Rupee Term Loan from banks</b>						
TERM LOAN- UCO A/C	@	8-May-07	25,319,863	40,737,725	25,319,863	32,725,602
UTI-TLI A/C NO (Axis Bank)	#	March'2007	9,918,463		9,918,463	
UTI TLI II A/C (Axis Bank)		March'2007	11,245,969	34,821,296	11,245,969	27,546,711
<b>Sub-Total</b>			<b>46,484,295</b>	<b>75,559,021</b>	<b>46,484,295</b>	<b>60,272,313</b>
<b>Term Loan in Foreign Currency from banks</b>						
		For Principal 6th Jan'2004		95,759,208		83671632
		For interest 17th Dec' 2003		62,518,937		61,259,851
International Finance Corporation, Washington	\$					
		For Principal - 1st Jan '2004	3,837,053		3,837,053	
I.F.C.I. Loan	*	For Interest - 1st Apr '2004		9,674,822		7,519,940
<b>Sub-Total</b>			<b>99,596,261</b>	<b>72,193,759</b>	<b>87,508,685</b>	<b>68,779,791</b>

@ The Uco bank has recalled the loan and the same is in the Calcutta Debt Recovery tribunal -1 as per original application 54 of 2007, date of default is 08/05/2007 and registration number is O.A. 54 of 2007.

# The Axis bank has recalled the the loan and the same is in the Debt recovery tribunal.

\$ The IFC-W has recalled the loan and the same is in the Calcutta High Court, suit no. 102 of 2009.

\* The IFCI has recalled the loan and the same is in the Debt Recovery tribunal -1 as per original application 65 of 2006.



**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	Long-term		Short-term	
	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)
<b>2.4 : PROVISIONS</b>				
Provision for Employee Benefits				
Gratuity	430,239	369,349	619,625	586,583
Leave Encashment	293,123	263,602	339,956	339,606
	<u>723,362</u>	<u>632,951</u>	<u>959,581</u>	<u>926,189</u>
Other Provisions				
Provision for Doubtful Advance	39,705,447	39,705,447	—	—
Provision for Doubtful Fixed Deposits with banks	1,376,282	1,376,282	—	—
Provision for Other Receivables	857,450,951	857,450,951	—	—
Provision against Non-Performing Assets	221,391,287	221,391,287	—	—
Provisions for Diminution in value of Investments	98,632,971	98,632,971	—	—
	<u>1,218,556,938</u>	<u>1,218,556,938</u>	<u>—</u>	<u>—</u>
	<b>1,219,280,300</b>	<b>1,219,189,889</b>	<b>959,581</b>	<b>926,189</b>

- a) 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 however in the opinion of the management the same is not substantial.

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.5 : SHORT TERM BORROWINGS</b>		
Working Capital Demand Loan	739,897,142	739,897,142
Cash Credit	327,477,900	327,477,900
	<u>1,067,375,042</u>	<u>1,067,375,042</u>
<b>The above amount includes</b>		
Secured Borrowings	1,067,375,042	1,067,375,042
Unsecured Borrowings	—	—
	<u>1,067,375,042</u>	<u>1,067,375,042</u>

- i) 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.
- ii.A) **Nature of Security:** The company extended a joint deed of hypothecation in favour of consortium of bankers headed by UCO bank whereby the company hypothecated as and by way of first charge its entire tangible properties and assets both present and future including plant and machinery and /or other assets purchased and / or acquired for its hire purchase/leasing business/operations and all relative lease rentals, hire charges receivables, both present and future.
- ii.B) The company further created equitable mortgage in favour of the applicant banks in respect of the properties by way of deposit of original title deeds on June 20, 2001 :
- Office Space at Nicco House, 2nd Floor, 2 Hare Street, Kolkata-700 001;
  - Flat at 718, Dalmal Towers, Nariman Point, Mumbai - 400 021;
  - Flat no. 3 at 9, South North nRoad, Juhu Ville Parle Development Scheme, Mumbai-400 049;
  - Premises at 93/4, Karaya Road, 4th Floor Kolkata - 700 019;

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

- e) 0.65 acre, 2.92 acres, 1.70 acres, 0.95 acre, 0.85 acre and 5.90 acres of land at Poolavadi, Coimbatore, Tamil Nadu;
- f) 142 kenels, 17 marlas of land in khewat nos. 16,37,38,61 & 79, khatoni nos. 21 min, 143min, 44 min, 83 min, 108min respectively at Village-Salhawas, Tehsil-Rewari, District-Rewari, Haryana.
- iii) All loans have turned Non-Performing Assets in the books of the lenders and the same have been recalled by them and at present being contested in Debt Recovery Tribunals. Hence, the clause relating to disclosure of terms of repayment of loans in such cases has become inapplicable.
- iv) Refer Note 2.3.ix
- v) The details of default given below showing dates and amount (Principal and Interest) referring note no. 2.5.v is as furnished by the management.

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.6 : TRADE PAYABLES</b>		
For Goods & Services	20,658,872	21,773,489
	<b><u>20,658,872</u></b>	<b><u>21,773,489</u></b>

- a) Based on the informations available with the company, there are no dues towards Micro, Small and Medium Enterprises as on 31.03.2012.

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.7 : OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt ( Refer Note 2.3)		
Rupee Loans from Bank	46,484,295	46,484,295
Foreign Currency Loans from Banks	99,596,261	87,508,685
Fixed Deposits	107,047,639	171,206,780
	<u>253,128,195</u>	<u>305,199,760</u>
Unclaimed Fixed Deposits	13,459,591	26,997,107
Interest accrued but not due on Borrowings (Refer Note no. 2.3.x)	87,438,829	147,043,968
Interest accrued and due on Borrowings	2,535,590,412	2,051,853,333
Duties & Taxes Payable	143,382	161,972
Security Deposit	4,424,385	4,424,385
Retention Money	4,576,443	4,576,443
Securitisaton Dues Payable	99,294,865	99,294,865
Book Overdraft	6,782,133	2,066,535
Payable for Service Tax under litigation	16,090,997	16,090,997
Others	546,331	546,331
	<b><u>3,021,475,563</u></b>	<b><u>2,658,255,696</u></b>

- a) 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.
- b) In the view of the critical financial conditions which the company is facing, it could not transfer an amount of Rs. 6,31,535/- (previous year Rs. 1,647,712 ) to 'Investors Education and Protection Fund'.



Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

Note No. 2.5.v

Statement showing defaults in repayment of Short Term Borrowings and Interest thereon

Nature of Loan	Period of default from	Amount of Default as on 31.03.2012		Amount of Default as on 31.03.2011	
		Principal (Rs.)	Interest (Rs.)	Principal (Rs.)	Interest (Rs.)
<b>Working Capital Demand Loan from banks</b>					
(P & S BANK)	1-Apr-04	49,823,355	94,170,542	49,823,355	74,842,956
FEDERAL BANK	1-Nov-05	25,924,317	—	25,924,317	—
FBL/MDC/CC-105	1-Nov-05	10,014,065	59,447,737	10,014,065	47,755,374
UBI	1-Nov-05	53,999,693	126,898,506	53,999,693	102,231,091
UCO BANK	1-Apr-04	240,000,000	490,172,259	240,000,000	395,296,290
WORKING CAPITAL DEMAND LOAN	1-Apr-04	91,900,000	—	91,900,000	—
THE FEDERAL BANK OF INDIA	1-Nov-05	40,000,000	120,082,234	40,000,000	96,788,157
BANK OF BARODA-17		32,000,000	—	32,000,000	—
BANK OF BARODA-172 MAD	1-Sep-04	7,813,814	81,865,492	7,813,814	66,556,167
INDIAN OVERSEAS BANK		18,200,000	—	18,200,000	—
IOB/MDS CC-14		26,596,950	—	26,596,950	—
IOB-I/N A/C NO-804	1-Apr-04	4,351	288,932,581	4,351	233,523,458
THE SOUTH INDIAN BANK LTD.		32,000,000	—	32,000,000	—
SIBL/MDS CC-1036	1-Nov-05	8,030,678	108,350,564	8,030,678	86,549,845
STATE BANK OF TRIVANCORE		54,000,000	—	54,000,000	—
SBT/MDS(CC-125613)		13,260,881	—	13,260,881	—
SBT/VELLORE		8	—	8	—
SBT/MADURAI	1-Feb-04	(90)	155,824,598	(90)	125,238,567
CATHOLIC SYRIAN BANK LTD.		28,000,000	—	28,000,000	—
CSB/MDS CC-1595		7,000,585	—	7,000,585	—
CBS/MDS/CC-220222	1-Nov-05	8,990,257	96,709,876	8,990,257	77,044,588
DENA BANK MADRAS-600001		16,000,000	—	16,000,000	—
DENA BANK-CC20016	1-Jun-05	4,006,264	46,333,975	4,006,264	37,288,624
STATE BANK OF MYSORE		12,039,971	—	12,039,971	—
SBM/MDS CC-13	1-Apr-04	101,393	24,239,951	101,393	19,693,656
CENTRAL BANK OF INDIA	1-Oct-04	36,009,806	108,224,595	36,009,806	87,004,404
INDUSIND BANK		10,000,000	—	10,000,000	—
INDUSIND BANK MDS/CC15048280	1-Aug-05	39,931,056	160,996,352	39,931,056	126,927,557
UTI-BANK LTD.CA-2951 INT.WARRA	1-Apr-04	4,479	—	4,479	—
<b>Sub-Total</b>		<b>865,651,833</b>	<b>1,962,249,262</b>	<b>865,651,833</b>	<b>1,576,740,733</b>
<b>Cash Credit Loan from banks</b>					
UCO BANK - MAIN BRANCH	1-Apr-04	35,675,316	—	35,675,316	—
NUACL- FD. CACR-52	1-Apr-04	8,619,258	111,191,972	8,619,258	90,988,607
PUNJAB & SINDH (CCHPL-3)	1-Apr-04	12,208,114	22,623,864	12,208,114	17,948,393
UBI - CORP.BUS.BRANCH (CC 20039)	1-Nov-05	13,522,496	26,369,322	13,522,496	20,929,644
CANARA BANK	1-Jun-04	7,074,619	15,227,566	7,074,619	12,173,109
DENA BANK	1-Jun-05	18,741,674	45,962,459	18,741,674	37,100,728
FEDERAL BANK - CALCUTTA	1-Nov-05	5,881,711	15,104,619	5,881,711	12,248,279
SBI(IFB)/MDS-CC-974	1-Jul-04	100,000,020	189,108,568	100,000,020	154,671,735
<b>Sub-Total</b>		<b>201,723,210</b>	<b>425,588,370</b>	<b>201,723,210</b>	<b>346,060,495</b>
<b>Total</b>		<b>1,067,375,042</b>	<b>2,387,837,632</b>	<b>1,067,375,042</b>	<b>1,922,801,228</b>



**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

**NOTE 2.8 : TANGIBLE ASSETS**

PARTICULARS OF ASSET	GROSS BLOCK			DEPRECIATION			LEASE ADJUSTMENT A/C			NET BLOCK	
	As at 1st April 2011	Additions during the year	Deductions/Adjustment during the year	As at 31st March 2012	As at 1st April 2011	Provided during the year	Deductions/Adjustment during the year	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011	
<b>OWN ASSET</b>											
Land	28,644,942			28,644,942						28,644,942	
Building	23,163,692			23,163,692	6,982,020	359,839				15,821,833	
Furniture, Fixture & Office Equipment	19,701,084	386,331	177,730	19,701,084	19,273,279	36,043	177,730			391,762	
Motor Car	3,921,792			4,130,393	3,921,047	14,278				372,798	
Windmill	36,100,798			36,100,798	26,578,240	1,719,484				7,803,074	
Machinery	12,669,627			12,669,627	9,135,161	447,749				3,086,717	
<b>SUB TOTAL</b>	<b>124,201,935</b>	<b>386,331</b>	<b>177,730</b>	<b>124,410,537</b>	<b>65,889,747</b>	<b>2,577,393</b>	<b>177,730</b>			<b>56,121,126</b>	
Previous Year	143,198,413	343,250	19,339,728	124,201,936	63,342,527	2,547,220				58,312,188	
<b>FOR LEASE ACTIVITIES</b>											
<b>FINANCE LEASE :</b>											
Computer & Accessories	91,475,691			91,475,691	76,312,549					3,085,975	
Machinery	385,899,571			385,899,571	230,526,700					14,965,241	
Vehicles	292,491,121			292,491,121	237,949,768					407	
Office Equipment	13,972,071			13,972,071	12,806,635					76,352	
Generator set	4,461,540			4,461,540	4,461,540					17	
Furniture & Fixture	16,099,999			16,099,999	14,932,852						
Two Wheeler	884,574			884,574	884,574						
<b>SUB TOTAL</b>	<b>805,284,567</b>			<b>805,284,567</b>	<b>577,874,618</b>					<b>18,127,992</b>	
Previous Year	805,284,567			805,284,567	577,874,618					18,127,989	
Total of Current Year	929,486,502	386,331	177,730	929,895,104	643,764,370	2,577,393	177,730			74,249,118	
Capital W.I.P. of C. Year	799,600			799,600						799,600	
G. Total of Current Year	930,286,102	386,331	177,730	930,494,704	643,764,370	2,577,393	177,730			75,048,718	
Previous year Total	948,482,980	343,250	19,339,728	929,486,503	641,217,150	2,547,220				76,440,177	
P. Year Capital W.I.P.	799,600			799,600						799,600	
G. Total of Previous Year	949,282,580	343,250	19,339,728	930,286,103	641,217,150	2,547,220				77,239,777	

a) Depreciation amounting to Rs. 1,110/- (Previous Year Rs 1107/-) adjusted against Non-refundable capital grant.

b) Certain fixed assets owned by the company are charged with secured lenders of the company.

c) 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.

d) Furniture & Fixtures and Office Equipments have not been segregated in absence of Fixed Asset Register which is under preparation.



Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

NOTE 2.9 : NON CURRENT INVESTMENTS

Number of Shares/ Securities/ Bonds/Units	Face Value of Shares/ Units		As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>INVESTMENTS :-</b>				
<b>Other than trade (Unless otherwise stated)</b>				
<b>(At cost unless otherwise stated)</b>				
<b>FULLY PAID SHARES / SECURITIES</b>				
<b>INVESTMENT IN EQUITY INSTRUMENT</b>				
<b>Long Term Investment</b>				
<b>Equity Shares in Associate Company-Quoted</b>				
3,582,400	10	Alliance Management & Fiscal services Ltd.	(A) 15,619,264	15,619,264
<b>Equity Shares in Other Companies-Quoted</b>				
4,093,575	2	Nicco Corporation Ltd.	62,376,305	62,376,305
3,300	10	Nicco Parks & Resorts Ltd.	34,650	34,650
14,500	10	Hanuman Tea Co. Ltd.	73,150	73,150
2,000	10	Amrit Enterprise Ltd.	1	1
30,000	10	G R Magnets Ltd.	147,000	147,000
400	10	Bhagavati Gas Ltd.	920	920
886,509	10	G.S.L.(India)	21,719,470	21,719,470
2,900	10	Indian Overseas Bank	69,600	69,600
1,500	10	Amrit Bansapati Company Ltd.	15,000	15,000
700	10	Archie Greeting Ltd.	31,745	31,745
750	10	Bata India Ltd.	77,850	77,850
1,000	10	Dic India Ltd	119,900	119,900
750	1	Colgate Ltd.	187,418	187,418
25,000	10	Crystal Cables Ltd.	—	—
3,333	5	Eveready Industries Ltd.	59,327	59,327
3,333	5	Mcleod Russel	—	—
300	10	Ricoh India	3,687	3,687
1,500	2	Hcl Infosys Ltd.	114,000	114,000
2,000	1	Hindustan Unilever	476,400	476,400
16,900	10	Malvika Steel Ltd.	—	—
500	10	Pasari Spinning Mills Ltd.	1,860	1,860
100	10	Shristi Infrastructure Development Corp Ltd	9,400	9,400
306	10	Rayban Sun Optics India Ltd.	—	—
500	10	Reliance Capital Ltd	120,130	120,130
250	1	Tata Tea Ltd.	85,200	85,200
1,000	1	Timex Watches Limited	—	—
			(B) 85,723,015	85,723,015
<b>Equity Shares in Other Companies-Unquoted</b>				
5	50	Dalmal Tower Premises Co-opt. Society Ltd.	250	250
22,000	6	Hindusthan Wire & Metal Products Ltd.	115,500	115,500
1,300	100	Associated Industrial Development Co (P) Ltd.	196,000	196,000
900	100	Vinicab India Private Limited	90,000	90,000







Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

	Long-term		Short-term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>2.10 : LOANS &amp; ADVANCES</b>				
Capital Advances	-	-	-	-
Security Deposits				
Unsecured, considered doubtful	1,676,921	1,725,319	-	-
Loan & Advances to Related Parties				
Unsecured, considered good	-	-	6,865	4,765
<b>(A)</b>	<b>1,676,921</b>	<b>1,725,319</b>	<b>6,865</b>	<b>4,765</b>
<b>Other Loans and Advances</b>				
Advance Tax				
Unsecured, considered doubtful (Net of provision Rs. 9,18,29,885/-, Previous Year Rs. 9,18,29,885/-,	3,588,495	3,201,788	-	-
Advance against supply of Goods and Services				
Unsecured, considered good	-	-	100,875	255,000
Unsecured, considered doubtful	2,278,281	2,278,281	-	-
Prepaid Expenses				
Unsecured, considered good	3,069	4,483	59,034	126,396
Loans & Advances to Employees				
Secured, considered good	-	-	94,093	86,093
Deposits under subjudice (fully provided for in earlier years)				
Unsecured, considered doubtful	34,000,000	34,000,000	-	-
Loans against Fixed Deposits/NCD				
Secured, considered good (Secured by pledge of Fixed Deposit Receipts)	-	-	30,000	974,159
<b>(B)</b>	<b>39,869,844</b>	<b>39,484,551</b>	<b>284,002</b>	<b>1,441,648</b>
<b>Total (A + B)</b>	<b>41,546,766</b>	<b>41,209,871</b>	<b>290,866</b>	<b>1,446,413</b>

	Non Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>2.11 : TRADE RECEIVABLES</b>				
Outstanding for a period exceeding six months				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Unsecured, considered Doubtful	29,531,720	29,531,720	-	-
<b>(A)</b>	<b>29,531,720</b>	<b>29,531,720</b>	<b>-</b>	<b>-</b>
Other Receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A + B)</b>	<b>29,531,720</b>	<b>29,531,720</b>	<b>-</b>	<b>-</b>

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	Non Current		Current	
	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)
<b>2.12 : OTHER ASSETS</b>				
Interest accrued on Bank Fixed Deposits				
Secured, considered good	-	-	2,014,765	3,320,782
Residual Value of Assets				
Unsecured , considered Doubtful	9,407,169	9,407,169	-	-
Interest receivable on other deposits				
Unsecured , considered Doubtful	555,983	555,983	-	-
Receivable against Rent				
Unsecured , considered Doubtful	193,873	193,873	-	-
Receivable from Windmill customers				
Unsecured, considered good	-	-	1,952,490	1,094,584
Gratuity -Plan Assets				
Unsecured, considered good	1,114,941	949,351	-	-
Leave Encashment - Plan Assets				
Unsecured, considered good	907,709	832,761	-	-
Inventory - Unsecured, considered doubtful				
Stock on Hire under Hire Purchase Agreement including Hire purchasing debtors	956,364,793	956,364,793	-	-
Disputed Bank Balances in Current Account (refer note (b), (e), & (f) below)				
Unsecured, considered doubtful	21,039,825	21,039,825	-	-
Disputed Fixed Deposits with Bank (Refer note (g) below)				
Unsecured, considered doubtful	1,376,282	1,376,282	-	-
Other Receivables				
Secured, considered good	-	-	27,440	374,808
Unsecured, considered Doubtful	20,092,167	20,244,828	-	-
Less: Provision	(14,062,358)	(14,062,358)	-	-
<b>Sub-Total (A)</b>	<b>996,990,385</b>	<b>996,902,508</b>	<b>3,994,695</b>	<b>4,790,174</b>
<b>Miscellaneous Expenditure</b>				
Opening Balance			-	12,423
Add: Incurred during the year			-	-
Less: Written off			-	12,423
Closing Balance			-	-
<b>Total (A+B)</b>	<b>996,990,385</b>	<b>996,902,508</b>	<b>3,994,695</b>	<b>4,790,174</b>

- a) The inventory has turned NPA hence the same is treated as Non-Current Asset.
- b) Other Assets including some bank balances which are disputed / inaccessible have been treated as non-current.
- c) 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. On Prima facie investigation made by management; a sum of Rs. 140.62 lacs appear to have been misappropriated by the employees against which the Detective Department filed their chargesheet quantifying the misappropriated amount as Rs.134.86 lacs . The reason for difference is yet to be ascertained.
- d) On recommendation from Registrar of Companies, Kolkata, Ministry of Corporate Affairs, Government of India directed Serious Fraud Investigation Office (SFIO) to carry out investigation against the company under section 235 of the Companies Act, 1956 which is under progress.
- e) 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 amounting in total Rs 208.20 lacs (Previous Year Rs 208.20 Lacs) remain unconfirmed and inaccessible for the reasons stated in Note 2.3.ix.
- f) Balance of Rs.2.20 lacs (P.Y Rs 1.05 lacs) from other Banks also remain unconfirmed.
- g) 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 ) amounting in total Rs 13.76 lacs (Previous Year Rs 13.76 Lacs) remain unconfirmed and accordingly was provided for.



Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>2.13 : CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances With Banks :		
In Current Account	318,460	87,126
Cash on hand	61,004	29,297
	<u>379,464</u>	<u>116,423</u>
<b>Other Bank Balances</b>		
Fixed Deposit with Banks (With maturity period of between more than 3 months but less than 12 months)	33,671,328	67,221,565
	<u>33,671,328</u>	<u>67,221,565</u>
	<b><u>34,050,792</u></b>	<b><u>67,337,988</u></b>

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>2.14 : REVENUE FROM OPERATIONS</b>		
Hire Purchase/ Leasing Income	700,000	—
	<u>700,000</u>	<u>—</u>

a) HP income includes Rs. 7.00 lacs (previous year Rs. Nil ) recovered from NPA parties.

	Non Current		Current	
	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)	As at 31st March, 2012 (Rs.)	As at 31st March, 2011 (Rs.)
<b>2.15 : OTHER INCOME</b>				
<b>Interest Income</b>				
On Banks Deposits		3,592,470		3,776,083
On Others	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Dividend Income</b>				
On Long term Investments		389,784		230,279
<b>Prior Period Income</b>		—		576,287
<b>Net Gain / (Loss) on sale of Investments</b>				
On Long Term-Investments		2,236,812		—
<b>Other Non Operating Income</b>				
Foreign Exchange Fluctuation Gain			903,744	
Income from Electricity Generation at Windmill	1,952,830		2,016,996	
Profit on sale of Fixed Assets	48,000		460,497	
Excess Liabilities and Unclaimed Balances written back	108,078,621		44,388,403	
Sundry Receipts	86,835	110,166,286	132,000	47,901,640
		<u>116,385,352</u>		<u>52,484,289</u>

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>2.16 : (INCREASE)/ DECREASE IN INVENTORIES</b>		
<b>Inventories at the beginning of the year</b>		
Stock on Hire under Hire Purchase Agreement including Hire Purchase Debtors	956,364,794	956,364,794
	<b>956,364,794</b>	<b>956,364,794</b>
<b>Inventories at the end of the year</b>		
Stock on Hire under Hire Purchase Agreement including Hire Purchase Debtors	956,364,794	956,364,794
	<b>956,364,794</b>	<b>956,364,794</b>
	—	—

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>2.17 : EMPLOYEE BENEFIT EXPENSE</b>		
Salaries & Wages	2,241,553	2,118,548
Contribution to Provident & Other Funds	303,635	525,261
Staff Welfare Expenses	243,773	213,374
	<b>2,788,961</b>	<b>2,857,183</b>

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>2.18 : FINANCE COST</b>		
<b>Interest Expenses</b>		
On Public Fixed Deposits	9,141,132	13,252,843
On Term Loan from Financial Institutions and Others	24,862,630	18,453,502
On Loans from Banks for Working Capital	467,191,301	404,481,601
	501,195,063	436,187,946
<b>Other Borrowing Cost</b>		
Foreign Exchange Loss	3,770,724	—
	<b>504,965,787</b>	<b>436,187,946</b>

- a) Interest cost includes provision of Rs. Nil ( previous year Rs.2.08 lacs) towards penal interest levied by RBI for shortfall in maintenance of SLR.
- b) Subsequent to cessation of SWAP agreement with UCO Bank, foreign currency loan has been valued at the rate prevailing as at close of 31.03.2012 and Rs.37.71 lacs ( previous year foreign currency fluctuation gain of Rs.9.04 lacs ) has been taken into the statement of profit & loss as Other Borrowing Cost.

	For the year ended		For the year ended	
	31st March, 2012 Rs.		31st March, 2011 Rs.	
<b>2.19 : OTHER EXPENSES</b>				
<b>OPERATING &amp; ADMINISTRATION</b>				
Power & Fuel		131,095		185,990
Insurance		51,660		46,790
Repairs & Maintenance				
Buildings	105,463	105,463	737,084	737,084



**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

	For the year ended 31st March, 2012 Rs.		For the year ended 31st March, 2011 Rs.	
<b>2.19 : OTHER EXPENSES (Contd.)</b>				
Rent		424,833		416,258
Motor Car Expenses		490,955		521,208
Conveyance & Travelling		247,159		383,783
Rates & Taxes		33,672		39,945
Printing & Stationary		460,377		454,707
Professional & Consultancy Fees		516,394		477,063
Auditor's Remuneration				
As Statutory Audit Fees	181,997	181,997	181,997	181,997
Windmill Expenses		1,073,503		617,028
Office Maintainance		199,987		252,130
Legal Charges		598,678		1,185,291
Postage & Courier Charges		397,447		434,239
Provision for Diminution in value of Investment		-		6,658,011
Prior Period Expense		139,635		-
Provision for Doubtful Deposits		-		302,852
Provision for Other Receivables		3		173,137
Bad debts written off		-		20,341
Stock Exchange Fees		140,633		106,071
Directors' Fees		156,000		143,000
Miscellaneous Expenses		637,290		548,604
		<b>5,986,780</b>		<b>13,885,528</b>

	For the year ended	
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>2.20 : DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation on Tangible Assets	2,576,283	2,546,113
	<b>2,576,283</b>	<b>2,546,113</b>

**2.21** RBI has cancelled the Certificate of Registration of the Company to carry out Non-Banking Financial activities of the Company vide its 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.

**2.22** 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 unless mentioned otherwise.

**2.23 Disclosure regarding 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 2012 (Rs. in lacs)	As at 31st March 2011 (Rs. in 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
<b>Total</b>		<b>27.50</b>	<b>27.50</b>

**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

- b) Advance paid / Bank Guarantee of Rs.26.53 lacs (Previous Year Rs.26.53 lacs) was issued in favour of Assistant Commissioner of Commercial Tax, Bangalore against an appeal preferred by the company and pending before the Karnataka Appellate Tribunal for Commercial Tax at Bangalore.
- c) UTKAL Auto has filed a claim against the company before Arbitrator at Cuttack amounting to Rs.76.90 lacs (Previous Year Rs 76.90 Lacs) against which the company filed a counter claim of Rs.482.74 lacs against UTKAL Auto before the Arbitrator. An award was passed on 31st December, 2011 and the claim is partly accepted amounting to Rs.2.78 lacs with interest at the rate 12% from 1st September, 2006 and the counter claim was rejected. An appeal has been filed in the Hon'ble High Court of Calcutta against the said order which was admitted on 15th May, 2012 by the Hon'ble High Court.

**2.24** There being no indication of decline in net realizable market value below its carrying cost as per valuation made in the year 2006-07, impairment of the assets of the company coming under the purview in terms of Accounting Standard 28 has not been considered.

**2.25 Segement Reporting as per Accounting Standard – 17 prescribed under the Act**

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.

**2.26 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.

**2.27 Information pursuant to Accounting Standard (AS-22)**

In view of uncertainty of future profits for reasons stated in note no 2.23, 2.5 (a) and 2.3.iv.(a) to 2.3.iv.(f), net deferred tax asset arising as at 31.03.2012 has not been recognized in the books of accounts.

**2.28 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 :

Nature of Relationship	Name of the Party
1. <b>Subsidiary Company</b>	Nicco Insurance Agents & Consultants Ltd.
2. <b>Associates</b>	Alliance Management & Fiscal Services Ltd.
3. <b>Key Management personnel</b>	L. N. Kaul – Managing Director & Company Secretary J. Mukherjee – Chief Financial Officer

**Transaction with related parties**

Nature of Transaction	2011-12 (Rs. In lacs)	2010-11 (Rs. In lacs)	Related parties
Remuneration & others	14.52	17.03	Key Management personnel
Expenses incurred	0.02	0.05	Subsidiary Company
Expenses recovered	0.00	0.06	Subsidiary Company
Advance paid	0.30	0.30	Subsidiary Company
<b>Balance as on 31.03.2012 :</b>			
Expenses recoverable	0.07	0.05	Subsidiary Company
Advance recoverable	0.30	0.30	Subsidiary Company
Investment in equity shares (fully provided for)	156.19	156.19	Associate Company
Investment in equity shares	5.00	5.00	Subsidiary Company



**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

**2.29** Remuneration to Managing Director was paid in excess by Rs. 0.27 lacs in the year 2011-12 in reference to remuneration approved by Central Government and has been shown as receivable under the heading "Other Current Assets."

	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
<b>2.30 EARNINGS PER SHARE</b>		
a) BASIC & DILUTED		
(i) Weighted average number of Equity Shares of Rs.10 each outstanding during the period (As per information available)	40,146,773	40,146,773
(ii) Profit after Tax attributable to Equity Shareholders	(399,232,460)	(402,949,871)
(iii) Basic Earnings per share (in Rs.) [(ii)/(i)]	-9.94	-10.04

b) Basic/diluted earning per share, as required by Accounting Standard (AS-20) "Earning per share", of Rs. -9.94 (previous year Rs.-10.04) has been calculated by dividing the net loss after taxation for the year as per the accounts which is attributable to equity shareholder by 4,01,46,773 being the weighted average number of equity shares outstanding during the year.

**2.31 Employee Benefits :**

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

a) Expenses under defined contribution plan with the following break up has been recognised during the year. Details are given below :

Particulars	For the year ended on 31.03.2012 Rs. in lacs	For the year ended on 31.03.2011 Rs. in lacs
Provident Fund	0.31	0.31
Employees Pension Scheme	0.61	0.64
<b>Total</b>	<b>0.92</b>	<b>0.96</b>

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

Description	(Rs. in lacs)			
	Gratuity		Leave Salary	
A. Reconciliation of opening and closing balances of obligation	(Funded) 2011-12	(Funded) 2010-11	(Funded) 2011-12	(Funded) 2010-11
a) Obligation as on Opening date	9.56	7.63	6.03	6.37
b) Past Service Cost	—	2.31	—	—
c) Current Service Cost	0.66	0.64	0.11	3.98
d) Interest cost	0.81	0.59	0.51	0.51
e) Actuarial (gain)/loss	(0.53)	(1.07)	(0.32)	(4.83)
f) Benefits paid	—	0.54	—	—
g) Obligation as at Closing date	10.50	9.56	6.33	6.03
<b>B. Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>				
a) Fair value of plan assets as on Opening date	9.49	9.30	8.33	7.88
b) Expected return on plan assets	0.76	0.74	0.67	0.63



## Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

		(Rs. in lacs)			
Description		Gratuity		Leave Salary	
A. Reconciliation of opening and closing balances of obligation		(Funded) 2011-12	(Funded) 2010-11	(Funded) 2011-12	(Funded) 2010-11
c) Actuarial (gain)/loss		0.15	(0.05)	0.08	(0.18)
d) Contributions by the employer		0.75	0.04	—	—
e) Benefits paid		—	0.54	—	—
f) Fair value of plan assets as on Closing date		11.15	9.49	9.08	8.33
C. Reconciliation of fair value of plan assets and present value of defined benefit obligation					
a) Present value of obligation on closing date		10.50	9.56	6.33	6.03
b) Fair value of plan assets on closing date		11.15	9.49	9.08	8.33
c) Amount recognised in the balance sheet Net Asset / (Liability)		0.65	(0.07)	2.75	2.30
D. Expense recognized in the period					
a) Current Service Cost		0.66	0.63	0.11	3.98
b) Past Service Cost		—	2.31	—	—
c) Interest Cost		0.81	0.59	0.51	0.51
d) Expected return on plan assets gain/(loss)		(0.76)	(0.74)	(0.67)	(0.63)
e) Actuarial gain/(loss)		(0.68)	(1.01)	(0.40)	(4.64)
f) Expense recognised in the period (a to e)		0.03	1.78	(0.45)	(0.78)
		2011-12	2010-11		
E. Assumptions					
a) Discount rate (per annum) (%)		8.50	8.50		
b) Estimated rate of return on plan assets (per annum) (%)		8.00	8.00		
c) Inflation rate (%)		6.00	5.00		
d) Remaining working life ( in years )		6	7		
e) Method used		Projected unit credit method	Projected unit credit method		
f) Mortality factor		As per LIC 1994 - 1996	As per LIC 1994 - 1996		
g) Staff turnover		10 per / 1000 per annum	10 per / 1000 per annum		
h) Super annuation age		At 60 years	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 LIC.					
G. <b>Super Annuation Fund</b> - 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 31.03.2012 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.1.30 lacs ) was made as per the service rules of the company for the eligible employees and was debited to 'Expenses on Employees'.					
H. 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.0.98 lacs during the year ( previous year Rs.1.07 lacs ) is recognised as expenses and included in 'Expenses on Employees'. Shortfall of Rs. Nil ( previous year Rs.0.09 lacs ) in contribution to such provident funds has been provided to the extent of the information available with the company.					





**Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)**

- 2.32** 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.
- 2.33** 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 insurance claims was received in earlier years in full and final settlement to the satisfaction of the company which was utilised for repair, renovation and rehabilitation work in the office premises.
- 2.34** 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.
- 2.35** The previous year figures have been regrouped / restated wherever considered necessary to conform to the current year's classification.

As per our Report annexed  
for SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E  
M. L. Shukla  
Partner  
M. No. 051505  
1B, Old Post Office Street  
Kolkata - 700 001  
the 30th day of May, 2012

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  
28TH ANNUAL GENERAL MEETING  
AT Bengal National Chamber of Commerce & Industry  
23, Sir R. N. Mukherjee Road, Kolkata - 700 001  
on Friday the 28th September, 2012 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 28th Annual General Meeting of the Company, to be held on  
Friday, the 28th September, 2012 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 2011 - 2012

**NICCO UCO ALLIANCE CREDIT LIMITED**