



30TH ANNUAL GENERAL MEETING

Date : 26th September, 2014
 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

As on 31st July, 2014

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

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

Company Secretary & Compliance Officer

Mr. S. S. Majumdar

Chief Financial Officer

Mr. J. Mukherjee

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. G. Basu & Company
Chartered Accountants, Kolkata

REGISTERED OFFICE

Nicco House
2, Hare Street, Kolkata - 700001
Ph. No. : (033) 66285260 / 5261
Fax No. : (033) 22429465, 22309443
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 30th Annual General Meeting to the Members**

NOTICE is hereby given that the 30th Annual General Meeting of the Company will be held on Friday, the 26th September, 2014 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 receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2014 and the Audited Balance Sheet as on that date with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kartick Kumar Chatterjee (DIN 00198722), 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 provision of Sec.139 and other applicable provisions, if any, of the Companies Act, 2013 (New Act) and Rules framed thereunder as amended from time to time, M/s. G. Basu & Company, Chartered Accountants (Firm Registration No. 301174E), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM at a remuneration to be decided by the Board of Directors.

SPECIAL BUSINESS :

4. Appointment of Mr. Biswajit Roy as an Independent Director.

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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“new Act”) and the Rules made thereunder read with Schedule IV of the new act, as amended from time to time, Mr. Biswajit Roy (DIN 00198746), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the new Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company.

5. Appointment of Ms. Aparna Dey as an Independent Director.

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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“new Act”) and the Rules made thereunder read with Schedule IV of the new Act, as amended from time to time, Ms. Aparna Dey (DIN 06941580), a non-executive director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the new Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company.

Ms. Aparna Dey shall hold office for 5 consecutive years not liable to retire by rotation for a term upto the conclusion of the 35th Annual General Meeting in the Calendar year 2019.”

Registered Office :
NICCO HOUSE
2, Hare Street
Kolkata - 700 001
Date : 31st July, 2014

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

S. S. MAJUMDAR
Company Secretary



Annexure to Notice

Explanatory Statement as required under section 102 (I) of the Companies Act, 2013

Item No. 4

Mr. Biswajit Roy is a Non-Executive (Independent) Director of the Company in terms of section 149 and any other applicable provision of the Companies Act, 2013. Mr. Roy being eligible and having given his consent, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Mr. Roy for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received declaration from Mr. Roy that he meets the criteria of Independence as prescribed both under Section 149 of the Companies Act, 2013 and the Listing Agreement.

The resolution seeks the approval of members for the appointment of Mr. Roy as an Independent Director of the Company for a period of five years pursuant to section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Roy, who is proposed to be appointed as an Independent Director, fulfills the conditions specified in the Act and rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Roy as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the company during normal business hours on working days up to the date of AGM.

The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Mr. Roy as an Independent Director.

Excepting Mr. Biswajit Roy, who is interested in the appointment, no other Director or Key Managerial Personnel or their relatives is/are concerned or interested in the said appointment.

The Board recommends the resolution set forth in item No.4 for the approval of the members.

Item No. 5

- (i) Ms. Aparna Dey was appointed as an Additional Director in the Board Meeting held on 31st July, 2014 and she holds her office upto the date of Thirtieth Annual General Meeting.
- (ii) In terms of section 149 and any other applicable provision of the Companies Act, 2013, Ms. Dey being eligible and having given her consent to act as a Director, is proposed to be appointed as an Independent Director for a term of five years.
- (iii) The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Ms. Aparna Dey for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received declaration from Ms. Dey that she meets the criteria of Independence as prescribed both under Section 149 of the Companies Act, 2013 and the Listing Agreement.

The resolution seeks the approval of members for the appointment of Ms. Aparna Dey as an Independent Director of the Company for a period of five years pursuant to section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Ms. Dey, who is proposed to be appointed as an Independent Director, fulfills the conditions specified in the Act and Rules made thereunder and she is independent of the Management. A copy of the draft letter for the appointment of Ms. Dey as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the company during normal business hours on working days up to the date of AGM.

The Board considers that her continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Ms. Dey as an Independent Director.

Excepting Ms. Aparna Dey, who is interested in the appointment, no other Director or Key Managerial Personnel or their relatives is/are concerned or interested in the said appointment.

The Board recommends the resolution set forth in item No. 5 for the approval of the members.

Registered Office :
NICCO HOUSE
2, Hare Street
Kolkata - 700 001

Date : 31st July, 2014

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

S. S. MAJUMDAR
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.
The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 18th September, 2014 to Friday, the 26th September, 2014 (both days inclusive).
2. Considering present financial health of the Company and finding that transaction in CDSL is negligible the company has discontinued with the transaction facility with CDSL. Members are requested to have their transaction in NSDL only, as this would bring in cost saving to Company.
3. In accordance with the new Act read with the relevant Rules, the Annual Reports are sent by electronic mode to those members whose shareholding is in dematerialized format and whose e-mail ID are registered with the Depository for communication purposes. To support the "Green Initiative", the Members who have not yet registered their e-mail ID are requested to register their email ID addresses with R&D Infotech Pvt.Ltd., 1st Floor, 7A, Beltala Road, Kolkata – 700 026, the Company's Registrars and Transfer Agents.

Process for Members for e-voting is as under :-

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the relevant Rules framed thereunder, the Members are provided with the facility to exercise their vote at the 30th AGM by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Ltd.(NSDL).

The instruction for e-voting are as under :-

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depositories) :-
 - i. Open the e-mail and also open PDF file namely "NUACL_e-voting.pdf" with your Client ID or Folio No, as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsd.com>
 - iii. Click on Shareholder – Login
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii. Once the e-voting home page opens, click on e-voting>Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Nicco Uco Alliance Credit Limited.
 - ix. Now you are ready for e-voting and cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to pvs17@rediffmail.com with a copy marked to evoting@nsdl.co.in
 - xiii. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) – Shareholders and e-voting user manual – Shareholders, available at downloads section of www.evoting.nsd.com
- B. In case Member receives physical copy of Notice of AGM (for Members whose email addresses are not registered with the Company/ Depositories) :-
 - i. Initial password is provided in the enclosed ballot form: EVEN (EVoting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. ii to xiii above, to cast vote.
- C. Other Instructions :-
 - i. The e-voting period commences on Thursday, the 18th September, 2014 (9.00 A.M. IST) and ends on Saturday, the 20th September, 2014 (5.30 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in



NICCO UCO ALLIANCE CREDIT LIMITED

dematerialized form, as on 14th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL, for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 14th August, 2014 and as per the Register of Members of the Company.
- iii. Mr. P. V. Subramanian, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, at R & D Infotech Pvt. Ltd, 1st Floor, 7A, Beltala Road, Kolkata - 700 026 in the enclosed postage pre-paid self-addressed envelope, not later than Saturday, the 20th September, 2014 (1.30 P.M. IST). Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted. The duly completed Ballot Form should reach the Scrutinizer not later than Saturday, the 20th September, 2014 (1.30 P.M. IST). Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e, either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- vi. The results declared shall be published within two days of the passing of the resolutions at the 30th AGM of the Company on 26th September, 2014 and communicated to the BSE Limited where the shares of the Company are listed.

Registered Office :
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2, Hare Street
Kolkata - 700 001
Date : 31st July, 2014

By Order of the Board of Directors

S. S. MAJUMDAR
Company Secretary

ANNEXURE - A

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

Name of the Director	Mr. K. K. Chatterjee	Mr. Biswajit Roy	Ms. Aparna Dey
Date of Birth	09.01.1957	10.02.1970	25.09.1968
Date of appointment	21.06.2004	27.03.2006	31.07.2014
Expertise	Wide experience in Legal field and Corporate affairs	Legal practitioner at High Court at Calcutta.	15 years experience including Finance and Accounts
Qualifications	B.A. (ECO) M.COM, LL.B., MBA	B. COM, L.L.B.	B.A.
List of other Companies in which directorship held	Nil	Nil	Nil
Membership/Chairmanship of Committee of Directors in the Company	Audit Committee - Member, Shareholders' Grievances Committee Member, Remuneration Committee - Member	Remuneration Committee - Member	Nil



REPORT OF THE DIRECTORS

For the year ended 31st March, 2014

The directors hereby present their 30th Annual Report together with the audited statement of accounts for the year ended 31st March 2014.

1. FINANCIAL RESULTS

Rs. In Lacs

	2013-14	2012-13
Loss : For the year	6695.40	5368.24
Add : Balance of loss brought from last year	50203.00	44834.76
Transfer to Balance Sheet	56898.40	50203.00

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 income of Rs.11,62,049/- from Hire purchase/lease deals as all such deals have matured. Constant increase in loss was mainly due to provisioning on account of interest on Banks/FIIs borrowings and fixed deposit. Although collection resources are drying up still the company's collection under the item " other income" amounted to Rs.135 lacs. Constant efforts are on to collect dues and it is expected that in the current financial year collection from a few clients will materialize.

A few meetings with the Consortium of banks for arriving at out of court settlement took place. It is expected that mutually acceptable settlement would emerge in the current financial year. Company shall be moving an application in Hon'ble Calcutta High Court for early hearing of 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. Meanwhile, company is paying to such fixed deposit holders who are approaching the company under hardship condition 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, had 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 :

Serious Fraud Investigation Office (SFIO) had completed their investigation in the year 2010 in respect of a few cases and these are being contested by the Company in court of law and follow up action in respect of them had been initiated. Supplementary investigation in respect of a few specific areas are still to be completed.

5. MIS-APPROPRIATION OF COMPANY'S FUND :

On Company's complaint DCDD Kolkata Police at Lal Bazar Street, following their investigation, had filed criminal case against 2 ex. employees in Chief Magistrate's Court at Bankshall Street in the year 2011.

Company had also filed money suit in Calcutta High Court against 2 ex.employees for the funds misappropriated by them and the case is in progress. One of the employees who had moved City Civil Court seeking injunction against the termination of his service is pending for hearing.

6. SUBSIDIARY COMPANY :

The wholly owned subsidiary, Nicco Insurance Agents and Consultants Ltd. (NIACL) has incurred a loss of Rs. 0.92 lacs as they could not generate any business.



7. STATUTORY INFORMATION :

There was no employee during the year ended 31st March, 2014 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. Kartick Kumar Chatterjee retire by rotation in the ensuing Thirtieth Annual General Meeting and, being eligible, offer himself for reappointment.

As mentioned in previous report, Company had submitted to Central Government an application for the reappointment of Mr. L. N. Kaul as Managing Director and Company Secretary with effect from 15.4.2013 and all the formalities in this connection were complied. Central Government, through Ministry of Corporate Affairs had considered application unfavourably stating that as per Companies Act, 1956, Mr. L. N. Kaul cannot hold dual position of Managing Director and Company Secretary.

As per legal opinion received, an application to Central Government was not necessary for the period 15.4.2013 to 31.3.2014 pursuant to the Notification dated 14th July, 2011, modifying Schedule XIII of the Companies Act, 1956. However, Mr. L. N. Kaul cannot hold dual position of Managing Director and Company Secretary as per Companies Act, 2013. Hence, to regularize the same Mr. Kaul had resigned from the position of Company Secretary w.e.f 1.4.2014 and Mr. S. S. Majumdar, a qualified Company Secretary had been appointed from 1st April, 2014.

Since the objection of Central Government had been taken care of, Board in its meeting held on 1st April, 2014 had decided that Company make a fresh application to Central Government for approving the proposed remuneration of Mr. L. N. Kaul for the period 1.4.2014 to 14.4.2018 which was already approved in the Extra Ordinary General Meeting held on 26.2.2013.

Independent Director, as per Companies Act, 2013 shall hold office for a term of 5 consecutive years on the Board of a Company and shall be reappointed by passing of a Special Resolution by the Shareholders of the Company. Independent Director shall be eligible to hold office for two consecutive terms of 5 years and retirement by rotation shall not be applicable to such Directors.

As per the requirement of Companies Act, 2013, Mrs. Aparna Dey, Woman Director, was co-opted as Additional Director in the Board Meeting held on 31.7.2014. She meets the requirements of Independent Director as stipulated in Companies Act, 2013.

Accordingly, Mr. B. Roy & Mrs. Aparna Dey, being eligible are proposed to be appointed as independent Directors for a term of 5 consecutive years on the Board of Directors of the Company.

Auditors in their report dated 30th May, 2014 under Report on other Legal and Regulatory Requirement, Clause 2(e) have stated that due to continuing default in repayment of fixed deposit the Directors of the Company are disqualified as on 31st March, 2014 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. Directors are not in agreement with the contention of the Auditors and their view has been supplemented by legal opinion received from a legal firm to the extent that such restriction on the Directors of the Company expired on 31st March, 2013.

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, 2014, 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, 2014 and of the loss for the year ended 31st March, 2014.
- (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, 2014 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 :

The name of M/s.G. Basu & Company, Chartered Accountants has been proposed for reappointment as Auditors of the Company to hold office of the Auditors from the ensuing Annual General Meeting.

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 dated 30th May, 2014, the comments of the Board of Directors are as under against respective clauses of the said report.

12. AUDITORS' REPORT :

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, 2014, the comments of the Board of Directors are as under against respective clauses of the said report :

Comments & Clarifications to Auditors' qualifications in their Reports

Basis for qualified Opinion

Clause (a) – Please refer to Note No.2.21 of Notes to Financial statement in this regard. Necessary action if any will be taken on disposal of the appeal.

Clause (b) – Please refer to Note No.2.3(ix) of Notes to Financial Statement in this regard. Huge loss suffered by the Company since F.Y – 2003-04 to date along with embargo on the Company by RBI for doing fund based business have adversely impacted the Cash flow position of the Company. Shortfall in repayment of fixed deposit as per modified CLB Order arose due to paucity of fund.

Clause (c) Please refer to Note No. 2.3(x) of Notes to Financial Statement in this connection.

Emphasis of matter

(i) Please refer to note no.2.3 and 2.5 of Notes to Financial Statement in this regard. Necessary action, if any, will be taken on disposal of the case.

(ii) Please refer to note no.2.11 (d) of Notes to Financial Statement in this regard. The investigation conducted by SFIO has been partially completed and follow up action in respect of them has been initiated.

(iii) Please refer to Note No.2.36 of Notes to Financial Statement which is self explanatory.

Report on other Legal and Regulatory Requirements -

Clause 2(e) – For disqualification of Directors u/s 274 (1)(g) of the Companies Act, 1956, please refer to clause 8, para - 7 of Directors Report.

ANNEXURE TO AUDITORS' REPORT :

Clause :

1.(a). The updation of Fixed Asset register destroyed in a fire in the office premises is under process.

2(a)(b)(c). Since there is no live agreement for Lease and Hire Purchase deals and the outstanding against the 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.

Clause.6: The net worth of the company has completely been eroded due to huge loss suffered by the company. Thus, present



NICCO UCO ALLIANCE CREDIT LIMITED

outstanding fixed deposit liability of the company has exceeded the prescribed limit though the deposits were accepted as per RBI norms and guidelines.

(a). Please refer to Note No.2.3 (x) & (xi) of Notes to Financial Statement 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.

Clause 9: (a) Due to closure of business resulting into exodus of executives and cancellation of certificate by RBI, the company is unable to identify the liability.

Clause 9: (b) Please refer to Note nos.2.7 and 2.23 (a) & (b) of Notes to Financial Statement.As the disputes have not yet been settled, the Company is not in a position to comment further.

Clause 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. As the matter is sub-judice, necessary action, if any, will be taken on disposal of the pending cases.

Clause 14: Please refer note 2.9(a) to 2.9(d) of Notes to Financial Statement in this regard which are self explanatory.

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 for publishing at their website.
- (b) 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.

13. APPRECIATION :

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

31st July, 2014

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 i.e Leasing and Hire Purchase due to cancellation of Certificate of registration by Reserve Bank of India. However, maximum efforts have 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 was 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". 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
31st July, 2014

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 non-executive director, Managing Director and four non-executive directors, of which three are independent directors, forms the full strength of six directors on the Board.

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

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	No. of shares held in the Company
1.	Mr. Debdatta Saila	Chairman & Independent Non-Executive	5	Yes	—
2.	Mr. L. N. Kaul	Managing Director	5	Yes	1
3.	Mr. Kartick Kumar Chatterjee	Non-Executive	5	Yes	180
4.	Mr. Bimalendu Sankar Gupta	Independent Non-Executive	5	Yes	—
5.	Mr. Biswajit Roy	Independent Non-Executive	5	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, 2013-2014 Board Meetings were held on 28.05.2013, 31.07.2013, 14.08.2013, 13.11.2013 and 12.02.2014.

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 :

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



- Act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- Act in a manner to enhance and maintain the reputation of NUACL;
- 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;
- 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;
- 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
- 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, 2014 forms part of this Annual Report.

D. BOARD PROCEDURE

Information supplied to the Board

Among others, this includes :

- review of annual operating plans of businesses, capital budgets, updates,
- quarterly results of the Company and its operating divisions or business segments,
- minutes of meeting of audit committee and other committees,
- information on recruitment and remuneration of senior officers just below the Board level,
- materially important show cause, demand, prosecution and penalty notices,
- fatal or serious accidents or dangerous occurrences,
- any materially relevant default in financial obligations to and by the Company,
- any issue which involves possible public or product liability claims of a substantial nature,
- significant labour problems and their proposed solutions,
- significant development on the human resources and industrial relations fronts,
- sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business,
- 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
- 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 four 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 Head of Internal Auditors are invitees to the Audit Committee Meetings.

Company Secretary acts as Secretary to the Audit Committee.

II. Meetings

During the financial year ended March 31, 2014, the Audit Committee met on following dates :-

28.05.2013, 14.08.2013, 27.09.2013, 13.11.2013, 22.01.2014 and 12.02.2014.

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 : Sitting fee paid to Directors and remuneration paid to Managing Directors during the financial year 2013-2014 :

(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	0.66	N.A.	N.A.	N.A.	N.A.	0.66
Mr. L. N. Kaul	None	Nil	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Kartick Kumar Chatterjee	None	0.72	N.A.	N.A.	N.A.	N.A.	0.72
Mr. Bimalendu Sankar Gupta	None	0.72	N.A.	N.A.	N.A.	N.A.	0.72
Mr. Biswajit Roy	None	0.30	N.A.	N.A.	N.A.	N.A.	0.30
TOTAL :		2.40					2.40

- (1) The Company has filed a Writ Petition in Hon'ble High Court, Calcutta against an unfavourable response from the Ministry of Corporate affairs to the Company's application for extension of term of appointment and approving of remuneration of Mr. L. N. Kaul, Managing Director.
- (2) Pending further development the amount paid to Managing Director (Rs. 7.23 lacs) between 15.04.13 and 31.03.14 had been shown under other Receivables in the books of account as a matter of abundant precaution.
- (3) There is no stock option extended to any director/executive.

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) Renewal of term and review of remuneration policy relating to Managing Director 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

All Shareholders' complaint is being dealt by Mr. L. N. Kaul, Managing Director & Company Secretary, being the Compliance Officer.

One meeting of the Committee was held during the year on 31st March, 2014. It was attended by full strength of the Committee. There was no complaint received from Shareholder.

**Table - 4 : Number and Nature of complaints received and dealt with during the year FY 2013-14**

Type of Complaint	Pending at the beginning of the year	Received during the year	Disposed during the year	Remaining undisposed during the year
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).	—	—	—	—
Miscellaneous correspondence/ complaints received other than above category.	—	—	—	—
Total	NIL	NIL	NIL	NIL

Note : The Company confirms that there were no share transfers lying pending as on 31.03.2014, 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 and one EGM (held On 26.02.2013) were held as under :

Financial Year	Date	Time	Venue
2010-2011	29.09.2011	10.30 AM	Bengal National Chamber of Commerce & Industry 23, Sir R. N. Mukherjee Road, Kolkata-700 001
2011-2012	28.09.2012	10.30 AM	Bengal National Chamber of Commerce & Industry 23, Sir R. N. Mukherjee Road, Kolkata-700 001
2012-2013	26.02.2013	10.30 AM	Bengal National Chamber of Commerce & Industry 23, Sir R. N. Mukherjee Road, Kolkata-700 001
2012-2013	27.09.2013	10.30 AM	Bengal National Chamber of Commerce & Industry 23, Sir R. N. Mukherjee Road, Kolkata-700 001

In the Annual General Meetings held during financial years 2010-2011, 2011-2012 & 2012-2013 no Special Resolutions were passed. In the EGM held on 26.2.13 item relating to reappointment and remuneration of Managing Director and Company Secretary a Special Resolution was passed.

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 Companies (Accounting Standard) Rules, 2006 is detailed in note no. 2.28 of Annual Accounts for the year 2013-2014.

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 Exchange and published in daily English and Vernacular newspapers. Since the company does not have its own website, it sends its Quarterly/Half yearly Annual Financial Results to Bombay Stock Exchange in such a form so that they can put it on BSE's own Website.

9. General Shareholders' Information

I. Annual General Meeting is proposed to be held on Friday, the 26th September, 2014.

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 30th 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 appropriately indicated.

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

Result for the quarter ending :

30th June, 2014	Within 15th August, 2014
30th September, 2014	Within 15th November, 2014
31st December, 2014	Within 15th February, 2015
Yearly Results as at 31st March, 2015	Within 31st May, 2015

10. Dates of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from, Thursday, the 18th September, 2014 to Friday, the 26th September, 2014 (both days inclusive).

11. Dividend Payment

In view of the present financial condition of the company, no dividend is recommended for the financial year 2013-2014.

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

The Company's Equity shares are listed on Bombay Stock Exchange only and the listing fees for the period 2014-2015 had 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 2013	0.39	0.27	19622.68	18144.22
May 2013	0.28	0.24	20443.62	19451.26
June 2013	0.24	0.16	19860.19	18467.16
July 2013	0.17	0.12	20351.06	19126.82
August 2013	0.21	0.15	19569.20	17448.71
Sept. 2013	0.35	0.22	20739.69	18166.17
Oct. 2013	0.69	0.36	21205.44	19264.72
Nov. 2013	0.73	0.59	21321.53	20137.67
Dec. 2013	0.58	0.50	21483.74	20568.70
Jan. 2014	1.04	0.53	21409.66	20343.78
Feb. 2014	1.19	0.98	21140.51	19963.12
March 2014	1.62	1.18	22467.21	20920.98

**13. Distribution of Shareholding as on March 31st, 2014 :****Table – 7**

Category of Shares	Nos. of Holders	%	Total Shares	%
1 – 100	16112	61.59	916129	2.51
101 – 500	7489	28.62	1666301	4.56
501 – 1000	1310	5.01	1022587	2.80
1001 – 5000	963	3.68	2252060	6.16
5001 – 10000	136	0.52	1046916	2.86
10001 & Above	152	0.58	29652388	81.11
Total shareholding in NSDL	26162	100	36556381	100
Total shareholding in CDSL			3590392	
Grand Total			40146773	

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, 2014 :**Table - 8**

Sl. No.	Category	Nos. of Equity Shares held	Percentage of Shareholding
A.	Promoters' holding		
1.	Promoters :		
	- Indian Promoters	9372809	23.35
	- Foreign Promoters	Nil	Nil
2.	Persons acting in concert	1609371	4.01
	Sub Total :	10982180	27.36
B.	Non-Promoters' Holding :		
3.	Institutional Investors		
a.	Mutual Funds & UTI	2080	0.01
b.	Banks, Financial Institutions, Insurance companies (Central/State Govt. Institutions/ Non-governmental Institutions)	1985929	4.95
c.	FIIS	250	0.00
	Sub Total :	1988259	4.96
4.	Others :		
a.	Private Corporate bodies	10053588	25.04
b.	Indian Public	14405138	35.88
c.	NRIs/OCBs	746180	1.85
d.	Any Others :		
	Foreign Body Corporates	1971428	4.91
	Sub Total :	27176334	67.68
	Non-Promoters's Holding :	29164593	72.64
	GRAND TOTAL	40146773	100.00

**15. Dematerialisation of Shares**

As on March 31, 2014, 59.63 % of the Company's total shares representing 23941610 shares were held in dematerialised form and the balance 40.37% representing 16205163 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
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 15 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 15 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 so that the shareholders can directly send their complaints/queries on e-mail and the Company can redress them on e-mail promptly.

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

20. Share Transfer Agent

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

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

CONTACT PERSON : MR. RATAN MISHRA
Director

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



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 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 : mdnuasl@gmail.com

E-MAIL : GRIEVANCE REDRESSAL DIVISION/COMPLIANCE OFFICER :

nuaaclcomplaints@yahoo.com

Contact person : Mr. S. S. MAJUMDAR, COMPANY SECRETARY

On behalf of the Board of Directors

Kolkata

31st July, 2014

Debdatta Saila

Chairman

Annexure - C

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and senior management personnel of the Company. All the Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial year ended 31st March, 2014 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

Kolkata

31st July, 2014

For NICCO UCO ALLIANCE CREDIT LTD.

L. N. KAUL

Managing Director



G. BASU & 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 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India .

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure 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 statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following :

- a) As stated the company does not have its own website. However , the company sends it's 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 distribution of shareholding with Central Depository Services (India) Limited (CDSL) has not been furnished in the absence of availability of data from them.

We certify that the Company has complied with 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.

3, Chowringhee Approach
Kolkata – 700 072
Dated, The 31st day of July, 2014

For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
Membership No. 054702



INDEPENDENT AUDITORS' REPORT

To the Members of **NICCO UCO ALLIANCE CREDIT LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Nicco Uco Alliance Credit Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 15th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

- a) 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.

- 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) against which legal proceedings have been initiated by Serious Fraud Investigation Office. Please refer Clause 6(c) of annexure to the Auditors Reports.
- 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).
- d) Non ascertainment of impairment of assets as required by Accounting Standard (AS)-28 issued by The Companies (Accounting Standards) Rules, 2006. Refer Note No. 2.24.

The impact of above paragraphs on the "Loss After Tax" and "Shareholder's Funds" of the company is unascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (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.

Emphasis of matter

Attention is invited to the following points :

- (i) Note no. 2.3 and 2.5 regarding application filed by different banks forming the consortium of bankers with Debt Recovery Tribunal for and by International Finance Corporation, Washington with hon'ble Calcutta High Court for recovery of their dues.
- (ii) Note no. 2.11 regarding Serious Fraud Investigation against the company on recommendation of Registrars of Companies.
- (iii) Note No. 2.36 regarding writ petition pending before Hon'ble High Court at Calcutta challenging the decision of Ministry of Corporate Affairs in regard to extension of term of appointment of Mr. L. N. Kaul, Managing director.

All the above notes are self-explanatory.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of subsection (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that :
 - a. we have obtained all the information and explanations, subject to our observations made in the above Para which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, subject to our observations made in the above Para, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 15th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. In view of default in repayment of fixed deposits and interest thereon, all the directors of the company are disqualified as on 31st March, 2014 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.

3, Chowringhee Approach
Kolkata – 700 072
Dated, The 30th day of May, 2014

For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
Membership No. 054702



Annexure to the Auditors' Report

The Annexure referred to in paragraph 1 of Our Report of even date to the members of **Nicco Uco Alliance Credit Limited** on the financial statements of the company for the year ended 31st March, 2014.

1. (a) Consequent upon the destruction of relevant records due to a fire at office premises the company is not yet been able to update it records in regard to its fixed assets. However we have been given to understand that the necessary action is in process.
(b) No part of fixed assets has been disposed off during the year.
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 by the management, 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.
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 interest free unsecured advances (net) given to its subsidiary company, the maximum amount outstanding at any time during the year and closing balance as on 31.03.2014 were Rs. 0.40 Lacs and Rs. 0.40 Lacs respectively. As explained to us the above advance is repayable on demand. Accordingly clauses 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 certain areas which requires improvement in internal control.
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 there under. However the balance of the deposits as on 31st of March, 2014 exceeded the ceiling limit fixed by Reserve Bank of India by Rs. 1510.08 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) Consequent upon failure of the company to repay its dues to the depositors in terms of CLB orders legal proceedings have been initiated by SFIO against the company for violation of Sec 58(a) of Companies Act, 1956. The total dues including interest as on 31.03.2014 is Rs. 1510.08 lacs.
 - b) 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. As per the information and explanations given to us, 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 brought 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/- . Regarding unclaimed Fixed Deposits refer Note No. 2.7 (a) & (b) and Para No. (d) of our main audit report.
(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
Finance Act, 1994	Service Tax	29.33	Supreme Court
	Total	83.36	

* 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. 37,608.26 Lacs provided for the period January, 2004 to March, 2014 remain unpaid. Working capital loan, term Loan to the tune of Rs. 12,312.86 Lacs and securitization 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. The company has maintained records of transactions and contracts in respect of shares, securities, debentures and other investments. We also report that the company has held shares, securities, debentures and other investments in its own name.
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.

3, Chowringhee Approach
Kolkata – 700 072
Dated, The 30th day of May, 2014

For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
Membership No. 054702



NICCO UCO ALLIANCE CREDIT LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUND				
Share Capital	2.1	401,012,730	401,012,730	
Reserves and Surplus	2.2	<u>(5,641,994,844)</u>	<u>(4,972,453,939)</u>	
			(5,240,982,114)	(4,571,441,209)
NON-CURRENT LIABILITIES				
Long-Term Borrowings	2.3	—	—	
Long-Term Provisions	2.4	<u>85,342,280</u>	<u>85,124,844</u>	
			85,342,280	85,124,844
CURRENT LIABILITIES				
Short-Term Borrowings	2.5	1,067,375,043	1,067,375,042	
Trade Payables	2.6	19,611,020	20,629,461	
Other Current Liabilities	2.7	4,201,863,037	3,535,144,753	
Short-Term Provisions	2.4	<u>—</u>	<u>—</u>	
			5,288,849,100	4,623,149,255
TOTAL			<u>133,209,266</u>	<u>136,832,890</u>
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	2.8	68,990,062	71,531,128	
Capital Work-In-Progress	2.8	<u>799,600</u>	<u>799,600</u>	
			69,789,662	72,330,728
Non-Current Investments	2.9	5,488,634	5,488,635	
Long-Term Loans and Advances	2.10	5,008,107	5,013,353	
Other Non-Current Assets	2.11	<u>6,730,489</u>	<u>6,401,868</u>	
			17,227,231	16,903,856
CURRENT ASSETS				
Trade Receivables	2.12	29,531,720	29,564,720	
Cash and Bank Balances	2.13	14,593,003	15,013,707	
Short-Term Loans and Advances	2.10	472,563	219,129	
Other Current Assets	2.11	<u>1,595,087</u>	<u>2,800,751</u>	
			46,192,373	47,598,307
TOTAL			<u>133,209,266</u>	<u>136,832,890</u>

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date annexed
For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
M. No. 054702
3, Chowringhee Approach
Kolkata - 700 072
the 30th day of May, 2014

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. S. S. Majumdar
Mr. J. Mukherjee

Chairman
Managing Director
Director
Director
Director
Company Secretary
Chief Financial Officer


STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
INCOME			
Revenue from Operations	2.14	1,162,049	—
Other income	2.15	22,749,206	48,051,738
Total Revenue		<u>23,911,255</u>	<u>48,051,738</u>
EXPENDITURE			
Changes in Inventories	2.16	—	—
Employee Benefits Expense	2.17	2,730,897	3,474,360
Finance Costs	2.18	681,112,763	573,677,330
Other Expenses	2.19	7,013,891	4,987,677
Total		<u>690,857,552</u>	<u>582,139,367</u>
Loss before Tax, Depreciation & Amortisation		(666,946,297)	(534,087,629)
Depreciation and Amortization Expense	2.20	2,593,501	2,736,282
Loss before extraordinary items and tax (V-VI)		(669,539,798)	(536,823,911)
Loss before Tax		<u>(669,539,798)</u>	<u>(536,823,911)</u>
Tax Expense :			
Current Tax		—	—
Deferred Tax		—	—
Loss for the year		<u>(669,539,798)</u>	<u>(536,823,911)</u>
Earnings Per Share			
Basic and Diluted earning per share (in Rs.)	2.30	(16.68)	(13.37)

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date annexed
For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
M. No. 054702
3, Chowringhee Approach
Kolkata - 700 072
the 30th day of May, 2014

On behalf of the Board of Directors

Mr. Debdatta Saila
Mr. L. N. Kaul
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Mr. S. S. Majumdar
Mr. J. Mukherjee

Chairman
Managing Director
Director
Director
Director
Company Secretary
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2014**

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
Net Profit/(Loss) before tax & extraordinary items	(669,539,798)	(536,823,911)
Add/(Less) : Adjustments for		
Depreciation	2,593,501	2,736,282
Provisions for Employee benefits	(139,755)	139,646
Dividend on investments	(245,825)	(226,073)
Liability no longer required written back	(9,253,184)	(43,722,150)
Unrealised Foreign exchange fluctuation loss / (gain)	5,575,755	5,987,304
Interest Expenses	675,537,008	573,677,330
Interest Income	(1,211,006)	(1,443,808)
Operating profit / (loss) before working capital changes	3,316,696	324,620
(Increase)/Decrease in trade receivable	33,000	(33,000)
(Increase)/Decrease in loans & advances	1,265,974	(351,724)
Increase/(Decrease) in trade payables/current liabilities	(2,430,821)	2,501,912
Income Tax paid	(123,884)	—
Interest paid	(6,267,056)	(10,000)
Cash flow before extraordinary items	(4,206,091)	2,431,808
Adjustment for Extraordinary Items	—	—
Net Cash from Operating activities	(4,206,091)	2,431,808
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(53,542)	(19,409)
Interest received	1,080,399	3,083,172
Dividend received on investments	245,825	226,073
Net Cash used in Investing activities	1,272,682	3,289,836
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	2,538,142	(17,935,186)
Net Cash used in Financing activities	2,538,142	(17,935,186)
Net increase/(decrease) in cash and cash equivalents	(395,267)	(12,213,542)
Opening cash and bank balances	37,429,814	49,643,356
Closing cash and bank balances	37,034,547	37,429,814
Closing cash and cash equivalents		
Current account in banks	73,793	127,444
Cash in hand	11,032	11,025
FD with banks	14,508,178	14,875,238
Closing Cash and Bank Balances as per Balance Sheet	14,593,003	15,013,707
Disputed Bank Balance in Current Account (Refer Note 2.11 (b), (e) & (f))	21,065,262	21,039,825
Disputed Fixed Deposits with Bank (Refer Note 2.11 (g))	1,376,282	1,376,282
	37,034,547	37,429,814

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

As per our Report of even date annexed

For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
M. No. 054702
3, Chowringhee Approach
Kolkata - 700 072
the 30th day of May, 2014

On behalf of the Board of Directors

Mr. Debdatta Saila	Chairman
Mr. L. N. Kaul	Managing Director
Mr. K. K. Chatterjee	Director
Mr. Biswajit Roy	Director
Mr. Bimalendu Sankar Gupta	Director
Mr. S. S. Majumdar	Company Secretary
Mr. J. Mukherjee	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 Companies (Accounting Standards) Rules, 2006, 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.

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 Companies (Accounting Standards) Rules, 2006. 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 Companies (Accounting Standards) Rules, 2006, 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 based on cash generating unit concept, 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 :

Lease income is computed as per agreement and in accordance with directions of Reserve Bank of India applicable to



SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Non-Banking Financial Companies and Accounting standard (AS-19) regarding 'Leases' issued by The Companies (Accounting Standards) Rules, 2006.

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 Companies (Accounting Standards) Rules, 2006.

(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 Companies (Accounting Standards) Rules, 2006, 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, 2014

2.1 : SHARE CAPITAL

		As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Authorised			
43,000,000	(P.Y. 43,000,000) Equity Shares of Rs.10/- each	430,000,000	430,000,000
7,000,000	(P.Y. 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>
Issued			
40,147,173	(P.Y. 40,147,173) Equity Shares of Rs.10/- each	<u>401,471,730</u>	<u>401,471,730</u>
Subscribed and Paid-up			
40,147,173	(P.Y. 40,147,173) Equity Shares of Rs.10/- each	401,471,730	401,471,730
	Less : Cancellation on Amalgamation 400 (P.Y. 400)	<u>4,000</u>	<u>4,000</u>
		401,467,730	401,467,730
	Less : Calls-in-Arrear	455,000	455,000
		<u>401,012,730</u>	<u>401,012,730</u>

- 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 :

	<u>As at 31st March, 2014</u>		<u>As at 31st March, 2013</u>	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of Rs. 10/- each fully paid				
Nicco Corporation Limited	7,058,524	17.58	7,058,524	17.58
Sanmar Holding Ltd.	7,130,441	17.76	7,130,441	17.76
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.

**Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)**

- 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.
- j.vi) Restriction on transferebility of shares - Shares are transferable with the approval of directors. Board may refuse to recognise the transfer of shares in any case in which the company a lien upon such shares or where any money in respect of shares desired to be transferred remain unpaid. Board may also decline to recognise any instrument of transfer unless,
- it is accompanied by certificate of shares to which it relates and such other evidence as the Board may reasonable required to show the right of the transferror to make the transfer.
 - The instrument of transfer is in repect of one class of shares only.

		As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.2 : RESERVES AND SURPLUS			
Capital Reserve I			
Paid up amount on shares forfeited			
As per last Financial Statements		20,500	20,500
		<u>20,500</u>	<u>20,500</u>
Capital Reserve II			
Non-refundable capital grant			
As per last Financial Statements		41,295	42,411
Less : Prorata Adjustement of Fixed Assets (Refer Note 2.8 (a))		1,107	1,116
		<u>40,188</u>	<u>41,295</u>
Capital Reserve III			
On amalgamation of Nicco Investments Ltd			
As per last Financial Statements		1,000,000	1,000,000
Total Capital Reserve	A	<u>1,060,688</u>	<u>1,061,795</u>
Capital Redemption Reserve			
As per last Financial Statements	B	<u>20,000,000</u>	<u>20,000,000</u>
Statutory Reserve Fund			
As per last Financial Statements	C	<u>26,784,772</u>	<u>26,784,772</u>
Surplus / (Deficit)			
As per last Financial Statements		(5,020,300,506)	(4,483,476,595)
Add : Profit / (Loss) for the year		(669,539,798)	(536,823,911)
Net Surplus / (Deficit)	D	<u>(5,689,840,304)</u>	<u>(5,020,300,506)</u>
	Total (A to D)	<u>(5,641,994,844)</u>	<u>(4,972,453,939)</u>



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	Non-current portion		Current Maturities	
	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
2.3 : LONG-TERM BORROWINGS				
Term Loans (Secured)				
Rupee Loans from Banks & Financial Institutions	—	—	50,321,348	50,321,348
Foreign Currency Loans from Financial Institutions	—	—	113,589,324	101,746,512
Total Secured Borrowings	—	—	163,910,672	152,067,860
Deposits (Unsecured)				
Fixed Deposits	—	—	88,273,785	94,337,710
Total Unsecured Borrowings	—	—	88,273,785	94,337,710
Amount disclosed under the head "Other Current Liabilities" (Note 2.7)	—	—	(252,184,457)	(246,405,570)
	—	—	—	—

i.a) Rupee Loans from Banks & Financial Institution consist of loans from: UCO Bank (Mehta Transport), UTI Bank (Axis Bank), IFCI.

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 there under 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 (Axis 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) **Nature of Security : For IFCI** - The company hypothecated on 29th April, 1999 in favour of the lender 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
2. particles board plant.

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

i.e) Foreign Currency Loan consists of **IFC-Washington**.



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

- i.f) 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.
- ii.a) 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.
- ii.b) Banks and financial institutions have stopped giving confirmation of the balances and statements of accounts. Interest on these accounts are being provided as per last agreed rates.
- iii) The details of default given below showing dates and amount (Principal and Interest) referring note no. 2.3.xii is as furnished by the management.
- iv.a) UCO Bank has filed application in DRT - I to recover Rs. 327 Lacs (P.Y. 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 (P.Y. Rs. 62.91 Lacs), matter is pending.
- iv.c) Indusind Bank has filed an application in DRT, Chennai to recover Rs. 164.46 Lacs (P.Y. Rs. 164.46 Lacs) on account of Securitisation loan which is being contested (This relates to Note 2.5 short term borrowing).
- iv.d) Axis Bank has filed an application in DRT, Chennai to recover Rs. 1368 Lacs (P.Y. Rs. 1368 Lacs) which is also being contested.
- 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 (P.Y. US\$ 26,82,877.73) with further interest against the company. The case is being contested.
- 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) Application filed by the company u/s 391 and 394 of the Companies Act for reduction of face value of shares from Rs. 10/- to Rs. 2/- and issue of new equity shares to the deposit holders is pending before the Hon'ble Calcutta High Court.
- 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) Consequent upon non compliance by the company with CLB orders regarding repayment to the fixed deposit holders, legal action had been initiated by Serious Fraud Investigation Office before Hon'ble Calcutta High Court. Total dues inclusive of interest is Rs. 15,10,08,331/- as on 31.03.2014.
- x) The entire secured loan accounts of the company except interest accrued and due have become NPA in the books of the lenders. The banks/financial institution have stopped giving statements & confirmations. Although interest on these accounts have been provided in the books as per agreed rates, the said accounts remain unconfirmed. No confirmation has been received in respect of current accounts from most of the banks.



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

Note No. 2.3.xii

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

Nature of Loan	Refer	Continuing Period of default from	Default as on 31.03.2014		Default as on 31.03.2013	
			Principal (Rs.)	Interest (Rs.)	Principal (Rs.)	Interest (Rs.)
Rupee Term Loan from banks & FI's						
TERM LOAN- UCO A/C	@	8-May-07	25,319,863	60,232,408	25,319,863	49,855,776
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	52,791,898	11,245,969	43,182,277
I.F.C.I. Loan	*	For Principal - 1st Jan '2004	3,837,053		3,837,053	
		For Interest - 1st Apr '2004		15,288,769		12,238,572
Sub-Total			50,321,348	128,313,075	50,321,348	105,276,625
Term Loan in Foreign Currency from banks						
International Finance Corporation, Washington	\$	For Principal 6th Jan'2004	113,589,324		101,746,512	
		For interest 17th Dec' 2003		84,766,301		66,055,223
Sub-Total			113,589,324	84,766,301	101,746,512	66,055,223
Grand - Total			163,910,672	213,079,376	152,067,860	171,331,848

@ 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 loan and the same is in the Debt recovery tribunal.

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

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

Long-term		Short-term	
As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
(Rs.)	(Rs.)	(Rs.)	(Rs.)

2.4 : PROVISIONS

Provision against Non-Performing Assets (a)	85,342,280	85,124,844	—	—
	85,342,280	85,124,844	—	—

- 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. Full provision has also been made against doubtful debtors, loans & advances.

**Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)**

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.5 : SHORT TERM BORROWINGS		
Secured Borrowing		
Working Capital Demand Loan	739,897,143	739,897,142
Cash Credit	327,477,900	327,477,900
	<u>1,067,375,043</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 20th June, 2001 :
- a) Office Space at Nicco House, 2nd Floor, 2 Hare Street, Kolkata-700 001;
 - b) Flat at 718, Dalma Towers, Nariman Point, Mumbai - 400 021;
 - c) Flat no. 3 at 9, South North Road, Juhu Ville Parle Development Scheme, Mumbai-400 049;
 - d) Premises at 93/4, Karaya Road, 4th Floor, Kolkata - 700 019;
 - 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 for explanatory disclosure.
- v) The details of default given below showing dates and amount (Principal and Interest) referring note no. 2.5.vi is as furnished by the management.



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.6 : TRADE PAYABLES		
For Goods & Services (a)	19,611,020	20,629,461
	<u>19,611,020</u>	<u>20,629,461</u>

- a) Based on the informations available with the company, there are no dues towards Micro, Small and Medium Enterprises as on 31.03.2014 (P.Y. Nil).

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.7 : OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (Refer Note 2.3)	252,184,457	246,405,570
	<u>252,184,457</u>	<u>246,405,570</u>
Interest accrued but not due on Borrowings (Refer Note no. 2.3.x)	62,734,546	64,216,432
Interest accrued and due on Borrowings	3,760,825,986	3,096,992,323
Employee Cost	112,059	110,892
Duties & Taxes Payable	145,100	179,651
Security Deposit	4,304,385	4,324,385
Retention Money	4,576,443	4,576,443
Securitisaton Dues Payable	99,294,865	99,294,865
Book Overdraft	1,045,869	2,406,864
Payable for Service Tax under litigation	2,932,997	2,932,997
Others	13,706,331	13,704,331
	<u>4,201,863,037</u>	<u>3,535,144,753</u>

Fixed deposit includes unclaimed Fixed Deposits the amount of which cannot be ascertained in view of non receipt of deposit receipts by the Company as the F.D. holders are unwilling to part with the deposit receipts in absence of full and final settlement. The Company is unable to pay to the depositors due to precarious financial condition but paying to such depositors who are approaching the Company with hardship condition. Besides a Scheme of Compromise with FD holders under section 391 & 394 of the Companies Act, 1956 is pending before Hon'ble High Court, Calcutta. For the reasons as explained above the company is unable to ascertain the amount of unclaimed Fixed deposit outstanding for more than seven years and transfer the same to Investors' Education & Protection Fund.



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

Note No. 2.5.vi

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

Nature of Loan	Period of default from	Default as on 31.03.2014		Default as on 31.03.2013	
		Principal (Rs.)	Interest (Rs.)	Principal (Rs.)	Interest (Rs.)
Working Capital Demand Loan from banks					
(P & S BANK)	1-Apr-04	49,823,355	142,279,598	49,823,355	116,494,572
FEDERAL BANK	1-Nov-05	25,924,317	88,693,359	25,924,317	72,995,582
FBL/MDC/CC-105	1-Nov-05	10,014,065		10,014,065	
UBI	1-Nov-05	53,999,693	188,532,563	53,999,693	155,460,681
UCO BANK	1-Apr-04	240,000,000	724,546,898	240,000,000	599,217,128
WORKING CAPITAL DEMAND LOAN	1-Apr-04	91,900,000	—	91,900,000	—
THE FEDERAL BANK OF INDIA	1-Nov-05	40,000,000	178,346,742	40,000,000	147,072,890
BANK OF BARODA-17	1-Sep-04	32,000,000	119,398,804	32,000,000	99,374,365
BANK OF BARODA-172 MAD		7,813,814		7,813,814	
INDIAN OVERSEAS BANK	1-Apr-04	18,200,000	425,811,217	18,200,000	352,616,574
IOB/MDS CC-14		26,596,950		26,596,950	
IOB-I/N A/C NO-804		4,351		4,351	
THE SOUTH INDIAN BANK LTD.	1-Nov-05	32,000,000	163,865,797	32,000,000	133,906,889
SIBL/MDS CC-1036		8,030,678		8,030,678	
STATE BANK OF TRAVANCORE	1-Feb-04	54,000,000	232,328,167	54,000,000	191,264,381
SBT/MDS(CC-125613)		13,260,881		13,260,881	
SBT/VELLORE		8		8	
SBT/MADURAI		(90)		(90)	
CATHOLIC SYRIAN BANK LTD.	1-Nov-05	28,000,000	147,000,783	28,000,000	119,826,679
CSB/MDS CC-1595		7,000,585		7,000,585	
CBS/MDS/CC-220222		8,990,257		8,990,257	
DENA BANK MADRAS-600001	1-Jun-05	16,000,000	68,934,708	16,000,000	56,807,504
DENA BANK-CC20016		4,006,264		4,006,264	
STATE BANK OF MYSORE	1-Apr-04	12,039,971	35,343,765	12,039,971	29,426,590
SBM/MDS CC-13		101,393		101,393	
CENTRAL BANK OF INDIA	1-Oct-04	36,009,806	161,447,015	36,009,806	132,856,010
INDUSIND BANK	1-Aug-05	10,000,000	250,077,808	10,000,000	201,625,362
INDUSIND BANK MDS/CC15048280		39,931,056		39,931,056	
UTI-BANK LTD.CA-2951 INT.WARRA	1-Apr-04	4,479	—	4,479	—
Sub-Total		865,651,833	2,926,607,224	865,651,833	2,408,945,208
Cash Credit Loan from banks					
UCO BANK - MAIN BRANCH	1-Apr-04	35,675,316	161,100,885	35,675,316	134,412,534
NUACL- FD. CACR-52	1-Apr-04	8,619,258		8,619,258	
PUNJAB & SINDH (CCHPL-3)	1-Apr-04	12,208,114	34,261,764	12,208,114	28,024,195
UBI - CORP.BUS.BRANCH (CC 20039)	1-Nov-05	13,522,496	39,960,914	13,522,496	32,667,876
CANARA BANK	1-Jun-04	7,074,619	22,867,552	7,074,619	18,766,740
DENA BANK	1-Jun-05	18,741,674	68,127,939	18,741,674	56,230,474
FEDERAL BANK - CALCUTTA	1-Nov-05	5,881,711	22,238,225	5,881,711	18,410,968
SBI(IFB)/MDS-CC-974	1-Jul-04	100,000,020	272,581,592	100,000,020	228,202,480
Sub-Total		201,723,210	621,138,871	201,723,210	516,715,267
Total		1,067,375,042	3,547,746,095	1,067,375,042	2,925,660,475

Note No. 2.5. vi (a) : The figures shown above under the column Principal Amount for WCDL and Cash Credit are under reconciliation with the figures under the same head under Note No. 2.5 for both the years.



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

NOTE 2.8 : TANGIBLE ASSETS

PARTICULARS OF ASSET	GROSS BLOCK			DEPRECIATION			LEASE ADJUSTMENT A/C				NET BLOCK		
	As at 1st April 2013	Additions/Adjustment during the year	Deductions/Adjustment during the year	As at 31st March 2014	As at 1st April 2013	Provided during the year	Deductions/Adjustment during the year	As at 31st March 2014	As at 1st April 2013	Provided during the year	Deductions/Adjustment during the year	As at 31st March 2014	As at 31st March 2013
OWN ASSET													
Land	28,644,942			28,644,942								28,644,942	28,644,942
Building	23,163,692			23,163,692	7,700,723	358,857		805,9580				15,104,112	15,462,969
Furniture, Fixture & Office Equipment	19,720,493	53,542		19,774,035	19,330,295	32,380		1,936,2675				411,360	390,198
Motor Car	4,130,393			4,130,393	3,795,041	36,702		383,1743				298,650	335,352
Windmill	36,100,798			36,100,798	30,012,510	1,714,786		3,172,7296				4,373,502	6,088,288
Machinery	12,669,627			12,669,627	10,188,239	451,883		1,064,0122				2,029,505	2,481,388
SUB TOTAL	124,429,946	53,542		124,483,488	71,026,808	2,594,608		73621416				50,862,071	53,403,137
Previous Year	124,410,537	19,409		124,429,946	68,289,410	2,737,398		71,026,808				53,403,137	—
FOR LEASE ACTIVITIES													
FINANCE LEASE :													
Computer & Accessories	91,475,691			91,475,691	76,312,549			76,312,549				3,085,975	3,085,975
Machinery	385,899,571			385,899,571	230,526,700			230,526,700				14,965,241	14,965,241
Vehicles	292,491,121			292,491,121	237,949,768			237,949,768				407	407
Office Equipment	13,972,071			13,972,071	12,806,635			12,806,635				76,352	76,352
Generator set	4,461,540			4,461,540	4,461,540			4,461,540				17	17
Furniture & Fixture	16,099,999			16,099,999	14,932,852			14,932,852				17	17
Two Wheeler	884,574			884,574	884,574			884,574				17	17
SUB TOTAL	805,284,567			805,284,567	577,874,618			577,874,618				18,127,992	18,127,992
Previous Year	805,284,567			805,284,567	577,874,618			577,874,618				18,127,992	—
Total of Current Year	929,714,513	53,542		929,768,055	648,901,431	2,594,608		651,496,034				68,990,063	71,531,129
Capital W.I.P. of C. Year	799,600			799,600								799,600	799,600
G. Total of Current Year	930,514,113	53,542		930,567,655	648,901,431	2,594,608		651,496,034				69,789,663	72,330,729
Previous year Total	929,695,104	19,409		929,714,513	646,164,033	2,737,398		648,901,426				71,531,129	—
P. Year Capital W.I.P.	799,600			799,600								799,600	—
G. Total of Previous Year	930,494,704	19,409		930,514,113	646,164,033	2,737,398		648,901,426				72,330,729	—

a) Depreciation amounting to Rs. 1,107/- (Previous Year Rs. 1,116/-) 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, 2014 (Contd.)****NOTE 2.9 : NON CURRENT INVESTMENTS**

31.03.14	31.03.13	31.03.14	31.03.13		As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Number of Shares/ Securities/ Bonds/Units		Face Value				
INVESTMENTS :-						
Other than trade (Unless otherwise stated)						
(At cost unless otherwise stated)						
FULLY PAID SHARES / SECURITIES						
Equity Shares in Subsidiary Company-Unquoted						
50000	50000	10	10	Nicco Insutrance Agents & Consultants Limited	(A) 500,000	500,000
Equity Shares in Associate Company-Quoted						
3582400	3582400	10	10	Alliance Management & Fiscal services Ltd.	(B) 15,619,264	15,619,264
Equity Shares in Other Companies-Quoted						
4096875	4096875	2	2	Nicco Corporation Ltd.	62,376,305	62,376,305
33000	33000	1	10	Nicco Parks & Resorts Ltd.	34,650	34,650
14500	14500	10	10	Hanuman Tea Co. Ltd.	73,150	73,150
30000	30000	10	10	G R Magnets Ltd.	147,000	147,000
400	400	10	10	Bhagavati Gas Ltd.	920	920
886509	886509	10	10	G.S.L. (India)	21,719,470	21,719,470
2900	2900	10	10	Indian Overseas Bank	69,600	69,600
1750	1750	10	10	Amrit Bansapati Company Ltd.	15,001	15,001
3500	3500	2	2	Archie Limited	31,745	31,745
750	750	10	10	Bata India Ltd.	77,850	77,850
1000	1000	10	10	DIC India Ltd	119,900	119,900
750	750	1	1	Colgate Ltd.	187,418	187,418
12500	12500	10	10	Crystal Cables Industries Ltd.	-	-
3333	3333	5	5	Eveready Industries India Ltd.	59,327	59,327
3333	3333	5	5	McLeod Russell India Ltd.	-	-
300	300	10	10	Ricoh India Limited	3,687	3,687
1500	1500	2	2	HCL Infosys Ltd.	114,000	114,000
2000	2000	1	1	Hindustan Unilever Ltd.	476,400	476,400
25350	25350	10	10	Malvika Steel Ltd.	-	-
500	500	10	10	Pasari Spinning Mills Ltd.	1,860	1,860
100	100	10	10	Shristi Infrastructure Development Corp Ltd	9,400	9,400
-	306	10	10	Rayban Sun Optics India Ltd.	-	-
500	500	10	10	Reliance Capital Ltd	120,130	120,130
2500	2500	1	1	Tata Global Beverages Ltd. (Formerly: Tata Tea Ltd.)	85,200	85,200
1000	1000	1	1	Timex Group India Limited (Formerly: Timex Watches Ltd.)	-	-
21450	21450	10	10	Alumeco India Extrusion Ltd.	-	-
1000	1000	2	2	HDFC Bank Ltd.	-	-
100	100	10	10	IFCI Limited	-	-
100	100	10	10	SBI Home Finance Ltd.	-	-
100	100	10	10	Tourism Finance Corpn. Of India	-	-
5,147,600	5,147,906				(C) 85,723,013	85,723,013



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

NOTE 2.9 : NON CURRENT INVESTMENTS (Contd.)

31.03.14	31.03.13	31.03.14	31.03.13		As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Number of Shares/ Securities/ Bonds/Units		Face Value				
Equity Shares in Other Companies-Unquoted						
5	5	50	50	Dalmal Tower Premises Co-Opt. Society Ltd.	250	250
22,000	22,000	6	6	Hindustan Wire & Metal Products Ltd.	115,500	115,500
1,300	1,300	100	100	Associated Industrial Development Co (P) Ltd.	196,000	196,000
900	900	100	100	Vinicab India Private Limited	90,000	90,000
10,000	10,000	10	10	Coromondal Stamping Stones Ltd.	1	1
20,000	20,000	10	10	Besant Raj International Ltd.	149,000	149,000
118,889	118,889	10	10	Nicco Financial Services Ltd.	1,106,290	1,106,290
50,000	50,000	10	10	Global Procurement Consultants Ltd	325,238	325,238
4,000	4,000	10	10	Dibrusadia Tea Estate Ltd.	1	1
50,000	50,000	10	10	Bishnu Forge Industries Ltd.	1	1
150,000	150,000	10	10	Brunosante Ltd.	2	2
60,000	60,000	10	10	C. K. Exim Pvt. Ltd.	1	1
487,094	487,094				(D) 1,982,284	1,982,284
TOTAL INVESTMENT IN EQUITY INSTRUMENTS (A+B+C+D)					103,824,561	103,824,561
INVESTMENTS IN PREFERENCE SHARES-UNQUOTED						
500,000	500,000	10	10	Prestige Foods Ltd.(10% non-cum.convertible Pref.share)(E)	5,000,000	5,000,000
INVESTMENT IN GOVERNMENT SECURITIES-UNQUOTED						
				NSC (VIII th Issue)	(F) 15,000	15,000
INVESTMENTS IN MUTUAL FUNDS-UNQUOTED						
4,105	4,105			HDFC Equity Fund	269,373	269,373
7,389	7,389			HSBC Equity Fund	269,726	269,726
4,202	4,202			FRANKLIN India Bluechip Fund	270,356	270,356
9,828	9,828			PRINCIPAL Growth Fund	266,980	266,980
13,800	13,800			UTI Equity Fund	112,560	112,560
Total					(G) 1,188,995	1,188,995
AGGREGATE VALUE OF NON-CURRENT INVESTMENT [A to G]					110,028,556	110,028,556
Less : Provision					104,539,921	104,539,921
Net of Provision					5,488,635	5,488,635

	As at 31st March, 2014		As at 31st March, 2013	
	Book Value (Rs.)	Market Value (Rs.)	Book Value (Rs.)	Market Value (Rs.)
Quoted	101,342,277	14,261,606	101,342,277	12,982,460
Unquoted	8,686,279		8,686,279	
	<u>110,028,556</u>		<u>110,028,556</u>	

**Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)**

	Long-term		Short-term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
2.10 : LOANS & ADVANCES				
Unsecured, considered good				
Security Deposits	1,545,335	1,674,464	-	-
Advance Tax & TDS (Net of provision)	3,462,773	3,338,889	-	-
(Provision Rs. 9,17,57,002/-, P. Y. Rs. 9,17,57,002/-)				
Unsecured, considered doubtful				
Deposits under subjudice	34,000,000	34,000,000	-	-
Loan & Advances to Related Parties				
Unsecured, considered good	-	-	112,552	39,654
Advance against supply of Goods and Services				
Unsecured, considered good	-	-	25,000	50,000
Unsecured, considered doubtful	2,229,281	2,278,281	-	-
	<u>36,229,281</u>	<u>36,278,281</u>	-	-
Less : Provision	<u>36,229,281</u>	<u>36,278,281</u>	-	-
Net of Provision	-	-	-	-
Secured, considered good	-	-	30,000	30,000
Other Loans & Advances				
Prepaid Expenses	-	-	223,744	71,482
To Employees	-	-	81,268	27,993
	<u>5,008,107</u>	<u>5,013,353</u>	<u>472,563</u>	<u>219,129</u>

	Non Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)	(Rs.)	(Rs.)

2.11 : OTHER ASSETS

Unsecured, considered good				
Interest accrued on Bank Fixed Deposits	-	-	506,008	375,401
Receivable from Windmill customers	-	-	365,708	2,425,350
Excess of planned asset over liability towards gratuity	113,656	51,569	-	-
Excess of planned asset over liability towards leave encashment	386,078	308,410	-	-
Other Receivable	-	-	723,371	-
Unsecured, considered Doubtful				
Residual Value of Assets	9,397,169	9,397,169	-	-
Interest receivable on other deposits	555,983	555,983	-	-
Receivable against Rent	-	193,873	-	-
Disputed Bank Balances in Current Account (Refer note (b), (e), & (f) below)	21,065,262	21,039,825	-	-
Inventory - Stock on Hire under Hire Purchase Agreement including Hire Purchasing Debtors (Refer note (a) & (d))	956,364,793	956,364,793	-	-



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

NOTE 2.11 : OTHER ASSETS (Contd.)

	Non Current		Current	
	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
Disputed Fixed Deposits with Bank (Refer note (g) below)	1,376,282	1,376,282	-	-
	988,759,490	988,927,926	-	-
Less : Provision	988,759,490	988,927,926	-	-
Net of Provision	-	-	-	-
Other Receivables (Refer note (c))				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	20,293,113	20,104,247	-	-
Less : Provision	(14,062,358)	(14,062,358)	-	-
	6,730,489	6,401,868	1,595,087	2,800,751

- 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.
- Police has submitted a charge-sheet with the criminal court against fraud perpetrated by two employees in 2008-09 involving an amount of Rs. 140.62 lakhs. However full provisions has been made against the amount.
- 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 has been partially completed and follow up action in respect of them has been initiated.
- Positive balance lying in the current accounts with the members of the consortium bank, i.e. Rs.162.11 Lacs (P.Y. Rs.162.11 Lacs) in UCO Bank, Rs.0.19 Lacs (P.Y. Rs.0.19 Lacs) in Bank of Baroda, Rs.3.01 Lacs (P.Y. Rs.3.01 Lacs) in Canara Bank, Rs.0.10 Lacs (P.Y. Rs.0.10 Lacs) in Central Bank of India, Rs.0.01 Lacs (P.Y. Rs.0.01 Lacs) in United Bank of India, Rs.42.53 Lacs (P.Y. Rs.42.53 Lacs) in Indian Overseas Bank, Rs.0.05 Lacs (P.Y. Rs.0.05 Lacs) in State Bank of Mysore, Rs.0.20 Lacs (P.Y. Rs.0.20 Lacs) in State Bank of Travancore amounting in total Rs 208.20 Lacs (P.Y. 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 2.20 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 (P.Y. Rs.13.46 Lacs) with Bank of Baroda, Rs.0.05 Lacs (P.Y. Rs.0.05 Lacs) in Indian Overseas Bank and with other bank amounting to Rs.0.25 Lacs (P.Y. Rs.0.25 Lacs) amounting in total Rs 13.76 Lacs (P.Y. Rs 13.76 Lacs) remain unconfirmed and accordingly was provided for.
- Other receivable forming part of other current assets represents dues from Managing Director (Rs. 7.23 Lakhs).
- Adequate provisions is lying in the books against all doubtful assets.

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.12 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months		
Unsecured , considered Doubtful	29,531,720	29,531,720
Other Receivables		
Unsecured, considered good	—	33,000
	29,531,720	29,564,720

**Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)**

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.13 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account	73,793	127,444
Cash on hand	11,032	11,025
	<u>84,825</u>	<u>138,469</u>
Other Bank Balances		
Fixed Deposit with Banks - (3 to 12 months maturity)	14,508,178	14,875,238
	<u>14,508,178</u>	<u>14,875,238</u>
	<u>14,593,003</u>	<u>15,013,707</u>

	For the year ended 31st March, 2014 Rs.	31st March, 2013 Rs.
2.14 : REVENUE FROM OPERATIONS		
Hire Purchase/ Leasing Income (a)	1,162,049	—
	<u>1,162,049</u>	<u>—</u>

a) HP income includes Rs. Nil (P. Y. Rs. 7.00 Lacs) recovered from NPA parties.

	For the year ended 31st March, 2014 Rs.	31st March, 2013 Rs.
2.15 : OTHER INCOME		
Interest Income		
On Banks Deposits	1,211,006	1,443,808
Dividend Income		
On Long term Investments	245,825	226,073
Net Gain / (Loss) on sale of Investments		
On Long Term-Investments	—	—
Other Non Operating Income		
Income from Electricity Generation at Windmill	1,885,273	2,447,124
Excess Liabilities, Unclaimed Balances and Provisions written back	9,253,184	43,722,150
Sundry Receipts	10,153,917	212,583
	<u>22,749,206</u>	<u>48,051,738</u>



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	For the year ended	
	31st	31st
	March, 2014	March, 2013
	Rs.	Rs.
2.16 : (INCREASE)/ DECREASE IN INVENTORIES		
Inventories at the beginning of the year		
Stock on Hire under Hire Purchase Agreement including Hire Purchase Debtors	956,364,794	956,364,794
Inventories at the end of the year		
Stock on Hire under Hire Purchase Agreement including Hire Purchase Debtors	956,364,794	956,364,794
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

	For the year ended	
	31st	31st
	March, 2014	March, 2013
	Rs.	Rs.
2.17 : EMPLOYEE BENEFIT EXPENSE		
Salaries & Wages	2,264,976	2,851,048
Contribution to Provident & Other Funds	158,341	367,941
Staff Welfare Expenses	307,580	255,371
	<u>2,730,897</u>	<u>3,474,360</u>

	For the year ended	
	31st	31st
	March, 2014	March, 2013
	Rs.	Rs.
2.18 : FINANCE COST		
Interest Expenses		
On Public Fixed Deposits	5,436,288	6,288,115
On Term Loan from Financial Institutions and Others	44,964,389	21,015,830
On Loans from Banks for Working Capital	625,136,331	540,386,081
	<u>675,537,008</u>	<u>567,690,026</u>
Other Borrowing Cost		
Foreign Exchange Loss (a)	5,575,755	5,987,304
	<u>681,112,763</u>	<u>573,677,330</u>

- a) Subsequent to cessation of SWAP agreement with UCO Bank, foreign currency loan has been valued at the rate prevailing as at close of 31.03.2014 and exchange difference arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest cost shown above.

**Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)**

	For the year ended	
	31st March, 2014 Rs.	31st March, 2013 Rs.
2.19 : OTHER EXPENSES		
OPERATING & ADMINISTRATION		
Power & Fuel	128,802	134,760
Insurance	34,903	43,058
Repairs to Buildings	—	52,401
Rent	83,031	177,915
Motor Car Expenses	531,781	549,589
Conveyance & Travelling	782,907	332,225
Rates & Taxes	501,871	52,484
Printing & Stationary	467,072	478,307
Professional & Consultancy Fees	495,570	363,629
Auditor's Remuneration		
As Statutory Audit Fees	108,779	168,540
Windmill Expenses	562,706	320,470
Office Maintainance	371,680	237,052
Legal Charges	1,574,338	937,715
Postage & Courier Charges	236,582	396,698
Prior Period Expense	65,448	83,063
Stock Exchange Fees	143,260	144,034
Directors' Fees	240,000	172,000
Miscellaneous Expenses	685,161	343,737
	<u>7,013,891</u>	<u>4,987,677</u>

	For the year ended	
	31st March, 2014 Rs.	31st March, 2013 Rs.
2.20 : DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Tangible Assets	2,593,501	2,736,282
	<u>2,593,501</u>	<u>2,736,282</u>

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 except for maintaining excess provision against Non Performing Assets (NPA) to cover any future eventualities.



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

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 2014 (Rs. in lacs)	As at 31st March 2013 (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
Total		27.50	27.50

- 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 No exercise of impairment was undertaken as authorised under para vi of AS 28.

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 Companies (Accounting Standards) Rules, 2006.

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 net deferred tax asset arising as at 31.03.2014 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. Subsidiary Company	Nicco Insurance Agents & Consultants Ltd.
2. Associates	Alliance Management & Fiscal Services Ltd.
3. Key Management personnel	L. N. Kaul - Managing Director J. Mukherjee - Chief Financial Officer S. S. Majumdar - Company Secretary

**Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)****Transaction with related parties**

Nature of Transaction	2013-14 (Rs. In lacs)	2012-13 (Rs. In lacs)	Related parties
Remuneration & others	5.18	13.61	Key Management personnel
Expenses incurred	0.06	0.02	Subsidiary Company
Advance paid	—	—	Subsidiary Company
Balance as on 31.03.2014 :			
Expenses recoverable	0.81	0.09	Subsidiary Company
Advance recoverable (Net)	0.31	0.31	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

2.29 Other receivable Rs. 7.23 Lacs - Key Management Personnel.

For the year ended
31st March, 2014
Rs.

For the year ended
31st March, 2013
Rs.

2.30 EARNINGS PER SHARE

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	(669,539,798)	(536,823,911)
(iii) Basic Diluted Earnings per share (in Rs.) [(ii)/(i)]	(16.68)	(13.37)

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 Companies (Accounting Standards) Rules, 2006.

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 31.03.2014 Rs. in lacs	For the year ended on 31.03.2013 Rs. in lacs
Provident Fund	0.41	0.34
Employees Pension Scheme	0.54	0.64
Total	0.95	0.98



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

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

(Rs. in lacs)

Description	Gratuity		Leave Salary	
	(Funded) 2013-14	(Funded) 2012-13	(Funded) 2013-14	(Funded) 2012-13
A. Reconciliation of opening and closing balances of obligation				
a) Obligation as on Opening date	11.59	10.50	6.63	6.33
b) Past Service Cost	—	—	—	—
c) Current Service Cost	0.70	0.69	0.18	0.18
d) Interest cost	0.99	0.83	0.56	0.50
e) Actuarial (gain)/loss	(1.03)	(0.15)	(0.67)	(0.20)
f) Benefits paid	—	0.28	—	0.17
g) Obligation as at Closing date	12.25	11.59	6.70	6.63
B. Change in Plan Assets (Reconciliation of opening & closing balances)				
a) Fair value of plan assets as on Opening date	12.11	11.15	9.71	9.08
b) Expected return on plan assets	1.06	0.89	0.85	0.73
c) Actuarial gain/(loss)	0.01	0.12	—	0.09
d) Contributions by the employer	0.20	0.22	—	—
e) Benefits paid	—	0.28	—	0.17
f) Fair value of plan assets as at Closing date	13.38	12.11	10.57	9.72
C. Reconciliation of fair value of plan assets and present value of defined benefit obligation				
a) Present value of obligation on closing date	12.25	11.59	6.70	6.63
b) Fair value of plan assets on closing date	13.38	12.11	10.57	9.72
c) Amount recognised in the balance sheet Net Asset / (Liability)	1.13	0.52	3.87	3.08
D. Expense recognized in the period				
a) Current Service Cost	0.70	0.69	0.18	0.18
b) Past Service Cost	—	—	—	—
c) Interest Cost	0.99	0.83	0.56	0.50
d) Expected return on plan assets gain/(loss)	1.05	0.89	0.85	0.73
e) Actuarial gain/(loss)	1.06	0.27	0.67	0.29
f) Expense recognised in the period (a to e)	(0.42)	0.36	(0.78)	(0.34)
		2013-14		2012-13
E. Assumptions				
a) Discount rate (per annum) (%)		8.00%		8.00%
b) Estimated rate of return on plan assets (per annum) (%)		8.00%		8.00%
c) Inflation rate (%)		6.00%		6.00%
d) Remaining working life (in years)		6		6
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



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

- 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 31.03.2014 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.1.36 Lacs (P.Y. 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.0.95 Lacs during the year (P.Y. Rs. 0.98 Lacs) is recognised as expenses and included in 'Employee Benefit Expenses'. Shortfall of Rs. 0.03 (P.Y. Rs. 0.25) in contribution to such provident funds has been provided to the extent of the information available with the company.
- 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** Land & Building (in excess of its own use) & shares (unquoted shares other than of subsidiary companies or company in the same group) amounting to Rs. 292.85 lacs & 6.80 lacs respectively held by the company in contravention of Para 19 of Non Banking Financial (Deposit accepting or holding) Companies, Prudential Norms, (Reserve Bank) directions, 2007 in regards to Restriction on investment in land and building and unquoted shares.
- However most of such assets are charged with Bank and Financial Institutions and cannot be liquidated to bring the same within limits of prudential norms as mentioned above.
- 2.36** A writ petition has been filed by the company before Hon'ble Calcutta High Court against the decision of the MINISTRY OF CORPORATE AFFAIRS in respect of extension of period of appointment of Mr. L. N. Kaul, Managing Director. Pending further development, as a matter of abundant precaution, the amount paid to him between 15.04.13 and 31.03.14 against his emoluments has been shown under other receivables.
- 2.37** The previous year figures have been regrouped / restated wherever considered necessary.

As per our Report of even date annexed
For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
M. No. 054702
3, Chowringhee Approach
Kolkata - 700 072
the 30th day of May, 2014

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. S. S. Majumdar
Mr. J. Mukherjee

Chairman
Managing Director
Director
Director
Director
Company Secretary
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, 2014
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. 91,675/-)
ii) for the previous financial years of the Subsidiary since it became the Subsidiary of the Company	:	(Rs. 137,216/-)



**Schedule to the
Balance Sheet of a Non-Banking Financial Company as on 31.03.2014**

(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	
LIABILITIES SIDE :			
1)	Loans and advances availed by the Non-banking financial company inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue
	a) Debentures :		
	Secured		
	Unsecured		
	(other than falling within the meaning of public deposits*)		
	b) Deferred Credits		
	c) Term Loans	1639.11	1639.11
	d) Inter-corporate loans and borrowing		
	e) Commercial Paper		
	f) Public Deposits		
	Principal	882.74	882.74
	Interest accrued but not due	627.35	— @
	g) Other Loans (Loan from Bank & others)	49,274.96	49,274.96
	(including interest accrued and due for term loan as well as working capital)		
	*Please see Note 1 below		
2)	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	a) In the form of Unsecured debentures		
	b) In the form of partly secured debentures		
	i.e. debentures where there is a shortfall in the value of security		
	c) Public Deposits		
	Principal	882.74	882.74
	Interest accrued but not due	627.35	— @
	*Please see Note 1 below		
ASSETS SIDE :			
3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	a) Secured	0.30	
	b) Unsecured (net of Income Tax provisions)	139.14	
4)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :		
	i) Lease assets including lease rentals under sundry debtors :		
	a) Financial lease		
	b) Operating lease	182.68	
	ii) Stock on hire including hire charges under sundry debtors :		
	a) Assets on hire	9563.65	
	Less Provision	<u>9563.65</u>	
	b) Repossessed Assets		
	iii) Other loans counting towards AFC activities :		
	a) Loans where assets have been repossessed		
	b) Loans other than (a) above		
	TOTAL (pt. 3 & 4)	322.14	



Particulars	Rs. in lacs	
5) Break-up of Investments :		
Current Investments :		
1. Quoted :		
i) Shares :		
a) Equity		
b) Preference		
ii) Debentures and Bonds		
iii) Units of Mutual Funds		
iv) Government Securities		
v) Others (Please specify)		
2. Unquoted :		
i) Shares :		
a) Equity		
b) Preference		
ii) Debentures and Bonds		
iii) Units of mutual funds		
iv) Government securities		
v) Others (Subsidiary Company)		
Long-Term investments :		
1. Quoted :		
i) Shares :		
a) Equity	1013.42	
b) Preference		
ii) Debentures and Bonds		
iii) Units of Mutual Funds		
iv) Government Securities		
v) Others (Please specify)		
2. Unquoted :		
i) Shares :		
a) Equity	19.82	
b) Preference	50.00	
ii) Debentures and Bonds	Nil	
iii) Units of Mutual Funds	11.89	
iv) Government securities	0.15	
v) Others (Subsidiary Company)	5.00	
TOTAL	1100.29	
LESS : PROVISION	1045.40	
TOTAL NET OF PROVISION	54.89	

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



7) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) : **Please see Note 3 below		
Category	TOTAL	
	Market Value/Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
a) Subsidiaries	—	5.00
b) Companies in the same group	—	NIL
c) Other related parties	—	NIL
2. Other than related parties	—	49.89
Total	—	54.89

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	12289.33	
Less : Provision	<u>12289.33</u>	NIL
ii) Net Non-Performing Assets :		
a) Related Parties		NIL
b) Other than related parties		NIL
iii) Assets acquired in satisfaction of debt		NIL

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.
- @4. Honourable Company Law Board Eastern Region Bench had passed an order vide it's order dated 22.03.2005 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 22.03.2005 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.



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

REPORT OF THE DIRECTORS

For the year ended 31st March, 2014

Your Directors have the pleasure in presenting their 12th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
	<u> </u>	<u> </u>
Profit/(Loss) Before Tax	(91,675)	(30,840)
Less : Provision for Tax	—	—
Profit/(Loss) after Tax	<u>(91,675)</u>	<u>(30,840)</u>
Add : Balance of Profit/(Loss) transferred from last year	(45,541)	(14,701)
Profit/(Loss) available for appropriation	<u><u>(137,216)</u></u>	<u><u>(45,541)</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, 2014.

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 :



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

(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

The Statutory Auditors of the Company - Messrs Basu Chanchani & Deb retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. Your Directors recommend the re-appointment of Messrs Basu, Chanchani & Deb as Statutory Auditors of your Company and their remuneration needs to be fixed.

AUDITORS REPORT

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

DIRECTORS

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

ACKNOWLEDGEMENT

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

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

Date : 28th May, 2014

Place : Kolkata

On behalf of the Board of Directors

J. Mukherjee
Chairman

ANNEXURE - A

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

The Directors hereby confirm :-

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



INDEPENDENT AUDITORS' REPORT

To the Members of NICCO INSURANCE AGENTS & CONSULTANTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Nicco Insurance Agents & Consultants Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 15th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with the accounting policies in Note No.1 and other Notes to Account give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required section 227(3) of the Act, we report that :
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 15th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For BASU CHANCHANI & DEB
Chartered Accountants
Firm Regn. No. 304049E
Arabinda Sinha
Partner
Membership No. 010713

3, Chowringhee Approach
Kolkata – 700 072
Dated, The 28th day of May, 2014



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

The Annexure referred to in paragraph 1 of our report of even date to the members of NICCO INSURANCE AGENTS & CONSULTANTS LIMITED on the accounts of the Company for the year ended 31st March, 2014 :

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that :

1. The company has no fixed assets, so clauses relating to it are not applicable.
2. During the year under audit no inventories are lying with the company. Accordingly clause 4((II)(a) to (c) of the order are not applicable.
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 explanation given to us by the management, the Company has not taken any loan secured or unsecured during the year from Companies, firms or other parties covered in the Register maintained u/s 301 of Companies Act, 1956. However, it has taken interest free 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, 2014 were Rs.0.40 Lacs (net) and Rs. 0.40 Lacs (net) 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 are adequate 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 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. In our opinion and according to the information and explanations given to us, there have been no contracts or arrangements that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956. Accordingly, provision of clause (v)(a) and (b) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
6. The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under. Accordingly Clause 6(B) of the order is not applicable.
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) The Company has generally been regular in depositing undisputed statutory dues, in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty and Cess 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, 2013 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 are no dues of Sales tax, Income tax, Service tax, Custom duty, Excise duty and Cess outstanding on account of any dispute.
10. The accumulated losses of the company at the end of the financial year are 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. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
12. According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund/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 etc. However, it has maintained proper records of the transactions and contracts of the investments dealt in by it and timely entries have been made therein. The investments made by the company are held in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, 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-time loan during the year.
18. During the year the Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956, and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
19. The Company has not issued any debentures during the year.
20. The Company has not raised monies by public issues 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 was noticed or reported during the year.

For BASU CHANCHANI & DEB
Chartered Accountants
Firm Regn. No. 304049E
Arabinda Sinha
Partner
Membership No. 010713

3, Chowringhee Approach
Kolkata – 700 072
Dated, The 28th day of May, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Note	Rs.	As at March 31, 2014 Rs.	Rs.	As at March 31, 2013 Rs.
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUND					
Share Capital	2.1	500,000		500,000	
Reserves and Surplus	2.2	(137,216)		(45,541)	
			362,784		454,459
CURRENT LIABILITIES					
Trade Payables	2.3	26,418		95,288	
Other Current Liabilities	2.4	112,242		39,654	
			138,660		134,942
TOTAL			501,444		589,401
ASSETS					
NON-CURRENT ASSETS					
Non-Current Investments	2.5	450,000		450,000	
Long-Term Loans and Advances	2.6	—		101,763	
			450,000		551,763
CURRENT ASSETS					
Cash and Bank Balances	2.7	51,444		37,638	
			51,444		37,638
TOTAL			501,444		589,401

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date annexed

For BASU CHANCHANI & DEB
Chartered Accountants
Firm Regn. No. 304049E
Arabinda Sinha
Partner
Membership No. 010713
3, Chowringhee Approach
Kolkata – 700 072
the 28th day of May, 2014

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.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
INCOME			
Interest Received	2.9	7,095	—
Total Revenue		<u>7,095</u>	<u>—</u>
EXPENDITURE			
Other Expenses	2.8	98,770	30,840
Total		<u>98,770</u>	<u>30,840</u>
Loss before Tax, Depreciation & Amortisation		(91,675)	(30,840)
Depreciation and Amortization Expense		—	—
Loss before Tax		<u>(91,675)</u>	<u>(30,840)</u>
Tax Expense :			
Current Tax		—	—
Deferred Tax		—	—
Loss for the year		<u>(91,675)</u>	<u>(30,840)</u>
Earnings Per Share			
Weighted average number of Equity Shares of Rs. 10/- each outstanding during the period		50,000	50,000
Basic and Diluted earning per share (in Rs.)		(1.83)	(0.62)

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date annexed

For BASU CHANCHANI & DEB
Chartered Accountants
Firm Regn. No. 304049E
Arabinda Sinha
Partner
Membership No. 010713
3, Chowringhee Approach
Kolkata – 700 072
the 28th day of May, 2014

On behalf of the Board of Directors

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014**

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
Net Profit/(Loss) before tax & extraordinary items	(91,675)	(30,840)
Add/(Less): Adjustments for		
Provision for doubtful advance	80,599	—
Operating profit / (loss) before working capital changes	(11,076)	(30,840)
Increase/(Decrease) in trade & other receivable	21,165	—
Increase/(Decrease) in trade payables/current liabilities	3,718	27,054
Cash generated from operations	13,807	(3,786)
Cash flow before extraordinary items	13,807	(3,786)
Net Cash from Operating activities	13,807	(3,786)
Net increase/(decrease) in cash and cash equivalents	13,807	(3,786)
Opening cash and cash equivalents	37,639	41,424
Closing cash and cash equivalents	51,444	37,639

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 annexed

For BASU CHANCHANI & DEB
Chartered Accountants
Firm Regn. No. 304049E
Arabinda Sinha
Partner
Membership No. 010713
3, Chowringhee Approach
Kolkata – 700 072
the 28th day of May, 2014

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 Companies (Accounting Standards) Rules, 2006, 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.

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 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.

1.4 Recognition of income and expenditure

Income & expenditure are recognised on accrual basis.

1.5 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 Companies (Accounting Standards) Rules, 2006, 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.

1.6 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.

1.7 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, 2014

2.1 : SHARE CAPITAL

Number		As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Authorised			
250,000 (250,000)	Equity Shares of Rs.10/- each	2,500,000	2,500,000
		2,500,000	2,500,000
Issued			
50,000 (50,000)	Equity Shares of Rs.10/- each	500,000	500,000
		500,000	500,000
Subscribed and fully Paid-up capital			
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, 2014		As at 31st March, 2013	
	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, 2014 (Contd.)**

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.2 : RESERVES AND SURPLUS		
Surplus / (Deficit)		
As per last Financial Statements	(45,541)	(14,701)
As per current year	(91,675)	(30,840)
	<u>(137,216)</u>	<u>(45,541)</u>
Net Surplus / (Deficit)	<u>(137,216)</u>	<u>(45,541)</u>

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.3 : TRADE PAYABLES		
For Goods & Services (a)	26,418	95,288
	<u>26,418</u>	<u>95,288</u>

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

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.4 : OTHER CURRENT LIABILITIES		
Payable to holding company	112,242	39,654
	<u>112,242</u>	<u>39,654</u>

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.5 : NON CURRENT INVESTMENTS		
LONG TERM (Other than Trade)		
a) INVESTMENTS IN MUTUAL FUNDS		
UNQUOTED		
(i) ICICI Prudential Liquid Plan (3174.518 units, Previous Year 3174.518 units)	450,000	450,000
	<u>450,000</u>	<u>450,000</u>
a) Aggregate Book Value of Unquoted Investments	<u>450,000</u>	<u>450,000</u>



Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	Long-term		Short-term	
	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
2.6 : LOANS & ADVANCES				
Other Loans and Advances				
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	—	—
Total	—	101,764	—	—

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.7 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account	51,444	37,638
	51,444	37,638

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.9 : REVENUE FROM OPERATIONS		
Sale of Products (Traded Goods)		
Other Operating Revenues		
Interest Received	7,095	—
	7,095	—

	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
2.8 : OTHER EXPENSES		
OPERATING & ADMINISTRATION		
Auditor's Remuneration		
As Statutory Audit Fees	5,618	16,854
Rates & Taxes	3,900	—
Filing fees (a)	2,200	2,200
Bank Charges	6,453	11,786
Provision for Doubtful Advances	80,599	—
Total	98,770	30,840

- a) Expenses which are initially disbursed by M/s. Nicco Uco Alliance Credit Ltd (Holding Co.) towards payment of Filing fees,etc amounting to Rs. 2,200 /- (previous year Rs. 2,100/-) due to be reimbursed to the Holding Co. have been incorporated in the accounts.



NICCO INSURANCE AGENTS & CONSULTANTS LTD.

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

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

2.10 There is no contingent liability at the end of the year.

2.11 Related Party disclosures

Related party disclosures as required under Accounting Standard (AS) - 18 on 'Related Party Disclosures' issued by the Companies (Accounting Standards) Rules, 2006 are given below :

Nature of Relationship	Name of the Party
1. Holding Company	Nicco Uco Alliance Credit Limited

Transaction with related parties	2013-14 (Rs.)	2012-13 (Rs.)	
Advance received	6,100	2,200	Holding Company
Expenses incurred	6,100	2,200	Holding Company
Expenses repaid	—	—	Holding Company
Balance outstanding as on 31.03.2014			
Expenses repayable	81,789	9,200	Holding Company
Advance repayable	30,454	30,454	Holding Company

2.12 Previous year's figures have been Regrouped /Rearranged/Reclassified wherever considered necessary.

As per our Report of even date annexed

For BASU CHANCHANI & DEB
Chartered Accountants
Firm Regn. No. 304049E
Arabinda Sinha
Partner
Membership No. 010713
3, Chowringhee Approach
Kolkata – 700 072
the 28th day of May, 2014

On behalf of the Board of Directors

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

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To the Board of Directors of **NICCO UCO ALLIANCE CREDIT LIMITED**

Report on the Financial Statements

We have examined the accompanying Consolidated financial statements of NICCO UCO Alliance Credit Limited ("the Company") and its subsidiary NICCO INSURANCE AGENTS & CONSULTANTS LIMITED, which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 15th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

- a) 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.

- b) Note No. 2.3.ix regarding default made by the Company in repayment of its Fixed Deposits liability as per order of Company Law Board (CLB) against which legal proceedings have been initiated by Serious Fraud Investigation Office.
- c) Note No.2.3.x 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).
- d) Non ascertainment of impairment of assets as required by Accounting Standard (AS)-28 issued by The Companies (Accounting Standards) Rules, 2006. Refer Note No. 2.24.



NICCO UCO ALLIANCE CREDIT LIMITED

The impact of above paragraphs on the "Loss After Tax" and "Shareholder's Funds" of the company is unascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (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.

Emphasis of matter

Attention is invited to the following points

- (i) Note no.2.3 and 2.5 regarding application filed by different banks forming the consortium of bankers with Debt Recovery Tribunal for and by International Finance Corporation, Washington with hon'ble Calcutta High Court for recovery of their dues.
- (ii) Note no. 2.11 regarding Serious Fraud Investigation against the company on recommendation of Registrars of Companies.
- (iii) Note No. 2.36 regarding writ petition pending before Hon'ble High Court at Calcutta challenging the decision of Ministry of Corporate Affairs in regard to extension of term of appointment of Mr. L.N.Kaul, Managing director.

All the above notes are self-explanatory.

Other Matters

We did not audit one company under the purview of consolidation, accounts viz. **Nicco Insurance Agents & Consultants Limited** which was audited by other Auditors. This consolidated financial statement reflect total asset of Rs.5.01 lakh as at 31.03.2014, total revenue of Rs.0.07 lakh and the net cash inflow of Rs.0.14 lakh for the year then ended audited by the other Auditors. The consolidated financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

3, Chowringhee Approach
Kolkata – 700 072
Dated, The 30th day of May, 2014

For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
Membership No. 054702

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note	Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUND				
Share Capital	2.1	401,012,730	401,012,730	
Reserves and Surplus	2.2	<u>(5,642,132,060)</u>	<u>(4,972,499,480)</u>	
			(5,241,119,330)	(4,571,486,750)
NON-CURRENT LIABILITIES				
Long-Term Borrowings	2.3	—	—	
Long-Term Provisions	2.4	<u>85,342,280</u>	<u>85,124,844</u>	
			85,342,280	85,124,844
CURRENT LIABILITIES				
Short-Term Borrowings	2.5	1,067,375,043	1,067,375,042	
Trade Payables	2.6	19,637,438	20,724,749	
Other Current Liabilities	2.7	4,201,863,037	3,535,144,753	
Short-Term Provisions	2.4	<u>—</u>	<u>—</u>	
			5,288,875,518	4,623,244,544
TOTAL			<u>133,098,468</u>	<u>136,882,638</u>
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	2.8	68,990,062	71,531,128	
Capital Work-In-Progress	2.8	<u>799,600</u>	<u>799,600</u>	
			69,789,662	72,330,728
Non-Current Investments	2.9	5,438,636	5,438,636	
Long-Term Loans and Advances	2.10	5,008,107	5,115,116	
Other Non-Current Assets	2.11	<u>6,730,489</u>	<u>6,401,868</u>	
			17,177,232	16,955,620
CURRENT ASSETS				
Trade Receivables	2.12	29,531,720	29,564,720	
Cash and Bank Balances	2.13	14,644,447	15,051,345	
Short-Term Loans and Advances	2.10	360,321	179,475	
Other Current Assets	2.11	<u>1,595,087</u>	<u>2,800,751</u>	
			46,131,574	47,596,290
TOTAL			<u>133,098,468</u>	<u>136,882,638</u>

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date annexed
For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
M. No. 054702
3, Chowringhee Approach
Kolkata - 700 072
the 30th day of May, 2014

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. S. S. Majumdar
Mr. J. Mukherjee

Chairman
Managing Director
Director
Director
Director
Company Secretary
Chief Financial Officer



NICCO UCO ALLIANCE CREDIT LIMITED

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
INCOME			
Revenue from Operations	2.14	1,162,049	—
Other income	2.15	22,756,301	48,051,738
Total Revenue		<u>23,918,350</u>	<u>48,051,738</u>
EXPENDITURE			
Changes in Inventories	2.16	—	—
Employee Benefits Expense	2.17	2,730,897	3,474,360
Finance Costs	2.18	681,112,763	573,677,330
Other Expenses	2.19	7,112,661	5,018,517
Total		<u>690,956,322</u>	<u>582,170,207</u>
Loss before Tax, Depreciation & Amortisation		(667,037,972)	(534,118,469)
Depreciation and Amortization Expense	2.20	2,593,501	2,736,282
Profit before extraordinary items and tax (V-VI)		(669,631,473)	(536,854,751)
Loss before Tax		<u>(669,631,473)</u>	<u>(536,854,751)</u>
Tax Expense :			
Current Tax		—	—
Deferred Tax		—	—
Loss for the year		<u>(669,631,473)</u>	<u>(536,854,751)</u>
Earnings Per Share			
Basic and Diluted earning per share (in Rs.)	2.30	(16.68)	(13.37)

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date annexed
For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
M. No. 054702
3, Chowringhee Approach
Kolkata - 700 072
the 30th day of May, 2014

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. S. S. Majumdar
Mr. J. Mukherjee

Chairman
Managing Director
Director
Director
Director
Company Secretary
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2014**

CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
Net Profit/(Loss) before tax & extraordinary items	(669,631,473)	(536,854,751)
Add/(Less) : Adjustments for		
Depreciation	2,593,501	2,736,282
Provisions for Employee benefits	(139,755)	139,646
Dividend on investments	(245,825)	(226,073)
Provision for Doubtful Advances	80,599	—
Liability no longer required written back	(9,253,184)	(43,722,150)
Unrealised Foreign exchange fluctuation loss / (gain)	5,575,755	5,987,304
Interest Expenses	675,537,008	573,677,330
Interest Income	(1,211,006)	(1,443,808)
Operating profit / (loss) before working capital changes	3,305,620	293,780
(Increase)/Decrease in trade receivable	54,165	(33,000)
(Increase)/Decrease in loans & advances	1,265,974	(351,724)
Increase/(Decrease) in trade payables/current liabilities	(2,427,103)	2,528,966
Income Tax paid	(123,884)	—
Interest paid	(6,267,056)	(10,000)
Cash flow before extraordinary items	(4,192,284)	2,428,022
Adjustment for Extraordinary Items	—	—
Net Cash from Operating activities	(4,192,284)	2,428,022
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(53,542)	(19,409)
Interest received	1,080,399	3,083,172
Dividend received on investments	245,825	226,073
Net Cash used in Investing activities	1,272,682	3,289,836
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	2,538,142	(17,935,186)
Net Cash used in Financing activities	2,538,142	(17,935,186)
Net increase/(decrease) in cash and cash equivalents	(381,460)	(12,217,328)
Opening cash and bank balances	37,467,452	49,684,780
Closing cash and bank balances	37,085,991	37,467,452
Closing cash and cash equivalents		
Current account in banks	125,237	165,082
Cash in hand	11,032	11,025
FD with banks	14,508,178	14,875,238
Closing Cash and Bank Balances as per Balance Sheet	14,644,447	15,051,345
Disputed Bank Balance in Current Account (Refer Note 2.11 (b), (e) & (f))	21,065,262	21,039,825
Disputed Fixed Deposits with Bank (Refer Note 2.11 (g))	1,376,282	1,376,282
	37,085,991	37,467,452

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

As per our Report of even date annexed

For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
M. No. 054702
3, Chowringhee Approach
Kolkata - 700 072
the 30th day of May, 2014

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. S. S. Majumdar
Mr. J. Mukherjee

Chairman
Managing Director
Director
Director
Director
Company Secretary
Chief Financial Officer

**1. CONSOLIDATED 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.

Consolidated Notes to Financial Statements for the year ended 31st March, 2014**2.1 : SHARE CAPITAL**

	Rs.	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Authorised			
43,000,000 (P.Y. 43,000,000) Equity Shares of Rs.10/- each		430,000,000	430,000,000
7,000,000 (P.Y. 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>
Issued			
40,147,173 (P.Y. 40,147,173) Equity Shares of Rs.10/- each		<u>401,471,730</u>	<u>401,471,730</u>
Subscribed and Paid-up			
40,147,173 (P.Y. 40,147,173) Equity Shares of Rs.10/- each		401,471,730	401,471,730
Less : Cancellation on Amalgamation 400 (P.Y. 400)		<u>4,000</u>	<u>4,000</u>
		401,467,730	401,467,730
Less : Calls-in-Arrear		455,000	455,000
		<u>401,012,730</u>	<u>401,012,730</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

- 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, 2014		As at 31st March, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of Rs. 10/- each fully paid				
Nicco Corporation Limited	7,058,524	17.58	7,058,524	17.58
Sanmar Holding Ltd.	7,130,441	17.76	7,130,441	17.76
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 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.
- j.vi) Restriction on transferebility of shares - Shares are transferable with the approval of directors. Board may refuse to recognise the transfer of shares in any case in which the company a lien upon such shares or where any money in respect of shares desired to be transferred remain unpaid. Board may also decline to recognise any instrument of transfer unless,
- a) it is accompanied by certificate of shares to which it relates and such other evidence as the Board may reasonable required to show the right of the transferror to make the transfer.
- b) The instrument of transfer is in repect of one class of shares only.

**Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)**

		As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.2 : RESERVES AND SURPLUS			
Capital Reserve I			
Paid up amount on shares forfeited			
As per last Financial Statements		20,500	20,500
		<u>20,500</u>	<u>20,500</u>
Capital Reserve II			
Non-refundable capital grant			
As per last Financial Statements		41,295	42,411
Less : Prorata Adjustment of Fixed Assets (Refer Note 2.8 (a))		1,107	1,116
		<u>40,188</u>	<u>41,295</u>
Capital Reserve III			
On amalgamation of Nicco Investments Ltd			
As per last Financial Statements		<u>1,000,000</u>	<u>1,000,000</u>
Total Capital Reserve	(A)	<u>1,060,688</u>	<u>1,061,795</u>
Capital Redemption Reserve			
As per last Financial Statements	(B)	<u>20,000,000</u>	<u>20,000,000</u>
Statutory Reserve Fund			
As per last Financial Statements	(C)	<u>26,784,772</u>	<u>26,784,772</u>
Surplus / (Deficit)			
As per last Financial Statements		(5,020,346,047)	(4,483,491,296)
Add : Profit / (Loss) for the year		(669,631,473)	(536,854,751)
Net Surplus / (Deficit)	(D)	<u>(5,689,977,520)</u>	<u>(5,020,346,047)</u>
Total (A to D)		<u>(5,642,132,060)</u>	<u>(4,972,499,480)</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	Non-current portion		Current Maturities	
	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
2.3 : LONG-TERM BORROWINGS				
Term Loans (Secured)				
Rupee Loans from Banks & Financial Institutions	—	—	50,321,348	50,321,348
Foreign Currency Loans from Financial Institutions	—	—	113,589,324	101,746,512
Total Secured Borrowings	—	—	163,910,672	152,067,860
Deposits (Unsecured)				
Fixed Deposits	—	—	88,273,785	94,337,710
Total Unsecured Borrowings	—	—	88,273,785	94,337,710
Amount disclosed under the head "Other Current Liabilities" (Note 2.7)	—	—	(252,184,457)	(246,405,570)
	—	—	—	—

i.a) Rupee Loans from Banks & Financial Institution consist of loans from: UCO Bank (Mehta Transport), UTI Bank (Axis Bank), IFCI.

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 Tuskur 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 there under 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 (Axis 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) **Nature of Security : For IFCI** - The company hypothecated on 29th April, 1999 in favour of the lender 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
2. particles board plant.

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

i.e) Foreign Currency Loan consists of **IFC-Washington**.



Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

- i.f) 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.
- ii.a) 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.
- ii.b) Banks and financial institutions have stopped giving confirmation of the balances and statements of accounts. Interest on these accounts are being provided as per last agreed rates.
- iii) The details of default given below showing dates and amount (Principal and Interest) referring note no. 2.3.xii is as furnished by the management.
- iv.a) UCO Bank has filed application in DRT - I to recover Rs. 327 Lacs (P.Y. 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 (P.Y. Rs. 62.91 Lacs), matter is pending.
- iv.c) Indusind Bank has filed an application in DRT, Chennai to recover Rs. 164.46 Lacs (P.Y. Rs. 164.46 Lacs) on account of Securitisation loan which is being contested (This relates to Note 2.5 short term borrowing).
- iv.d) Axis Bank has filed an application in DRT, Chennai to recover Rs. 1368 Lacs (P.Y. Rs. 1368 Lacs) which is also being contested.
- 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 (P.Y. US\$ 26,82,877.73) with further interest against the company. The case is being contested.
- 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) Application filed by the company u/s 391 and 394 of the Companies Act for reduction of fresh value of shares from Rs. 10/- to Rs. 2/- and issue of new equity shares to the deposit holders is pending before the Hon'ble Calcutta High Court.
- 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) Consequent upon non compliance by the company with CLB orders regarding repayment to the fixed deposit holders, legal action had been initiated by Serious Fraud Investigation Office before Hon'ble Calcutta High Court. Total dues inclusive of interest is Rs. 15,10,08,331/- as on 31.03.2014.
- x) The entire secured loan accounts of the company except interest accrued and due have become NPA in the books of the lenders. The banks/financial institution have stopped giving statements & confirmations. Although interest on these accounts have been provided in the books as per agreed rates, the said accounts remain unconfirmed. No confirmation has been received in respect of current accounts from most of the banks.


Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)
Note No. 2.3.xii
Consolidated Statement showing defaults in repayment of long term borrowings and interest thereon

Nature of Loan	Refer	Continuing Period of default from	Default as on 31.03.2014		Default as on 31.03.2013	
			Principal (Rs.)	Interest (Rs.)	Principal (Rs.)	Interest (Rs.)
Rupee Term Loan from banks & FI's						
TERM LOAN- UCO A/C	@	8-May-07	25,319,863	60,232,408	25,319,863	49,855,776
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	52,791,898	11,245,969	43,182,277
I.F.C.I. Loan	*	For Principal - 1st Jan '2004	3,837,053		3,837,053	
		For Interest - 1st Apr '2004		15,288,769		12,238,572
Sub-Total			50,321,348	128,313,075	50,321,348	105,276,625
Term Loan in Foreign Currency from banks						
International Finance Corporation, Washington	\$	For Principal 6th Jan'2004	113,589,324		101,746,512	
		For interest 17th Dec' 2003		84,766,301		66,055,223
Sub-Total			113,589,324	84,766,301	101,746,512	66,055,223
Grand - Total			163,910,672	213,079,376	152,067,860	171,331,848

@ 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 loan and the same is in the Debt recovery tribunal.

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

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

Long-term		Short-term	
As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
(Rs.)	(Rs.)	(Rs.)	(Rs.)

2.4 : PROVISIONS

Provision against Non-Performing Assets (a)	85,342,280	85,124,844	—	—
	85,342,280	85,124,844	—	—

- 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. Full provision has also been made against doubtful debtors, loans & advances.

**Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)**

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.5 : SHORT TERM BORROWINGS		
Secured Borrowing		
Working Capital Demand Loan	739,897,143	739,897,142
Cash Credit	327,477,900	327,477,900
	<u>1,067,375,043</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 20th June, 2001 :
- a) Office Space at Nicco House, 2nd Floor, 2 Hare Street, Kolkata-700 001;
 - b) Flat at 718, Dalmal Towers, Nariman Point, Mumbai - 400 021;
 - c) Flat no. 3 at 9, South North Road, Juhu Ville Parle Development Scheme, Mumbai-400 049;
 - d) Premises at 93/4, Karaya Road, 4th Floor, Kolkata - 700 019;
 - 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 for explanatory disclosure.
- v) The details of default given below showing dates and amount (Principal and Interest) referring note no. 2.5.vi is as furnished by the management.


Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.6 : TRADE PAYABLES		
For Goods & Services (a)	19,637,438	20,724,749
	<u>19,637,438</u>	<u>20,724,749</u>

- a) Based on the informations available with the company, there are no dues towards Micro, Small and Medium Enterprises as on 31.03.2014 (P.Y. Nil).

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.7 : OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (Refer Note 2.3)	252,184,457	246,405,570
	<u>252,184,457</u>	<u>246,405,570</u>
Interest accrued but not due on Borrowings (Refer Note no. 2.3.x)	62,734,546	64,216,432
Interest accrued and due on Borrowings	3,760,825,986	3,096,992,323
Employee Cost	112,059	110,892
Duties & Taxes Payable	145,100	179,651
Security Deposit	4,304,385	4,324,385
Retention Money	4,576,443	4,576,443
Securitisaton Dues Payable	99,294,865	99,294,865
Book Overdraft	1,045,869	2,406,864
Payable for Service Tax under litigation	2,932,997	2,932,997
Others	13,706,331	13,704,331
	<u>4,201,863,037</u>	<u>3,535,144,753</u>

Fixed deposit includes unclaimed Fixed Deposits the amount of which cannot be ascertained in view of non receipt of deposit receipts by the Company as the F.D. holders are unwilling to part with the deposit receipts in absence of full and final settlement. The Company is unable to pay to the depositors due to precarious financial condition but paying to such depositors who are approaching the Company with hardship condition. Besides a Scheme of Compromise with FD holders under section 391 & 394 of the Companies Act, 1956 is pending before Hon'ble High Court, Calcutta. For the reasons as explained above the company is unable to ascertain the amount of unclaimed Fixed deposit outstanding for more than seven years and transfer the same to Investors' Education & Protection Fund.



Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

Note No. 2.5.vi

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

Nature of Loan	Period of default from	Default as on 31.03.2014		Default as on 31.03.2013	
		Principal (Rs.)	Interest (Rs.)	Principal (Rs.)	Interest (Rs.)
Working Capital Demand Loan from banks					
(P & S BANK)	1-Apr-04	49,823,355	142,279,598	49,823,355	116,494,572
FEDERAL BANK	1-Nov-05	25,924,317	88,693,359	25,924,317	72,995,582
FBL/MDC/CC-105	1-Nov-05	10,014,065		10,014,065	
UBI	1-Nov-05	53,999,693	188,532,563	53,999,693	155,460,681
UCO BANK	1-Apr-04	240,000,000	724,546,898	240,000,000	599,217,128
WORKING CAPITAL DEMAND LOAN	1-Apr-04	91,900,000	—	91,900,000	—
THE FEDERAL BANK OF INDIA	1-Nov-05	40,000,000	178,346,742	40,000,000	147,072,890
BANK OF BARODA-17	1-Sep-04	32,000,000	119,398,804	32,000,000	99,374,365
BANK OF BARODA-172 MAD		7,813,814		7,813,814	
INDIAN OVERSEAS BANK	1-Apr-04	18,200,000	425,811,217	18,200,000	352,616,574
IOB/MDS CC-14		26,596,950		26,596,950	
IOB-I/N A/C NO-804		4,351		4,351	
THE SOUTH INDIAN BANK LTD.	1-Nov-05	32,000,000	163,865,797	32,000,000	133,906,889
SIBL/MDS CC-1036		8,030,678		8,030,678	
STATE BANK OF TRAVANCORE	1-Feb-04	54,000,000	232,328,167	54,000,000	191,264,381
SBT/MDS(CC-125613)		13,260,881		13,260,881	
SBT/VELLORE		8		8	
SBT/MADURAI		(90)		(90)	
CATHOLIC SYRIAN BANK LTD.	1-Nov-05	28,000,000	147,000,783	28,000,000	119,826,679
CSB/MDS CC-1595		7,000,585		7,000,585	
CBS/MDS/CC-220222		8,990,257		8,990,257	
DENA BANK MADRAS-600001	1-Jun-05	16,000,000	68,934,708	16,000,000	56,807,504
DENA BANK-CC20016		4,006,264		4,006,264	
STATE BANK OF MYSORE	1-Apr-04	12,039,971	35,343,765	12,039,971	29,426,590
SBM/MDS CC-13		101,393		101,393	
CENTRAL BANK OF INDIA	1-Oct-04	36,009,806	161,447,015	36,009,806	132,856,010
INDUSIND BANK	1-Aug-05	10,000,000	250,077,808	10,000,000	201,625,362
INDUSIND BANK MDS/CC15048280		39,931,056		39,931,056	
UTI-BANK LTD.CA-2951 INT.WARRA	1-Apr-04	4,479	—	4,479	—
Sub-Total		865,651,833	2,926,607,224	865,651,833	2,408,945,208
Cash Credit Loan from banks					
UCO BANK - MAIN BRANCH	1-Apr-04	35,675,316	161,100,885	35,675,316	134,412,534
NUACL- FD. CACR-52	1-Apr-04	8,619,258		8,619,258	
PUNJAB & SINDH (CCHPL-3)	1-Apr-04	12,208,114	34,261,764	12,208,114	28,024,195
UBI - CORP.BUS.BRANCH (CC 20039)	1-Nov-05	13,522,496	39,960,914	13,522,496	32,667,876
CANARA BANK	1-Jun-04	7,074,619	22,867,552	7,074,619	18,766,740
DENA BANK	1-Jun-05	18,741,674	68,127,939	18,741,674	56,230,474
FEDERAL BANK - CALCUTTA	1-Nov-05	5,881,711	22,238,225	5,881,711	18,410,968
SBI(IFB)/MDS-CC-974	1-Jul-04	100,000,020	272,581,592	100,000,020	228,202,480
Sub-Total		201,723,210	621,138,871	201,723,210	516,715,267
Total		1,067,375,042	3,547,746,095	1,067,375,042	2,925,660,475

Note No. 2.5. vi (a) : The figures shown above under the column Principal Amount for WCDL and Cash Credit are under reconciliation with the figures under the same head under Note No. 2.5 for both the years.



Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

NOTE 2.8 : TANGIBLE ASSETS

PARTICULARS OF ASSET	GROSS BLOCK			DEPRECIATION			LEASE ADJUSTMENT A/C				NET BLOCK		
	As at 1st April 2013	Additions/Adjustment during the year	Deductions/Adjustment during the year	As at 31st March 2014	As at 1st April 2013	Provided during the year	Deductions/Adjustment during the year	As at 31st March 2014	As at 1st April 2013	Provided during the year	Deductions/Adjustment during the year	As at 31st March 2014	As at 31st March 2013
OWN ASSET													
Land	28,644,942			28,644,942								28,644,942	28,644,942
Building	23,163,692			23,163,692	7,700,723	358,857		805,9580				15,104,112	15,462,969
Furniture, Fixture & Office Equipment	19,720,493	53,542		19,774,035	19,330,295	32,380		1,936,2675				411,360	390,198
Motor Car	4,130,393			4,130,393	3,795,041	36,702		383,1743				298,650	335,352
Windmill	36,100,798			36,100,798	30,012,510	1,714,786		3,172,7296				4,373,502	6,088,288
Machinery	12,669,627			12,669,627	10,188,239	451,883		10,640,122				2,029,505	2,481,388
SUB TOTAL	124,429,946	53,542		124,483,488	71,026,808	2,594,608		73,621,416				50,862,071	53,403,137
Previous Year	124,410,537	19,409		124,429,946	68,289,410	2,737,398		71,026,808				53,403,137	—
FOR LEASE ACTIVITIES													
FINANCE LEASE :													
Computer & Accessories	91,475,691			91,475,691	76,312,549			76,312,549				3,085,975	3,085,975
Machinery	385,899,571			385,899,571	230,526,700			230,526,700				14,965,241	14,965,241
Vehicles	292,491,121			292,491,121	237,949,768			237,949,768				407	407
Office Equipment	13,972,071			13,972,071	12,806,635			12,806,635				76,352	76,352
Generator set	4,461,540			4,461,540	4,461,540			4,461,540				17	17
Furniture & Fixture	16,099,999			16,099,999	14,932,852			14,932,852					
Two Wheeler	884,574			884,574	884,574			884,574					
SUB TOTAL	805,284,567			805,284,567	577,874,618			577,874,618				18,127,992	18,127,992
Previous Year	805,284,567			805,284,567	577,874,618			577,874,618				18,127,992	—
Total of Current Year	929,714,513	53,542		929,768,055	648,901,431	2,594,608		651,496,034				68,990,063	71,531,129
Capital W.I.P. of C. Year	799,600			799,600								799,600	799,600
G. Total of Current Year	930,514,113	53,542		930,567,655	648,901,431	2,594,608		651,496,034				69,789,663	72,330,729
Previous year Total	929,695,104	19,409		929,714,513	646,164,033	2,737,398		648,901,426				71,531,129	—
P. Year Capital W.I.P.	799,600			799,600								799,600	—
G. Total of Previous Year	930,494,704	19,409		930,514,113	646,164,033	2,737,398		648,901,426				72,330,729	—

a) Depreciation amounting to Rs. 1,107/- (Previous Year Rs. 1,116/-) 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.

**Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)****NOTE 2.9 : NON CURRENT INVESTMENTS**

31.03.14	31.03.13	31.03.14	31.03.13		As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Number of Shares/ Securities/ Bonds/Units		Face Value				
INVESTMENTS :-						
Other than trade (Unless otherwise stated)						
(At cost unless otherwise stated)						
FULLY PAID SHARES / SECURITIES						
Equity Shares in Associate Company-Quoted						
3582400	3582400	10	10	Alliance Management & Fiscal services Ltd.	(A) 15,619,264	15,619,264
Equity Shares in Other Companies-Quoted						
4096875	4096875	2	2	Nicco Corporation Ltd.	62,376,305	62,376,305
33000	33000	1	10	Nicco Parks & Resorts Ltd.	34,650	34,650
14500	14500	10	10	Hanuman Tea Co. Ltd.	73,150	73,150
30000	30000	10	10	G R Magnets Ltd.	147,000	147,000
400	400	10	10	Bhagavati Gas Ltd.	920	920
886509	886509	10	10	G.S.L. (India)	21,719,470	21,719,470
2900	2900	10	10	Indian Overseas Bank	69,600	69,600
1750	1750	10	10	Amrit Bansapati Company Ltd.	15,001	15,001
3500	3500	2	2	Archie Limited	31,745	31,745
750	750	10	10	Bata India Ltd.	77,850	77,850
1000	1000	10	10	DIC India Ltd	119,900	119,900
750	750	1	1	Colgate Ltd.	187,418	187,418
12500	12500	10	10	Crystal Cables Industries Ltd.	-	-
3333	3333	5	5	Eveready Industries India Ltd.	59,327	59,327
3333	3333	5	5	McLeod Russell India Ltd.	-	-
300	300	10	10	Ricoh India Limited	3,687	3,687
1500	1500	2	2	HCL Infosys Ltd.	114,000	114,000
2000	2000	1	1	Hindustan Unilever Ltd.	476,400	476,400
25350	25350	10	10	Malvika Steel Ltd.	-	-
500	500	10	10	Pasari Spinning Mills Ltd.	1,860	1,860
100	100	10	10	Shristi Infrastructure Development Corp Ltd	9,400	9,400
-	306	10	10	Rayban Sun Optics India Ltd.	-	-
500	500	10	10	Reliance Capital Ltd	120,130	120,130
2500	2500	1	1	Tata Global Beverages Ltd. (Formerly: Tata Tea Ltd.)	85,200	85,200
1000	1000	1	1	Timex Group India Limited (Formerly: Timex Watches Ltd.)	-	-
21450	21450	10	10	Alumeco India Extrusion Ltd.	-	-
1000	1000	2	2	HDFC Bank Ltd.	-	-
100	100	10	10	IFCI Limited	-	-
100	100	10	10	SBI Home Finance Ltd.	-	-
100	100	10	10	Tourism Finance Corpn. Of India	-	-
5,147,600	5,147,906				(C) 85,723,013	85,723,013


Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)
NOTE 2.9 : NON CURRENT INVESTMENTS (Contd.)

31.03.14	31.03.13	31.03.14	31.03.13		As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Number of Shares/ Securities/ Bonds/Units		Face Value				
Equity Shares in Other Companies-Unquoted						
5	5	50	50	Dalmaal Tower Premises Co-Opt. Society Ltd.	250	250
22,000	22,000	6	6	Hindustan Wire & Metal Products Ltd.	115,500	115,500
1,300	1,300	100	100	Associated Industrial Development Co (P) Ltd.	196,000	196,000
900	900	100	100	Vinicab India Private Limited	90,000	90,000
10,000	10,000	10	10	Coromondal Stamping Stones Ltd.	1	1
20,000	20,000	10	10	Besant Raj International Ltd.	149,000	149,000
118,889	118,889	10	10	Nicco Financial Services Ltd.	1,106,290	1,106,290
50,000	50,000	10	10	Global Procurement Consultants Ltd	325,238	325,238
4,000	4,000	10	10	Dibrusadia Tea Estate Ltd.	1	1
50,000	50,000	10	10	Bishnu Forge Industries Ltd.	1	1
150,000	150,000	10	10	Brunosante Ltd.	2	2
60,000	60,000	10	10	C. K. Exim Pvt. Ltd.	1	1
487,094	487,094			(C)	1,982,284	1,982,284
				TOTAL INVESTMENT IN EQUITY INSTRUMENTS	(A+B+C)	103,324,561
INVESTMENTS IN PREFERENCE SHARES-UNQUOTED						
500,000	500,000	10	10	Prestige Foods Ltd.(10% non-cum.convertible Pref.share)(D)	5,000,000	5,000,000
INVESTMENT IN GOVERNMENT SECURITIES-UNQUOTED						
				NSC (VIII th Issue)	(E)	15,000
INVESTMENTS IN MUTUAL FUNDS-UNQUOTED						
4,105	4,105			HDFC Equity Fund	269,373	269,373
7,389	7,389			HSBC Equity Fund	269,726	269,726
4,202	4,202			FRANKLIN India Bluechip Fund	270,356	270,356
9,828	9,828			PRINCIPAL Growth Fund	266,980	266,980
				ICICI PRUDENTIAL	450,000	450,000
13,800	13,800			# UTI Equity Fund	112,560	112,560
				Total	(F)	1,638,995
AGGREGATE VALUE OF NON-CURRENT INVESTMENT [A to F]					109,978,557	109,978,556
Less : Provision					104,539,921	104,539,921
Net of Provision					5,438,636	5,438,635

	As at 31st March, 2014		As at 31st March, 2013	
	Book Value (Rs.)	Market Value (Rs.)	Book Value (Rs.)	Market Value (Rs.)
Quoted	101,342,277	14,261,606	101,342,277	12,982,460
Unquoted	8,636,279		8,636,279	
	<u>109,978,556</u>		<u>109,978,556</u>	

**Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)**

	Long-term		Short-term	
	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
2.10 : LOANS & ADVANCES				
Unsecured, considered good				
Security Deposits	1,545,335	1,674,464	-	-
Advance Tax & TDS (Net of provision) (Provision Rs. 9,17,57,002/-, P. Y. Rs. 9,17,57,002/-)	3,462,773	3,440,652	-	-
Unsecured, considered doubtful				
Deposits under subjudice	34,000,000	34,000,000	-	-
Loan & Advances to Related Parties				
Unsecured, considered good	-	-	310	-
Advance against supply of Goods and Services				
Unsecured, considered good	-	-	25,000	50,000
Unsecured, considered doubtful	2,229,281	2,278,281	-	-
	<u>36,229,281</u>	<u>36,278,281</u>	-	-
Less : Provision	<u>36,229,281</u>	<u>36,278,281</u>	-	-
Net of Provision	-	-	-	-
Secured, considered good	-	-	30,000	30,000
Other Loans & Advances				
Prepaid Expenses	-	-	223,744	71,482
To Employees	-	-	81,268	27,993
	<u>5,008,107</u>	<u>5,115,116</u>	<u>360,321</u>	<u>179,475</u>

	Non Current		Current	
	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)

2.11 : OTHER ASSETS

Unsecured, considered good				
Interest accrued on Bank Fixed Deposits	-	-	506,008	375,401
Receivable from Windmill customers	-	-	365,708	2,425,350
Excess of planned asset over liability towards gratuity	113,656	51,569	-	-
Excess of planned asset over liability towards leave encashment	386,078	308,410	-	-
Other Receivable	-	-	723,371	-
Unsecured, considered Doubtful				
Residual Value of Assets	9,397,169	9,397,169	-	-
Interest receivable on other deposits	555,983	555,983	-	-
Receivable against Rent	-	193,873	-	-
Disputed Bank Balances in Current Account (Refer note (b), (e), & (f) below)	21,065,262	21,039,825	-	-
Inventory - Stock on Hire under Hire Purchase Agreement including Hire Purchasing Debtors (Refer note (a) & (d))	956,364,793	956,364,793	-	-



Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

NOTE 2.11 : OTHER ASSETS (Contd.)

	Non Current		Current	
	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
Disputed Fixed Deposits with Bank (Refer note (g) below)	1,376,282	1,376,282	-	-
	988,759,490	988,927,926	-	-
Less : Provision	988,759,490	988,927,926	-	-
Net of Provision	-	-	-	-
Other Receivables (Refer note (c))				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	20,293,113	20,104,247	-	-
Less : Provision	(14,062,358)	(14,062,358)	-	-
	6,730,489	6,401,868	1,595,087	2,800,751

- 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.
- Police has submitted a charge-sheet with the criminal court against fraud perpetrated by two employees in 2008-09 involving an amount of Rs. 140.62 lakhs. However full provisions has been made against the amount.
- 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 has been partially completed and follow up action in respect of them has been initiated.
- Positive balance lying in the current accounts with the members of the consortium bank, i.e. Rs.162.11 Lacs (P.Y. Rs.162.11 Lacs) in UCO Bank, Rs.0.19 Lacs (P.Y. Rs.0.19 Lacs) in Bank of Baroda, Rs.3.01 Lacs (P.Y. Rs.3.01 Lacs) in Canara Bank, Rs.0.10 Lacs (P.Y. Rs.0.10 Lacs) in Central Bank of India, Rs.0.01 Lacs (P.Y. Rs.0.01 Lacs) in United Bank of India, Rs.42.53 Lacs (P.Y. Rs.42.53 Lacs) in Indian Overseas Bank, Rs.0.05 Lacs (P.Y. Rs.0.05 Lacs) in State Bank of Mysore, Rs.0.20 Lacs (P.Y. Rs.0.20 Lacs) in State Bank of Travancore amounting in total Rs 208.20 Lacs (P.Y. 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 2.20 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 (P.Y. Rs.13.46 Lacs) with Bank of Baroda, Rs.0.05 Lacs (P.Y. Rs.0.05 Lacs) in Indian Overseas Bank and with other bank amounting to Rs.0.25 Lacs (P.Y. Rs.0.25 Lacs) amounting in total Rs 13.76 Lacs (P.Y. Rs 13.76 Lacs) remain unconfirmed and accordingly was provided for.
- Other receivable forming part of other current assets represents dues from Managing Director (Rs. 7.23 Lakhs).
- Adequate provisions is lying in the books against all doubtful assets.

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.12 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months		
Unsecured , considered Doubtful	29,531,720	29,531,720
Other Receivables		
Unsecured, considered good	—	33,000
	29,531,720	29,564,720

**Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)**

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.13 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account	125,237	165,082
Cash on hand	11,032	11,025
	<u>136,269</u>	<u>176,107</u>
Other Bank Balances		
Fixed Deposit with Banks - (3 to 12 months maturity)	14,508,178	14,875,238
	<u>14,508,178</u>	<u>14,875,238</u>
	<u>14,644,447</u>	<u>15,051,345</u>

	For the year ended 31st March, 2014 Rs.	31st March, 2013 Rs.
2.14 : REVENUE FROM OPERATIONS		
Hire Purchase/ Leasing Income (a)	1,162,049	—
	<u>1,162,049</u>	<u>—</u>

a) HP income includes Rs. Nil (P. Y. Rs. 7.00 Lacs) recovered from NPA parties.

	For the year ended 31st March, 2014 Rs.	31st March, 2013 Rs.
2.15 : OTHER INCOME		
Interest Income		
On Banks Deposits	1,211,006	1,443,808
Dividend Income		
On Long term Investments	245,825	226,073
Net Gain / (Loss) on sale of Investments		
On Long Term-Investments	—	—
Other Non Operating Income		
Income from Electricity Generation at Windmill	1,885,273	2,447,124
Excess Liabilities, Unclaimed Balances and Provisions written back	9,253,184	43,722,150
Sundry Receipts	10,161,012	212,583
	<u>22,756,301</u>	<u>48,051,738</u>


Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	For the year ended	
	31st March, 2014	31st March, 2013
	Rs.	Rs.
2.16 : (INCREASE)/ DECREASE IN INVENTORIES		
Inventories at the beginning of the year		
Stock on Hire under Hire Purchase Agreement including Hire Purchase Debtors	956,364,794	956,364,794
Inventories at the end of the year		
Stock on Hire under Hire Purchase Agreement including Hire Purchase Debtors	956,364,794	956,364,794
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

	For the year ended	
	31st March, 2014	31st March, 2013
	Rs.	Rs.
2.17 : EMPLOYEE BENEFIT EXPENSE		
Salaries & Wages	2,264,976	2,851,048
Contribution to Provident & Other Funds	158,341	367,941
Staff Welfare Expenses	307,580	255,371
	<u>2,730,897</u>	<u>3,474,360</u>

	For the year ended	
	31st March, 2014	31st March, 2013
	Rs.	Rs.
2.18 : FINANCE COST		
Interest Expenses		
On Public Fixed Deposits	5,436,288	6,288,115
On Term Loan from Financial Institutions and Others	44,964,389	21,015,830
On Loans from Banks for Working Capital	625,136,331	540,386,081
	<u>675,537,008</u>	<u>567,690,026</u>
Other Borrowing Cost		
Foreign Exchange Loss (a)	5,575,755	5,987,304
	<u>681,112,763</u>	<u>573,677,330</u>

- a) Subsequent to cessation of SWAP agreement with UCO Bank, foreign currency loan has been valued at the rate prevailing as at close of 31.03.2014 and exchange difference arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest cost shown above.

**Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)**

	For the year ended	
	31st March, 2014	31st March, 2013
	Rs.	Rs.
2.19 : OTHER EXPENSES		
OPERATING & ADMINISTRATION		
Power & Fuel	128,802	134,760
Insurance	34,903	43,058
Repairs to Buildings	—	52,401
Rent	83,031	177,915
Motor Car Expenses	531,781	549,589
Conveyance & Travelling	782,907	332,225
Rates & Taxes	505,771	52,484
Printing & Stationary	467,072	478,307
Professional & Consultancy Fees	495,570	363,629
Auditor's Remuneration		
As Statutory Audit Fees	114,397	185,394
Windmill Expenses	562,706	320,470
Office Maintainance	371,680	237,052
Legal Charges	1,574,338	937,715
Postage & Courier Charges	236,582	396,698
Prior Period Expense	65,448	83,063
Provision for Doubtful Deposits	80,599	—
Stock Exchange Fees	143,260	144,034
Directors' Fees	172,000	172,000
Miscellaneous Expenses	761,814	357,723
	<u>7,112,661</u>	<u>5,018,517</u>

	For the year ended	
	31st March, 2014	31st March, 2013
	Rs.	Rs.
2.20 : DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Tangible Assets	2,593,501	2,736,282
	<u>2,593,501</u>	<u>2,736,282</u>

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 except for maintaining excess provision against Non Performing Assets (NPA) to cover any future eventualities.



Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

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 2014 (Rs. in lacs)	As at 31st March 2013 (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
Total		27.50	27.50

- 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 No exercise of impairment was undertaken as authorised under para vi of AS 28.

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 Companies (Accounting Standards) Rules, 2006.

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 net deferred tax asset arising as at 31.03.2014 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. Subsidiary Company	Nicco Insurance Agents & Consultants Ltd.
2. Associates	Alliance Management & Fiscal Services Ltd.
3. Key Management personnel	L. N. Kaul - Managing Director J. Mukherjee - Chief Financial Officer S. S. Majumdar - Company Secretary

**Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)****Transaction with related parties**

Nature of Transaction	2013-14 (Rs. In lacs)	2012-13 (Rs. In lacs)	Related parties
Remuneration & others	5.18	13.61	Key Management personnel
Expenses incurred	—	—	
Advance paid	—	—	
Balance as on 31.03.2014 :			
Expenses recoverable	—	—	Associate Company
Advance recoverable (Net)	—	—	
Investment in equity shares (fully provided for)	156.19	156.19	
Investment in equity shares	—	—	

2.29 Other receivable Rs. 7.23 Lacs - Key Management Person.

For the year ended
31st March, 2014
Rs.

For the year ended
31st March, 2013
Rs.

2.30 EARNINGS PER SHARE

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	(669,539,798)	(536,823,911)
(iii) Basic Diluted Earnings per share (in Rs.) [(ii)/(i)]	(16.68)	(13.37)

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 Companies (Accounting Standards) Rules, 2006.

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 31.03.2014 Rs. in lacs	For the year ended on 31.03.2013 Rs. in lacs
Provident Fund	0.41	0.34
Employees Pension Scheme	0.54	0.64
Total	0.95	0.98


Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

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

(Rs. in lacs)

Description	Gratuity		Leave Salary	
	(Funded) 2013-14	(Funded) 2012-13	(Funded) 2013-14	(Funded) 2012-13
A. Reconciliation of opening and closing balances of obligation				
a) Obligation as on Opening date	11.59	10.50	6.63	6.33
b) Past Service Cost	—	—	—	—
c) Current Service Cost	0.70	0.69	0.18	0.18
d) Interest cost	0.99	0.83	0.56	0.50
e) Actuarial (gain)/loss	(1.03)	(0.15)	(0.67)	(0.20)
f) Benefits paid	—	0.28	—	0.17
g) Obligation as at Closing date	12.25	11.59	6.70	6.63
B. Change in Plan Assets (Reconciliation of opening & closing balances)				
a) Fair value of plan assets as on Opening date	12.11	11.15	9.71	9.08
b) Expected return on plan assets	1.06	0.89	0.85	0.73
c) Actuarial gain/(loss)	0.01	0.12	—	0.09
d) Contributions by the employer	0.20	0.22	—	—
e) Benefits paid	—	0.28	—	0.17
f) Fair value of plan assets as at Closing date	13.38	12.11	10.57	9.72
C. Reconciliation of fair value of plan assets and present value of defined benefit obligation				
a) Present value of obligation on closing date	12.25	11.59	6.70	6.63
b) Fair value of plan assets on closing date	13.38	12.11	10.57	9.72
c) Amount recognised in the balance sheet Net Asset / (Liability)	1.13	0.52	3.87	3.08
D. Expense recognized in the period				
a) Current Service Cost	0.70	0.69	0.18	0.18
b) Past Service Cost	—	—	—	—
c) Interest Cost	0.99	0.83	0.56	0.50
d) Expected return on plan assets gain/(loss)	1.05	0.89	0.85	0.73
e) Actuarial gain/(loss)	1.06	0.27	0.67	0.29
f) Expense recognised in the period (a to e)	(0.42)	0.36	(0.78)	(0.34)
	2013-14		2012-13	
E. Assumptions				
a) Discount rate (per annum) (%)	8.00%		8.00%	
b) Estimated rate of return on plan assets (per annum) (%)	8.00%		8.00%	
c) Inflation rate (%)	6.00%		6.00%	
d) Remaining working life (in years)	6		6	
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	



Consolidated Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

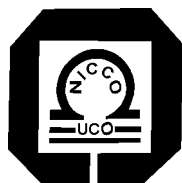
- F. The plan assets created against the Gratuity and Leave Encashment liability of the company wholly comprised of the rights under insurance policies taken from the LIC.
- G. Super Annuation Fund - The entitlement of pension accrues to the eligible employee after completion of 15 years of service beyond a specific grade at normal retirement age. As total service period as on 31.03.2014 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.1.36 Lacs (P.Y. 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. 0.95 Lacs during the year (P.Y. Rs. 0.98 Lacs) is recognised as expenses and included in 'Employee Benefit Expenses'. Shortfall of Rs. 0.03 (P.Y. Rs. 0.25) in contribution to such provident funds has been provided to the extent of the information available with the company.
- 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** Land & Building (in excess of its own use) & shares (unquoted shares other than of subsidiary companies or company in the same group) amounting to Rs. 292.85 lacs & 6.80 lacs respectively held by the company in contravention of Para 19 of Non Banking Financial (Deposit accepting or holding) Companies, Prudential Norms, (Reserve Bank) directions, 2007 in regards to Restriction on investment in land and building and unquoted shares.
- However most of such assets are charged with Bank and Financial Institutions and cannot be liquidated to bring the same within limits of prudential norms as mentioned above.
- 2.36** A writ petition has been filed by the company before Hon'ble Calcutta High Court against the decision of the MINISTRY OF CORPORATE AFFAIRS in respect of extension of period of appointment of Mr. L. N. Kaul, Managing Director. Pending further development, as a matter of abundant precaution, the amount paid to him between 15.04.13 and 31.03.14 against his emoluments has been shown under other receivables.
- 2.37** The previous year figures have been regrouped / restated wherever considered necessary.

As per our Report of even date annexed
For G. BASU & CO.
Chartered Accountants
Firm Regn. No. 301174E
G. Guha
Partner
M. No. 054702
3, Chowringhee Approach
Kolkata - 700 072
the 30th day of May, 2014

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. S. S. Majumdar
Mr. J. Mukherjee

Chairman
Managing Director
Director
Director
Director
Company Secretary
Chief Financial Officer



Annual Report 2013 - 2014

NICCO UCO ALLIANCE CREDIT LIMITED