



28th ANNUAL GENERAL MEETING  
 Date : 22nd September, 2011  
 Day : Thursday  
 Time : 11.00 a.m.  
 Place : ``Williamson Magor Hall`` of  
 The Bengal Chamber of  
 Commerce & Industry  
 6, Netaji Subhas Road,  
 Kolkata 700 001

## Contents

	Page
1. Notice	4
2. Directors' Report	12
3. Auditors' Report	31
4. Balance Sheet	34
5. Profit & Loss Account	35
6. Cash Flow Statement	36
7. Schedules to the Balance Sheet and Profit & Loss Account	37
8. Significant Accounting Policies & Notes to Accounts	47
9. Balance Sheet Abstract & Company's General Business Profile	63
10. Statement regarding Subsidiary Companies, pursuant to Section 212 of the Companies Act, 1956	64
11. Consolidated Financial Statements	65-90
(a) Auditors' Report	
(b) Consolidated Balance sheet	
(c) Consolidated Profit & Loss Account	
(d) Consolidated Cash Flow Statement	
(e) Schedules to the Consolidated Balance Sheet and Profit & Loss Account	
(f) Consolidated Significant Accounting Policies & Notes to Accounts	

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr Rajive Kaul  
Mr Udayan Ray  
Dr Tridibesh Mukherjee  
Mr Narottam Das  
Mr Prabir Chakravarti  
Mr Dharendra Nath Bhattacharjee  
Mr Sujit Poddar  
Mr Sanjoy Bhattacharya  
Ms Pallavi Priyadarshini Kaul  
Mr Shiv Siddhant Narayan Kaul  
Dr Dilip Kumar Datta  
Mr Umesh Kumar (TDB nomination withdrawn w.e.f. 29th July, 2011)  
Dr P S Raju (TDB nominated w.e.f. 29th July, 2011)

Chairman  
Managing Director & CFO.

### GENERAL MANAGER & CO. SECRETARY

Mr Indranil Mitra (w.e.f. 4th May 2011)

### AUDITORS

Messrs G Basu & Co.,  
Chartered Accountants, Kolkata

### BOARD COMMITTEES

#### Audit Committee

Mr Narottam Das	Chairman
Mr Prabir Chakravarti	Member
Mr Sujit Poddar	Member
Mr Dharendra Nath Bhattacharjee	Member
Mr Indranil Mitra	Secretary

### SOLICITORS

Messrs Khaitan & Co., Kolkata

#### Compensation & Remuneration Committee

Mr Narottam Das	Chairman
Mr Prabir Chakravarti	Member
Mr Sujit Poddar	Member

### BANKERS

Allahabad Bank  
Canara Bank  
Central Bank of India  
State Bank of India  
State Bank of Bikaner & Jaipur  
State Bank of Travancore  
UCO Bank

#### Share Transfer Committee

Mr Rajive Kaul	Chairman
Mr Udayan Ray	Member
Mr Sanjoy Bhattacharya	Member
Ms Pallavi Priyadarshini Kaul	Member
Mr Shiv Siddhant Narayan Kaul	Member

### REGISTERED OFFICE

Nicco House,  
2 Hare Street, Kolkata-700 001  
Phone No.: (033) 6628 5000  
Fax No. : (033) 2230 9443

#### Shareholders' Grievances Committee

Mr Narottam Das	Chairman
Mr Dharendra Nath Bhattacharjee	Member
Mr Udayan Ray	Member
Mr Sanjoy Bhattacharya	Member
Ms Pallavi Priyadarshini Kaul	Member
Mr Shiv Siddhant Narayan Kaul	Member

### WORKS

1. Shamnagar, 24-Parganas (North), West Bengal
2. Baripada Dist. Mayurbhanj, Orissa



**NAMES & ADDRESSES OF THE STOCK EXCHANGES WHERE THE SHARES OF THE COMPANY ARE LISTED AND WHETHER LISTING FEES PAID.**

(Pursuant to Clause 49 of the Listing Agreement)

National Stock Exchange of India Ltd.,  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai-400 051  
e-mail : [cmlist@nse.co.in](mailto:cmlist@nse.co.in)

The Company has already paid Annual Listing Fees for the year 2011-12 to the above mentioned Stock Exchange.

**WEBSITE :**

[www.niccogroup.com](http://www.niccogroup.com)

**E-mail Id for Investors :**

[investorsservices@niccocorp.com](mailto:investorsservices@niccocorp.com)

**REGISTRARS & SHARE TRANSFER AGENTS**

M/s R & D Infotech Pvt. Ltd.

1st Floor, 7A Beltala Road

Kolkata-700 026

Phone No : (033) 2419-2641/2

E-mail Id : [rdinfotec@yahoo.com](mailto:rdinfotec@yahoo.com)

[rd.infotech@vsnl.net](mailto:rd.infotech@vsnl.net)

## Notice of the Annual General Meeting to the Members

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Nicco Corporation Limited will be held on Thursday, the 22nd September, 2011 at 11.00 a.m. at the "Williamson Magor Hall" of The Bengal Chamber of Commerce & Industry, 6 Netaji Subhas Road, Kolkata 700 001, to transact the following business :

### ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit & Loss Account of the Company for the year ended on 31st March, 2011, the Balance Sheet as on that date and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr Shiv Siddhant Narayan Kaul who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr D N Bhattacharjee who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Sujit Poddar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr Prabir Chakravarti who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS :

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION :  
"RESOLVED that Dr. Dilip Kumar Datta be and is hereby appointed as a Director of the Company, whose period of Office will be liable for determination by retirement of Directors by rotation."
8. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION :  
"RESOLVED that Dr P S Raju be and is hereby appointed as a Director of the Company, whose period of Office will be liable for determination by retirement of Directors by rotation."
9. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION :  
"RESOLVED that the Company hereby accords its approval and consent under section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to such other approvals/clearances as may be required to the Re-appointment of and to the payment of remuneration to Mr Udayan Ray as Managing Director & CFO of the Company for a further period of one year with effect from 1st October, 2011 to 30th September, 2012 upon the terms & conditions and stipulations and on the remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with an authority and power to the Board of Directors of the Company ("The Board") to alter and vary the terms and conditions, referred to above, in such manner as may, from time to time, be stipulated by the Central Government or as may be in consonance with the applicable provisions of law and as may be agreed to by and between the Board and Mr Udayan Ray within the overall ceiling prescribed under Schedule XIII of the Act.  
"RESOLVED FURTHER that the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to this resolution."
10. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION :  
"RESOLVED that consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members together with the index of Members and copies of all returns prepared under section 159 and 160 of the Companies Act, 1956, as also the copies of certificates and documents required to be annexed thereto under section 160 and 161 of the Companies Act, 1956, at the Office of the Registrar and Share Transfer Agents of the Company, M/s R&D Infotech Pvt. Ltd, located at 1st Floor, 7A Beltala Road, Kolkata 700 026, (previously located at 22/4, Nakuleshwar Bhattacharya Lane, Ground Floor, Kolkata 700 026)."

Registered Office:

NICCO HOUSE  
2 Hare Street  
Kolkata 700 001

By Order of the Board  
NICCO CORPORATION LIMITED

INDRANIL MITRA  
General Manager & Company Secretary

Dated, the 29th July, 2011



## NOTES

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself and the Proxy need not be a member of the Company.**
2. **Proxies in order to be effective must be received by the Company, not less than 48 hours before the commencement of the Meeting.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 12th September, 2011 to Thursday, the 22nd September, 2011, (both days inclusive).
4. Members are requested to produce the enclosed Attendance Slip, duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the Meeting Hall.
5. Members, who hold shares in the de-materialised form are requested to bring their Client ID and DP ID Numbers for easier identification of attendance at the meeting.
6. A Member desirous of getting any information on the Accounts or operations of the Company, is requested to forward his/her queries to the Company at least seven working days prior to the Meeting, so that the required information can be made available at the Meeting.
7. Members holding shares in physical form are requested to notify immediately any change in their address and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialised form, this information should be passed on directly to their respective Depository Participants and not to the Company/Registrar & Share Transfer Agent, without any delay.
8. In all correspondence with the Company, Members are requested to quote their account/folio numbers and in case their shares are held in the dematerialised form, they are requested to quote their DP ID and Client ID Numbers.
9. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to the amendment in the Companies Act, 1956. Members desiring to avail this facility may send their Nomination Form duly filled in, to the Company or its Registrar & Share Transfer Agent by quoting their respective Folio Numbers.
10. Information u/s 205A read with the Companies' Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 as amended is given below :
  - (i) Pursuant to section 205 of the Companies Act, 1956, all unclaimed/unpaid dividends upto the Financial Year ended on 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period are requested to forward their claims in Form No. II prescribed under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the Office of the Registrar of Companies, West Bengal, 234/4, A J C Bose Road, Kolkata 700 020.
  - (ii) Consequent upon amendment in section 205A of the Companies Act, 1956 and introduction of section 205C by the Companies (Amendment) Act, 1999 the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. In compliance with the said provisions of the Act, all Unclaimed Dividends pertaining to the Financial Year ended on and from 31st March, 1995 to 31st December, 1998 have already been transferred to IEPF and no payments shall be made in respect of any such claims by the Fund.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents.
12. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice/documents including Annual Report can be sent by e-mail to its members. Therefore, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail ids with the Registrar and Share Transfer Agents.
13. An Explanatory Statement as required under section 173(2) of the Companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto and forms part of this Notice.

## ANNEXURE TO NOTICE

**EXPLANATORY STATEMENT**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2)  
OF THE COMPANIES ACT, 1956**ITEM NO. 7 — Appointment of Dr. Dilip Kumar Datta as a Director**

Dr Dilip Kumar Datta was appointed as a Director of the Company by your Board at its Meeting held on 31st January, 2011 in the vacancy caused by the death of Dr L R Vaidyanath.

A Notice has been received from a member, as required by section 257 of the Companies Act, 1956 proposing Dr Dilip Kumar Datta for the Office of the Director.

Dr Datta has worked in various positions since 1970 including his association with IRBI from 1985 to 1992. He is a specialist in turnaround management and in handling various companies' cases which are under the purview of BIFR/AAIFR. He is also specialised in assessing Techno Economic viability of various projects and undertakes such assignments on behalf of various banks and financial institutions in India and abroad. Additionally, Dr Datta is also a visiting faculty at various Management Institutes.

Your Board is of the opinion that Dr Datta will be a suitable replacement of Dr L R Vaidyanath and that the Company will be immensely benefitted by his association as its Director.

The Board commends the resolution for your approval.

Except Dr Dilip Kumar Datta, none of the other Directors are interested in the resolution.

**ITEM NO. 8 — Appointment of Dr P S Raju as a Director**

Dr P S Raju, Director — Finance of Technology Development Board (TDB) has been appointed as an Additional Director of the Company, on 29th July, 2011, as Nominee Director of TDB, pursuant to the withdrawal of nomination by TDB of Mr Umesh Kumar. In terms of the applicable provisions of the Companies Act, 1956 and Article 124 of the Articles of Association of the Company, the aforesaid Director holds his office upto the date of this Annual General Meeting. The Company has received a separate Notice under Section 257 of the Companies Act, 1956, along with the requisite deposit, from a Member of the Company, signifying his intention to propose the appointment of the said Director at the ensuing Annual General Meeting. The said Director has also filed his Consent pursuant to the provisions of section 264(1) of the Companies Act, 1956, to act as a Director, if appointed.

Dr Raju has got wide experience in Project monitoring and Financial review of the Technology Development Projects.

Considering his experience as stated above, the Board considers that the Company will benefit from the appointment of Dr P S Raju as a Director and recommends that this Ordinary Resolution as set out in Item No. 8 of the attached Notice be adopted by the Members.

The particulars of Dr P S Raju, which are required to be disclosed pursuant to Clause 49 IV(G) of the Listing Agreement are mentioned in the enclosed Annexure 'B'.

Excepting Dr P S Raju, who is interested in his appointment, none of the Directors of the Company is in any way concerned or interested in the said resolution.

**ITEM NO. 9 — Re-Appointment of Mr Udayan Ray as Managing Director & CFO**

Mr Udayan Ray was earlier appointed as Managing Director of the Company for the period from 1st February, 2009 to 30th September, 2011 on the terms approved by the Members at the Annual General Meeting held on 16th September, 2009 at a remuneration of Rs. 1,15,000/- per month in the scale of Minimum Rs. 90,000/- per month to Maximum Rs. 1,40,000/- per month.

Mr Udayan Ray was redesignated as Managing Director and Chief Financial Officer (CFO) with effect from 1st September, 2010, as approved by the Board of Directors at its Meeting held on 31st July, 2010.

The present term of appointment of Mr Udayan Ray as Managing Director is scheduled to expire on 30th September, 2011. His present salary is Rs. 1,40,000/-.

On the recommendation of the Compensation & Remuneration Committee, the Board of Directors of the Company at its Meeting held on 29th July, 2011 reappointed Mr Udayan Ray as Managing Director & CFO of the Company for the period from 1st October, 2011 to 30th September, 2012, on the terms and conditions, subject to the approval of the Members of the Company in a General Meeting and such approvals/clearances as may be required.

Mr Udayan Ray is a Postgraduate in Commerce and a Fellow of The Institute of Cost & Works Accountants of India.

He has worked in senior positions in various Companies/Organisations since 1970. He was Director (Finance) in Andrew Yule & Co Ltd., Director in Tide Water Oil Co. Ltd. and Dishergarh Power Supply Ltd. He was with Balmer Lawrie for around 20 years and held senior positions as Director in Balmer Lawrie-Fuchs Ltd. He also served as Chief Executive in Indian Container Leasing Co. Ltd., General Manager (SBU-Head-Calcutta Operations & Lubricants) and General Manager (Personnel). He also held the position of Secretary, the Institute of Cost & Works Accountants of India.

He is 66 years of age with 41 years of wide, extensive experience in Finance, Treasury, Taxation, Operations and Human Resource Management. His original date of appointment with the Company as a Director is 30th July, 2003.



Mr Udayan Ray shall hold office as Managing Director & CFO for the period from 1st October, 2011 till 30th September, 2012. In accordance with the terms and conditions of appointment as Managing Director & CFO, Mr Udayan Ray will be entitled to the remuneration and perquisites as mentioned in the enclosed Annexure 'A'. (For items not separately specified in Annexure 'A' the rules of the Company shall be applicable)

The particulars of Mr Udayan Ray, which are required to be disclosed pursuant to Clause 49IV(G) of the Listing Agreement are mentioned in the enclosed Annexure 'B'.

This, read with the enclosed Annexure 'A', should be considered as an Abstract of the terms of appointment of Mr Udayan Ray as Managing Director & CFO of the Company and a Memorandum as to the nature of the concern or interest of the Directors in the said re-appointment as required under section 302 of the Companies Act, 1956.

Excepting Mr Udayan Ray, who is interested in his appointment and the remuneration payable to him, no other Director is concerned or interested in the said re-appointment and payment of remuneration.

Considering his achievements, educational background and experience as stated above, the Board considers that the Company will benefit from the re-appointment of Mr Udayan Ray as Managing Director & CFO and recommends that this Ordinary Resolution as set out in Item No. 9 of the attached Notice be adopted by the Members.

#### **ITEM NO. 10**

The Shareholders of the Company had accorded their consent to the Board of Directors of the Company for keeping the Register of Members together with the index of Members and copies of all returns prepared under section 159 and 160 of the Companies Act, 1956, as also the copies of certificates and documents required to be annexed thereto under section 160 and 161 of the Companies Act, 1956, at the Office of the Registrars and Share Transfer Agents of the Company, M/s R&D Infotech Pvt. Ltd., located at 22/4 Nakuleshwar Bhattacharya Lane (Ground Floor), Kolkata 700 026, at the Extra Ordinary General Meeting held on 28th March, 2007.

M/s R&D Infotech Pvt. Ltd., is shifting its Office to 1st Floor, 7A Beltala Road, Kolkata 700 026 from 22/4 Nakuleshwar Bhattacharya Lane (Ground Floor), Kolkata 700 026.

To enable the Company to keep its statutory records and documents at a place other than its Registered Office, approval of the Shareholders is required pursuant to section 163 of the Companies Act, 1956, and therefore, approval of the Shareholders is sought to be taken for keeping the aforesaid records and documents at the Office of the said Registrars and Share Transfer Agents. Your Board feels that the shifting of the Company's aforesaid records to its Registrars and Share Transfer Agents, at the new address will be in the best interest of the Company and recommends acceptance of the resolution.

None of your Directors is concerned or interested in the resolution.

The Resolution set out in Item No. 10 may be considered accordingly and the Board of Directors recommend the same for your approval.

Registered Office:

NICCO HOUSE  
2 Hare Street  
Kolkata 700 001

By Order of the Board  
NICCO CORPORATION LIMITED

INDRANIL MITRA  
General Manager & Company Secretary

Dated, the 29th day of July, 2011

## ANNEXURE - 'A'

In accordance with the terms and conditions of Re-appointment, Mr Udayan Ray will be entitled to the remuneration and perquisites as mentioned herein below:

(For items not separately specified herein below, the rules of the Company shall be applicable)

## TERMS &amp; CONDITIONS:

## I. Salary :

Rs 1.60 lacs per month.

## II Commission :

At the rate of 1% of the net profits of the Company, computed in the manner as laid down in Section 309(5) of the Companies Act, 1956, subject to a ceiling of 14 months' salary.

## III Duties

Subject to the superintendence, control and direction of the Chairman/Board of Directors of the Company ("Board"), Mr. Udayan Ray, Managing Director & CFO, shall have the responsibility of overall management of the business of the Company including Project Division, Cables Division and Corporate Division, as also the overall responsibility for all matters relating to Finance (Treasury Functions), Accounts, Statutory Audit, Cost Audit, Management Information Systems, and for that purpose, shall have the power to do all such acts, deeds and things on behalf of the Company or as may be required or delegated to him by the Chairman/Board.

## IV Period :

From 1st October, 2011 to 30th September, 2012.

## V. Perquisites :

Perquisites shall be in addition to Salary and Commission and they shall be restricted to the following :

- i) Servant Allowance : Rs. 3,000/- p.m.
- ii) Reimbursement of Gas & Electricity expenses : Actuals. Expenses incurred on Gas & Electricity, to be valued as per Income Tax Act, 1961.
- iii) Reimbursement of Club & Home Entertainment expenses : Upto a ceiling of Rs. 90,000/- p.a.
- iv) Reimbursement of Soft Furnishing expenses : Upto a ceiling of Rs. 30,000/- p.a. Furnishings to be valued as per Income Tax Act.
- v) Leave Travel Assistance : Upto a ceiling of Rs. 50,000/- p.a.
- vi) Medical reimbursement in a block period commencing from 1st February, 2009 to 30th September, 2011 : Proportionate amount, on the basis of 1 month's salary for each year of completed service (Board/Chairman authorised to relax ceiling), in addition to Insurance for hospitalisation/Nursing Home Treatment.
- vii) Personal Accident Insurance Premium : Upto Rs 5,000/- p.a.
- viii) Reimbursement of Fees to Professional Institutes : Actuals
- ix) Provident Fund/Superannuation Fund : The Company's contribution to Provident Fund and Superannuation Fund shall be in accordance with the Rules and Regulations of the Company. Such contributions to Provident Fund and Superannuation Fund shall not be included in the computation of the ceiling on remuneration to the extent that these either singly or put together, are not taxable under the Income Tax Act, 1961.
- x) Gratuity : Gratuity in accordance with the Rules and Regulations of the Company and this will also not be included in computing limits for remuneration as aforesaid.
- xi) Leave : Leave accumulated shall be encashable at the end of the tenure as per the Company's Rules. Encashment of Leave at the end of the tenure will not be included in the computation of the ceiling on remuneration.





- xii) Car & Telephone : The Company shall provide car and telephone at residence. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Use of car for private purposes shall be treated as perquisites as per Income Tax Rules.

VI. Minimum Remuneration :

Notwithstanding anything to the contrary contained herein, where in any Financial Year, during the currency of tenure of Mr Udayan Ray, Managing Director & CFO, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites as specified above, as minimum remuneration, not exceeding the applicable ceiling limit specified in Part II (Section II-I) of the Schedule XIII to the Act or such other modified ceiling as may be notified, provided that the following perquisites will not be included in computation of the ceiling limit:

- a) contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
- b) Gratuity payable as per rules of the Company; and
- c) Encashment of leave at the end of the tenure.

The above remuneration is within the ceiling laid down in sections 198, 269 and 309, read with Schedule XIII, of the Companies Act, 1956.

VII. General :

1. The above terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing Directors/Wholetime Directors in accordance with Schedule XIII to the Act, or any amendments made thereafter in this regard.
2. The appointment may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.
3. If at any time, the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.
4. If at any time the Managing Director ceases to be the Managing Director of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
5. The Managing Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(l) of the Act, while at the same time, the Managing Director is liable to retire by rotation.
6. If at any time, the Managing Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
7. The Managing Director shall not be entitled to supplement his earnings under the appointment with any buying or selling commission. He shall also not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.

**ANNEXURE - 'B'**
**Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting**  
(In pursuance of Clause 49 IV(G) of the Listing Agreement)

Name of the Director	Mr Shiv Siddhant Narayan Kaul	Mr D N Bhattacharjee
Date of Birth	24.10.1977	01.03.1935
Date of appointment	31.10.2007	19.09.2001
Expertise in specific functional areas	Management, experience in Finance, US Treasuries and in Asset Liability Management	Wide experience in Legal Matters and General Administration
Qualification	MSE, Operations Research and Financial Engineering from Princeton University, Princeton, NJ and Bachelor of Arts, Economics and Computer Science from College of Wooster, Wooster, OH	Undergraduate
List of other Companies in which Directorships held	1. Nicco Engineering Services Ltd. 2. Nicco Financial Services Ltd.	Nil
Memberships/Chairmanships of Committees of Directors of the Company	Shareholders' Grievances Committee – Member	1. Audit Committee – Member 2. Shareholders' Grievances Committee – Member
Memberships/Chairmanships of Committees of Directors of other Companies	Nil	Nil
Shareholding of Non-Executive Directors as stated in Clause 49(IV)(E)(v)	Nil	1

Name of the Director	Mr Sujit Poddar	Mr Prabir Chakravarti
Date of Birth	02.07.1947	30.04.1944
Date of appointment	31.05.2006	19.09.2001
Expertise in specific functional areas	Industrial Relations	Wide experience in running of various Industries
Qualification	B.A., L.L.B.	B.A. (Econ) Hons, M.A. (Econ) L.L.B. and MBA (U.K.)
List of other Companies in which Directorships held	1. Choicest Enterprises Ltd. 2. Globsyn Technologies Ltd. 3. Globsyn Infotech Ltd. 4. Infinity Infotech Park Ltd. 5. Luxmi Township Ltd. 6. Luxmi Tea Co. Ltd. 7. Nicco Parks & Resorts Ltd. 8. Bhagirathi Greenfield Pvt. Ltd. 9. Omex Trexim (P) Ltd. 10. PKD Projects Private Ltd 11. Sombit Commercial (P) Ltd. 12. Space Solution Pvt. Ltd. 13. Wellside Hotels & Resorts Private Ltd.	1. Baghmari Tea Co. Ltd. 2. Bhoruka Aluminium Ltd. 3. Nicco Financial Services Ltd. 4. Reliance Jute Mills (International) Ltd. 5. VCS Consultancy Ltd. 6. B.N.K. Capital Markets Ltd. 7. Jayshree Chemicals Ltd. 8. Sri Girijaprasanna Cotton Mills Ltd. 9. Mangalam Timber Products Ltd. 10. Bally Investment Trust Pvt. Ltd.
Memberships/Chairmanships of Committees of Directors of the Company	1. Audit Committee – Member 2. Compensation & Remuneration Committee – Member	1. Audit Committee – Member 2. Compensation & Remuneration Committee – Member
Memberships/Chairmanships of Committees of Directors of other Companies	1. Nicco Parks & Resorts Ltd. (a) Audit Committee – Member (b) Remuneration Committee – Chairman 2. Globsyn Technologies Ltd. (a) Audit Committee – Chairman (b) Remuneration Committee – Member 3. Infinity Infotech Parks Ltd. Audit Committee – Member	1. Bhoruka Aluminium Ltd. (a) Audit Committee – Member (b) Managerial Remuneration Committee – Chairman 2. BNK Capital Markets Ltd. (a) Audit Committee – Member 3. Jayshree Chemicals Ltd. (a) Audit Committee – Member (b) Remuneration Committee – Member (c) Investors' Grievances Committee – Member
Shareholding of non-executive Directors as stated in clause 49(IV)(E)(v)	Nil	100



Name of the Director	Dr Dilip Kumar Datta	Dr P S Raju
Date of Birth	07.09.1945	18.01.1968
Date of appointment	31.01.2011	29.07.2011
Expertise in specific functional areas	Specialised in assessing Techno Economic Viability of various Projects and undertakes such assignments on behalf of various Banks and Financial Institutions in India & abroad.	Director – Finance, TDB. Experience in various fields of indigenous development and Project Monitoring and Financial Review of Technology Development Projects.
Qualifications	M.Tech (Chemical Engineering), MBA (Finance) and Ph.D. (Business Management)	Ph.D. in Bio-Technology Anna University, Chennai, M.Sc. in Zoology, Banaras Hindu University
List of other Companies in which Directorships held	1. The Ganges Manufacturing Co. Ltd. 2. Sayantan Consultants (P) Ltd.	Nil
Memberships/Chairmanships of Committees of Directors of the Company	Nil	Nil
Memberships/Chairmanships of Committees of Directors of other Companies	The Ganges Manufacturing & Co. Ltd. a) Management Committee – Member b) Audit Committee – Member	Nil
Shareholding of Non-Executive Directors as stated in Clause 49(IV)(E)(v)	Nil	Nil

Name of the Director	Mr Udayan Ray
Date of Birth	01.06.1945
Date of appointment	30.07.2003
Expertise in specific functional areas	Extensive experience in Finance, Treasury, Taxation, Operations and Human Resources Management
Qualifications	Post Graduate in Commerce, F.I.C.W.A.
List of other Companies in which Directorships held	1. Nicco Engineering Services Ltd. 2. Nicco Biotech Ltd. 3. NE Cables Ltd. 4. Nicco Cables Ltd. 5. Nicco Ventures Ltd.
Memberships/Chairmanships of Committees of Directors of the Company	Shareholders'/Investors' Grievance Committee –Member
Memberships/Chairmanships of Committees of Directors of other Companies	1. Nicco Engineering Services Ltd. Audit Committee – Member 2. Nicco Biotech Ltd. Audit Committee – Member
Shareholding of Non-Executive Directors as stated in Clause 49(IV)(E)(v)	N.A.

## DIRECTORS' REPORT TO THE MEMBERS

For the year ended on 31st March 2011

Your Directors present herewith their Report together with the Audited Accounts of your Company for the year ended 31st March 2011.

### A. FINANCIAL RESULTS & APPROPRIATIONS

(Rs. Lakhs)

	<b>2010-11</b>	<b>2009-10</b>
Gross Turnover	30755	32013
Gross Profit/(Loss) for the year	1328	(2346)
Less: Depreciation	706	773
Profit/Loss after depreciation	622	(3119)
Less : Interest	2736	2362
Profit/(Loss) before Tax	(2114)	(5481)
Add : Deferred Tax Asset	573	1165
Net Profit/(Loss) after Tax	<u>(1541)</u>	<u>(4316)</u>

Your Company continued to face acute shortage of working capital to be able to enhance the activity level during the year. In addition, stiff competition in cable business and execution of a few loss orders in the Project Division, the overall margin earned for the year was not adequate to register a satisfactory performance. Despite these factors the performance of your Company during the period under review improved compared to last year.

Your Company had initiated a few measures to improve performance in the year under review by enhancement of productivity, cost reduction through value engineering and waste reduction and selective up-gradation of plant & machineries. These actions yielded some result. Owing to complete erosion of net worth, your Company filed Form A with BIFR under SICA and a registration number has been allotted.

### B. DIVIDEND

In view of the loss suffered by the Company and the accumulated losses of the previous years, your Directors do not recommend any dividend on Preference or Equity Shares.

### C. Management Discussion and Analysis Report

Management Discussions and Analysis Report as required under the Listing Agreement with the Stock Exchange is enclosed in Annexure A.

### D. FINANCE

While the CDR restructuring package had been implemented, as a result of factors mentioned earlier coupled with shortage of finance, prevented operations at enhanced levels. The restructuring proposal submitted to WBIDC is yet to be approved. TDB has approved a package but unfortunately it is in deviation to the CDR package. As a result of all these factors, the financial position of your Company did not improve and the shortage of working capital was a major issue during the year. Some funds were mobilized by sale of investments but the infusion was not enough to meet the requirements. As a measure of business restructuring, your Company has recently signed a definitive agreement with M/s Oriental Manufacturers Pvt Ltd for formation of a Joint Venture Company by assigning the Project Division of the Company. Under BIFR, it is expected that the Company would be able to get an opportunity for financial restructuring with the assistance of the major lenders under an approved Scheme.

The dispute with M/s Prysmian is under arbitration as per the direction of the Hon'ble Supreme Court.

### E. FIXED DEPOSITS

The total amount of deposits as on 31st March, 2011 was Rs. 0.30 lakhs. Depositors did not claim deposits aggregating to Rs. 0.30 lakhs due for repayment before 31st March, 2011.

### F. SUBSIDIARY

The notes on your Company's subsidiary M/s Nicco Biotech Ltd. may be read along with the Consolidated Financial Statements enclosed with the Accounts, prepared in accordance with Accounting Standard 21. Your Company has been exempt from the provisions of Section 212(1) of the Companies Act, 1956 relating to the attachment of the accounts of its subsidiary to its Accounts. Shareholders so desiring the annual accounts of your Company's subsidiary may obtain the same upon request. The report and accounts of the subsidiary M/s Nicco Biotech Ltd. will be kept for inspection at your Company's registered office. Further, the report and accounts of the subsidiary company will also be available at your Company's website, [www.niccogroup.com](http://www.niccogroup.com).

Nicco Biotech Limited has achieved a total income of Rs. 14.42 lacs in 2010-11 as against Rs. 34.50 lacs in 2009-10. The net loss after tax has increased from Rs. 19.54 lacs to Rs. 39.84 lacs.



#### **G. ENERGY CONSERVATION**

The details relating to energy conservation requirements of section 217(1)(e) of the Companies Act, 1956 are not applicable.

#### **H. RESEARCH AND DEVELOPMENT**

Details in regard to Research and Development are shown in Annexure B.

#### **I. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Details of foreign exchange earnings and outgo are shown in Annexure B.

#### **J. CORPORATE GOVERNANCE**

Your Company has always followed the principles of good Corporate Governance through accountability and transparency. A separate report on Corporate Governance as prescribed in the Listing Agreement of the relevant Stock Exchange forms part of the Annual Report 2010-11 along with the Auditor's statement on its compliance (Annexure C).

#### **K. TOTAL QUALITY AND ENVIRONMENT MANAGEMENT**

Your Company's factories at Shyamnagar and Baripada are accredited to Quality Management System (QMS) under ISO 9001:2008 and Environment Management System (EMS) under ISO 14001:2004. Both the systems continue to be maintained through periodic Internal Audit by team of trained Internal Auditors and by Re-Certification/Surveillance Audits conducted by Indian Register of Quality System (IRQS).

#### **L. FUTURE PROSPECTS**

With the continued thrust in improving internal efficiencies and other operational measures your Directors are endeavoring to achieve better performance in the current financial year. It is anticipated that a suitable revival restructuring scheme will be implemented under the auspices of BIFR.

#### **M. DIRECTORS**

Mr Shiv Siddhant Narayan Kaul, Mr D N Bhattacharjee, Mr Sujit Poddar and Mr Prabir Chakravarti retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Dr Dilip Kumar Datta was appointed as an Independent Non-Executive Director of the Company w.e.f 31st January, 2011, to fill up the casual vacancy caused due to the demise of Dr L R Vaidyanath.

Dr Dilip Kumar Datta holds office as Director of the Company upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing along with the requisite deposit from a Member, in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Dr Dilip Kumar Datta, as a Director of the Company at the forthcoming Annual General Meeting.

Dr P S Raju, Director-Finance, Technology Development Board (TDB), was appointed as an Additional Director on 29th July, 2011, as the nominee Director of TDB in place of Mr Umesh Kumar. Your Directors place on record their appreciation for the valuable services rendered to the Company by Mr Umesh Kumar during his tenure as Nominee Director of the Company.

Dr P S Raju holds office as Director of the Company upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing along with the requisite deposit from a member, in terms of Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Dr P S Raju, as a Director of the Company at the forthcoming Annual General Meeting.

A brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of Companies in which they hold Directorship and Membership/Chairmanships of Board/Committees, as stipulated under clause 49(IV)(G) of the Listing Agreement with the Stock Exchange, are provided in the Notice convening the 28th Annual General Meeting of the Company.

Mr Rajive Kaul on crossing the normal retirement age of 60 years, had expressed his desire not to offer himself for appointment for a fresh term as the Wholetime Executive Chairman of the Company, upon his present term expiring on 31st March, 2011. He was appointed as the Non-Executive Chairman of the Company with effect from 1st April, 2011.

#### **N. EXPORTS**

During the year under review exports have not been significant.

#### **O. DIRECTORS' RESPONSIBILITY PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956**

Your Directors confirm :

1. that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
2. that your Directors have selected such accounting policies and applied them consistently and made judgments 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 year ended 31st March, 2011 and of the profit of the Company for that period;
3. that 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 the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that your Directors have prepared the Annual Accounts on a going concern basis.

**P. PARTICULARS OF EMPLOYEES**

Particulars of Employees under section 217(2A) of the Companies Act, 1956 and forming part of Directors' Report for the year ended 31st March, 2011:

Name	Age	Designation/ Nature of Duties	Gross Remuneration (Rs.)	Qualifications	Experi- ence (Yrs.)	Date of Joining	Previous Employment held
Rajive Kaul	62 yrs.	Chairman	37,29,322	B.Sc. (Hons) Metallurgical Engineer (London) ARSM (London) MIIM (India) FIM (London) Chartered Engineer (London)	39	13.07.1976	ITC Ltd. Executive Marketing Dept.

**Q. AUDITORS**

The Statutory Auditors of your company M/s G Basu & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. Your Directors recommend the re-appointment of M/s G Basu & Co., as Statutory Auditors of the Company and their remuneration needs to be fixed.

**R. AUDITORS' REPORT**

The Comments made by the Auditors in their report have been duly explained in the attached Notes to Accounts and hence do not need to be dealt with here.

**S. COST AUDITORS**

Pursuant to the directives of the Central Government under the provisions of section 233B of the Companies Act, 1956, M/s S Roy Choudhury & Co., Cost Accountants, have been appointed to conduct Cost Audits relating to cables manufactured by the Company.

**T. ACKNOWLEDGEMENTS**

Your Directors wish to record their sincere appreciation of the efforts put in by all the employees and their commitment during the year. Your Directors also take this opportunity to acknowledge the cooperation and assistance of Banks, Financial Institutions, Technology Development Board, the Government of India, the Government of West Bengal and the CDR Cell. Finally, your Directors owe their gratitude to all the Shareholders and Debenture Holders for their continued support to the Company.

On behalf of the Board of Directors

Place : Kolkata  
Dated, the 29th day of July, 2011

RAJIVE KAUL  
Chairman



## ANNEXURE — A

**MANAGEMENT DISCUSSION AND ANALYSIS****A. Industry Structure & Development****Power Cables Division :**

The Energy Cables sector registered slower growth in 2010-11. Margins continued to be under extreme pressure in all areas especially in the Medium Voltage XLPE Cables and Low Voltage Power Cables. This has been due to over-capacity in the industry and enhanced competition. Multinational companies are in the process of establishing their base through Joint Ventures and greenfield ventures. Although margins are not expected to improve, the growth envisaged in the power and utility segments augurs well for the Cable industry. The special cables segment also offers reasonable growth potential.

**Project Division**

The Project Division undertakes execution of multidisciplinary engineering projects and has established itself as an Engineering, Procurement and Construction (EPC) contractor of repute in the Country. The Division also provides Engineering Consultancy Services. While major projects have been planned in the target industries such as Oil & Gas, Petrochemicals, Refineries, Nuclear Power, Ferrous and Non-Ferrous and Chemical Industries, a large number of newer competitors have emerged which has led to increased competition.

**B. Segment-wise Performance****Power Cables Division:**

The Cables Division registered a gross sales turnover of Rs. 228 crores (Rs. 201 crores previous year), which was higher than last year. While the sales of Speciality Cables manufactured in Shyamnagar remained at marginally higher level than last year, there was a drop in sales of Medium Voltage XLPE cables produced at Baripada mainly due to working capital constraints.

Inadequacy of working capital continues to adversely impact the performance, in particular increasing the activity level of this division.

**Project Division**

The Division registered a turnover of Rs. 80 crores (Rs. 119 crores previous year). The performance of the Division remained restricted due to a substantial shortage of working capital and the order booking being a serious problem due to the financial condition of the Company and the negative net worth.

**C. Business Strategy****Power Cables Division :**

The strategic focus continues to be on increasing the volume of Speciality Cables especially in the segments of Railways, Ship Wiring, Wind Energy and Defence industrial applications. Efforts also continue for penetrating new market segments. A thrust on improving internal efficiencies and other operational measures are also being focussed on.

**Project Division**

Our endeavour has been to obtain the requisite approvals for prompt formation of the Joint Venture Company with M/s Oriental Manufacturers Pvt Ltd and to explore higher volume of business/profitability. However in the interim, the major focus areas for growth would be in the business areas of Chemical Plants, Tankage Terminals, Effluent/Water Treatment Plants, Utility packages in the Steel Sector and Engineering Services through collaboration with select contractors of repute.

**D. Risks and Concerns****Power Cables Division :**Demand :

The basis of cable demand is the projected GDP growth of around 9%. Any slowdown in this growth is likely to impact negatively on industrial/infra-structure projects thus affecting demand of cables.

Raw Material Prices :

Substantial volatility in the prices of commodities particularly metals are a concern area and may affect margins.

Competition :

Competition is an area of concern which has generated sustained pressure on margins. This situation is monitored continuously.

Finance :

The shortage of working capital remains a major constraint.

**Project Division :**

The majority of the long term contracts are on a fixed price basis and as such the division is exposed to volatility in prices of materials like steel and cement. The booking of fresh contracts will be contingent on industrial capex and especially the construction of new plants in core sectors like steel, oil and gas and petrochemicals and our financial capability. Due to the shortage of skilled engineers, the sector is vulnerable to turnover of manpower and increases in employee costs. Shortage

of finance is also a major risk factor.

#### **E. Internal Control Systems and their Adequacy**

Adequate Internal Control procedures are being followed commensurate with the size and nature of business of the Company for efficient usage and protection of Company's resources as also to ensure strict adherence to statutory compliances requirements. The existing system provides laid down procedures for authorizations and approvals of all transactions. Regular Internal Audits are conducted by external Chartered Accountant firms. The Internal Audit Reports with Management observations along with action taken reports on earlier decisions are submitted to the Audit Committee of the Board. The Audit Committee monitors the performance and efficacy in resource utilization of the Committee. The Audit Committee also monitors the adequacy of internal control Systems. The Audit Committee's observations and recommendations are reported to the Board of Directors at regular intervals. In addition, your Company also maintains the Risk Register. Both Audit Committee and the Board conduct reviews of the actions arising from the said Risk Register.

#### **F. Human Resource Management**

The Company continues to focus on training employees for skill upgradation, leadership and team building in its endeavour to build a learning organisation. Employees performance is measured through an internal appraisal system. All the employees including whole-time Directors have contributed at the rate of 10% of salary as per CDR scheme, totalling to approx Rs. 2.61 crore towards equity of the Company till July 2011.

#### **G. Financial and Operational Performance**

The performance of the Company remained at below break-even level primarily due to inadequate working capital arising from past losses. The main focus is now on optimization of working capital requirement by improving the operation cycle. Parallel efforts are also being maintained for reduction of cost, increased productivity and value engineering.

#### **H. Outlook**

The Working Capital situation will remain critical and is a limiting factor. The Company is contemplating several measures for mobilization of funds into the Company by further internal restructuring. Improved productivity, cost reduction and optimization of the working capital need should yield results. Moreover under BIFR the Company would get an opportunity for further restructuring with the assistance of the major lenders. With all these actions, it is expected that the Company will be able to improve its performance in the future.

#### **I. Cautionary Statement**

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. The factors include :

Raw material availability and its prices, demand and pricing in the Company's markets, changes in government regulations, economic developments in India, shortage of working capital and other incidental factors could make a difference to the Company's operations. Industry information contained in this Report, have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured.



ANNEXURE — B  
ANNEXURE TO THE REPORT OF THE DIRECTORS

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

**1. RESEARCH AND DEVELOPMENT**

The R&D Centre of your Company has been concentrating on development of newer cost effective compounds for Specialized cables and Electron Beam Cables.

**2. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

Your Company has absorbed the updated polymer technology for development of newer compounds.

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

	Year 2010-11 (Rs. Lacs)
Export (including deemed exports)	22.07
Other Foreign Exchange Earnings	—
Foreign Exchange Outgo	—
Import of Materials	515.46
Traveling & Others	6.07
Technical Design	Nil

On behalf of the Board of Directors

Place : Kolkata  
Dated, the 29th day of July, 2011

RAJIVE KAUL  
Chairman

**ANNEXURE — C**
**REPORT ON CORPORATE GOVERNANCE** (Pursuant to Clause 49 of the Listing Agreement)

Company's policies on the Corporate Governance and due compliance report on specific areas wherever applicable for the year ended on 31st March, 2011, are given hereunder divided into the following areas :

**Company's philosophy on Corporate Governance**

Nicco believes that good Corporate Governance is essential to achieve long term Corporate Goals and to enhance stakeholders' value. Your Company's business objective and that of its Management and Employees is to manufacture and market the Company's products and services in such a way so as to create value that can be sustained over a long term for all its stakeholders, including Shareholders, Employees, Customers, Government and the Lenders. In addition to compliance with regulatory requirements, Nicco endeavours to ensure that the highest standards of ethical conduct are met throughout the organisation. The principles of good Corporate Governance through accountability, transparency and professionalism have always been followed by your Company.

**1. Code of Conduct**

In tune with the corporate philosophy stated in the preceding paragraph, the Board of Directors of the Company in its meeting held on 23rd February, 2005 laid down a Code of Conduct for all Board Members and Senior Management of the Company in terms of the requirements placed in the amended clause 49. The Code of Conduct is displayed at Nicco website [www.niccogroup.com](http://www.niccogroup.com) . Affirmations regarding compliance with the Code of Conduct have been obtained from all Board Members and Senior Management personnel of the Company. As required, a declaration duly signed by the Managing Director to that effect is attached as per Annexure-A.

**2. Board of Directors**
**(a) Composition of the Board**

The Board of Directors comprises of twelve members consisting of eleven Non-Executive Directors. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business and industry, finance, law and public enterprises. The composition is as under :

Sl. No.	Name of the Director	Category of Directors	No. of other Directorships held [excluding Foreign Companies and Private Companies]	No. of other Board Committee(s) of which he/she is a Member [Audit Committee & Shareholders' Grievances Committee]	No. of other Board Committee(s) of which he/she is a Chairperson [Audit Committee & Shareholders' Grievances Committee]
1.	Mr Rajive Kaul*	Non-Executive – Chairman	9	2	—
2.	Mr Udayan Ray	Managing Director	5	2	—
3.	Dr Tridibesh Mukherjee	Non-Executive – Independent	5	1	—
4.	Mr Narottam Das	Non-Executive – Independent	4	3	—
5.	Mr Prabir Chakravarti	Non-Executive – Independent	9	5	—
6.	Mr Sujit Poddar	Non-Executive – Independent	7	2	1
7.	Dr P S Raju** Nominee of TDB	Non-Executive – Independent	—	—	—
8.	Mr Sanjoy Bhattacharya	Non-Executive – Non-Independent	4	1	—
9.	Mr D N Bhattacharjee	Non-Executive – Independent	—	—	—



Sl. No.	Name of the Director	Category of Directors	No. of other Directorships held [excluding Foreign Companies and Private Companies]	No. of other Board Committee(s) of which he/she is a Member [Audit Committee & Shareholders' Grievances Committee]	No. of other Board Committee(s) of which he/she is a Chairperson [Audit Committee & Shareholders' Grievances Committee]
10.	Ms Pallavi Priyadarshini Kaul	Non-Executive Non-Independent	4	—	—
11.	Mr Shiv Siddhant Narayan Kaul	Non-Executive Non-Independent	2	—	—
12.	Dr. Dilip Kumar Datta***	Non-Executive Independent	1	1	—
	Mr Umesh Kumar**** Nominee of TDB	Non-Executive – Independent	—	—	—

\* was Executive Chairman till 31st March, 2011

\*\* nominated w.e.f. 29th July, 2011

\*\*\* appointed w.e.f. 31st January, 2011

\*\*\*\* nomination withdrawn w.e.f. 29th July, 2011

**(b) Number of Board Meetings held and attended by the Directors**

- (i) Five Meetings of the Board of Directors were held during the year ended on 31st March, 2011. These were held on :
- (1) 21st May, 2010;
  - (2) 31st July, 2010;
  - (3) 28th September, 2010;
  - (4) 30th October, 2010; and
  - (5) 31st January, 2011.
- (ii) The attendance record of each of the Directors at the Board Meetings during the year ended on 31st March, 2011, and at the last Annual General Meeting and Fees paid to them for attending the Board Meetings are as under :

Sl. No.	Name of Directors	No. of Board Meetings attended	Attendance at the last AGM	Sitting fees paid to the Directors for attending Board Meetings (Rs.)
1.	Mr Rajive Kaul	5	Yes	Nil
2.	Mr Udayan Ray	5	Yes	Nil
3.	Dr. Tridibesh Mukherjee	4	Yes	32,000/-
4.	Mr Narottam Das	5	Yes	40,000/-
5.	Mr Prabir Chakravarti	4	Yes	32,000/-
6.	Mr Sujit Poddar	5	Yes	40,000/-
7.	Mr Umesh Kumar Nominee of TDB	4	No	32,000/-
8.	Dr L R Vaidyanath*	1	No	8,000/-
9.	Mr Sanjoy Bhattacharya	4	Yes	32,000/-
10.	Mr D N Bhattacharjee	1	No	8,000/-
11.	Ms Pallavi Priyadarshini Kaul	5	Yes	40,000/-
12.	Mr Shiv Siddhant Narayan Kaul	4	Yes	32,000/-
13.	Dr Dilip Kumar Datta**	1	No	8,000/-

\* Upto 26th July, 2010 due to his demise

\*\* appointed w.e.f. 31st January, 2011

### 3. Committees of the Board

There are presently four committees of the Board of Directors — Audit Committee, Compensation & Remuneration Committee, Shareholders'/Investors' Grievances Committee and Technology Committee.

The Minutes of all Board and Committee meetings are placed before the Board and noted by the Directors at the Board Meetings. The role and composition of Audit Committee, Compensation & Remuneration Committee, Shareholders'/Investors' Grievances Committee and Technology Committee including the number of meetings held during the year ended 31st March, 2011 and the related attendance are as follows:

#### Audit Committee

- (i) The Audit Committee was constituted by the Board at its meeting held on 30th April, 1999. The present composition of the Audit Committee consists of four Independent Non-Executive Member Directors, viz :

- (1) Mr Narottam Das – *Chairman*,
- (2) Mr Prabir Chakravarti,
- (3) Mr Sujit Poddar, and
- (4) Mr D N Bhattacharjee.

The Committee has elected Mr Narottam Das as its Chairman.

#### Composition

The Audit Committee is constituted in accordance with the provisions of Clause 49(II)(A) of the Listing Agreement and section 292A of the Companies Act, 1956. All the members of Audit Committee are financially literate and 3 members are having accounting and related financial management expertise.

- (ii) The Audit Committee Meetings were held on 20th May, 2010, 30th July, 2010, 20th October, 2010, 28th October, 2010, 31st January, 2011 and 15th February, 2011. The attendance of each Audit Committee Member and Fees paid to him for attending the Audit Committee Meetings are as under :

Names of the Audit Committee Members	No. of Meetings attended	Sitting Fees paid to the Members for attending Audit Committee Meetings (Rs.)
Mr Narottam Das	6	48,000/-
Mr Prabir Chakravarti	6	48,000/-
Mr Sujit Poddar	6	48,000/-
Mr D N Bhattacharjee	2	16,000/-

- (iii) At the invitation of the Chairman of the Audit Committee, the Managing Director & CFO, representatives from various Divisions of the Company, Internal Auditors, Statutory Auditors, etc. also attended the Audit Committee Meetings to respond to queries raised at the Committee Meetings.
- (iv) The role and terms of reference of the Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

### 4. Compensation & Remuneration Committee

#### Brief Description Of Terms Of Reference

To approve appointments, remuneration, terms of appointments, gradations, scales, perquisites including promotions and annual increments etc. of Managing Directors and Wholetime Directors, and to forward its recommendations to the Board of Directors for consideration.

#### Composition

The Compensation & Remuneration Committee comprises of four Directors, of which, all are Independent, Non-Executive Directors. The Chairman of the Committee is an Independent, Non-Executive Director, nominated by the Board.

The present Composition of the Compensation & Remuneration Committee is as follows :

1.	Mr Narottam Das	Chairman	Independent, Non-Executive
2.	Mr Prabir Chakravarti	Member	Independent, Non-Executive
3.	Mr Sujit Poddar	Member	Independent, Non-Executive



### Meetings And Attendance

The Committee met once on 31st January, 2011, during the Financial Year ended on 31st March, 2011.

Attendance of the Members at the Committee Meeting and Fees paid to them for attending the Compensation & Remuneration Committee Meeting are as under :

Names of the Compensation & Remuneration Committee Members	No. of Meeting/s attended	Sitting Fees paid to the Members for attending Compensation & Remuneration Committee Meeting/s (Rs.)
Mr Narottam Das	1	8,000/-
Mr Prabir Chakravarti	1	8,000/-
Mr Sujit Poddar	1	8,000/-

### Remuneration Policy

The objectives of the remuneration policy are :

- To maintain employee motivation and morale.
- To attract fresh talents as per the requirements of the Company.
- To encourage the employees towards better performance.
- To upgrade skill set of the employees through training.
- To grant increments/promotions to the employees in consonance with their performance/contribution against assigned responsibilities.

The remuneration comprises of salary and perquisites.

Continuous communication is maintained with the employees to understand their perspective and to clarify to them the organizational needs/goals.

The Company has also set up a Compensation and Remuneration Committee of the Board. The Compensation and Remuneration Committee recommends the remuneration, terms of appointment including promotion and annual increments of the Managing Director and Whole time Directors.

### (a) DETAILS OF REMUNERATION TO EXECUTIVE CHAIRMAN / MANAGING DIRECTOR

Particulars	Mr Rajive Kaul (Executive Chairman)*	Mr Udayan Ray (Managing Director & CFO)	Total
	(Rs)	(Rs)	(Rs)
<b>Salaries</b>			
Basic	21,00,000	15,30,000	36,30,000
House Rent Allowance	—	—	—
Servant Allowance	48,000	30,000	78,000
	<u>21,48,000</u>	<u>15,60,000</u>	<u>37,08,000</u>
<b>Contribution to PF &amp; other Funds</b>			
Contribution to Provident Fund	2,52,000	1,83,600	4,35,600
Contribution to Gratuity Fund	6,50,000	2,96,154	9,46,154
	<u>9,02,000</u>	<u>4,79,754</u>	<u>13,81,754</u>
<b>Contribution to Superannuation Fund</b>	3,57,000	2,60,100	6,17,100
<b>Provision for Leave Encashment</b>	—	1,50,000	1,50,000
	<u>3,57,000</u>	<u>4,10,100</u>	<u>7,67,100</u>
<b>Perquisites</b>			
Gas & Electricity	2,12,033	41,836	2,53,869
Soft Furnishing	—	20,000	20,000
Medical Reimbursement	—	62,567	62,567
Club & Home Entertainment Expenses	29,289	74,928	1,04,217
Leave Travel Allowance	70,000	40,000	1,10,000
Perquisite value of Furniture	11,000	4,000	15,000
	<u>3,22,322</u>	<u>2,43,331</u>	<u>5,65,653</u>
<b>TOTAL</b>	<b><u>37,29,322</u></b>	<b><u>26,93,185</u></b>	<b><u>64,22,507</u></b>

\* Mr. Rajive Kaul has become Non-Executive Chairman of the Company w.e.f. 01.04.2011

### Board Procedure

The Members of the Board have been provided with the requisite information mentioned in the Listing Agreement well before the Board Meetings and the same were dealt with appropriately.

The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

All the Directors who are in various Committees are within the permissible limits set as per the Listing Agreement. The Directors have intimated from time to time about their Memberships/Chairmanships in the various Committees in other Companies.

### 5. Shareholders

#### Shareholders'/Investors' Grievances Committee

The Board of Nicco Corporation Limited has constituted a Shareholders'/Investors' Grievances Committee of Directors. The Committee presently comprises of Mr Narottam Das, a Non-Executive Director, as the Chairman, Mr. D N Bhattacharjee, Mr Sanjoy Bhattacharya, Ms Pallavi Priyadarshini Kaul and Mr Shiv Siddhant Narayan Kaul, Non-Executive Directors, as Members and Mr Udayan Ray, Managing Director & CFO, as a Member. The terms of reference of the Committee are to specifically look into the redressing of Shareholders' complaints like transfer of shares, non-receipt of share certificates after transfer, non-receipt of Balance Sheets, non-receipt of declared dividends, etc.

The Committee, inter-alia, deals with various matters relating to :

- transfer/transmission/transposition of shares;
- consolidation/splitting of folios;
- issue of share certificates for lost, sub-divided, consolidated, rematerialised, defaced etc. share certificates;
- review of shares dematerialised and all other related matters; and
- Investors' grievances and redressal mechanism and recommends measures to improve the level of Investor services.

The Share Department of the Company and the Registrar and Share Transfer Agents, M/s R & D Infotech Pvt. Ltd. attend to all grievances of the Shareholders and Investors received directly or through SEBI, Stock Exchanges, Department of Company Affairs, Registrar of Companies, etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed.

Four meetings of the Committee were held during the period under review, the dates being 21st May, 2010, 31st July, 2010, 30th October, 2010 and 31st January, 2011.

#### Compliance Officer

Mr Indranil Mitra, General Manager & Company Secretary (email id: indranil.mitra@niccogroup.com), is the 'Compliance Officer' of the Company for the requirements under the Listing Agreement with Stock Exchanges.

(a) Shareholders' Complaints and Redressals as on 31.03.2011 :

Types of Grievances and Categories	Non-receipt of Shares after transfer	Non-receipt of Balance Sheet	Non-receipt of declared Dividends	Non-receipt of duplicate Shares	Non-receipt of exchanged Shares	Non-receipt of credit of Dematerialised Shares	Others	Complaints received from SEBI	Complaints received from Stock Exchanges	Total
Complaints received during the year	—	1	—	—	11	3	10	2	—	27
Complaints redressed	—	1	—	—	11	3	10	2	—	27

(b) **Number of pending Share Transfers : Nil**

(c) **Information about the Directors proposed to be appointed/re-appointed:**

Information about the Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting as required under Clause 49(IV)(G) of the Listing Agreement with the Stock Exchange has been appended to the Notice for the Annual General Meeting which is being circulated to the Members along with this Report.



## 6. Technology Committee

- (i) The Technology Committee was constituted by the Board at its Meeting held on 31st October, 2009 for inter alia, identifying, addressing and deliberating upon matters relating to Cable technology and operations of the Cable Plants of the Company, initially starting with Shyamnagar Plant.

The Technology Committee shall apprise the Board/submit observations/text deliberations/recommendations to the Board from time to time for consideration of the same, in each subsequent Board Meeting of the Company. The present composition of the Technology Committee consists of two Non-Executive Member Directors, viz:

- (1) Dr Tridibesh Mukherjee — Chairman  
 (2) Mr Sanjoy Bhattacharya — Member

Ms Pallavi P Kaul, Director, is a Permanent Invitee to all Meetings of the Committee.

- (ii) The Technology Committee meetings were held on 4th May, 2010, 24th June, 2010, 30th July, 2010, 13th August, 2010, 27th September, 2010, 22nd December, 2010, 25th January, 2011 and 9th March, 2011

The attendance of each Technology Committee Member and fees paid to them for attending the Technology Committee Meetings are as under :-

Names of the Technology Committee Members	No of Meetings attended	Sitting Fees paid to the Members for attending Technology Committee Meetings (Rs.)
Dr Tridibesh Mukherjee	8	64,000/-
Mr Sanjoy Bhattacharya	8	64,000/-

### Compliance Certificate

Compliance Certificate for Corporate Governance from the Auditors of the Company is annexed herewith.

## 7. Annual General Meetings

- (a) The details of Annual General Meetings held in the last three years are as under :

Sl. No.	AGM	Day	Date	Time	Venue	No. of Special Resolutions Passed
1.	25th AGM	Wednesday	30.07.2008	11.30 a.m.	"Williamson Magor Hall" of The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001.	Nil
2.	26th AGM	Wednesday	16.09.2009	11.00 a.m.	"Williamson Magor Hall" of The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001.	3
3.	27th AGM	Tuesday	28.09.2010	3.00 p.m.	"Williamson Magor Hall" of The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001.	2

### Special Resolutions were passed by the requisite majority.

- (b) Whether Special Resolutions were put to vote through Postal Ballot last year : No  
 Passing of resolutions by Postal Ballot : No

## 8. Subsidiaries

The Company has one material non-listed Indian Subsidiary Company viz. Nicco Biotech Limited.

- (a) Financial Statements, in particular the Investments made by the unlisted Subsidiary Company, are reviewed quarterly by the Audit Committee of the Company.  
 (b) All Minutes of the Meetings of the unlisted Subsidiary Company are placed before the Company's Board regularly.  
 (c) A statement containing all significant transactions and arrangements entered into by the unlisted Subsidiary Company is placed before the Company's Board.

The requirements of clause 49 of the Listing Agreement in respect of the above Company have been duly complied with.

## 9. Disclosures

### (a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large

Related party transactions have been disclosed under Note No. VIII in Schedule 22B to the Accounts for the year under review.

### (b) Disclosure of Accounting Treatment

In the preparation of Financial Statements for the period from 1st April, 2010 to 31st March, 2011, the treatment as prescribed in the Accounting Standards issued by the Institute of Chartered Accountants of India has been followed.

### (c) Risk Management

Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operations. The Board provides supervision of the risk management process followed by the Company and reviews the progress of the action plan for each risk on a quarterly basis.

### (d) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets, during the last three years.

### (e) CEO/CFO Certification

The Managing Director & CFO of the Company have certified to the Board that all the requirements of Clause 49(V) of the Listing Agreement, inter alia, dealing with the review of Financial Statements and Cash Flow Statement for the year ended on 31st March, 2011, transactions entered into by the Company during the said year, their responsibility for establishing and maintaining internal control systems for financial reporting and evaluation of the effectiveness of the internal control system and making of necessary disclosures to the Auditors and the Audit committee have been duly complied with.

## 10. Means of Communication

- |  |  |   |  |
|--|--|---|--|
| (i) Quarterly Results :  | Which Newspapers normally published in | :   | The Financial Express (English) and Kalantar (Bengali) |
| (ii) Any Website, where displayed  | :                                      | Yes, <a href="http://www.niccogroup.com">www.niccogroup.com</a> |  |
| (iii) Whether it also displays official news releases                                | :                                      | No  |  |
| (iv) Whether it also displays presentations made to Institutional Investors/Analysts | :                                      | No  |  |
| (v) Whether Management Discussion & Analysis is a part of Annual Report              | :                                      | Yes, in the Directors' Report                                   |  |

As per the requirements of Clause 51 of the Listing Agreement, data related to Quarterly Financial Results, Shareholding Pattern etc. is uploaded on to the website [www.sebidifair.nic.in](http://www.sebidifair.nic.in).

### Code of Conduct for Prevention of Insider Trading

The Securities and Exchange Board of India (SEBI) has, effective 20th February, 2002 introduced amendments to the existing Insider Trading Regulations of 1992 which ordain new actions/steps by corporates and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct for Prevention of Insider Trading' (Nicco Corporation Limited Code) with effect from 20th November, 2003. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

Mr. Indranil Mitra, General Manager & Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

## 11. General Shareholder Information

- |                                       |   |
|---------------------------------------|---|
| (a) Annual General Meeting to be held |   |
| Day, Date, Time and Venue             |   |
| Day                                   | : Thursday  |
| Date                                  | : 22nd September, 2011  |
| Time                                  | : 11.00 AM  |
| Venue                                 | : "Williamson Magor Hall" of The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001. |





- (b) Financial Calendar (Tentative and subject to change)  
 For the Financial Year 2011-12 :  
 Financial Reporting for the Quarters ended
- \* 1st Quarter ending on 30th June, 2011 : 2nd week of August, 2011
  - \* Half Year ending on 30th September, 2011 : 2nd week of November, 2011
  - \* 3rd Quarter ending on 31st December, 2011 : 2nd week of February, 2012
  - \* Audited Yearly Results for the year ending on 31st March, 2012 : 4th week of May, 2012
- (c) Dates of Book Closure : 12th September, 2011 to 22nd September, 2011
- (d) Dividend Payment Date : Not applicable since no Dividend has been recommended.
- (e) Listing on Stock Exchanges at \* : National Stock Exchange of India Ltd.,  
 Exchange Plaza, 5th Floor, Plot No. C/1, G Block,  
 Bandra-Kurla Complex, Bandra (E),  
 Mumbai-400 051

The Company has paid the Listing Fees for the year 2011-12 to National Stock Exchange of India Ltd.

\* The Equity Shares of the Company are also traded, under the permitted category, on The Bombay Stock Exchange Limited (BSE).

**(f) Stock Code**

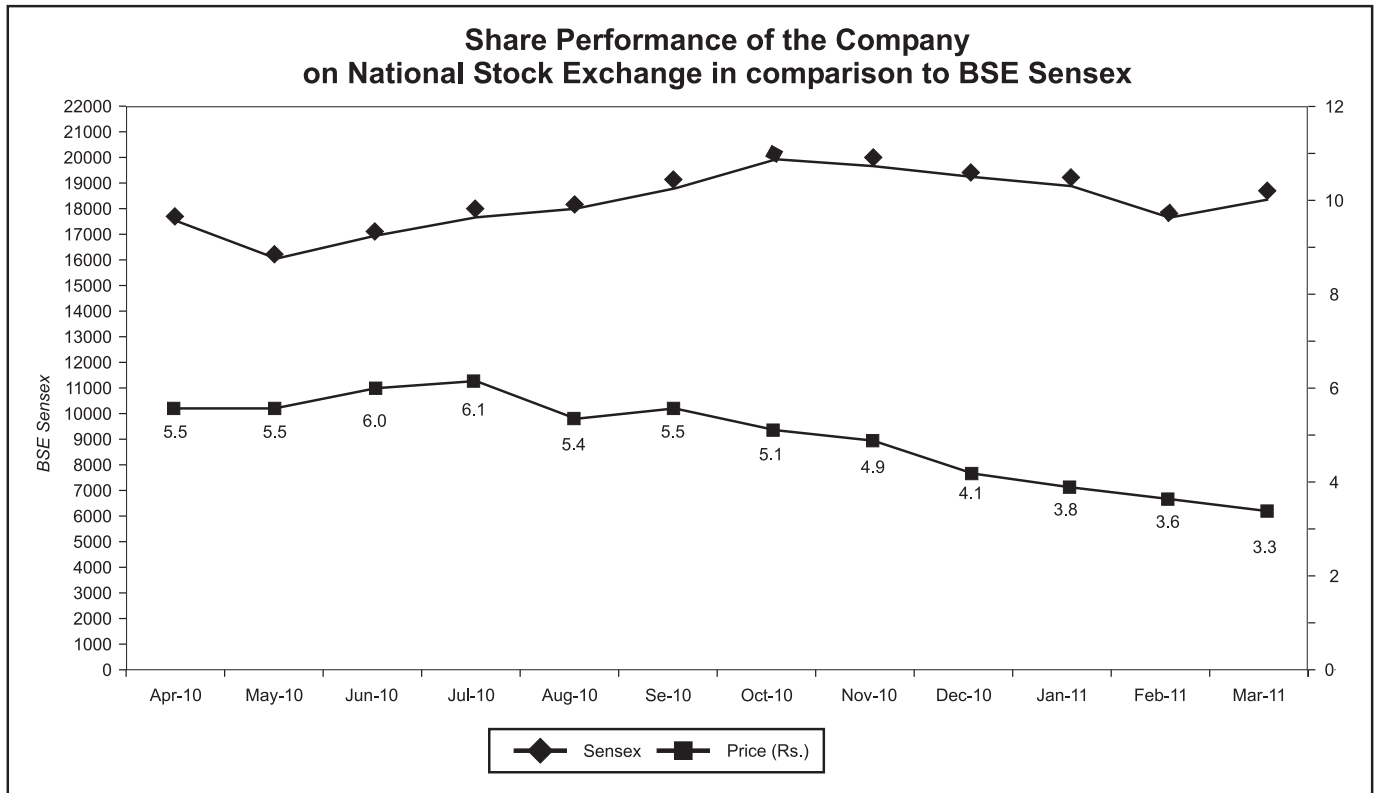
Name of the Stock Exchanges	Stock Code	
	Physical	Demat
National Stock Exchange of India Ltd. ISIN Number for NSDL and CDSL	NICCO	NICCO INE241C01026

**(g) Market Price Data**

Month	Quotations at The National Stock Exchange of India Ltd.		BSE Sensex	
	High	Low	High	Low
April, 2010	6.04	5.00	18,047.86	17,276.80
May, 2010	6.20	4.72	17,536.86	15,960.15
June, 2010	6.70	5.21	17,919.62	16,318.39
July, 2010	6.48	5.68	18,237.56	17,395.58
August, 2010	5.94	4.95	18,475.27	17,819.99
September, 2010	6.00	5.00	20,267.98	18,027.12
October, 2010	5.63	4.53	20,854.55	19,768.96
November, 2010	5.58	4.20	21,108.64	18,954.82
December, 2010	4.89	3.26	20,552.03	19,074.57
January, 2011	4.29	3.25	20,664.80	18,038.48
February, 2011	3.93	3.31	18,690.97	17,295.62
March, 2011	3.96	2.70	19,575.16	17,792.17

**(h) Share Performance of the Company in comparison to BSE Sensex**

Month	Avg. NCL Share Price (Rs)	Avg. BSE Sensex	Nicco Corporation Ltd Share Price (Rs)		BSE Sensex	
			High	Low	High	Low
Apr-10	5.5	17662	6.04	5.00	18047.86	17276.80
May-10	5.5	16749	6.20	4.72	17536.86	15960.15
Jun-10	6.0	17119	6.70	5.21	17919.62	16318.39
Jul-10	6.1	17817	6.48	5.68	18237.56	17395.58
Aug-10	5.4	18148	5.94	4.95	18475.27	17819.99
Sep-10	5.5	19148	6.00	5.00	20267.98	18027.12
Oct-10	5.1	20312	5.63	4.53	20854.55	19768.96
Nov-10	4.9	20032	5.58	4.20	21108.64	18954.82
Dec-10	4.1	19813	4.89	3.26	20552.03	19074.57
Jan-11	3.8	19352	4.29	3.25	20664.80	18038.48
Feb-11	3.6	17993	3.93	3.31	18690.97	17295.62
Mar-11	3.3	18684	3.96	2.70	19575.16	17792.17



(i) **Registrars and Share Transfer Agents** : M/s R & D Infotech Pvt. Ltd.  
 1st Floor,  
 7A, Beltala Road  
 Kolkata 700 026  
 Phone No. : (033) 2419-2641/2  
 E-mail Id. : [rdinfotec@yahoo.com](mailto:rdinfotec@yahoo.com), [rd.infotech@vsnl.net](mailto:rd.infotech@vsnl.net).

**(J) Share Transfer System :**

As already stated, the Company's Equity Shares are traded in the Stock Exchanges compulsorily in Demat Mode. Therefore, Investors/Shareholders are requested to kindly note that physical documents, viz., Demat Request Forms (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DPs) directly to the Share Transfer Agents. As per the present system, any delay on the part of the DPs to send the DRF and the Share Certificates beyond 15 days from the date of generation of the DRN by the DP gets rejected/cancelled. This is being done to ensure that no demat requests remain pending with the Share Transfer Agents beyond a period of 30 days. Investors/Shareholders are requested to ensure that their DPs do not delay in sending the DRF and Share Certificates to the Share Transfer Agents after generating the DRN.

**(k) Distribution of Shareholdings :**

The Shareholding Distribution of Equity Shares as on 31st March, 2011 is given below :-

Sl. No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of Shareholdings
1.	1 to 100	23,057	11,53,003	1.03
2.	101 to 500	12,079	35,25,790	3.15
3.	501 to 1000	3,504	30,69,206	2.74
4.	1001 to 5000	3,081	75,56,221	6.75
5.	5001 to 10000	448	34,55,173	3.09
6.	10001 and above	456	9,31,33,015	83.24
Total :		42,625	11,18,92,408	100.00

**(I) Shareholding Pattern as on 31st March, 2011**

Sl. No.	Category	Nos. of Equity Shares held	Percentage of Shareholding
<b>A. Promoters' holding</b>			
1.	Promoters :		
	— Indian Promoters	Nil	Nil
	— Foreign Promoters	0	0
2.	Persons acting in concert	2,55,83,272	22.86
	Sub-Total :	2,55,83,272	22.86
<b>B. Non-Promoters' Holding :</b>			
3.	Institutional Investors		
a.	Mutual Funds & UTI	12,411	0.01
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-governmental Institutions)	26,84,954	2.40
c.	FII's	11,761	0.01
	Sub-Total :	27,09,126	2.42
4.	Others :		
a.	Private Corporate Bodies	5,11,44,629	45.72
b.	Indian Public	3,01,61,766	26.96
c.	NRIs/OCBs	22,93,615	2.04
d.	Any Others (Please specify)		
	Trust Funds	Nil	Nil
	Sub-Total :	8,36,00,010	74.72
	GRAND TOTAL :	11,18,92,408	100.00

**(m) Dematerialisation of Equity Shares :**

As on 31.03.2011, 70.38% of the Company's total Shares representing 7,87,48,191 shares were held in dematerialised form and the balance 29.62% representing 3,31,44,217 shares were held in paper form. (Total Shares are 11,18,92,408)

**(n) Outstanding GDRs/ADRs/ Warrants or any**

Convertible Instruments, conversion dates and likely impact on Equity : N.A. [The Company has not issued any GDRs and ADRs.]

**(o) Plant (Manufacturing Units) :**

1. Shamnagar, 24-Parganas (North), West Bengal;
2. Baripada, Dist : Mayurbhanj, Orissa.

**(p) Address for correspondence :**

Shareholders should address their correspondence to :

**Registrars and Share Transfer Agents**

M/S R & D INFOTECH PVT LTD  
1st Floor,  
7A, Beltala Road,  
Kolkata 700 026  
Contact Person : Mr Ratan Mishra, Director  
Ph No. : (033) 2419-2641/2  
E-mail Id : [rdinfotec@yahoo.com](mailto:rdinfotec@yahoo.com), [rd.infotech@vsnl.net](mailto:rd.infotech@vsnl.net)  
E-mail Id for Investors : [investorsservices@niccocorp.com](mailto:investorsservices@niccocorp.com)

The Shareholders may also contact Mr Indranil Mitra, General Manager & Company Secretary or Mr G C Lahiri, Senior Manager (Shares) at the Registered Office of the Company for any assistance. Telephone Nos. +9133 6628 5000.

## **Non-mandatory requirements**

### **1. Non-Executive Chairman's Office:**

The Company meets expenses of the Non-Executive Chairman's office incurred in the performance of his duties.

### **2. Tenure of Independent Directors**

No specific tenure has been specified for the Independent Directors.

### **3. Remuneration Committee**

The Company has a Remuneration Committee under the nomenclature 'Compensation & Remuneration Committee', the details of which are provided in this Report under the section 'Committees of the Board — Compensation & Remuneration Committee'.

### **4. Shareholders' Rights**

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers and are also posted on the Company's website.

The complete Annual Report is sent to every shareholder of the Company.

### **5. Audit Qualifications**

The Audit Qualifications/Observations have been appropriately dealt with.

### **6. Training of Board Members**

The members of the Board are eminent and experienced professional persons. The Board is equipped to perform its role of business assessment through inputs from time to time. Directors are fully briefed on all business related matters, risk assessment and minimisation procedures, and new initiatives proposed by the Company. Directors are also updated on changes/developments in the domestic/global corporate and industry scenario including those pertaining to statutes/legislation and economic environment.

### **7. Mechanism for Evaluation of Non-Executive Directors**

The role of the Board of Directors is to provide direction and exercise control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations. The Board has so far evaluated the Non-Executive Directors collectively to reinforce the principle of collective responsibility.

### **8. Whistle-Blower Policy**

The Company had not yet adopted whistle blower policy mechanism. This would be evaluated and adopted on need basis. No personnel has been denied access to the Audit Committee.

The above Report had been placed before the Board of Directors of the Company at its Meeting held on 29th July, 2011, and the same was approved.

On behalf of the Board of Directors

Place : Kolkata  
Dated, the 29th July, 2011

UDAYAN RAY  
Managing Director & CFO



## Annexure — A

To,  
The Members of  
Nicco Corporation Ltd.

**Declaration by the Managing Director (CEO) under  
Clause 49(I)(D)(ii) of Listing Agreement with  
Stock Exchange regarding adherence to the Code of Conduct**

In accordance with Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the Financial Year ended on 31st March, 2011.

UDAYAN RAY  
Managing Director

Place : Kolkata  
Dated, the 29th July, 2011

## **AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT**

**To**  
**The Members of Nicco Corporation Limited**

We have examined the compliance of the conditions of Corporate Governance by Nicco Corporation Limited ('the Company'), for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For G. BASU & CO.  
*Chartered Accountants*

S. LAHIRI  
*Partner*  
Membership No. 51717

BASU HOUSE  
3, Chowringhee Approach,  
Kolkata-700 072

Dated, the 29th July, 2011

**AUDITORS' REPORT** to the Members of the Board of Nicco Corporation Limited

We have audited the attached Balance Sheet of Nicco Corporation Ltd. as at 31st March, 2011 and Profit & Loss Account and Statement of Cash Flow for the year ended on that date annexed thereto. These financial statements are the responsibilities of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We, subject to note no. XVIII schedule 22 on redemption of Preference Shares hereby report that

- (i) As required by the Companies (Auditors' Report) Order 2003 issued by the central government in terms of Section 227(4A) of the Companies Act, 1956, we enclose herewith in the annexure a statement of the matters specified therein.
- (ii) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
- (iii) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of books of accounts.
- (iv) The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of accounts.
- (v) Balance Sheet and Profit & Loss Account have been prepared in due compliances of Accounting Standards referred to in sub section (3C) of Section 211 of Companies Act, 1956.
- (vi) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified for the office of the Director within the meaning of Section 274(1)(g) of the Companies Act, 1956.
- (vii) In our opinion and according to the information and explanations given to us, said accounts read with notes appearing in schedule 22 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (a) In the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011
  - (b) In the case of Profit and Loss Account, of the Loss for the year ended on that date; and
  - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For G. BASU & CO.  
*Chartered Accountants*  
R. No :- 301174E

S. LAHIRI  
*Partner*  
Membership No. 51717

BASU HOUSE  
3, Chowringhee Approach,  
Kolkata-700 072

Dated, the 7th day of May, 2011

## ANNEXURE TO THE AUDITORS' REPORT

(As referred to in para I of the said report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets in respect of all its locations.
2. The fixed assets have been physically verified by the Management at all locations at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verification.
3. Fixed Assets disposed of during the year has not been substantial enough to affect the going concern of the Company.
4. The inventories have been physically verified at reasonable intervals by the management.
5. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
7. The Company has not granted any Loans secured or unsecured to any Company, Firm and Other party covered in the register maintained in pursuance to section 301 of the Act 1956.
8. The Company has not obtained any loan, secured or unsecured, from any company, firm, other party covered in the register maintained under section 301 of the Act.
9. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and on the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal control system. We have not observed any failure on the part of the Company to correct major weakness in internal control system.
10. (a) Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of Companies Act, 1956 have been so entered.  
(b) According to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Act during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
11. In our opinion and according to information and explanations given to us the Company has complied with the provisions of section 58A and 58AA or any other relevant provision of Act and rules framed there under. No order has been passed against the Company by Company Law Board or National Company Law Tribunal or any court or any other tribunal or RBI.
12. In our opinion the Company has an internal audit system commensurate with the size of the Company and nature of its business.
13. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under section 209(i)(d) of the Companies Act, 1956 in respect of products of the Company covered under the rules under said section have been maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
14. (a) According to information and explanations given to us the Company is depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues to the extent applicable to it. There has been no arrear of outstanding statutory dues on these accounts which have been outstanding for more than six months on the date of balance sheet from the date they became payable.  
(b) Contingent dues on account of Sales Tax / Income Tax / Excise Duty / Entry Tax disputed by the Company and not being paid, vis-a-vis forums where such disputes are pending are mentioned below :

Nature of the Statute	Nature of Due	Amount (Rs./Lacs)	Forum where dispute is pending
Sales Tax	Sales Tax	192.00	Cuttack High Court
		226.08	Asst. Commissioner of Sales Tax
		29.25	Tribunal Sales Tax
		10.60	Commissioner of Commercial Taxes – Baripada
		553.54	Commissioner of Commercial Taxes – Baroda
Central Excise	Central Excise	0.24	Calcutta High Court
		699.86	Asst. Commissioner of Central Excise
		85.60	Asst. Commissioner of Central Excise – BPD
Income Tax	Income Tax	27.59	Orissa High Court
Service Tax	Service Tax	85.85	Commissioner of Service Taxes – Kolkata
		7.52	Commissioner of Service Taxes – Cuttack

There has been no contingent dues on account of wealth tax, custom duty, cess or other statutory dues which have not been paid on account of dispute.





15. Accumulated loss of the Company exceeds its net worth. The Company has sustained cash loss during the year and in the preceding year.
16. Based on the audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has no default on the date of balance sheet in repayment of dues to any financial institution, bank or debenture holder as restructured by C D R.
17. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities. However loans granted to employees are generally secured by mortgage / hypothecation of assets for which adequate records / documents are maintained.
18. The Company has maintained proper records of transaction of Shares, Debentures and other investments dealt in by it and timely entries have been made therein. Investments are held in Company's own name except for those pending transfer in company's name.
19. The Company has not given any guarantee for loan taken by company from bank and terms and conditions thereon are not prima-facie prejudicial to the interest of the Company.
20. During the year the Company has not taken any fresh term loan.
21. According to information and explanations given to us no short term fund has been used for long term investment during the year.
22. The Company has made preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year, basis of which was not prejudicial to the interest of the Company.
23. The Company has created necessary security duly charged against Debentures issued / renewed.
24. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
25. Other clauses of the order are not applicable to the Company.

For G. BASU & CO.  
*Chartered Accountants*  
R. No :- 301174E

S. LAHIRI  
*Partner*  
Membership No. 51717

BASU HOUSE  
3, Chowringhee Approach,  
Kolkata-700 072

Dated, the 7th day of May, 2011





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

	Schedule	Year ended 31st March, 2011 (Rs. in Lacs)	Year ended 31st March, 2010 (Rs. in Lacs)
<b>REVENUE :</b>			
<b>Sales</b>	13	<b>30,755.15</b>	32,012.80
Less : Excise Duty		<b>1,759.60</b>	1,255.75
Net Sales		<b>28,995.55</b>	30,757.05
Other Income	14	<b>819.30</b>	426.91
Total		<b><u>29,814.85</u></b>	<b><u>31,183.96</u></b>
<b>EXPENDITURE :</b>			
Cost of Materials	15	<b>18,345.72</b>	22,523.71
Manufacturing Expenses	16	<b>1,375.16</b>	1,192.60
Project Engineering Expenses	17	<b>2,348.04</b>	3,329.30
Expenses on Employees	18	<b>2,967.12</b>	2,711.92
Selling & Administration Expenses	19	<b>3,450.73</b>	3,772.00
Total		<b><u>28,486.77</u></b>	<b><u>33,529.53</u></b>
<b>GROSS PROFIT</b>		<b>1,328.08</b>	(2,345.57)
Less : Interest	20	<b>2,736.14</b>	2,361.77
<b>CASH PROFIT</b>		<b>(1,408.06)</b>	(4,707.34)
Less : Depreciation	21	<b>705.93</b>	773.66
<b>PROFIT BEFORE TAXATION</b>		<b>(2,113.99)</b>	(5,481.00)
Provision for Taxation (Wealth Tax)		<b>0.96</b>	—
Profit after Taxation		<b>(2,114.95)</b>	(5,481.00)
Add : Deferred Tax		<b>574.11</b>	1,165.32
Profit/(Loss) after Deferred Tax		<b>(1,540.84)</b>	(4,315.68)
Profit/(Loss) after Fringe Benefit Tax		<b>(1,540.84)</b>	(4,315.68)
Add : Profit/(Loss) Brought Forward		<b>(12,586.27)</b>	(8,270.59)
Balance carried forward to Balance Sheet		<b><u>(14,127.11)</u></b>	<b><u>(12,586.27)</u></b>
Earning per Share (Basic) – Considering Extra Ordinary Item		<b>(1.58)</b>	(4.69)
Earning per Share (Diluted) – Considering Extra Ordinary Item		<b>(1.58)</b>	(4.69)
Earning per Share (Basic) – Without Considering Extra Ordinary Item		<b>(2.23)</b>	(4.80)
Earning per Share (Diluted) – Without Considering Extra Ordinary Item		<b>(2.23)</b>	(4.80)
Significant Accounting Policies & Notes to Account	22		
Additional Information	23		

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

As per our attached Report of even date

For G. BASU & CO.  
Chartered Accountants  
R. No :- 301174E  
S. LAHIRI  
Partner (M. No. 051717)  
Basu House  
3, Chowringhee Approach  
Kolkata-700 072

Dated, the 7th day of May, 2011

INDRANIL MITRA  
Company Secretary

On behalf of the Board of Directors

N DAS

Director & Chairman  
— Audit Committee

UDAYAN RAY

Managing Director & CFO

RAJIVE KAUL

Chairman

**CASH FLOW STATEMENT** for the year ended 31st March, 2011

PARTICULARS	(Rs. in Lacs)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extra-Ordinary Items	(2,113.99)	(5,481.00)
Adjusted for —		
Depreciation charged to Profit & Loss Account	705.93	773.66
Profit on Sale of Fixed Assets (Net)	1.09	(189.30)
Dividend on Investment	(14.04)	(14.04)
Profit on sale of Investment (Net)	(669.66)	—
Interest Expenses	2,736.14	2,361.77
Sub-Total	2,759.46	2,932.09
Operating Profit before Working Capital Changes	645.47	(2,548.91)
Changes in Working Capital		
(Increase)/Decrease in Trade and Other Receivables	803.60	(452.54)
(Increase)/Decrease in Inventories	935.83	136.09
Increase/(Decrease) in Trade and other Payable	(852.13)	4,227.90
Net Changes in Working Capital	887.30	3,911.45
Cash Generated from Operations	1,532.77	1,362.54
Direct Tax (Net)	129.77	(2.23)
Cash Flow before Extra-Ordinary Items	1,662.54	1,360.31
Extra Ordinary Item :		
Excess Depreciation Written Back	—	—
CASH FLOW FROM OPERATING ACTIVITIES	1,662.54	1,360.31
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(70.67)	(33.31)
Sale of Fixed Assets	3.99	300.87
Sale of Investment (Net)	699.99	405.01
Dividend Received	14.04	14.04
NET CASH FROM INVESTING ACTIVITIES	647.35	686.61
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Borrowings (Net)	(534.13)	191.28
Increase in Share Capital	1,073.28	—
Interest Paid	(2,736.20)	(2,362.58)
NET CASH FROM FINANCING ACTIVITIES	(2,197.05)	(2,171.30)
NET CHANGES IN CASH/CASH EQUIVALENTS (A+B+C)	112.84	(124.38)
Cash & Cash Equivalents — Opening Balance	258.41	382.79
Cash & Cash Equivalents — Closing Balance	371.25	258.41

**NOTES :**

- 1) Above statement has been prepared in indirect method except in case of Interest, Dividend and Taxes which have been considered on the basis of actual movement of Cash, with corresponding adjustment in Assets and Liabilities.
- 2) Additions to Fixed Assets are stated inclusive of adjustments between opening and closing balance of Capital Work-in-Progress and are treated as part of Investing activities.
- 3) Cash and Cash Equivalents consist of Cash in hand and balances with Banks.

SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

For G. BASU & CO.  
Chartered Accountants  
R. No :- 301174E  
S. LAHIRI  
Partner (M. No. 051717)  
Basu House  
3, Chowringhee Approach  
Kolkata-700 072

Dated, the 7th day of May, 2011

On behalf of the Board of Directors

N DAS  
Director & Chairman  
— Audit Committee

UDAYAN RAY  
Managing Director & CFO

RAJIVE KAUL  
Chairman

INDRANIL MITRA  
Company Secretary



## SCHEDULES TO THE BALANCE SHEET

	As at 31st March, 2011 (Rs. in Lacs)	As at 31st March, 2010 (Rs. in Lacs)
<b>1. SHARE CAPITAL</b>		
<b>Authorised :</b>		
22,00,000 (22,00,000) 5% Cumulative Redeemable Preference Shares of Rs. 100/- each.	<b>2,200.00</b>	2,200.00
90,90,910 (90,90,910) 6% Optionally Convertible Cumulative Preference Shares of Rs. 22/- each	<b>2,000.00</b>	2,000.00
23,50,00,000 (23,50,00,000) Equity Shares of Rs. 2/- each	<b>4,700.00</b>	4,700.00
Total	<b><u>8,900.00</u></b>	<b><u>8,900.00</u></b>
<b>Issued and Subscribed :</b>		
21,83,000 (21,83,000) 5% Cumulative Redeemable Preference Shares of Rs. 100/- each	<b>2,183.00</b>	2,183.00
11,18,92,408 (9,43,55,156) Equity Shares of Rs. 2/- each	<b>2,237.85</b>	1,887.10
Add : Forfeited Shares (amount originally paid up)	<b>1.36</b>	1.36
Total	<b><u>4,422.21</u></b>	<b><u>4,071.46</u></b>
Note :		
1) Equity Shares subscribed and fully paid-up relate to following issues during earlier financial year/years for consideration other than cash.		
(a) 4,37,85,098 Equity Shares of Rs. 2/- each were issued as fully paid up against reduction of Capital base by Rs. 3,502.81 lacs.		
(b) 4,54,54,545 Equity Shares of Rs. 2/- each were issued as fully paid up against conversion of 6% optionally convertible Cumulative Preference Shares.		
(c) 14,59,204 Equity Shares of Rs. 2/- each were issued as fully paid up to Banks/Financial Institutions/Debenture holders against conversion of their dues.		
(d) 1,65,56,862 Equity Shares of Rs. 2/- each issued during the year at a premium of Rs. 4.12 per share against conversion of their dues/loans.		
2) 21,83,000 5% Cumulative Redeemable Preference Shares of Rs. 100 each allotted as fully paid up against conversion of loans for consideration other than cash includes.		
(a) 18,46,000 Preference Shares (convertible at the option of Preference Shareholders) to be redeemed in three equal annual instalments commencing from April 01, 2014.		
(b) 3,37,000 Preference Shares to be redeemed in three equal annual instalments commencing from February 1, 2010.		

**SCHEDULES TO THE BALANCE SHEET (Contd.)**

	<b>As at 31st March, 2011 (Rs. in Lacs)</b>	<b>As at 31st March, 2010 (Rs. in Lacs)</b>
<b>2. RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per Last Account	<b>3,397.45</b>	3,507.15
Less : Transfer to Profit & Loss Account towards		
— Depreciation on Revaluation	<b>159.70</b>	167.65
— On Account of Sale of Assets	<b>—</b>	(57.95)
	<b><u>3,237.75</u></b>	<u>3,397.45</u>
<b>Share Premium Account</b>		
As per Last Account	<b>2,343.65</b>	2,216.78
Addition during the year	<b>722.53</b>	126.87
	<b><u>3,066.18</u></b>	<u>2,343.65</u>
<b>Capital Redemption Reserve</b>		
As per Last Account	<b>205.00</b>	205.00
	<b><u>205.00</u></b>	<u>205.00</u>
<b>Debenture Redemption Reserve</b>		
As per Last Account	<b>300.52</b>	300.52
	<b><u>300.52</u></b>	<u>300.52</u>
Total	<b><u>6,809.45</u></b>	<u>6,246.62</u>



## SCHEDULES TO THE BALANCE SHEET (Contd.)

	As at 31st March, 2011 (Rs. in Lacs)	As at 31st March, 2010 (Rs. in Lacs)
<b>3. SECURED LOANS</b>		
<b>I. DEBENTURES (Note 1)</b>		
4,74,620 (4,74,620), Secured Redeemable Non-Convertible Debentures of Rs. 100/- each (interest varying between 0%, 5% and 8%) to be redeemed in periodic instalments commencing from and ending on August, 2011 and March 2016 respectively.	<b>474.62</b>	474.62
<b>II. LOANS &amp; ADVANCES FROM BANK (Note 2)</b>		
<b>(A) TERM LOAN</b>	<b>9,552.07</b>	9,571.07
<b>(B) CASH CREDIT</b>	<b>3,503.24</b>	3,340.76
<b>III. A) OTHER LOANS (Note 3)</b>	<b>1,694.78</b>	2,400.96
Note :		
(1) Equitable mortgage of immovable properties ranking pari passu with Term Loans from Banks and Financial Institutions.		
(2) First charge on movable fixed assets ranking pari-passu with other loans & hypothecation of inventories & book debts against first charge apart from encumbrance referred to in '1' above.		
(3) First charge on movable fixed assets ranking pari-passu with term loans of banks, second charge on inventories & debts, exclusive charge on individual assets financed and first charge on dwelling unit & office space apart from encumbrance referred to in '1' above.		
Total	<b><u>15,224.71</u></b>	<b><u>15,787.41</u></b>
<b>4. UNSECURED LOANS</b>		
<b>Unsecured Loans from others (other than Banks)</b>		
Sales Tax Loans	<b>825.00</b>	825.00
Loan from Companies	<b>2,147.17</b>	2,118.60
West Bengal Govt. Soft Loan	<b>300.00</b>	300.00
Total	<b><u>3,272.17</u></b>	<b><u>3,243.60</u></b>

**SCHEDULES TO THE BALANCE SHEET**

(Rs. in Lacs)											
Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost/Book Value 31.03.2010	Additions	Less: Sold/Discarded	Cost/Book Value 31.03.2011	Total Provision Upto 31.03.2010	Provided for the Year ended 31.03.2011	Adjustment of depreciation on Assets Sold/Discarded 31.03.2011	Total to 31.03.2011	As on 31.03.2011	As on 31.03.2010	
Land :											
— Freehold	829.94	—	—	829.94	—	—	—	—	829.94	829.94	
— Leasehold	59.67	—	—	59.67	35.15	2.97	—	38.12	21.55	24.52	
Buildings :											
— On Free Hold Land	6,613.20	—	—	6,613.20	3,645.66	185.61	—	3,831.27	2,781.93	2,967.54	
— On Lease Hold Land	853.62	—	—	853.62	375.00	24.75	—	399.75	453.87	478.62	
Lift	2.75	15.49	—	18.24	2.69	0.52	—	3.21	15.03	0.06	
Plant and Machinery	16,512.97	27.38	8.92	16,531.43	10,842.01	618.12	5.05	11,455.08	5,076.35	5,670.96	
Weigh Bridge	3.22	—	—	3.22	3.08	0.02	—	3.10	0.12	0.14	
Weighing Machines	0.91	—	—	0.91	0.89	—	—	0.89	0.02	0.02	
Furniture & Fixtures	677.59	4.51	2.40	679.70	590.03	19.05	1.54	607.54	72.16	87.56	
Motor Cars/Cycles/ Motor Cycles	135.26	—	6.14	129.12	99.92	8.47	5.80	102.59	26.53	35.34	
Trucks and Heavy Vehicles	29.20	—	—	29.20	29.17	0.01	—	29.18	0.02	0.03	
Railway Sidings	0.39	—	—	0.39	0.38	—	—	0.38	0.01	0.01	
Electrical Installations	73.35	—	—	73.35	64.86	0.60	—	65.46	7.89	8.49	
Sub-Total (A)	25,792.07	47.38	17.46	25,821.99	15,688.84	860.12	12.39	16,536.57	9,285.42	10,103.23	
Intangible Assets Software	27.53	—	—	27.53	9.64	5.51	—	15.15	12.38	17.89	
Sub-Total (B)	27.53	—	—	27.53	9.64	5.51	—	15.15	12.38	17.89	
Total (A+B)	25,819.60	47.38	17.46	25,849.52	15,698.48	865.63	12.39	16,551.72	9,297.80	10,121.12	
Capital Work-in-Progress (Tangible Fixed Assets)	19.62	53.49	30.20	42.91	—	—	—	—	42.91	19.62	
Sub-Total (C)	19.62	53.49	30.20	42.91	—	—	—	—	42.91	19.62	
Grand Total (A+B+C)	25,839.22	100.87	47.66	25,892.43	15,698.48	865.63	12.39	16,551.72	9,340.71	10,140.74	
Previous Year	25,984.37	55.09	200.24	25,839.22	14,882.00	941.31	124.83	15,698.48	10,140.74		

Notes : i) Building includes Rs. 0.68 on account of a flat on time sharing basis.

ii) Fixed Assets include assets (Plant & Machinery, Motor Vehicles and Computers) costing Rs. 2,755.43 (Rs. 2,761.57) acquired under Hire Purchase against which Rs. 2.60 (Rs. 16.66) being the balance due as on 31.03.2011.

\* Other than internally generated software.



**SCHEDULES TO THE BALANCE SHEET**

6. INVESTMENTS	Particulars	As at 31st March, 2010				Sold/Redeemed/Adjusted during the year ended 31.03.11				As at 31st March, 2011	
		Face Value	Cost	Face Value	Cost	Face Value	Cost	Face Value	Cost	Face Value	Cost
		(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)				
<b>LONG TERM</b>											
<b>QUOTED : (TRADE)</b>											
(A)	Nicco Uco Alliance Credit Limited (Formerly Nicco Uco Financial Services Ltd.) 70,58,524 fully paid equity shares of Rs. 10/- each	705.85	812.25	—	—	—	—	705.85	—	812.25	
(B)	Nicco Parks & Resorts Ltd. 1,17,00,000 fully paid equity shares of Re. 1/- each	117.00	120.50	—	—	—	117.00	—	—	120.50	
<b>UNQUOTED (Other Than Trade)</b>											
(A)	Govt. & Trust Securities :										
(i)	National Savings Certificate	0.02	0.02	—	—	—	—	0.02	—	0.02	
(B)	<b>Shares of Other Companies : (Trade)</b>										
(i)	Nicco Financial Services Ltd. 3,80,714 fully paid equity shares of Rs. 10/- each	38.07	25.94	—	—	—	—	38.07	—	25.94	
(ii)	National Pipes & Tubes Co. Ltd. (in liquidation) 40,000 fully paid equity shares of Rs. 10/- each	4.00	—	—	—	—	—	4.00	—	—	
(iii)	BDA-Nicco Parks & Resorts Ltd. 20,000 fully paid equity shares of Rs. 10/- each	2.00	2.00	—	—	—	—	2.00	—	2.00	
(iv)	Nicco Ventures Limited 9,19,550 fully paid equity shares of Rs. 10/- each	91.96	91.96	—	—	—	—	91.96	—	91.96	
(v)	N E Cables Limited (ceased to be a subsidiary w.e.f. 29th September, 2010)	4.99	4.99	—	—	—	—	4.99	—	4.99	
(vi)	Nicco Engineering Services Limited (ceased to be a subsidiary w.e.f. 29th September, 2010) 18,33,392 (56,25,375) Equity Shares of Re. 1/- (Re. 1/-) each.	56.25	45.00	—	—	37.92	30.33	18.33	—	14.67	
<b>(C) INVESTMENT IN SUBSIDIARIES :</b>											
(i)	Nicco Biotech Limited 72,00,000 fully paid equity shares of Rs. 10/- each	720.00	720.00	—	—	—	—	720.00	—	720.00	
	5,50,000 fully paid 0% redeemable preference shares of Rs. 100/- each	550.00	550.00	—	—	—	—	550.00	—	550.00	

## SCHEDULES TO THE BALANCE SHEET (Contd.)

6. INVESTMENTS	As at 31st March, 2010		Purchased/Acquired/Adjusted during the year ended 31.03.11		Sold/Redeemed/Adjusted during the year ended 31.03.11		As at 31st March, 2011	
	Face Value (Rs. in Lacs)	Cost (Rs. in Lacs)	Face Value (Rs. in Lacs)	Cost (Rs. in Lacs)	Face Value (Rs. in Lacs)	Cost (Rs. in Lacs)	Face Value (Rs. in Lacs)	Cost (Rs. in Lacs)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>(D) Debentures : (Trade)</b>								
(i) 90,500 (90,500) Redeemable Non-Convertible Debentures of Rs. 100/- each of Nicco Financial Services Ltd.	90.50	90.50	—	—	—	—	90.50	90.50
Total	2,380.64	2,463.16	—	—	37.92	30.33	2,342.72	2,432.83
Less : Provision for Diminution	—	709.20	—	—	—	—	—	709.20
Total		1,753.96						1,723.63

42

### Notes

Particulars	31st March, 2010		31st March, 2011	
	Book Value (Rs. in Lacs)	Market Value (Rs. in Lacs)	Book Value (Rs. in Lacs)	Market Value (Rs. in Lacs)
1. Aggregate of Quoted Investments	223.55	797.88	223.55	1,206.76
2. Aggregate of Unquoted Investments	1,530.41	—	1,500.08	—

- National Savings Certificates are lodged with a customer by way of security.
- Shares held at Nicco Ventures Limited (9,19,550 fully paid equity shares of Rs. 10/- each), Nicco Biotech Limited (72,00,000 fully paid equity shares of Rs. 10/- each & 5,50,000 fully paid 0% redeemable preference shares of Rs. 100/- each), Nicco Parks & Resorts Ltd. (1,17,00,000 fully paid equity shares of Re. 1/- each), Nicco Engineering Services Ltd. (18,33,392 fully paid Equity Shares of Re. 1/- each) and NE Cables Ltd. (49,930 fully paid Equity Shares of Rs. 10/- each) are pledged with Banks.
- Considering of sale of 37,91,938 Equity Shares of Re. 1/- each held as investment with Nicco Engineering Services Ltd. has been fully received during the period.


**SCHEDULES TO THE BALANCE SHEET (Contd.)**

	As at 31st March, 2011 (Rs. in Lacs)	As at 31st March, 2010 (Rs. in Lacs)
<b>7. INVENTORIES</b>		
Raw Materials	408.09	656.93
Work-in-Progress	1,889.25	2,069.48
Finished Goods	141.12	188.16
Scrap	70.75	36.58
Finished Goods Purchased	—	3.55
Work-in-Progress for Turnkey Projects & Engg. Services	568.88	1,060.68
Stores & Spares	242.04	240.58
Total	<u>3,320.13</u>	<u>4,255.96</u>
<b>8. SUNDRY DEBTORS (Unsecured)</b>		
Debts Outstanding for a period exceeding six months		
Considered Good	5,344.30	4,526.47
Considered Doubtful	360.95	144.15
	<u>5,705.25</u>	<u>4,670.62</u>
Less : Provision for Doubtful Debts	360.95	144.15
	<u>5,344.30</u>	<u>4,526.47</u>
Other Debts :		
Considered Good	6,724.46	8,031.22
Total	<u>12,068.76</u>	<u>12,557.69</u>
<b>9. CASH &amp; BANK BALANCES</b>		
Cash in Hand	1.77	12.55
Remittance in Transit	—	2.00
With Scheduled Banks in :		
– Current Account	209.50	197.18
– Margin Deposits Account	34.98	46.68
– Fixed Deposits Account	125.00	—
(Include Rs. Nil (38.68 Lacs) pledged to Banks)	<u>125.00</u>	<u>—</u>
Total	<u>371.25</u>	<u>258.41</u>
<b>10. OTHER CURRENT ASSETS (Unsecured Considered Good – Unless Stated Otherwise)</b>		
Other Receivables	164.77	82.04
Total	<u>164.77</u>	<u>82.04</u>

**SCHEDULES TO THE BALANCE SHEET (Contd.)**

	As at 31st March, 2011 (Rs. in Lacs)	As at 31st March, 2010 (Rs. in Lacs)
<b>11. LOANS &amp; ADVANCES</b>		
<b>(Unsecured, Considered Good – Unless Stated Otherwise)</b>		
Advances Recoverable in cash or in kind or for value to be received	<b>632.85</b>	875.47
Advance Income Tax including Tax Deducted at Source Net of Provision Rs. 531.40 Lacs (Rs. 530.44 Lacs)	<b>352.68</b>	483.41
Balance with Port Trust, Customs and Other Govt. Department	<b>374.23</b>	474.11
Deposit with Others	<b>257.68</b>	312.58
Total	<b><u>1,617.44</u></b>	<b><u>2,145.57</u></b>
<b>12. CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>(a) Current Liabilities</b>		
Sundry Creditors for Goods, Services, Expenses etc.	<b>12,919.18</b>	13,707.41
– Micro & Small Enterprises under MSMED Act, 2006	<b>363.12</b>	372.26
Other Liabilities	<b>1,784.05</b>	1,309.53
Due to Subsidiaries	—	195.96
Advance from Customers	<b>2,262.00</b>	2,636.41
Interest Accrued but not due on Loans, Deposits etc.	—	0.06
Advances against Equity Shares	<b>160.00</b>	134.00
Investor Education and Protection Fund shall be credited by following amounts namely : Unclaimed Matured Fixed Deposit	<b>0.30</b>	0.40
Total	<b><u>17,488.65</u></b>	<b><u>18,356.03</u></b>
<b>(b) Provisions</b>		
Gratuity	<b>250.18</b>	254.28
Leave Encashment	<b>180.81</b>	183.00
Superannuation Benefits	<b>170.75</b>	149.26
Total	<b><u>601.74</u></b>	<b><u>586.54</u></b>
	<b><u>18,090.39</u></b>	<b><u>18,942.57</u></b>



## SCHEDULES TO PROFIT AND LOSS ACCOUNT

	Year ended 31st March, 2011 (Rs. in Lacs)	Year ended 31st March, 2010 (Rs. in Lacs)
<b>13. SALES</b>		
Sale of Finished Goods including Income from Other Works & Consultancy Fees	30,755.15	32,012.80
Total	<u>30,755.15</u>	<u>32,012.80</u>
<b>14. OTHER INCOME :</b>		
Income from House Property (Gross of TDS—Rs. 1.83 Lacs, Previous Year-3.68 Lacs)	76.87	66.36
Dividend from Trade Investments (Long Term)	14.04	14.04
Profit on Sale of Fixed Assets	0.79	189.30
Profit on Sale of Long Term Investments in Subsidiary	669.66	101.28
Miscellaneous Receipts	56.75	34.91
Interest on Fixed Deposit with Banks	—	19.31
Gain on Foreign Exchange	1.19	1.71
Total	<u>819.30</u>	<u>426.91</u>
<b>15. COST OF MATERIALS :</b>		
Raw Materials :		
Opening Stock	656.93	441.55
Add : Purchases	12,942.61	12,993.92
	<u>13,599.54</u>	<u>13,435.47</u>
Less : Closing Stock of Raw Materials	408.09	656.93
Raw Materials Consumed	13,191.45	12,778.54
Add : Purchase of Finished Goods	1,300.92	1,082.28
Add : Purchase of Comp. for Turnkey Projects & Engg. Services	3,164.90	8,304.08
Sub Total (A)	<u>17,657.27</u>	<u>22,164.90</u>
Adjustment of Closing & Opening Stock :		
<b>Closing Stock :</b>		
Work-in-Progress for Turnkey Projects & Engg. Services	568.88	1,060.68
Finished Goods	141.12	188.16
Purchased Finished Goods	—	3.55
Scrap Stock	70.75	36.58
Work-in-Progress	1,889.25	2,069.48
	<u>2,670.00</u>	<u>3,358.45</u>
<b>Opening Stock :</b>		
Work-in-Progress for Turnkey Projects & Engg. Services	1,060.68	2,802.86
Finished Goods	188.16	40.44
Purchased Finished Goods	3.55	2.34
Scrap Stock	36.58	9.03
Work-in-Progress	2,069.48	862.59
	<u>3,358.45</u>	<u>3,717.26</u>
(Accretion)/Decretion (B)	688.45	358.81
Total (A+B)	<u>18,345.72</u>	<u>22,523.71</u>
<b>16. MANUFACTURING EXPENSES :</b>		
Power & Fuel	528.08	550.30
Stores & Spares Consumed	271.86	154.10
Packing Materials Consumed	274.98	277.08
Repairs—Plant & Machinery	100.64	57.36
Repairs—Building	25.91	18.14
Repairs—Others	15.22	13.74
Fabrication Charges	117.91	92.01
Carriage and Handling Charges	40.56	29.87
Total	<u>1,375.16</u>	<u>1,192.60</u>

**SCHEDULES TO PROFIT AND LOSS ACCOUNT (Contd.)**

	Year ended 31st March, 2011 (Rs. in Lacs)	Year ended 31st March, 2010 (Rs. in Lacs)
<b>17. PROJECT ENGINEERING EXPENSES :</b>		
Site Expenses	24.85	13.28
Design & Engineering	18.50	37.23
Fabrication Charges	91.19	423.34
Erection Charges	956.43	1,342.17
Civil Sub-contracting Charges	901.84	1,056.68
Loss on Foreign Exchange	—	0.71
Other Expenditure on Contract	235.49	243.01
Sales Tax & Commercial Tax	119.74	212.88
Total	<u>2,348.04</u>	<u>3,329.30</u>
<b>18. EXPENSES ON EMPLOYEES :</b>		
Salaries, Wages, Bonus & Gratuity	2,463.30	2,254.85
Contributions to Provident & Other Funds	235.14	167.31
Workmen & Staff Welfare	268.68	289.76
Total	<u>2,967.12</u>	<u>2,711.92</u>
<b>19. SELLING &amp; ADMINISTRATION EXPENSES :</b>		
Freight and Transport	397.82	434.03
Insurance	71.69	140.20
Rent	68.66	82.18
Rates & Taxes	27.51	25.94
Consultancy Fees	183.46	158.28
Commission on Domestic Sales	98.70	67.89
Cash Discount	37.10	61.86
Travelling & Conveyance	384.57	403.59
Brokerage	0.27	0.13
Auditors' Remuneration :		
Audit Fees	5.52	5.52
Taxation Matters	1.10	1.10
Other Matters	6.35	6.19
Directors' Fees	6.16	6.24
Bank Charges	664.16	761.07
Advertisement	5.73	3.99
Provision for Doubtful Debts	216.79	95.08
Bad Debts Written Off	421.32	738.91
Repairs to Office Building	2.49	4.56
Repairs — Others	15.96	15.85
Loss Foreign Exchange (on Forward Contract)	5.76	—
Loss on Sale of Asset	1.88	—
Miscellaneous Expenses	827.73	759.39
Total	<u>3,450.73</u>	<u>3,772.00</u>
<b>20. INTEREST</b>		
On Fixed Loans	1,660.77	1,705.55
On Others	1,075.37	656.22
Total	<u>2,736.14</u>	<u>2,361.77</u>
<b>21. DEPRECIATION :</b>		
Depreciation for the period	865.63	941.31
Less : Transferred to Capital Reserve	159.70	167.65
Total	<u>705.93</u>	<u>773.66</u>



## SCHEDULES TO THE BALANCE SHEET (Contd.)

### 22. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :

#### A. ACCOUNTING POLICIES

The Accounts of the company are prepared on going concern assumption under the historical cost convention (modified from time to time for revaluation of assets) and on accrual basis, in accordance with the applicable Accounting Standards except where otherwise stated.

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

#### (a) (i) FIXED ASSETS: (Tangible)

(i) Fixed Assets (except free hold Land) are valued at cost (net of CENVAT) less depreciation/amortization and impairment loss, if any, except for those revalued which are presented in terms of revalued figures—net of depreciation thereon and impairment loss, if any.

Land is valued at cost which includes expense on account of development.

(ii) Assets acquired under Hire Purchase are shown under fixed assets and are depreciated at the rate specified under Schedule XIV of the Companies Act, 1956.

(iii) Cost includes purchase price, finance charges in case of major expansion or modernisation and other attributable expenses for bringing the Assets to their working condition for the intended use, duly certified by the engineers of the concerned departments.

#### (ii) FIXED ASSETS : (Intangible)

Intangible fixed assets i.e.; software is carried at actual cost of acquisition including cost incidental thereon—net of amortisation.

#### (b) DEPRECIATION

1. Depreciation is considered at the rates and in the manner specified under schedule XIV of the Companies Act, 1956 as under:

(i) Straight Line Method at Kalyani, Baripada divisions and Plant & Machinery in other divisions.

(ii) Written down Value Method at other divisions in case of other assets.

2. Depreciation on addition/deletion during the year is charged on pro rata basis from the date of such addition/deletion.

3. In respect of revalued depreciable assets, the differential depreciation on the amounts added on revaluation is set off against Revaluation Reserve forming part of Capital Reserve.

4. Depreciation on increase in value of assets arising out of variations in the exchange rates, is charged prospectively over the remaining life of the assets.

5. Leasehold land is amortised over the period of lease.

6. Intangible fixed assets i.e.; software is amortised over a period of 5 years on straight line basis since the date of bringing the same is use.

#### (c) IMPAIRMENT OF FIXED ASSETS

Exigency of provisions, if any, for impairment loss has been assessed in the context of Cash Generating Units (CGU) in due cognizance of indications thereof based on external/internal sources of information. Impairment loss is provided against short fall of recoverable value of CGU's vis-a-vis written down value of corresponding fixed assets. Recoverable value is the higher of value in use and net selling price of the fixed assets relevant to a CGU. Value in use when found to exceed the written down value of fixed assets of CGU, the exercise of further ascertaining net selling price therefor has been done away with.

#### (d) INVENTORIES

All items of inventories are valued at lower of cost and net realisable value except for scrap which is considered at estimated net realisable value.

Cost includes all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

The basis of determining cost for different categories of inventories:

(a) Stores, Raw Materials and Packaging Materials—Weighted average basis.

(b) Work-in-Progress and Finished Goods—Material cost and appropriate share of production overhead.

(c) Purchased Goods—Purchase price.

#### (e) INVESTMENTS

Long term investments are stated at cost less provision, if any, against permanent diminution in carrying cost of investment. Current investments are carried at lower of cost and Net Asset Value/market price.

## SCHEDULES TO THE BALANCE SHEET (Contd.)

### (f) REVENUE RECOGNITION

1. Sales and services are accounted for when the sale of goods or services are completed on accrual basis. Sales is net of Sales Tax/VAT but gross of excise duty.
2. All items of income and expenses are recognized on accrual basis unless stated otherwise.
3. Export benefits are accounted for on the basis of realization.

### (g) RECOGNITION OF PROFIT ON

#### LONG TERM CONTRACTS:

Contract revenue and Contract costs are recognized as revenue and expenses respectively by reference to the stage of completion of contract activity up to the date of balance sheet unless when construction contract stage can be estimated reliably. Expected loss on construction contract, based on possibility of total cost of construction exceeds contract revenue, is recognized as an expense. Stage of completion is arrived at on the basis of agreed billing schedule vis-a-vis total contract value.

### (h) TRANSACTIONS IN FOREIGN CURRENCIES

Foreign currency assets and outside liabilities (other than fixed assets and those covered by forward contracts) as on the Balance Sheet date are converted at the year end exchange rates and loss or gain arising thereon, is adjusted in the carrying amount of fixed assets or charged to Profit & Loss Account, as the case may be. Transactions in foreign currencies other than those covered by forward contracts, are recorded at the rate prevailing on the date of transaction. Impact of exchange fluctuation between the date of the transaction and that of payment is accounted for separately as exchange gain or loss.

### (i) RETIREMENT BENEFITS

- (i) 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.
- (ii) Defined Benefit Plan—  
Gratuity, Leave Salary and Superannuation benefit form part of defined benefit plan schemes existing in the company.  
The above benefits have been accounted for on the basis of actuarial computation under unit projected cost method in terms of AS-15 as revised by ICAI.
- (iii) Short Term Benefit Plan—  
Benefits payable within a year has been accounted for on accrual basis in terms of non discounted value.

### (j) GOVERNMENT GRANTS

Revenue grants are recognised in the Profit and Loss Account. Capital grants are credited to Capital Reserves.

### (k) RESEARCH AND DEVELOPMENT EXPENSES

Research and Development Expenditure is charged to Profit & Loss Account in the year of incurrence.

### (l) CUSTOM DUTY

Custom duty payable on imported goods landed but not cleared are accounted for at the time of clearance of imported goods through customs.

### (m) CONTINGENT LIABILITIES

Where there is reliably 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 recognised in account therefore.

Otherwise no provision is made against contingent liabilities which are disclosed in notes to accounts.

### (n) MISCELLANEOUS EXPENDITURE

Preliminary expenses are written off in the year in which they are incurred.

Share issue expenses and payment made towards Voluntary Retirement Scheme are written off over a period of 60 months in equal installments.

### (o) TAXATION

Income Tax is provided as per provisions of Income Tax Act, 1961. Deferred tax is recognized only at year end subject to consideration of prudence on timing difference being the difference between the taxable income and accounting income that originate in one year and capable of reversal in one or more subsequent year/years.

### (p) INTEREST IN JOINT VENTURE

Income, Expenses and stake in venture the Company has undertaken with a third party have been accounted for in terms of AS-27 issued by ICAI.

### (q) GENERAL

Items of income, expenses, assets and liabilities not being specifically referred to herein are accounted for consistently in terms of generally accepted accounting practices in due adherence of Accounting Standards issued by ICAI and in it's absence those issued under International Accounting Standards.





## SCHEDULES TO THE BALANCE SHEET (Contd.)

### B. NOTES TO ACCOUNTS

(Figures have been stated in Rs. in Lacs)

- (l) Contingent liabilities not being provided for include:
- (a) Counter guarantees aggregating Rs. 10521.63 Lacs (Rs. 12303.18 Lacs) provided to the bankers against guarantees issued by them. There is hardly any possibility of cash outflow.
- (b) Bills discounted Rs. 2129.67 Lacs (Rs. 1045 Lacs) — possibility of cash outflow is remote.
- (c) (i) Demands aggregating Rs. 0.24 Lacs (Rs. 0.24 Lacs) raised by Central Excise Authority during 1977 and 1978 were contested as not payable. The Company was subsequently advised to pay Rs.13.14 Lacs (Rs.13.14 Lacs). But the excise authorities continued claiming the full amount. The claim was stayed by the Calcutta High Court by its order dated 15th May 1992. Based on the merit of the case, a favourable judgment is expected. The possibility of future cash outflow against the claim is remote and no provision for the deposit has been made for the outflow.
- (ii) Other claims of central excise authority involving 61 cases not admitted Rs. 699.86 Lacs (Rs. 660.43 Lacs) and two claims from Service Tax authority Rs. 85.85 Lacs (Rs. 79.76 Lacs) in respect of which no reliable payment obligation can be estimated and as such it is also not possible to assess the impact on future cash outflow.
- (iii) Other claims of central excise authority not admitted Rs. 86.50 Lacs (Rs. 6.59 Lacs) and Service Tax authority Rs. 13.52 Lacs (Rs. 13.52 Lacs). Appeal is pending with the department after deposit of Rs. 0.90 Lacs and Rs. 6.00 Lacs respectively.
- (d) Income tax demand of Rs. 27.59 Lacs (Rs. 27.59 Lacs) pertaining to Assessment Year 92-93 is pending in appeal at Orissa High Court. Going by merit of the case, possibility of future cash outflow seems remote.
- (e) Sales Tax Demands
- (i) On account of reassessment from 01/04/98 to 31/03/01, demand of Rs.258.44 Lacs (Rs.258.44 Lacs) which has been stayed by Orissa High Court on deposit of Rs. 66.44 Lacs (Rs. 66.44 Lacs). Favourable judgment is expected from Hon'ble Court. Going by the merit of the case possibility of any future cash outflow seems remote. No provision is made due to above reason.
- (ii) On account of assessment for years 2001-02 & 02-03 demand aggregates to Rs. 83.75 Lacs (Rs. 83.75 Lacs) were raised. The case for the year 2001-02 involving demand of Rs. 12.14 Lacs (Rs. 12.14 Lacs) under appeal with Assistant Commissioner of Sales Tax, Orissa has been stayed against deposit of Rs. 2.50 Lacs (Rs. 2.50 Lacs). In respect of assessment year 2002-03 involving demand of Rs. 71.61 Lacs (Rs. 71.61 Lacs), the same has been stayed by Commissioner of Sales Tax, Orissa against deposit of Rs. 18 Lacs (Rs. 18 Lacs). Going by the merit of the case, possibility of any future cash outflow seems remote. No provision has been made for the outflow.
- (iii) Rs. 33.40 Lacs (Rs. 33.40 Lacs) has been claimed by the Sales Tax Officer, Baripada in respect of assessment of sales tax for the year 2003-04 which has been disputed by the Company. In this connection stay has been granted by Asst. Commissioner of Commercial Tax against payment of Rs. 0.23 Lacs (Rs. 0.23 Lacs) which has been accounted for as Loans and Advances. Going by the merit of the case, possibility of future cash outflow seems remote. No provision has been made due to above reason.
- (iv) Rs. 56.74 Lacs (Rs. 56.74 Lacs) has been claimed by the Sales Tax Officer, Baripada, Orissa on assessment of Sales Tax for the year 2004-2005 which has been reduced to Rs. 10.60 Lacs. In respect of such claims a stay petition has been granted by Commissioner of Commercial Tax against payment of Rs. 18 Lacs (Rs. 18 Lacs) which has been accounted for as Loans and Advances. Going by merit of the case, the possibility of future cash outflow seems remote. No provision has been made.

**SCHEDULES TO THE BALANCE SHEET (Contd.)**

- (v) Estimated amount of contingent liability on account of four number sales tax cases amount of Rs. 553.54 Lacs (Rs. 475.29 Lacs) arising out of demands not admitted by the Company and for which appeal have been filed with the respective high courts as the Company is of the opinion that the disputes will be resolved in it's favour. Going by the merit of the case, possibility of any future cash outflow seems remote. No provision for the deposit has been made for the outflow.
- (vi) (a) Rs. 115.97 Lacs (Rs. 115.97 Lacs) has been claimed by the Asst. Commissioner of Commercial Tax, Balasore, on assessment of Sales Tax for the year 2005-06 which has also been disputed by the Company. In respect of such claims payment of Rs. 35 Lacs (Rs. 35 Lacs) has been made. This has been accounted for as Loan and Advances till 31st December, 2008.
- (b) Rs. 21.89 Lacs (Rs. 21.89 Lacs) has been claimed by the Asst. Commissioner of Commercial Tax, Balasore, on assessment of Entry Tax for the year 2005-06 which has also been disputed by the Company. In respect of such claims payment of Rs. 10.94 Lacs (Rs. 5.50 Lacs) has been made. This has been accounted for as Loan and Advances till 30th June, 2008. Going by the merit of the cases, possibility of any future cash outflow in respect of both the demands seem remote. No provision has been made due to above reason.
- (c) Rs. 106.50 Lacs (Rs. 106.50 Lacs) has been claimed by the Asst. Commissioner of Commercial Tax, Balasore, on assessment of Entry Tax for the year 2006-07 which has also been disputed by the Company, in respect of such claims stay appeal is pending against deposit of Rs. 15.00 Lacs (Rs. 15 Lacs). Going by merit of the case, the possibility of future cash outflow in this regard seems remote.
- (d) Rs. 11.38 Lacs (Rs. 11.38 Lacs) has been claimed by the Asst. Commissioner of Commercial Tax, Balasore, on assessment of Entry Tax for the year 2006-07 which has also been disputed by the Company, in respect of such claims stay appeal is pending against deposit of Rs. 5.69 Lacs (Rs. 0.76 Lacs). Going by merit of the case, the possibility of future cash outflow in this connection seems remote and as such no provision has been made.
- (e) Arbitration award for Rs. 45.23 Lacs (Rs. 45.23 Lacs) in favour of the Indian Railways which has been stayed by the Allahabad District Court. Moreover, invocation of the performance guarantee has been stayed till disposal of the Company's petition against the award. Since disposal of the petition is being delayed, a writ petition through Allahabad High Court is being moved for speedy disposal of the petition. No reliable estimate can be made for the amount of obligation, if any, with possible impact thereof on future cash outflow.
- (f) Advances recoverable in cash or in kind or for value to be received include Rs. 96.85 Lacs (Rs. 96.85 Lacs) pertaining to a guarantee invoked by a customer. The action of the customer was challenged in High Court, Ranchi and was favourably disposed of in favour of the Company. But the customer has taken up the matter to Supreme Court. The matter is now being heard at Ghatshilla Court.
- (g) Rs. 438 Lacs, forming part of advances recoverable in cash or in kind or for which value to be received, relates to invocation of bank guarantee by ONGC following dispute with the Company concerning execution of a contract. The matter is pending in arbitration. Based on merit of the case no provision has been made in this regard.
- (h) Claims of the three parties in project division disputed by company and contested by the parties in court/arbitration Rs. 165 Lacs.
- (i) Rs. 9.95 Lacs (Rs. Nil Lacs) has been claimed by the Dy. Commissioner of Commercial Tax, Balasore, on assessment of Central Sales Tax for the years 2007 to 2009 (24 months) which has also been disputed by the Company. In respect of such claims company has preferred appeal to commissioner of Sales Tax, Cuttack, Orissa has been pending against deposit of Rs. 1.00 Lac. Going by merit of the case, the possibility of future cash outflow in this regard seems remote.
- (j) Rs. 1.06 Lacs (Rs. Nil Lacs) has been claimed by the Dy. Commissioner of Commercial Tax, Balasore, on assessment of Entry Tax for the years 2007 to 2009 (24 months) which has also been disputed by the Company. In respect of such claims company has preferred appeal to commissioner of Sales Tax, Cuttack, Orissa has been pending against deposit of Rs. 0.07 Lacs. Going by merit of the case, the possibility of future cash outflow in this regard seems remote.



## SCHEDULES TO THE BALANCE SHEET (Contd.)

(II) Contingent liabilities provided for in terms of AS 29.

a) Particulars	Opening Provision	Provisions made during the year	Provisions withdrawn during the year	Closing Provision	Forum where the dispute is pending
Provision for doubtful advance	10.00	Nil	Nil	10.00	Kerala High Court

b) Following dispute between Company and Kerala State Electricity Board, the latter has encashed the Performance Guarantee issued by bank in favour of the Company. The action of customer has been challenged by the Company in Kerala High Court.

Particulars	Opening Provision	Additional Provision / Adjusted of Provision	Closing Provision	Forum where the dispute is pending
Dues of the Party being withheld Due to dispute		58	58	Arbitration Authority

Resultant outflow is expected in next two years in both cases.

(III) Sales of finished goods is net of claims etc. relating to earlier periods settled in the current period.

(IV) Sales include sale of manufacturing scrap Rs. 646.12 Lacs (Rs. 421.09 Lacs).

(V) Deferred Tax :

Recognition of deferred tax asset is attributed to management affirmation of virtual certainty of future profit considering inter alia, CDR approval of company's revival scheme.

	(Rs. in Lacs)	
	As at 31st March, 2011	As at 31st March, 2010
(a) Deferred Tax Assets		
Loss	6,250.93	5,833.81
Employee related dues	199.88	199.37
Sub Total (A)	6,450.81	6,033.18
(b) Deferred Tax Liability (Depreciation)	1,365.68	1,522.16
Net Deferred Tax	5,085.13	4,511.02
(c) Deferred Tax Liability/(Asset) recognised for the year/period	(574.11)	(1,165.32)

(VI) (a) Parties under MSMED Act, 2006 including the category they belong to, have been identified on the basis of disclosure made by respective parties in their invoices/challans.

(b) Particulars of due to creditors registered under MSMED Act, 2006 are given hereunder

Particulars	As on 31.03.2011		
	Principal	Interest	Total
1. The Principal amount and the interest due thereon (to be shown separately) remaining unpaid to any suppliers as at the end of each accounting year	332.48	35.90	368.38
2. Amount of interest paid by the Buyer in terms of Sec 16 of MSMED Act 2006, along with the payment made to the suppliers beyond the appointed day during each Accounting year	—	NA	—
3. The amount of Interest due and payable for the period of delay in making payment but without adding the interest under MSMED Act 2006	—	8.77	8.77
4. The amount of Interest accrued and remaining unpaid at the end of each Accounting year	—	44.67	44.67
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	—	8.94	8.94

## SCHEDULES TO THE BALANCE SHEET (Contd.)

### (VII) Segment Report : (Pursuant to AS 17 issued by ICAI)

The business segments have been identified based on the nature of products of the Company and accordingly Cable segment as a business segment for Power Cables and Project as a segment for Turnkey Engineering Projects have been identified.

a) Primary Segment 30,755.15

#### Rs. in Lacs

		Cable Operation	Project	Unallocated	Total
<b>SEGMENT REVENUE</b>					
(a) External sales		22,805.53	7,949.62	—	30,755.15
	PY	20,114.27	11,898.53	—	32,012.80
(b) Inter Segment Sales		—	—	—	—
	PY	—	—	—	—
<b>(c) Total Revenue</b>		22,805.53	7,949.62	—	30,755.15
	PY	20,114.27	11,898.53	—	32,012.80
Less : Excise		1,759.60	—	—	1,759.60
	PY	1,255.75	—	—	1,255.75
Net Sales		21,045.93	7,949.62	—	28,995.55
	PY	18,858.52	11,898.53	—	30,757.05
<b>SEGMENT RESULT</b>					
<b>Gross Profit before Intf. &amp; Depn.</b>		540.16	655.10	132.82	1,328.08
	PY	788.72	(2,635.74)	(498.55)	(2,345.57)
<b>Depreciation</b>		527.98	17.65	160.30	705.93
	PY	553.12	22.81	197.73	773.66
<b>Profit &amp; Loss after Depreciation</b>		12.18	637.45	(27.48)	622.15
	PY	235.60	(2,658.55)	(696.28)	(3,119.23)
<b>Interest</b>		2,318.64	417.14	0.36	2,736.14
	PY	1,848.27	512.77	0.73	2,361.77
<b>Current Tax, Deferred Income Tax and Fringe Benefit Tax</b>		—	—	—	573.15
	PY	—	—	—	1,165.32
<b>Net Profit from ordinary activities</b>		—	—	—	(1,540.84)
	PY	—	—	—	(4,315.68)
<b>Add : Extra Ordinary Income (Waiver of Banks/FI's Dues)</b>		—	—	—	—
	PY	—	—	—	—
<b>Net Profit</b>		—	—	—	(1,540.84)
	PY	—	—	—	(4,315.68)
<b>Segment Asset</b>		14,450.41	8,633.24	7,370.41	30,454.06
	PY	16,038.54	8,968.87	7,300.13	32,307.54
<b>TOTAL ASSET (Note 2)</b>		—	—	—	30,454.06
	PY	—	—	—	32,307.54
<b>Segment Liability</b>		13,158.71	6,997.92	4,206.17	24,362.80
	PY	12,881.26	8,185.52	3,852.64	24,919.42
<b>TOTAL LIABILITIES</b>		—	—	—	24,362.80
	PY	—	—	—	24,919.42
<b>CAPITAL EXPENDITURE DURING THE PERIOD</b>		3.89	0.20	66.58	70.67
	PY	4.83	1.49	26.99	33.31
<b>Non Cash Expenditure</b>		—	—	—	—
	PY	—	—	—	—

\* Relates to unallocated segment.

- Note :
1. Liabilities do not include long term loans.
  2. Revaluation Reserve has been left out of the purview of the Total Asset.
  3. Unallocated segment results inter alia include the following of the erstwhile Kalyani unit :
    - a) Depreciation of Rs. 140.45 Lacs (Rs. 173.99 Lacs)
    - b) Segment Assets amounting to Rs. 1,072 Lacs (Rs. 1,338 Lacs)
    - c) Segment Liability amounting to Rs. 25 Lacs (Rs. 25 Lacs) — Current Liabilities.
    - d) PP relates to previous period and PY relates to previous year.
- b) Geographical Segment (Secondary Segment)
- |                |                    |
|----------------|--------------------|
| Domestic Sales | Rs. 30,733.08 Lacs |
| Export Sales   | Rs. 22.07 Lacs     |



## SCHEDULES TO THE BALANCE SHEET (Contd.)

### (VIII) Information on Related parties pursuant to AS 18 issued by ICAI

Related Party disclosures :

(I)	Related Parties where control exists :	
	Nicco Biotech Ltd. (Subsidiary)	
	Nicco Engineering Services Ltd. (Subsidiary upto 30.09.10)	
	NE Cables Ltd. (Subsidiary upto 30.09.10)	
	Nicco Cables Limited (Subsidiary upto 30.09.10)	
(II)	Other related parties in transaction with the Company	
(a)	Associates	
	Nicco Ventures Ltd. (Formerly Nicco Internet Ventures Ltd.)	
	Nicco Financial Services Ltd.	
	Nicco Parks & Resorts Ltd.	
	Nicco Engineering Services Ltd. (w.e.f. 01.10.10)	
	NE Cables Ltd. (w.e.f. 01.10.10)	
	Nicco Cables Limited (w.e.f. 01.10.10)	
(b)	Nicco Institute of biotechnology (NERT) - Trust	Significant control exists
(c)	Key Management Personnel (KMP)	
	Mr. Rajive Kaul	Chairman
	Mr. Udayan Ray	Managing Director
(d)	Relative of KMP's	
	Mr. Shiv Siddhant Narayan Kaul	Director
	Ms. Pallavi Priyadarshini Kaul	Director

The following transactions were carried out with related parties in the ordinary course of business.

Subsidiary, Joint Ventures & Associates and Key Management personnel

	Rs. in Lacs		Rs. in Lacs		Rs. in Lacs	
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
	Subsidiary Companies		Associates/ Significant Influence		Key Management Personnel	
Purchase of goods - NESL	Rs. 2.22	—	—	—	—	—
Remuneration For rendering of services - NESL	—	—	—	—	Rs. 64.23	Rs. 62.90
- NPRL	—	—	—	Rs. 0.59	—	—
NE Cables Ltd. - NVL	—	Rs. 54.90	—	—	—	—
Adv. against services - NESL	—	—	—	—	—	—
For receiving of services - NBL	Rs. Nil	Rs. 12.15	—	—	—	—
Balance at the end of the Period	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
Payables - NESL (30.09.10)	Rs. Nil	Rs. 195.96	Rs. Nil	Rs. Nil	—	—
Receivables - NE Cables Ltd. (31.03.11)	Rs. Nil	Rs. Nil	—	—	—	—
- NBL (31.03.11)	Rs. Nil	Rs. 7.87	—	—	—	—
Investments :						
NESL (Share Capital reduced)	—	Rs. 45.00	Rs. 14.67	—	—	—
NE Cables Ltd. (30.09.10)	Rs. 4.99	Rs. 4.99	—	—	—	—
Nicco Biotech Ltd.	Rs. 1270.00	Rs. 1270.00	—	—	—	—
Nicco Institute of Bio Technology (NERT)	—	—	—	—	—	—
Nicco Ventures Ltd.	—	—	Rs. 91.96	Rs. 91.96	—	—
Nicco Financial Services Ltd.	—	—	Rs. 25.94	Rs. 25.94	—	—
in Debenture	—	—	Rs. 90.50	Rs. 90.50	—	—
Nicco Parks & Resorts Ltd.	—	—	Rs. 120.49	Rs. 120.49	—	—
Asset Transfer	—	—	—	—	—	—
Rental of Fixed Assets	—	—	Rs. Nil	Rs. Nil	—	—

**SCHEDULES TO THE BALANCE SHEET (Contd.)**
**(IX) Employee Benefits**

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

(a) Expenses under defined contribution plans in terms of following break up has been recognised during the year. Details given below —

<b>Particulars</b>	<b>For the year ended 31.03.2011 Rs. Lakhs</b>	<b>For the year ended 31.03.2010 Rs. Lakhs</b>
Provident Fund	107.14	92.03
Employees Pension Scheme	70.34	70.03
Employees State Insurance	57.66	5.25
<b>Total</b>	<b>235.14</b>	<b>167.31</b>

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

<b>Description</b>	<b>Gratuity (Funded) (Rs. Lakhs)</b>	<b>Leave Salary (Non-Funded) (Rs. Lakhs)</b>	<b>Superannuation (Funded) (Rs. Lakhs)</b>	<b>Total (Rs. Lakhs)</b>
<b>A. Reconciliation of opening and closing balances of obligation</b>				
(a) Obligation as at 1.4.10	731.61	183.00	402.96	1,317.57
(b) Past Service Cost	12.70	—	22.25	34.95
(c) Current Service Cost	38.20	17.84	18.90	74.94
(d) Interest Cost	55.04	13.32	35.41	103.77
(e) Actuarial (gain)/loss	45.89	(0.31)	(12.11)	33.47
(f) Benefits paid	(87.28)	(33.04)	(9.65)	(129.97)
(g) Obligation as at 31.03.11	796.16	180.81	457.76	1,434.73
<b>B. Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>				
(a) Fair Value of plan assets as at 1.4.10	477.33	—	253.70	731.03
(b) Expected return on plan assets	38.19	—	20.30	58.49
(c) Actuarial (gain)/loss	2.69	—	2.83	5.52
(d) Contributions by the employer	115.05	—	19.83	134.88
(e) Benefits paid	(87.28)	—	(9.65)	(96.93)
(f) Fair Value of plan assets as at 31.03.11	545.98	—	287.01	832.99
<b>C. Reconciliation of fair value of plan assets and present value of defined benefit obligations</b>				
(a) Present value of obligation as at 31.03.11	796.16	180.81	457.76	1,434.73
(b) Fair Value of plan assets as on 31.03.11	545.98	—	287.01	832.99
(c) Amount recognized in the balance sheet	250.18	180.81	170.75	601.74
<b>D. Expense recognized in the period</b>				
(a) Current Service Cost	38.20	17.84	18.90	74.94
(b) Past Service Cost	12.70	—	22.25	34.95
(c) Interest Cost	55.04	13.32	35.41	103.77
(d) Expected return on plan assets Gain/(Loss)	38.19	—	20.30	58.49
(e) Actuarial (Gain)/Loss	43.20	(0.31)	(14.94)	27.95
(f) Expenses recognized in the period (a+b+c-d+e)	110.95	30.85	41.32	183.12



## SCHEDULES TO THE BALANCE SHEET (Contd.)

<b>E. Investment Details of Plan Assets</b>			
			% age Invested
(a)	GOI Securities		—
(b)	Public Sector Unit Bonds		—
(c)	State/Central Guaranteed Securities		—
(d)	Reimbursement right from insurance companies		99.29
(e)	Special Deposit Schemes		—
(f)	Others (including bank balances)		0.71
<b>F. Assumptions</b>			
(a)	Discount rate (per annum) (%)		8.00
(b)	Estimated rate of return on plan assets (per annum) (%)		8.00
(c)	Inflation Rate (%)		5.00
(d)	Remaining Working Life (in Years)		14.00
(e)	Method Used	Projected unit credit method	
(f)	Mortality factor	As per LIC (1994-96) ultimate criteria	
(g)	Staff Turnover	10 per/1000 per annum	
(h)	Super annuation Age	At 60 Years	
	Basis of determination of respected date of return	Return on long term investment in government Bond	
<b>G.</b>	Off balance sheet liability towards Superannuation against transitional provisions works out to Rs. 22.25 Lacs amortisable in the next year after providing Rs. 22.25 Lacs for the year.		
<b>(X)</b>	<b>Information on Hire Purchase deals Pursuant to AS-19 issued by ICAI</b>		
<b>A.</b>	As Lessee :		
<b>I.</b>	Carrying Amount (Rs. in Lacs)		
	<b>31.03.11</b>	<b>31.03.10</b>	
A.	Plant & Machinery	34.29	36.27
B.	Vehicle	25.14	27.91
C.	Computer	—	—
<b>II.</b>	Minimum Lease Price Payment		
	<b>Upto 1 Year</b>	<b>1 to 5 year</b>	<b>&gt; 5 Year</b>
A.	Plant & Machinery	—	—
B.	Vehicle	22.65	0.96
C.	Computer	—	—
<b>III.</b>	Present Value		
A.	Plant & Machinery	—	—
B.	Vehicle	18.06	—
C.	Computer	—	—
<b>IV.</b>	HP Charges Recognised in P/L A/c during the year (Rs. in Lacs)		
	<b>31.03.11</b>	<b>31.03.10</b>	
A.	Plant & Machinery	0.33	2.20
B.	Vehicle	2.46	6.04
C.	Computer	—	—
	<b>8.24</b>	<b>8.24</b>	
<b>B.</b>	As Lessor		
	Building		
	Lease Income		
a)	Recognised in accounts	Rs. 2.58	
b)	Recognisable in 2nd, 3rd and 4th year	Rs. 28.38	
c)	Entire amount has been received in advance	—	
d)	The deal relates to 3 years lease agreement with NESL, an associate since October 2010, for letting out office premises under arrangement of operational lease.		

## SCHEDULES TO THE BALANCE SHEET (Contd.)

(XI) Information pursuant to As 28.

Cable Divisions at Baripada, Shyamnagar and Project Division constitute three cash generating units (CGU). Common fixed assets have been apportioned among CGU's in the ratio of written down value of fixed assets held by respective units.

Since value in use, arrived at by way of discounting future cash flow as on date as estimated by management during assessed life of plants in terms of technical evaluation for each CGU, exceeds written down value of assets relevant thereon, no provision for any loss on account of impairment of fixed asset has been made in accounts thereby also ruling out the cause of ascertaining the net selling price of the assets.

Discount factor @ 12% p.a has been applied for arriving at as on date value of future cash flow which includes 2% against risk factors. Certain fixed assets are earmarked for transfer to cable operations at book value for which no impairment is deemed necessary for obvious reason.

(XII) Information pursuant to AS 7 (relates to contracts entered into since 01.04.2003) :

- (a) Contract revenue recognized as revenue Rs. 8006.47 Lacs (Rs. 11834.31 Lacs).
- (b) Retention amount (forming part of debtors) Rs. Nil Lacs (Rs. 68.10 Lacs).
- (c) Due from customers on account of contract work Rs. 5700.85 Lacs (Rs. 1396.23 Lacs).
- (d) Aggregate of cost incurred on construction contract Rs. 5998.93 Lacs (Rs. 12903.56 Lacs).
- (e) Aggregate of profit (Loss) recognized against construction contract Rs. 2017.54 Lacs (Rs. 620.37 Lacs) on the basis of direct cost only.
- (f) The amount of advances received Rs. Nil Lacs (nil)

(XIII) (a) Earning Per Share (after consideration of extra ordinary income) :

Earning Per Share (Basic & Diluted)	Year ended 31.03.11	Year ended 31.03.10
<b>Profit after Tax (Rs./-)</b>	<b>(15,40,83,879.64)</b>	(43,15,70,327.35)
<b>Less :</b>		
Preference Dividend 5% (Rs./-)	<u>1,09,15,000.00</u>	<u>1,09,15,000.00</u>
<b>A. Amount used as numerators in calculating basic &amp; diluted earning per share.</b>	<b><u>(16,49,98,879.64)</u></b>	<b><u>(44,24,85,327.35)</u></b>
<b>Weighted average no. of Equity Share (No.)</b>	<b>10,42,03,958</b>	9,43,55,154
<b>E. Earning Per Share (Basic) (Rs./-)</b>	<b>(1.58)</b>	(4.69)
<b>F. Earning Per Share (Diluted) (Rs./-)</b>	<b>(1.58)</b>	(4.69)

(b) Earning Per Share (without consideration of extra ordinary income) :

Earning Per Share (Basic & Diluted)	Year ended 31.03.11	Year ended 31.03.10
<b>Profit after Tax (Rs./-)</b>	<b>(15,40,83,879.64)</b>	(43,15,70,327.35)
<b>Less :</b>		
Preference Dividend 5% (Rs./-)	<u>1,09,15,000.00</u>	<u>1,09,15,000.00</u>
Extra ordinary items (Profit on sale of investment)	<u>6,69,66,000.00</u>	<u>1,01,28,000.00</u>
<b>A. Amount used as numerators in calculating basic &amp; diluted earning per share.</b>	<b><u>(23,19,64,879.64)</u></b>	<b><u>(45,26,13,327.35)</u></b>
<b>Weighted average no. of Equity Share (No.)</b>	<b>10,42,03,958</b>	9,43,55,154
<b>E. Earning Per Share (Basic) (Rs./-)</b>	<b>(2.23)</b>	(4.80)
<b>F. Earning Per Share (Diluted) (Rs./-)</b>	<b>(2.23)</b>	(4.80)





## SCHEDULES TO THE BALANCE SHEET (Contd.)

(XIII) (c) Pending ascertainment of issue price of shares due in favour of Nicco Restructuring Employees Trust Fund for want of consent to the effect from SEBI till date, proposed issue could not be treated as part of diluted equity.

Amount received from employees in this regard has been shown as advance against equity in schedule 12.

(d) EPS of the previous year has adjusted in terms of current status.

(XIV) Arrears of Dividend on Cumulative Preference Shares Rs. 768 Lacs (Rs. 659 Lacs).

(XV) Out of total collection of application money under capital restructuring scheme, Rs. 1.60 Crores are pending allotment to NRETF for which necessary formalities are being complied.

(XVI) Movement of provision against sundry debtors.

Particulars	31.03.2011	31.03.2010
Opening Provision	144.15	49.07
Add : Provision made during the year	638.11	833.99
Less : Bad Debt charged off	421.31	738.91
Closing provision	360.95	144.15

(XVII) (a) Directors Remuneration (paid as per schedule XIII of Companies Act, 1956).

Particulars	Rs. in Lacs	
	For the year ended 31.03.11	For the year ended 31.03.10
Salary	37.08	41.73
House Rent Allowance	—	—
Gratuity	9.46	—
Provident Fund	4.35	4.89
Super Annuation Fund	6.17	7.88
Others	7.17	8.40
<b>Total</b>	<b>64.23</b>	<b>62.90</b>

(b) Payment received by a director from subsidiaries :

Particulars	Rs. in Lacs	
	For the year ended 31.03.11	For the year ended 31.03.10
Salary and others	6.91	11.73
Staff welfare	0.39	1.57
Other Perquisites	0.51	2.09
<b>Total</b>	<b>7.81</b>	<b>15.39</b>

(XVIII) 1,10,000 5% cumulative redeemable preference shares of Rs. 100/- each, pertaining to a preference share holder only, was due for redemption on February 1, 2010. Decision on our application for renewal of the same with the preference share holder is pending.

(XIX) Unsecured loan, repayable within a year but renewable as felt by management, has not been disclosed under short term category.

## SCHEDULES TO THE BALANCE SHEET (Contd.)

- (XX) During the period, in line with the approval CDR dated 24th September, 2010 Rs. 30.34 lacs of investment in wholly owned subsidiary, Nicco Engineering Services Limited, against 37,91,983 equity shares have been disposed of at a profit of Rs. 669.66 lacs which has been accounted for under other income. As such NESL ceased to be a subsidiary at the end of the period. Said profit has been treated as extra ordinary income for deduction of EPS.
- (XXI) The Company has made reference to Board of Industrial and Financial Reconstruction within the meaning of section 15 of Sick Industrial Companies (Special Provisions) Act, 1985. Pending directives of the Board, the Company continues to operate under CDR scheme.
- (XXII) Figures in brackets relates to previous period/year.
- (XXIII) Figures have been regrouped and rearranged wherever necessary.
- (XXIV) Schedule 1 to 24 form an integral part of these accounts.

For G. BASU & CO.  
Chartered Accountants  
R. No :- 301174E  
S. LAHIRI  
Partner (M. No. 051717)  
Basu House  
3, Chowringhee Approach  
Kolkata-700 072

As per our attached Report of even date

On behalf of the Board of Directors

Dated, the 7th day of May, 2011

INDRANIL MITRA  
Company Secretary

N DAS	Director & Chairman — Audit Committee
UDAYAN RAY	Managing Director & CFO
RAJIVE KAUL	Chairman

## SCHEDULES TO THE BALANCE SHEET (Contd.)

### 23. Additional Information

Information Pursuant to the provisions of Schedule VI to the Company's Act, 1956 (As certified by the management)

i. Particulars in respect of manufactured and trading goods:

ii) Class of goods : (a) Electrical Cables, (b) Conductors & Wires, \* (c) Turnkey Engineering and Services,

(Rs. in Lacs)

ii) Unit	Manufactured Goods			Trading Goods		
	Metres	Metric Tons	No.	Mt.	Kgs., Metres, Nos. & Litres	
	Apr'09-Mar'10	Apr'10-Mar'11	Apr'09-Mar'10	Apr'10-Mar'11	Apr'09-Mar'10	Apr'10-Mar'11
iii) Licensed Capacity	(a) 80,000 CKM	(b) 20,131	(b) 20,131	—	—	—
* Licensed Capacity for the Current Year for the aforementioned item (c) has been excluded as per exemption provision of (D&R) Act, 1951 and in terms of Notification No. 477(E), dt. 25.07.91						
iv) Installed Capacity	(a) 80,000 CKM	(b) 22,156	(b) 22,156	—	—	—
v) Opening Stock	(a) 225.036 CKM (Rs. 188.16)	(b) —	(b) —	—	—	(a) 600 Mtrs. Rs. 2.34 Lacs
		(c) —	(c) —	—	—	(a) 5749 Mtrs. Rs. 3.55 Lacs
		(c) —	(c) —	—	—	
vi) Production	(a) 19954.177 CKM	(b) 20,345 MT	(b) 101,220 MT	—	—	—
vii) Purchase	(c) —	(c) —	(c) —	—	—	(a) 1110740 Mtrs. Rs. 1112.64 Lacs
	(a) 168,145 CKM (Rs. 141.12)	(b) —	(b) —	—	—	(a) 5749 Mtrs. Rs. 3.55 Lacs
viii) Closing Stock	(a) 225,036 CKM (Rs. 188.16)	(b) —	(b) —	—	—	(a) 1176652 Mtrs. Rs. 1192.16 Lacs
	(c) —	(c) —	(c) —	—	—	(a) 5749 Mtrs. Rs. 3.55 Lacs

**SCHEDULES TO THE BALANCE SHEET (Contd.)**

23. Additional Information (Contd.)		Manufactured Goods		Trading Goods						
		Particulars in respect of manufactured and trading goods: (Contd.)	Metres	Apr'09-Mar'10	Apr'10-Mar'11	Apr'09-Mar'10	Apr'10-Mar'11	No.	Apr'09-Mar'10	Apr'10-Mar'11
ix)	Sales	(a) 20011.068 CKM	(a) 17792.415 CKM	(b) 20.345 MT	(c) —	(b) 101.220 MT	(c) —	(a) 1116489 Mtrs.	(c) 1171503 Mtrs	
	Value of Sales	Apr'10-Mar'11 (Rs. in Lacs)	Apr'09-Mar'10 (Rs. in Lacs)							
	Manufacturing Activities									
	Cables	20,129.30	16,984.15							
	Conductors, Wires & Wires Rods	106.82	429.48							
	Other Receipts	909.14	550.68							
	Sub-Total	21,145.26	17,964.31							
	Turnkey Projects	8,476.41	12,771.91							
	Consultancy & Services	—	—							
	Trading Activities									
	Cables	1,133.48	1,276.58							
	Grand Total (A+B+C)	30,755.15	32,012.80							



## SCHEDULES TO THE BALANCE SHEET (Contd.)

### 24. Additional Information (Contd.)

#### II. Raw Materials Consumed :

	Apr'10-Mar'11		Apr'09-Mar'10	
	Quantity (MT)	Value (Rs. in Lacs)	Quantity (MT)	Value (Rs. in Lacs)
Copper	1,896.320	7,890.54	1,918.459	6,492.63
Copper Conductor	32.517	164.73	142.500	408.20
GMS Wire Strips	878.357	435.70	1,248.699	566.06
Aluminium	947.236	1,126.35	1,559.838	1,635.55
PVC Compound	960.420	507.68	1,448.920	807.11
XLPE Compound	512.052	556.65	718.543	765.99
Others		2,509.80	—	2,103.00
		<b>13,191.45</b>		<b>12,778.54</b>

#### III. Raw Materials and Stores Consumed : (including Components and Spares Consumed and Percentage there of) :

	Apr'10-Mar'11		Apr'09-Mar'10	
	Value (Rs. in Lacs)	%	Value (Rs. in Lacs)	%
Raw Materials :				
Imported	851.84	6.46	482.28	3.77
Indigenous	12,339.61	93.54	12,296.26	96.23
	<b>13,191.45</b>	<b>100.00</b>	<b>12,778.54</b>	<b>100.00</b>
Stores & Spares :				
Imported	57.28	24.16	5.95	3.86
Indigenous	179.80	75.84	148.15	96.14
	<b>237.08</b>	<b>100.00</b>	<b>154.10</b>	<b>100.00</b>

#### IV. Value of Imports on C.I.F basis :

	Apr'10-Mar'11 (Rs. in Lacs)	Apr'09-Mar'10 (Rs. in Lacs)
Raw Materials	455.51	163.67
Capital Goods	—	—
Others	59.95	536.64
	<b>515.46</b>	<b>700.31</b>

#### V. Expenditure in Foreign Currency :

	Apr'10-Mar'11 (Rs. in Lacs)	Apr'09-Mar'10 (Rs. in Lacs)
Travelling	6.07	7.09
Subscription of Books etc.	—	—
Commission	—	—
Technical Design & Drawing	—	—
Bank Charges	—	—
Others	—	—
	<b>6.07</b>	<b>7.09</b>

**SCHEDULES TO THE BALANCE SHEET (Contd.)****23. Additional Information (Contd.)**

VI. Remittance in foreign currencies on Account of Dividend to Non-resident Shareholders :

	Apr'10-Mar'11		Apr'09-Mar'10	
	No.	Shares Held Net Amount of Dividend remitted (Rs. in lacs)	No.	Shares Held Net Amount of Dividend remitted (Rs. in lacs)
VII. Earnings in Foreign Exchange :				
i) F.O.B. Value of Exports		22.07		31.81
ii) Professional and Consultancy Fees		—		—
iii) Royalty		—		—
iv) Sale of Investments		—		—
v) Others		—		—
		<u>22.07</u>		<u>31.81</u>

As per our attached Report of even date.

For G. BASU & CO.  
Chartered Accountants  
R. No :- 301174E

S. LAHIRI  
Partner

Basu House  
3, Chowringhee Approach  
Kolkata-700 072

Dated, the 7th Day of May, 2011

Signature to Schedules 1 to 25 to Accounts

On behalf of the Board of Directors

N DAS                      Director & Chairman  
   — Audit Committee

UDAYAN RAY              Managing Director & CFO

RAJIVE KAUL              Chairman

INDRANIL MITRA  
Co. Secretary



## SCHEDULES TO THE BALANCE SHEET (Contd.)

26. Balance Sheet Abstract and Company's General Business Profile		(Rs. in thousand)	
I.	REGISTRATION DETAILS		
	Registration No.	36362	
	Balance Sheet Date	31	03 2011
		Date	Month Year
		State Code	21
II.	CAPITAL RAISED DURING THE YEAR		
	Public Issue	Nil	Rights Issue
			Nil
	Bonus Issue	Nil	Private Placement
		35,075.00	
III.	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		
	Total Liabilities	3,658,727.00	Total Assets
			3,369,182.00
	SOURCES OF FUNDS		
	Paid-up Capital	442,221.00	Reserves & Surplus
			680,945.00
	Secured Loans	1,522,471.00	Unsecured Loans
			327,217.00
	APPLICATION OF FUNDS		
	Net Fixed Assets	934,071.00	Investment
			172,363.00
Net Current Assets	453,709.00	Misc. Expenditure	
		—	
Accumulated Losses	1,412,710.88		
IV.	PERFORMANCE OF COMPANY		
	Gross Turnover	3,157,445.00	Total Expenditure
			3,368,844.18
	Profit/Loss before tax	(211,399.18)	Profit/Loss After tax
			(154,083.88)
	Earning per share in Rs.	(1.58)	Dividend Rate %
		Nil	
V.	GENERIC NAMES OF PRINCIPAL PRODUCT OF THE COMPANY		
	Item Code No. Product description	74.13 Cables & Conductors	

## Statement Regarding Subsidiary Companies Pursuant to Section 212 of the Companies Act, 1956

In terms of the approval granted by the Ministry of Corporate Affairs,  
Government of India u/s 212(8) of the Companies Act'1956 vide  
its letter No. 47/539/2010-CL-III dated 10th June '2010

(Figures in Rs. 000)

For the year ended 31st March '2011

	Figures as at	Nicco Engineering Services Ltd.	Nicco Biotech Ltd.	NE Cables Ltd.	Nicco Cables Ltd.
Capital	<b>31.03.11</b>	—	<b>150,000</b>	—	—
	31.03.10	5,626	150,000	1,500	1,000
Reserves and Surplus	<b>31.03.11</b>	—	<b>(21,108)</b>	—	—
	31.03.10	80,262	(17,124)	(289)	(14)
Total Assets (Fixed Assets + Current Assets + Deferred Tax Assets)	<b>31.03.11</b>	—	<b>129,750</b>	—	—
	31.03.10	99,857	134,563	1,258	1,013
Total Liabilities (Loans + Current Liabilities + Provisions)	<b>31.03.11</b>	—	<b>859</b>	—	—
	31.03.10	34,973	1,687	47	27
Investments — other than in Subsidiaries	<b>31.03.11</b>	—	—	—	—
	31.03.10	16,005	—	—	—
Investments — in Subsidiaries	<b>31.03.11</b>	—	—	—	—
	31.03.10	4,999	—	—	—
Turnover/Total Income	<b>31.03.11</b>	—	<b>1,444</b>	—	—
	31.03.10	211,224	3,450	88	13
Profit/(Loss Before Taxation(+/-))	<b>31.03.11</b>	—	<b>(3,984)</b>	—	—
	31.03.10	28,640	(2,108)	(14)	—
Provision for Taxation	<b>31.03.11</b>	—	—	—	—
	31.03.10	10,670	—	—	—
Profit/(Loss) after Taxation (+/-)	<b>31.03.11</b>	—	<b>(3,984)</b>	—	—
	31.03.10	17,970	(1,954)	(14)	—
Proposed Dividend and Dividend Tax	<b>31.03.11</b>	—	—	—	—
	31.03.10	—	—	—	—

For G. BASU & CO.  
Chartered Accountants  
R. No :- 301174E  
S. LAHIRI  
Partner (M. No. 051717)  
Basu House  
3, Chowringhee Approach  
Kolkata-700 072

Dated, the 7th day of May, 2011

On behalf of the Board of Directors

N DAS  
Director & Chairman  
— Audit Committee

UDAYAN RAY  
Managing Director & CFO

RAJIVE KAUL  
Chairman

INDRANIL MITRA  
Company Secretary





## **AUDITORS' REPORT to the Board of Directors of Nicco Corporation Limited on the Consolidated Financial Statements of Nicco Corporation Limited and its Subsidiaries**

We have audited the attached consolidated Balance Sheet of Nicco Corporation Limited and its subsidiaries as at 31st March 2011, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended as on that date.

These financial statements are the responsibility of the Nicco Corporation Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of NESL, an erstwhile subsidiary which left the group on September '10. Revenues of Rs. 1149.34 Lacs and net cash outflow of Rs. 3.74 Lacs pertaining to said subsidiary for its period of existence in the group have been consolidated on the basis of its financial statements certified by the other auditor.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 on Consolidated Financial Statements, issued by the ICAI and on the basis of the separate financial statements of NICCO CORPORATION LIMITED and its subsidiary NICCO BIOTECH LIMITED being included in the consolidated financial statements.

We refer to the point no. XII of schedule 22B in the matter of pending Preference Share redemption.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Nicco Corporation Limited and its subsidiaries and subsequent to note no. XVII and other notes to accounts and schedules annexed to the Consolidated Financial Statements in schedule 22, we report that

- (a) the Consolidated Balance Sheet gives a true and fair view of the Consolidated state of affairs of Nicco Corporation Limited and its subsidiaries as at 31st March, 2011, and
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the Loss of Nicco Corporation Limited and its subsidiaries for the Period ended on that date.
- (c) the Consolidated Cash Flow statement gives true and fair view of Cash Flow of Nicco Corporation Limited and its subsidiaries for the Period on that date.

For G. BASU & CO.  
*Chartered Accountants*  
R. No :- 301174E

S. LAHIRI  
*Partner*  
Membership No. 51717

Basu House  
3, Chowringhee Approach,  
Kolkata-700 072

Dated, the 7th day of May, 2011

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

		As at 31st March, 2011 (Rs. in lacs)		As at 31st March, 2010 (Rs. in lacs)	
	Schedule				
<b>I. SOURCES OF FUNDS :</b>					
1.	Shareholders' Funds				
a)	Capital	1	4,422.21	4,071.46	
b)	Reserves & Surplus	2	7,396.99	6,834.16	10,905.62
2.	Loan Funds				
a)	Secured Loans	3	15,224.71	15,781.25	
b)	Unsecured Loans	4	3,272.17	3,243.60	19,024.85
	Total		<u>30,316.08</u>		<u>29,930.47</u>
<b>II. APPLICATION OF FUNDS :</b>					
1.	Fixed Assets	5			
a)	Gross Block		28,128.38	27,504.97	
b)	Less : Depreciation		17,165.04	16,428.84	
c)	Net Block		10,963.34	11,076.13	
d)	Capital Work-in-Progress		42.91	19.62	11,095.75
2.	Investments	6		1,138.35	1,090.86
3.	Deferred Tax Asset (Net)			5,085.13	4,526.27
4.	Current Assets, Loans & Advances				
a)	Inventories	7	3,320.13	4,460.37	
b)	Sundry Debtors	8	12,068.76	12,908.94	
c)	Cash & Bank Balances	9	396.78	340.65	
d)	Other Current Assets	10	257.60	247.03	
e)	Loans & Advances	11	1,628.86	2,375.22	
			<u>17,672.13</u>	<u>20,332.21</u>	
	<b>Less : Current Liabilities &amp; Provisions</b>				
a)	Liabilities	12	17,495.47	18,688.47	
b)	Provisions		601.74	610.95	
c)	Minority Interest		153.03	160.62	
			<u>18,250.24</u>	<u>19,460.04</u>	
	Net Current Assets			(578.11)	872.17
	Profit & Loss A/c Debit Balance			13,664.46	12,345.42
	Total		<u>30,316.08</u>		<u>29,930.47</u>
	Significant Accounting Policies & Notes to Accounts	22			

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

As per our attached Report of even date

For G. BASU & CO.  
Chartered Accountants  
R. No :- 301174E  
S. LAHIRI  
Partner (M. No. 051717)  
Basu House  
3, Chowringhee Approach  
Kolkata-700 072

Dated, the 7th day of May, 2011

INDRANIL MITRA  
Company Secretary

On behalf of the Board of Directors

N DAS Director & Chairman  
— Audit Committee  
UDAYAN RAY Managing Director & CFO  
RAJIVE KAUL Chairman



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

	Schedule	31st March, 2011 Year ended (Rs. in lacs)	31st March, 2010 Year ended (Rs. in lacs)
<b>REVENUE :</b>			
<b>Sales</b>	13	<b>31,876.68</b>	34,076.37
Less : Excise Duty		<b>1,759.60</b>	1,255.75
Net Sales		<b>30,117.08</b>	32,820.62
Other Income	14	<b>835.35</b>	322.02
Total		<b>30,952.43</b>	33,142.64
<b>EXPENDITURE</b>			
Cost of Materials	15	<b>18,664.08</b>	23,006.37
Manufacturing Expenses	16	<b>1,451.02</b>	1,480.06
Project Engineering Expenses	17	<b>2,347.87</b>	3,329.30
Expenses on Employees	18	<b>3,263.12</b>	3,171.46
Selling & Administration Expenses	19	<b>3,675.68</b>	4,257.42
Total		<b>29,401.77</b>	35,244.61
<b>GROSS PROFIT / (LOSS)</b>		<b>1,550.66</b>	(2,101.97)
Less : Interest	20	<b>2,737.38</b>	2,365.66
<b>CASH PROFIT / (LOSS)</b>		<b>(1,186.72)</b>	(4,467.63)
Less : Depreciation	21	<b>735.74</b>	814.88
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>(1,922.46)</b>	(5,282.51)
<b>PROVISION FOR TAXATION</b>		<b>170.35</b>	107.94
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<b>(2,092.81)</b>	(5,390.45)
Add : Deferred Tax		<b>578.29</b>	1,166.56
<b>PROFIT/(LOSS) AFTER DEFERRED TAX</b>		<b>(1,514.52)</b>	(4,223.89)
<b>FRINGE BENEFIT TAX</b>		<b>—</b>	—
<b>PROFIT/(LOSS) AFTER FRINGE BENEFIT TAX</b>		<b>(1,514.52)</b>	(4,223.89)
Add : Loss of Minority Interest		<b>7.59</b>	4.02
Add : Net Share of Profit/(Loss) of Associates		<b>187.89</b>	92.82
<b>PRIOR PERIOD EXPENSES</b>		<b>—</b>	10.90
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<b>(1,319.04)</b>	(4,116.15)
Add : Profit/(Loss) Brought Forward		<b>(12,345.42)</b>	(8,229.27)
Balance carried forward to Balance Sheet		<b>(13,664.46)</b>	(12,345.42)
Earning per Share (Basic) – considering extra ordinary item		<b>(1.37)</b>	(4.48)
Earning per Share (Diluted) – considering extra ordinary item		<b>(1.37)</b>	(4.48)
Earning per Share (Basic) – without considering extra ordinary item		<b>(2.01)</b>	(4.59)
Earning per Share (Diluted) – without considering extra ordinary item		<b>(2.01)</b>	(4.59)
Significant Accounting Policies & Notes to Accounts	22		
Additional Information	23		

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

As per our attached Report of even date

For G. BASU & CO.  
Chartered Accountants  
R. No :- 301174E  
S. LAHIRI  
Partner (M. No. 051717)  
Basu House  
3, Chowringhee Approach  
Kolkata-700 072

Dated, the 7th day of May, 2011

INDRANIL MITRA  
Company Secretary

On behalf of the Board of Directors

N DAS  
UDAYAN RAY  
RAJIVE KAUL  
Director & Chairman  
— Audit Committee  
Managing Director & CFO  
Chairman

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31st March, 2011

A. CASH FLOW FROM OPERATING ACTIVITIES	Particulars	(Rs. in Lacs) Year Ended 31.03.2011	(Rs. in Lacs) Year Ended 31.03.2010
Net Profit before Tax & Extra-Ordinary Items		(1,914.87)	(5,174.77)
Adjusted for —			
Depreciation charged to Profit & Loss Account		735.74	814.88
Profit on Sale of Fixed Assets (Net)		(0.01)	(189.31)
Profit on Sale of Investment (Net)		(669.79)	—
Dividend on Investment		(18.71)	—
Interest Expenses		2,737.38	2,365.65
Sub-Total		<u>2,784.61</u>	<u>2,991.22</u>
Operating Profit before Working Capital Changes		<u>869.74</u>	<u>(2,183.55)</u>
Changes in Working Capital			
(Increase)/Decrease in Trade and Other Receivables		1,444.94	(634.51)
(Increase)/Decrease in Inventories		1,140.24	116.86
Increase/(Decrease) in Trade Payable		(1,192.44)	4,285.18
Net Changes in Working Capital		<u>1,392.74</u>	<u>3,767.53</u>
Cash Generated from Operations		<u>2,262.48</u>	<u>1,583.98</u>
Direct Tax (Net)		(39.32)	(102.73)
Cash Flow before Extra-Ordinary Items		<u>2,223.16</u>	<u>1,481.25</u>
Extra Ordinary Item : Excess Depreciation Written Back		—	—
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<u><b>2,223.16</b></u>	<u><b>1,481.25</b></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(70.68)	(65.02)
Sale of Fixed Assets		77.07	289.02
Purchase of Investment		—	(154.94)
Dividend Received		18.71	—
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<u><b>25.10</b></u>	<u><b>69.06</b></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of Equity Shares		1,073.28	—
Increase in Borrowings (Net)		(527.97)	201.61
Interest Paid		(2,737.44)	(2,366.47)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<u><b>(2,192.13)</b></u>	<u><b>(2,164.86)</b></u>
<b>NET CHANGES IN CASH/CASH EQUIVALENTS (A+B+C)</b>		<u><b>56.13</b></u>	<u><b>(614.55)</b></u>
Cash & Cash Equivalents — Opening Balance		340.65	955.20
Cash & Cash Equivalents — Closing Balance		<u><b>396.78</b></u>	<u><b>340.65</b></u>
NOTES :			
1)	Above statement has been prepared in indirect method except in case of Interest, Dividend and Taxes which have been considered on the basis of actual movement of cash, with corresponding adjustment in Assets and Liabilities.		
2)	Additions to Fixed Assets are stated inclusive of adjustments between opening and closing balance of Capital Work-in-Progress and are treated as part of investing activities.		
3)	Cash and Cash Equivalents consist of Cash in hand and balances with Banks.		

SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE CONSOLIDATED BALANCE SHEET

As per our attached Report of even date

For G. BASU & CO.  
Chartered Accountants  
R. No :- 301174E  
S. LAHIRI  
Partner (M. No. 051717)  
Basu House  
3, Chowringhee Approach  
Kolkata-700 072

Dated, the 7th day of May, 2011

INDRANIL MITRA  
Company Secretary

On behalf of the Board of Directors

N DAS                      Director & Chairman  
                                    — Audit Committee

UDAYAN RAY              Managing Director & CFO

RAJIVE KAUL              Chairman



## CHEDULES TO THE CONSOLIDATED BALANCE SHEET

		(Rs. in lacs)	
Particulars	As at 31st March, 2011	As at 31st March, 2010	
<b>1. SHARE CAPITAL</b>			
<b>Authorised :</b>			
22,00,000 (22,00,000) 5% Cumulative Redeemable Preference Shares of Rs. 100/- each.	2,200.00	2,200.00	
90,90,910 (90,90,910) 6% Optionally Convertible Cumulative Preference Shares of Rs. 22/- each	2,000.00	2,000.00	
23,50,00,000 (23,50,00,000) Equity Shares of Rs. 2/- each	4,700.00	4,700.00	
Total	<u>8,900.00</u>	<u>8,900.00</u>	
<b>Issued and Subscribed:</b>			
21,83,000 (21,83,000) 5% Cumulative Redeemable Preference Shares of Rs. 100/- each	2,183.00	2,183.00	
11,18,92,408 (9,43,55,156) Equity Shares of Rs. 2/- each	2,237.85	1,887.10	
Add : Forfeited Shares (Amount Originally Paid up)	1.36	1.36	
Total	<u>4,422.21</u>	<u>4,071.46</u>	
<b>2. RESERVES &amp; SURPLUS</b>			
<b>Capital Reserve</b>			
As per Last Account	3,984.99	4,094.70	
<b>Less : Transfer to Profit &amp; Loss Account towards</b>			
Depreciation on Revaluation	159.70	167.65	
On Account of Sale of Assets		(57.94)	
	<u>3,825.29</u>	<u>3,984.99</u>	
<b>Share Premium Account</b>			
As per Last Account	2,343.65	2,216.78	
Additions during the Year	722.53	126.87	
	<u>3,066.18</u>	<u>2,343.65</u>	
<b>Capital Redemption Reserve</b>			
As per Last Account	205.00	205.00	
	<u>205.00</u>	<u>205.00</u>	
<b>Debenture Redemption Reserve</b>			
As per Last Account	300.52	300.52	
Total	<u>7,396.99</u>	<u>6,834.16</u>	

**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET** (Contd.)

Particulars	(Rs.in lacs)	
	As at 31st March, 2011	As at 31st March, 2010
<b>3. SECURED LOANS</b>		
<b>I. DEBENTURES</b>		
4,74,620 (4,74,620), Secured Redeemable Non-Convertible Debentures of Rs. 100/- each (interest varying between 0%, 5% and 8%) to be redeemed in periodic instalments commencing from and ending on August 2011 and March 2016 respectively	<b>474.62</b>	474.62
<b>II. Loans &amp; Advances from Bank</b>		
(a) Term Loan	<b>9,552.07</b>	9,571.07
(b) Cash Credit	<b>3,503.24</b>	3,334.60
<b>III. Other Loans</b>	<b>1,694.78</b>	2,400.96
Total	<b><u>15,224.71</u></b>	<u>15,781.25</u>
<b>4. UNSECURED LOANS</b>		
Sales Tax Loans	<b>825.00</b>	825.00
Loan from Companies	<b>2,147.17</b>	2,118.60
West Bengal Government Soft Loan	<b>300.00</b>	300.00
Total	<b><u>3,272.17</u></b>	<u>3,243.60</u>

**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET (Contd.)**

Particulars of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Cost/Book Value 31.03.2010	Additions	Less: Sold/Discarded/ Adjusted	Cost/Book Value 31.03.2011	Total Provision Upto 31.03.2010	Provided for the Year ended 31.03.2011	Adjustment of depreciation on Assets Sold/Discarded	Total to 31.03.2011	As on 31.03.2011	As on 31.03.2010
	(Rs. in lacs)									
Goodwill	6.36	812.34	—	818.70	—	—	—	—	818.70	6.36
Know How	—	—	—	—	—	—	—	—	—	—
Land :										
— Free Hold	829.94	—	—	829.94	—	—	—	—	829.94	829.94
— Lease Hold	447.07	—	—	447.07	87.43	7.04	—	94.47	352.60	359.64
Buildings :										
— On Free Hold Land	6,613.19	—	—	6,613.19	3,645.67	185.61	—	3,831.28	2,781.91	2,967.52
— On Lease Hold Land	1,721.11	—	—	1,721.11	704.29	37.45	—	741.74	979.37	1,016.82
Lift	2.75	15.49	—	18.24	2.68	0.52	—	3.20	15.04	0.07
Plant and Machinery	16,586.28	27.38	92.25	16,521.41	10,935.84	621.63	58.99	11,498.48	5,022.93	5,650.44
Weigh Bridge	3.22	—	—	3.22	3.07	0.02	—	3.09	0.13	0.15
Weighing Machines	0.91	—	—	0.91	0.89	—	—	0.89	0.02	0.02
Furniture & Fixtures	735.37	4.51	39.39	700.49	619.71	21.90	30.02	611.59	88.90	115.66
Motor Cars/Cycles/ Motor Cycles	225.98	—	96.87	129.11	156.95	13.85	68.22	102.58	26.53	69.03
Trucks and Heavy Vehicles	29.20	—	—	29.20	29.17	0.01	—	29.18	0.02	0.03
Railway Sidings	0.39	—	—	0.39	0.38	—	—	0.38	0.01	0.01
Electrical Installations	267.87	—	—	267.87	232.41	0.60	—	233.01	34.86	35.46
Sub-Total A	27,469.64	859.72	228.51	28,100.85	16,418.49	888.63	157.23	17,149.89	10,950.96	11,051.15
Intangible Assets * Software	35.33	—	7.80	27.53	10.35	6.81	2.01	15.15	12.38	24.98
Sub-Total B	35.33	—	7.80	27.53	10.35	6.81	2.01	15.15	12.38	24.98
Total (A+B)	27,504.97	859.72	236.31	28,128.38	16,428.84	895.44	159.24	17,165.04	10,963.34	11,076.13
Capital Work-in-progress (Tangible Fixed Assets)	26.62	53.49	30.20	49.91	7.00	—	—	7.00	42.91	19.62
Sub-Total C	26.62	53.49	30.20	49.91	7.00	—	—	7.00	42.91	19.62
Grand Total (A+B+C)	27,531.59	913.21	266.51	28,178.29	16,435.84	895.44	159.24	17,172.04	11,006.25	11,095.75
Previous Year	27,729.64	86.80	284.85	27,531.59	15,616.67	982.53	163.36	16,435.84	11,095.75	—

Notes : i) Building includes Rs. 0.68 on account of a flat on time sharing basis.

ii) Fixed Assets includes assets (Plant & Machinery, Motor Vehicles and Computers) costing Rs. 2,755.43 (Rs. 2,761.57) acquired under Hire Purchase against which Rs. 2.60 (Rs. 16.66) being the balance due as on 31.03.2011.

\* Other than internally generated software.



**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET (Contd.)**

6. CONSOLIDATED INVESTMENTS	Particulars	As at 31st March, 2010		Purchased/Acquired/Adjusted during the year ended 31.03.11		Sold/Redeemed/Adjusted during the year ended 31.03.11		As at 31st March, 2011	
		Face Value Rs. in lacs	Cost Rs. in lacs	Face Value Rs. in lacs	Cost Rs. in lacs	Face Value Rs. in lacs	Cost Rs. in lacs	Face Value Rs. in lacs	Cost Rs. in lacs
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>LONG TERM</b>								
	<b>QUOTED (TRADE) :</b>								
	(i) Nicco Uco Alliance Credit Limited (Formerly Nicco Uco Financial Services Ltd.) 70,58,524 fully paid equity shares of Rs. 10/- each	705.85	812.25	—	—	—	—	705.85	812.25
	<b>UNQUOTED (OTHER THAN TRADE) :</b>								
	(A) GOVT. & TRUST SECURITIES								
	(i) National Savings Certificate	0.02	0.02	—	—	—	8.95	0.02	0.02
	(B) 6000 Equity Shares of GBP 1/- each of Hellifusion Ltd., UK	—	8.95	—	—	—	—	—	—
	<b>(C) UNQUOTED (TRADE) :</b>								
	(i) National Pipes & Tubes Co. Ltd. (in liquidation) 40,000 fully paid equity shares of Rs. 10/- each	4.00	—	—	—	—	—	4.00	—
	(ii) BDA-Nicco Parks & Resorts Ltd. 20,000 fully paid equity shares of Rs. 10/- each	2.00	2.00	—	—	—	—	2.00	2.00
	<b>(D) INVESTMENT IN ASSOCIATES (TRADE) :</b>								
	(i) Nicco Parks and Resorts Ltd. (Quoted)	117.00	521.11	—	95.90	—	—	117.00	617.01
	11,70,000 fully paid equity share of Rs. 10/- each								
	READ WITH NOTE XV SCHEDULE 24B								
	(ii) Nicco Ventures Ltd. (Unquoted),	91.96	136.36	—	30.04	—	—	91.96	166.40
	919,550 fully paid equity shares of Rs. 10/- each								
	READ WITH NOTE XV SCHEDULE 24B								
	(iii) Nicco Financial Services Ltd. (Unquoted)	38.07	77.76	—	0.02	—	—	38.07	77.78
	3,80,714 fully paid equity shares of Rs. 10/- each								
	NE Cables Limited								
	(iv) 49,930 fully paid equity shares of Rs. 10/- each	—	—	4.99	4.99	—	0.10	4.99	4.89
	Nicco Engineering Services Limited	—	—	18.33	76.70	—	—	18.33	76.70
	18,33,392 Equity shares of Re. 1/- each								
	<b>(E) DEBENTURES (TRADE) (UNQUOTED) :</b>								
	(i) 90,500 Redeemable Non-convertible Debentures of Rs. 100/- each of Nicco Financial Services Ltd.—An Associate	90.50	90.50	—	—	—	—	90.50	90.50
	<b>(F) CURRENT INVESTMENT (OTHER THAN TRADE)</b>								
	(i) 1,27,233 Units @ Rs. 100/- (2,62,223 Units @ Rs. 10/-) of Prudential ICICI Liquid Option Plan (Unquoted)	127.23	151.10	—	—	127.23	151.10	—	—
	5,67,722 Units of Reliance Short Term Fund	—	—	56.77	60.53	56.77	60.53	—	—
	(ii) 19,704 Units of Reliance Money Manager Fund Retail Option	—	—	197.04	197.95	197.04	197.95	—	—
	(iv) 5,653 Units Templeton India Short Term Income Retail Plan	—	—	56.53	60.87	56.53	60.87	—	—
	<b>Total</b>	<b>1,176.63</b>	<b>1,800.06</b>	<b>333.66</b>	<b>526.99</b>	<b>437.57</b>	<b>479.50</b>	<b>1,072.72</b>	<b>1,847.55</b>
	Less : Provision for Diminution	—	709.20	—	—	—	—	—	709.20
	<b>Total</b>		<b>1,090.86</b>						<b>1,138.35</b>

1. National Savings Certificates are lodged with a customer by way of security.




**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET (Contd.)**

	Particulars	(Rs. in lacs)	
		As at 31st March, 2011	As at 31st March, 2010
<b>7. INVENTORIES</b>			
	Raw Materials	408.09	656.93
	Work-in-Progress	1,889.25	2,069.48
	Finished Products	141.12	294.30
	Scrap	70.75	36.58
	Finished Goods Purchased	—	3.55
	Work-in-Progress for Turnkey Projects & Engg. Services	568.88	1,060.68
	Stores & Spares	242.04	338.85
	<b>Total</b>	<b>3,320.13</b>	<b>4,460.37</b>
<b>8. SUNDRY DEBTORS (Unsecured)</b>			
	Debts Outstanding for a period exceeding six months :		
	Considered Good	5,344.30	4,694.34
	Considered Doubtful	360.95	144.15
		5,705.25	4,838.49
	Less : Provision for Doubtful Debts	360.95	144.15
		5,344.30	4,694.34
	Other Debts:		
	Considered Good	6,724.46	8,214.60
	<b>Total</b>	<b>12,068.76</b>	<b>12,908.94</b>
<b>9. CASH &amp; BANK BALANCES</b>			
	Cash in Hand	1.79	28.07
	Remittance in Transit	—	2.00
	With Scheduled Banks in :		
	— Current Account	212.02	213.92
	— Margin Deposits Account	37.97	56.23
	Fixed Deposits Account	145.00	40.43
	<b>Total</b>	<b>396.78</b>	<b>340.65</b>
	Include Rs. Nil (38.68 Lacs) pledged to Banks		
<b>10. OTHER CURRENT ASSETS (Unsecured, Considered Good – Unless Stated Otherwise)</b>			
	Interest Accrued on Deposits & Others	0.92	—
	Other Receivables	256.68	247.03
	<b>Total</b>	<b>257.60</b>	<b>247.03</b>

**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET (Contd.)**

Particulars	(Rs. in lacs)	
	As at 31st March, 2011	As at 31st March, 2010
<b>11. LOANS &amp; ADVANCES (Unsecured, Considered Good – Unless Stated Otherwise)</b>		
Advances Recoverable in cash or in kind or for value to be received	<b>634.04</b>	980.19
Advance Income Tax including Tax Deducted at Source Net of Provision Rs. 675.09 (Rs. 653.36 lacs)	<b>361.30</b>	492.33
Balance with Port Trust, Customs and Other Govt. Department	<b>375.84</b>	485.72
Deposit with Others	<b>257.68</b>	416.98
Total	<b><u>1,628.86</u></b>	<u>2,375.22</u>
<b>12. CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>(a) Current Liabilities</b>		
Sundry Creditors for Goods, Services, Expenses etc. :	<b>12,919.18</b>	13,998.71
Micro & Small Enterprises Under MSMED Act, 2006	<b>363.12</b>	372.26
Other Liabilities	<b>1,790.87</b>	1,543.38
Advance from Customers	<b>2,262.00</b>	2,639.66
Interest Accrued but not due on Loans, Deposits etc.	—	0.06
Advances against Equity Shares	<b>160.00</b>	134.00
Investor Education and Protection Fund shall be credited by the following amount namely :		
Unclaimed matured Fixed Deposit	<b>0.30</b>	0.40
Total	<b><u>17,495.47</u></b>	<u>18,688.47</u>
<b>(b) Provisions</b>		
Gratuity	<b>250.18</b>	240.84
Leave Encashment	<b>180.81</b>	217.43
Superannuation benefits	<b>170.75</b>	152.68
Total	<b><u>601.74</u></b>	<u>610.95</u>
Total (a)+(b)	<b><u>18,097.21</u></b>	<u>19,299.42</u>


**SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	Particulars	(Rs. in lacs)	
		Year ended 31st March, 2011	Year ended 31st March, 2010
<b>13. SALES</b>			
	Sale of Finished Goods including income from Other Works & Consultancy Fees	31,876.68	34,076.37
	Total	<u>31,876.68</u>	<u>34,076.37</u>
<b>14. OTHER INCOME :</b>			
	Income from House Property (Gross of TDS – Rs. 3.13 Lacs, Previous Period – Rs. 5.81 Lacs)	80.90	61.66
	Dividend on Current Investments (Other than Trade)	18.71	16.60
	Interest — Others	0.90	4.28
	Profit on Sale of Fixed Assets	1.89	189.31
	Profit on Sale of Long Term Investments (Other than Trade)	669.79	—
	Liability no longer required written back	—	1.47
	Bad Debts Recovery	3.43	—
	Miscellaneous Receipts	56.92	27.68
	Interest on Fixed Deposit with Banks	1.62	19.31
	Gain on Foreign Exchange	1.19	1.71
	Total	<u>835.35</u>	<u>322.02</u>
<b>15. COST OF MATERIALS :</b>			
	Raw Materials :		
	Opening Stock	656.93	441.55
	Add : Purchases	12,940.97	12,991.92
		<u>13,597.90</u>	<u>13,433.47</u>
	Less : Closing Stock of Raw Materials	408.09	656.93
	Raw Materials Consumed	13,189.81	12,776.54
	Add : Purchase of Finished Goods	1,602.86	1,082.28
	Add : Purchase of Comp. For Turnkey Projects & Engg. Services	3,164.90	8,809.02
	Sub Total	(A) <u>17,957.57</u>	<u>22,667.84</u>
	Adjustment of Closing & Opening Stock :		
	<b>Closing Stock :</b>		
	Work-in-Progress for Turnkey Projects & Engg. Services	568.88	1,060.68
	Finished Goods	229.20	294.30
	Purchased Finished Goods	—	3.55
	Scrap Stock	70.75	36.58
	Work-in-Progress	1,889.25	2,069.48
		<u>2,758.08</u>	<u>3,464.59</u>
	<b>Opening Stock :</b>		
	Work-in-Progress for Turnkey Projects & Engg. Services	1,060.68	2,802.86
	Finished Goods	294.30	126.30
	Purchased Finished Goods	3.55	2.34
	Scrap Stock	36.58	9.03
	Work-in-Progress	2,069.48	862.59
		<u>3,464.59</u>	<u>3,803.12</u>
	(Accretion)/Decretion	(B) 706.51	338.53
	Total	(A+B) <u>18,664.08</u>	<u>23,006.37</u>

**SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT** (Contd.)

Particulars	(Rs. in lacs)	
	Year ended 31st March, 2011	Year ended 31st March, 2010
<b>16. MANUFACTURING EXPENSES :</b>		
Power & Fuel	528.08	550.30
Stores & Spares Consumed	347.72	441.56
Packing Materials Consumed	274.98	277.08
Repairs—Plant & Machinery	100.64	57.36
Repairs—Building	25.91	18.14
Repairs—Others	15.22	13.74
Fabrication Charges	117.91	92.01
Carriage and Handling Charges	40.56	29.87
Total	<u>1,451.02</u>	<u>1,480.06</u>
<b>17. PROJECT ENGINEERING EXPENSES :</b>		
Site Expenses	24.85	13.28
Design & Engineering	18.50	37.23
Fabrication Charges	91.19	423.34
Erection Charges	956.43	1,342.17
Civil Sub-contracting Charges	901.67	1,056.68
Loss on Foreign Exchange	—	0.71
Other Expenditure on Contract	235.49	243.01
Sales Tax & Commercial Tax	119.74	212.88
Total	<u>2,347.87</u>	<u>3,329.30</u>
<b>18. EXPENSES ON EMPLOYEES :</b>		
Salaries, Wages, Bonus & Gratuity	2,715.17	2,658.53
Contribution to Provident & Other Funds	257.33	187.22
Workmen & Staff Welfare	290.62	325.71
Total	<u>3,263.12</u>	<u>3,171.46</u>


**SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT** (Contd.)

Particulars	(Rs. in lacs)	
	Year ended 31st March, 2011	Year ended 31st March, 2010
<b>19. SELLING &amp; ADMINISTRATION EXPENSES :</b>		
Freight and Transport	397.82	439.69
Insurance	77.09	150.11
Rent	74.82	96.75
Rates & Taxes	33.92	32.66
Consultancy Fees	198.10	187.16
Commission on Domestic Sales	100.82	72.59
Cash Discount	37.10	61.86
Travelling & Conveyance	481.49	589.11
Brokerage	0.27	0.13
Auditors' Remuneration :		
Audit Fees	6.11	6.62
Taxation Matters	1.24	1.38
Other Matters	6.61	6.79
Directors' Fees	6.63	7.14
Bank Charges	664.24	761.66
Advertisement	7.78	7.11
Provision for Doubtful Debts	216.79	95.08
Bad Debts Written Off	421.32	738.91
Repairs to Office Building	2.49	4.56
Repairs Others	15.96	15.85
Loss on Foreign Exchange	5.76	—
Loss on Sale of Asset	1.88	0.68
Miscellaneous Expenses	917.44	981.58
Total	<u>3,675.68</u>	<u>4,257.42</u>
<b>20. INTEREST :</b>		
On Fixed Loan	1,660.77	1,705.55
On Others	<u>1,076.61</u>	<u>660.11</u>
Total	<u>2,737.38</u>	<u>2,365.66</u>
<b>21. DEPRECIATION :</b>		
Depreciation for the Period	895.44	982.53
Less : Transferred from Capital Reserve	<u>159.70</u>	<u>167.65</u>
Total	<u>735.74</u>	<u>814.88</u>

**SCHEDULES TO THE BALANCE SHEET** (Contd.)**22. CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :****A. ACCOUNTING POLICIES**

The Accounts of the company are prepared on going concern assumption under the historical cost convention (modified from time to time for revaluation of assets) and on accrual basis, in accordance with applicable Accounting Standards except where otherwise stated.

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

**(a) (i) FIXED ASSETS: (Tangible)**

(i) Fixed Assets (except free hold Land) are valued at cost (net of CENVAT) less depreciation/amortization and impairment loss, if any, except for those revalued which are presented in terms of revalued figures—net of depreciation thereon and impairment loss, if any.

Land is valued at cost which includes expense on account of development.

(ii) Assets acquired under Hire Purchase are shown under fixed assets and are depreciated at the rate specified under Schedule XIV of the Companies Act, 1956.

(iii) Cost includes purchase price, finance charges in case of major expansion or modernisation and other attributable expenses for bringing the Assets to their working condition for the intended use, duly certified by the engineers of the concerned departments.

**(ii) Fixed Assets (Intangible)**

Intangible fixed assets i.e. software is carried at actual cost of acquisition including cost incidental thereon—net of amortisation.

**(b) DEPRECIATION :**

1. Depreciation is considered at the rates and in the manner specified under schedule XIV of the Companies Act, 1956 as under:

(i) Straight Line Method at Kalyani, Baripada divisions and Plant & Machinery in other divisions.

(ii) Written down Value Method at other divisions in case of other assets.

2. Depreciation on additions/deletion during the year is charged on pro rata basis from the date of such addition/deletion.

3. In respect of revalued depreciable assets, the differential depreciation on the amounts added on revaluation is set off against Revaluation Reserve forming part of Capital Reserve.

4. Depreciation on increase in value of assets arising out of variations in the exchange rates, is charged prospectively over the remaining life of the assets.

5. Leasehold land is amortised over the period of lease.

6. Intangible fixed assets i.e.; software is amortised over a period of 5 years on straight line basis since the date of bringing the same in use.

**(c) IMPAIRMENT OF FIXED ASSETS**

Exigency of provisions, if any, for impairment loss has been assessed in the context of Cash Generating Units (CGU) in due cognizance of indications thereof based on external/internal sources of information. Impairment loss is provided against short fall of recoverable value of CGU's vis-a-vis written down value of corresponding fixed assets. Recoverable value is the higher of value in use and net selling price of the fixed assets relevant to a CGU. Value in use when found to exceed the written down value of fixed assets of CGU, the exercise of further ascertaining net selling price therefore has been done away with.



## CHEQUES TO THE BALANCE SHEET (Contd.)

### 22. CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS : (contd.)

#### (d) INVENTORIES :

All items of inventories are valued at lower of cost and net realisable value except for scrap which is considered at estimated net realisable value.

Cost includes all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

The basis of determining cost for different categories of inventories:

- (a) Stores, Raw Materials and Packaging Materials—Weighted average basis.
- (b) Work-in-Progress and Finished Goods—Material cost and appropriate share of production overhead.
- (c) Purchased Goods—Purchase price.

#### (e) INVESTMENTS :

Long term investments are stated at cost less provision, if any, against permanent diminution in carrying cost of investment. Current investments are carried at lower of cost and Net Asset Value/market price.

#### (f) REVENUE RECOGNITION :

1. Sales and services are accounted for when the sale of goods or services are completed on accrual basis. Sales is net of Sales Tax/VAT but gross of excise duty.
2. All items of income and expenses are recognized on accrual basis unless stated otherwise.
3. Export benefits are accounted for on the basis of realization.

#### (g) RECOGNITION OF PROFIT ON LONG TERM CONTRACTS

Contract revenue and Contract costs are recognized as revenue and expenses respectively by reference to the stage of completion of contract activity up to the date of balance sheet unless when construction contract stage can be estimated reliably. Expected loss on construction contract, based on possibility of total cost of construction exceeds contract revenue, is recognized as an expense. Stage of completion is arrived at on the basis of agreed billing schedule vis-a-vis total contract value.

#### (h) TRANSACTIONS IN FOREIGN CURRENCIES

Foreign currency assets and outside liabilities (other than fixed assets and those covered by forward contracts) as on the Balance Sheet date are converted at the year end exchange rates and loss or gain arising thereon, is adjusted in the carrying amount of fixed assets or charged to Profit & Loss Account, as the case may be.

Transactions in foreign currencies other than those covered by forward contracts, are recorded at the rate prevailing on the date of transaction. Impact of exchange fluctuation between the date of the transaction and that of payment is accounted for separately as exchange gain or loss.

#### (i) RETIREMENT BENEFITS :

- (i) 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.
- (ii) Defined Benefit Plan—  
Gratuity, Leave Salary and Superannuation benefit form part of defined benefit plan schemes existing in the company. The above benefits have been accounted for on the basis of actuarial computation under unit projected cost method in terms of AS-15 as revised by ICAI.
- (iii) Short Term Benefit Plan—  
Benefits payable within a year has been accounted for on accrual basis in terms of non discounted value.

#### (j) GOVERNMENT GRANTS

Revenue grants are recognised in the Profit and Loss Account. Capital grants are credited to Capital Reserves.



## SCHEDULES TO THE BALANCE SHEET (Contd.)

### 22. CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS : (contd.)

**(k) RESEARCH & DEVELOPMENT EXPENSES:**

Research and Development Expenditure is charged to Profit & Loss Account in the year of incurrence.

**(l) CUSTOM DUTY :**

Custom duty payable on imported goods landed but not cleared are accounted for at the time of clearance of imported goods through customs.

**(m) CONTINGENT LIABILITIES :**

Where there is reliably 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 recognised in account therefore. Otherwise no provision is made against contingent liabilities which are disclosed in notes to accounts.

**(n) MISCELLANEOUS EXPENDITURE :**

Preliminary expenses are written off in the year in which they are incurred.

Share issue expenses and payment made towards Voluntary Retirement Scheme are written off over a period of 60 months in equal installments.

**(o) TAXATION :**

Income Tax is provided as per provisions of Income Tax Act, 1961. Deferred tax is recognized only at year end subject to consideration of prudence on timing difference being the difference between the taxable income and accounting income that originate in one year and capable of reversal in one or more subsequent year/years.

**(p) INTEREST IN JOINT VENTURE :**

Income, Expenses and stake in venture the Company has undertaken with a third party have been accounted for in terms of AS-27 issued by ICAI.

**(q) GENERAL**

Items of income, expenses, assets and liabilities not being specifically referred to herein are accounted for consistently in terms of generally accepted accounting practices in due adherence of Accounting Standards issued by ICAI and in it's absence those issued under International Accounting Standards.





## SCHEDULES TO THE BALANCE SHEET (Contd.)-

### 22B. NOTES TO ACCOUNTS

(Figures have been stated in Rs. in Lacs)

- (l) Contingent liabilities not being provided for include:
- (a) Counter guarantees aggregating Rs. 10521.63 Lacs (Rs. 12303.18 Lacs) provided to the bankers against guarantees issued by them. There is hardly any possibility of cash outflow.
  - (b) Bills discounted Rs. 2129.67 Lacs (Rs. 1045 Lacs) — possibility of cash outflow is remote.
  - (c)
    - (i) Demands aggregating Rs. 0.24 Lacs (Rs. 0.24 Lacs) raised by Central Excise Authority during 1977 and 1978 were contested as not payable. The Company was subsequently advised to pay Rs.13.14 Lacs (Rs.13.14 Lacs). But the excise authorities continued claiming the full amount. The claim was stayed by the Calcutta High Court by its order dated 15th May 1992. Based on the merit of the case, a favourable judgment is expected. The possibility of future cash outflow against the claim is remote and no provision for the deposit has been made for the outflow.
    - (ii) Other claims of central excise authority involving 61 cases not admitted Rs. 699.86 Lacs (Rs. 660.43 Lacs) and two claims from Service Tax authority Rs. 85.85 Lacs (Rs. 79.76 Lacs) in respect of which no reliable payment obligation can be estimated and as such it is also not possible to assess the impact on future cash outflow.
    - (iii) Other claims of central excise authority not admitted Rs. 86.50 Lacs (Rs. 6.59 Lacs) and Service Tax authority Rs. 13.52 Lacs (Rs. 13.52 Lacs). Appeal is pending with the department after deposit of Rs. 0.90 Lacs and Rs. 6.00 Lacs respectively.
  - (d) Income tax demand of Rs. 27.59 Lacs (Rs. 27.59 Lacs) pertaining to Assessment Year 92-93 is pending in appeal at Orissa High Court. Going by merit of the case, possibility of future cash outflow seems remote.
  - (e) Sales Tax Demands
    - (i) On account of reassessment from 01/04/98 to 31/03/01, demand of Rs.258.44 Lacs (Rs.258.44 Lacs) which has been stayed by Orissa High Court on deposit of Rs. 66.44 Lacs (Rs. 66.44 Lacs). Favourable judgment is expected from Hon'ble Court. Going by the merit of the case possibility of any future cash outflow seems remote. No provision is made due to above reason.
    - (ii) On account of assessment for years 2001–02 & 02–03 demand aggregates to Rs. 83.75 Lacs (Rs. 83.75 Lacs) were raised. The case for the year 2001–02 involving demand of Rs. 12.14 Lacs (Rs. 12.14 Lacs) under appeal with Assistant Commissioner of Sales Tax, Orissa has been stayed against deposit of Rs. 2.50 Lacs (Rs. 2.50 Lacs). In respect of assessment year 2002–03 involving demand of Rs. 71.61 Lacs (Rs. 71.61 Lacs), the same has been stayed by Commissioner of Sales Tax, Orissa against deposit of Rs. 18 Lacs (Rs. 18 Lacs). Going by the merit of the case, possibility of any future cash outflow seems remote. No provision has been made for the outflow.
    - (iii) Rs. 33.40 Lacs (Rs. 33.40 Lacs) has been claimed by the Sales Tax Officer, Baripada in respect of assessment of sales tax for the year 2003–04 which has been disputed by the Company. In this connection stay has been granted by Asst. Commissioner of Commercial Tax against payment of Rs. 0.23 Lacs (Rs. 0.23 Lacs) which has been accounted for as Loans and Advances. Going by the merit of the case, possibility of future cash outflow seems remote. No provision has been made due to above reason.
    - (iv) Rs. 56.74 Lacs (Rs. 56.74 Lacs) has been claimed by the Sales Tax Officer, Baripada, Orissa on assessment of Sales Tax for the year 2004–2005 which has been reduced to Rs. 10.60 Lacs. In respect of such claims a stay petition has been granted by Commissioner of Commercial Tax against payment of Rs. 18 Lacs (Rs. 18 Lacs) which has been accounted for as Loans and Advances. Going by merit of the case, the possibility of future cash outflow seems remote. No provision has been made.
    - (v) Estimated amount of contingent liability on account of four number sales tax cases amount of Rs. 553.54 Lacs (Rs. 475.29 Lacs) arising out of demands not admitted by the Company and for which appeal have been filed with the respective high courts as the Company is of the opinion that the disputes will be resolved in it's favour. Going by the merit of the case, possibility of any future cash outflow seems remote no provision for the deposit has been made for the outflow.

**SCHEDULES TO THE BALANCE SHEET (Contd.)**

- (vi) (a) Rs. 115.97 Lacs (Rs. 115.97 Lacs) has been claimed by the Asst. Commissioner of Commercial Tax, Balasore, on assessment of Sales Tax for the year 2005–06 which has also been disputed by the Company. In respect of such claims payment of Rs. 35 Lacs (Rs. 35 Lacs) has been made. This has been accounted for as Loan and Advances till 31st December, 2008.
- (b) Rs. 21.89 Lacs (Rs. 21.89 Lacs) has been claimed by the Asst. Commissioner of Commercial Tax, Balasore, on assessment of Entry Tax for the year 2005–06 which has also been disputed by the Company. In respect of such claims payment of Rs. 10.94 Lacs (Rs. 5.50 Lacs) has been made. This has been accounted for as Loan and Advances till 30th June, 2008. Going by the merit of the cases, possibility of any future cash outflow in respect of both the demands seem remote. No provision has been made due to above reason.
- (c) Rs. 106.50 Lacs (Rs. 106.50 Lacs) has been claimed by the Asst. Commissioner of Commercial Tax, Balasore, on assessment of Entry Tax for the year 2006-07 which has also been disputed by the Company, in respect of such claims stay appeal is pending against deposit of Rs. 15.00 Lacs (Rs. 15 Lacs). Going by merit of the case, the possibility of future cash outflow in this regard seems remote.
- (d) Rs. 11.38 Lacs (Rs. 11.38 Lacs) has been claimed by the Asst. Commissioner of Commercial Tax, Balasore, on assessment of Entry Tax for the year 2006-07 which has also been disputed by the Company, in respect of such claims stay appeal is pending against deposit of Rs. 5.69 Lacs (Rs. 0.76 Lacs). Going by merit of the case, the possibility of future cash outflow in this connection seems remote and as such no provision has been made.
- (e) Arbitration award for Rs. 45.23 Lacs (Rs. 45.23 Lacs) in favour of the Indian Railways which has been stayed by the Allahabad District Court. Moreover, invocation of the performance guarantee has been stayed till disposal of the Company's petition against the award. Since disposal of the petition is being delayed, a writ petition through Allahabad High Court is being moved for speedy disposal of the petition. No reliable estimate can be made for the amount of obligation, if any, with possible impact thereof on future cash outflow.
- (f) Advances recoverable in cash or in kind or for value to be received include Rs. 96.85 Lacs (Rs. 96.85 Lacs) pertaining to a guarantee invoked by a customer. The action of the customer was challenged in High Court, Ranchi and was favourably disposed of in favour of the Company. But the customer has taken up the matter to Supreme Court. The matter is now being heard at Ghatshila Court.
- (g) Rs. 438 Lacs, forming part of advances recoverable in cash or in kind or for which value to be received, relates to invocation of bank guarantee by ONGC following dispute with the Company concerning execution of a contract. The matter is pending in arbitration. Based on merit of the case no provision has been made in this regard.
- (h) Claims of the three parties in project division disputed by company and contested by the parties in court/arbitration Rs. 165 Lacs.
- (i) Rs. 9.95 Lacs (Rs. Nil Lacs) has been claimed by the Dy. Commissioner of Commercial Tax, Balasore, on assessment of Central Sales Tax for the years 2007 to 2009 (24 months) which has also been disputed by the Company. In respect of such claims company has preferred appeal to commissioner of Sales Tax, Cuttack, Orissa has been pending against deposit of Rs. 1.00 Lacs. Going by merit of the case, the possibility of future cash outflow in this regard seems remote.
- (j) Rs. 1.06 Lacs (Rs. Nil Lacs) has been claimed by the Dy. Commissioner of Commercial Tax, Balasore, on assessment of Entry Tax for the years 2007 to 2009 (24 months) which has also been disputed by the Company. In respect of such claims company has preferred appeal to commissioner of Sales Tax, Cuttack, Orissa has been pending against deposit of Rs. 0.07 Lacs. Going by merit of the case, the possibility of future cash outflow in this regard seems remote.

**(II) Contingent liabilities provided for in terms of AS 29 :-**

(a) Particulars	Opening Provision	Provisions made during the year	Provisions withdrawn during the year	Closing Provision	Forum where the dispute is pending
Provision for doubtful advance	10.00	Nil	Nil	10.00	Kerala High Court



**SCHEDULES TO THE BALANCE SHEET** (Contd.)

- (b) Following dispute between Company and Kerala State Electricity Board, the latter has encashed the Performance Guarantee issued by bank in favour of the Company. The action of customer has been challenged by the Company in Kerala High Court.

Particulars	Opening Provision	Additional Provision/ Adjustment of Provision	Closing Provision	Forum where the dispute is pending
Dues of the Party being withheld Due to dispute		58	58	Arbitration Authority

Resultant outflow is expected in next two years in both cases.

- (III) Sale of finished goods is net of claims etc, relating to earlier periods settled in the current period.

- (IV) Sales include sale of manufacturing scrap Rs. 646.12 Lacs (Rs. 421.09 Lacs).

(V) **Deferred Tax :**

Recognition of deferred tax asset is attributed to management affirmation of virtual certainty of future profit considering inter alia, CDR approval of company's revival scheme.

	(Rs. in Lacs)	
	As at 31st March, 2011	As at 31st March, 2010
A. Deferred Tax Assets		
Loss	6,250.93	5,848.76
Employee related dues	199.88	199.37
Sub Total (A)	<u>6,450.81</u>	<u>6,048.13</u>
B. Deferred tax liability (Depreciation)	<u>1,365.68</u>	<u>1,521.86</u>
Net Deferred Tax	<u>5,085.13</u>	<u>4,526.27</u>
C. Deferred Tax Liability/(Asset) recognised for the year/period	(574.11)	(1,166.56)

**SCHEDULES TO THE BALANCE SHEET** (Contd.)**(VI) Segment Report : (Pursuant to AS 17 issued by ICAI)**

The business segments have been identified based on the nature of products of the Company and accordingly Cable segment as a business segment for Power Cables and Project as a segment for Turnkey Engineering Projects have been identified.

					Rs. in Lacs	
		<b>Cable Operation</b>	<b>Project</b>	<b>Unallocated*</b>	<b>Elimination</b>	<b>Total</b>
<b>SEGMENT REVENUE</b>						
(a) External sales		22,805.53	7,949.62	1,121.53	—	31,876.68
	PY	20,114.27	11,898.53	2,063.57	—	34,076.37
(b) Inter Segment Sales		—	—	1.81	(1.81)	—
	PY	—	—	—	—	—
<b>(c) Total Revenue</b>		22,805.53	7,949.62	1,123.34	(1.81)	31,876.68
	PY	20,114.27	11,898.53	2,063.57	—	34,076.37
Less : Excise		1,759.60	—	—	—	1,759.60
	PY	1,255.75	—	—	—	1,255.75
Net Sales		21,045.93	7,949.62	1,123.34	—	30,118.89
	PY	18,858.52	11,898.53	2,063.57	—	32,820.62
<b>SEGMENT RESULT</b>						
<b>Gross Profit Before Intt. &amp; Depn.</b>		540.16	655.10	355.40	—	1,550.66
	PY	788.72	(2,635.74)	(254.95)	—	(2,101.97)
<b>Depreciation</b>		527.98	17.65	190.11	—	735.74
	PY	553.12	22.81	238.95	—	814.88
<b>Profit &amp; Loss after Depreciation</b>		12.18	637.46	165.28	—	814.92
	PY	235.60	(2,658.55)	(493.90)	—	(2,916.85)
<b>Interest</b>		2,318.64	417.14	1.60	—	2,737.38
	PY	1,848.27	512.77	4.62	—	2,365.66
<b>Net Profit from ordinary activities</b>		—	—	—	—	(1,922.46)
	PY	—	—	—	—	(5,282.51)
<b>Profit before Taxation</b>		—	—	—	—	(1,922.46)
	PY	—	—	—	—	(5,282.51)
<b>Deferred Tax &amp; Fringe Benefit Tax</b>		—	—	—	—	407.94
	PY	—	—	—	—	1,058.62
<b>Net Profit</b>		—	—	—	—	(1,514.52)
	PY	—	—	—	—	(4,223.89)
<b>Segment Asset</b>		14,450.41	8,633.24	2,911.99	—	25,995.64
	PY	16,038.54	8,968.87	3,526.42	—	28,533.83
<b>TOTAL ASSET (Note 2)</b>		—	—	—	—	25,995.64
	PY	—	—	—	—	28,533.83
<b>Segment Liability</b>		13,158.71	6,997.92	4,869.02	—	25,025.65
	PY	12,881.26	8,185.52	7,766.26	—	28,833.04
<b>TOTAL LIABILITIES</b>		—	—	—	—	25,025.65
	PY	—	—	—	—	28,833.04
<b>CAPITAL EXPENDITURE DURING THE YEAR</b>		3.89	0.20	66.59	—	70.68
	PY	4.83	1.49	58.70	—	65.02
<b>Non Cash Expenditure</b>		—	—	—	—	—
	PY	—	—	—	—	—

\* Relates to unallocated segment.

Note : 1. Liabilities do not include long term loans.

2. Revaluation Reserve has been left out of the purview of the Total Asset.

3. Unallocated segment results inter alia include the following of the erstwhile Kalyani unit :

a) Depreciation of Rs. 72.76 Lacs (Rs. 94.82 Lacs)

b) Segment Assets amounting to Rs. 1,265 Lacs (Rs. 1,338 Lacs)

c) Segment Liability amounting to Rs. 25 Lacs (Rs. 25 Lacs) — Current Liabilities

d) PP relates to previous period and PY relates to previous year.

b) Geographical Segment (Secondary Segment)

Domestic Sales

31,854.61 Lacs

Export Sales

22.07 Lacs



## SCHEDULES TO THE BALANCE SHEET (Contd.)

### (VII) Information on Related parties pursuant to AS 18 issued by ICAI

Related Party disclosures :

(I)	<b>Related Parties where control exists :</b>	
(II)	<b>Other related parties in transaction with the Company</b>	
(a)	<b>Associates</b>	
	Nicco Ventures Ltd. (Formerly Nicco Internet Ventures Ltd.)	
	Nicco Financial Services Ltd.	
	Nicco Parks & Resorts Ltd.	
	Nicco Engineering Services Ltd. (w.e.f. 01.10.10)	
	NE Cables Ltd. (w.e.f. 01.10.10)	
	Nicco Cables Limited (w.e.f. 01.10.10)	
(b)	Nicco Institute of biotechnology (NERT) - Trust	Significant control exists
(c)	<b>Key Management Personnel (KMP)</b>	
	Mr. Rajive Kaul	Chairman
	Mr. Udayan Ray	Managing Director
(d)	Relative of KMP's	
	Mr. Shiv Siddhant Narayan Kaul	Director
	Ms. Pallavi Priyadarshini Kaul	Director

The following transactions were carried out with related parties in the ordinary course of business.

#### (a) Joint Ventures & Associates

	Rs. in Lacs					
	<b>Associates/ Significant Influence and Trust</b>	Associates/ Significant Influence and Trust	<b>KMP</b>	KMP	<b>Relatives of KMP</b>	Relatives of KMP
	<b>31.03.11</b>	31.03.10	<b>31.03.11</b>	31.03.10	<b>31.03.11</b>	31.03.10
Purchase of Goods	Rs. Nil	Rs. Nil				
Remuneration			Rs. 64.22	Rs. 62.90	Rs. 13.82	Rs. 11.85
Directors Fees					Rs. 0.72	Rs. 0.20
Rendering Services						
NPRL	Rs. Nil	Rs. 0.32				
Receivable from NERT (Asset)						
Investment in Associates:						
Nicco Engineering Services Limited	14.67	Rs. Nil				
Nicco Parks & Resorts Limited	Rs. 120.49	Rs. 120.49				
Nicco Ventures Limited	Rs. 91.96	Rs. 91.96				
Nicco Financial Services Limited (in Share)	Rs. 25.94	Rs. 25.94				
Nicco Financial Services Limited (in Debentures)	Rs. 90.50	Rs. 90.50				
Nicco Institute of Bio Technology (NERT)						
— Financing	Rs. Nil	Rs. 40.08				

**SCHEDULES TO THE BALANCE SHEET** (Contd.)**(VIII) Employee Benefits**

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

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

Particulars	For the year ended 31.03.2011 Rs. Lakhs	For the year ended 31.03.2010 Rs. Lakhs
Provident Fund	107.14	102.80
Employees Pension Scheme	70.34	79.17
Employees State Insurance	57.66	5.25
Total	<u>235.14</u>	<u>187.22</u>

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

Description	Gratuity (Funded) (Rs. Lakhs)	Leave Salary (Non-Funded) (Rs. Lakhs)	Superannuation (Funded) (Rs. Lakhs)	Total (Rs. Lakhs)
-------------	-------------------------------------	---	---	----------------------

**A. Reconciliation of opening and closing balances of obligation**

(a) Obligation as at 1.4.10	731.61	183.00	402.96	1,317.57
(b) Past Service Cost	12.70	—	22.25	34.95
(c) Current Service Cost	38.20	17.84	18.90	74.94
(d) Interest Cost	55.04	13.32	35.41	103.77
(e) Actuarial (gain)/loss	45.89	(0.31)	(12.11)	33.47
(f) Benefits paid	(87.28)	(33.04)	(9.65)	(129.97)
(g) Obligation as at 31.03.11	796.16	180.81	457.76	1,434.73

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

(a) Fair Value of plan assets as at 1.4.10	477.33	—	253.70	731.03
(b) Expected return on plan assets	38.19	—	20.30	58.49
(c) Actuarial (gain)/loss	2.69	—	2.83	5.52
(d) Contributions by the employer	115.05	—	19.83	134.88
(e) Benefits paid	(87.28)	—	(9.65)	(96.93)
(f) Fair Value of plan assets as at 31.03.11	545.98	—	287.01	832.99

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

(a) Present value of obligation as at 31.03.11	796.16	180.81	457.76	1,434.73
(b) Fair Value of plan assets as on 31.03.11	545.98	—	287.01	832.99
(c) Amount recognized in the balance sheet	250.18	180.81	170.75	601.74

**D. Expense recognized in the period**

(a) Current Service Cost	38.20	17.84	18.90	74.94
(b) Past Service Cost	12.70	—	22.25	34.95
(c) Interest Cost	55.04	13.32	35.41	103.77
(d) Expected return on plan assets Gain/(Loss)	38.19	—	20.30	58.49
(e) Actuarial (Gain)/Loss	43.20	(0.31)	(14.94)	27.95
(f) Expenses recognized in the period (a+b+c-d+e)	110.95	30.85	41.32	183.12

**E. Investment Details of Plan Assets**

(a) GOI Securities	—	—	—	—
(b) Public Sector Unit Bonds	—	—	—	—
(c) State/Central Guaranteed Securities	—	—	—	—
(d) Reimbursement right from insurance companies	—	—	—	99.29
(e) Special Deposit Schemes	—	—	—	—
(f) Others (including bank balances)	—	—	—	0.71



**SCHEDULES TO THE BALANCE SHEET (Contd.)**

**F. Assumptions**

(a) Discount rate (per annum) (%)	8.00
(b) Estimated rate of return on plan assets (per annum) (%)	8.00
(c) Inflation Rate (%)	5.00
(d) Remaining Working Life (in Years)	14.00
(e) Method Used	Projected unit credit method
(f) Mortality factor	As per LIC (1994–96) ultimate criteria
(g) Staff Turnover	10 per/1000 per annum
(h) Super annuation Age	At 60 Years

Basis of determination of respected date of return Return on long term investment in government Bond

**G.** Off balance sheet liability towards Superannuation against transitional provisions works out to Rs. 22.25 Lacs amortisable in the next year after providing Rs. 22.25 Lacs for the year.

**(IX) Information on Hire Purchase deals Pursuant to AS-19 issued by ICAI**

**A. As Lessee :**

**I. Carrying Amount (Rs. in Lacs)**

	<b>31.03.11</b>	<b>31.03.10</b>
A. Plant & Machinery	<b>34.29</b>	36.27
B. Vehicle	<b>25.14</b>	27.91
C. Computer	—	—

**II. Minimum Lease Price Payment**

	<b>Upto 1 Year</b>	<b>1 to 5 year</b>	<b>&gt; 5 Year</b>
A. Plant & Machinery	—	—	—
B. Vehicle	22.65	0.96	—
C. Computer	—	—	—

**III. Present Value**

A. Plant & Machinery	—	—
B. Vehicle	18.06	—
C. Computer	—	—

**IV. HP Charges Recognised in P/L A/c during the year (Rs. in Lacs)**

	<b>31.03.11</b>	<b>31.03.10</b>
A. Plant & Machinery	<b>0.33</b>	2.20
B. Vehicle	<b>2.46</b>	6.04
C. Computer	—	—
	<b>8.24</b>	8.24

**B. As Lessor**

Building

Lease Income

a) Recognised in accounts	Rs. 2.58
b) Recognisable in 2nd, 3rd and 4th year	Rs. 28.38
c) Entire amount has been received in advance	—
d) The deal relates to 3 years lease agreement with NESL, an associate since October 2010, for letting out office premises under arrangement of operational lease.	

**(X) Information pursuant to As 28.**

Cable Divisions at Baripada, Shyamnagar and Project Division constitute three cash generating units (CGU).

Common fixed assets have been apportioned among CGU's in the ratio of written down value of fixed assets held by respective units.

Since value in use, arrived at by way of discounting future cash flow as on date as estimated by management during assessed life of plants in terms of technical evaluation for each CGU, exceeds written down value of assets relevant thereon, no provision for any loss on account of impairment of fixed asset has been made in accounts thereby also ruling out the cause of ascertaining the net selling price of the assets.

Discount factor @ 12% p.a has been applied for arriving at as on date value of future cash flow which includes 2% against risk factors. Certain fixed assets are earmarked for transfer to cable operations at book value for which no impairment is deemed necessary for obvious reason.

**SCHEDULES TO THE BALANCE SHEET** (Contd.)

(XI) Information pursuant to AS 7 (relates to contracts entered into since 01.04.2003) :

- (a) Contract revenue recognized as revenue Rs. 8006.47 Lacs (Rs. 11834.31 Lacs).
- (b) Retention amount (forming part of debtors) Rs. Nil Lacs (Rs. 68.10 Lacs).
- (c) Due from customers on account of contract work Rs. 5700.85 Lacs (Rs. 1396.23 Lacs).
- (d) Aggregate of cost incurred on construction contract Rs. 5998.93 Lacs (Rs. 12903.56 Lacs).
- (e) Aggregate of profit (Loss) recognized against construction contract Rs. 2017.54 Lacs (Rs. 620.37 Lacs) on the basis of direct cost only.
- (f) The amount of advances received Rs. Nil Lacs (Nil)

(XII) Information on Associates pursuant to AS 23 issued by ICAI

1.	Name of the Associates :	Nicco Ventures Limited
	Extent of Stake in Associate :	43.79%
	% of Voting Power :	43.79%
	Acquisition cost of Investment of Equity Method (Excluding Goodwill of Rs. 7.04 Lacs)	(Rs. In Lacs) 84.92
	Add : Share of Post acquisition Profit up to 31.03.2010	<u>51.44</u>
		136.36
	Add : Share of profit for the year ended on 31.03.2011	<u>30.04</u>
	Value of Investment as on 31.03.2011	<u>166.40</u>
2.	Name of Associates:	Nicco Parks & Resorts Limited
	Extent of Stake in Associate:	25%
	% of Voting Power :	25%
	Acquisition cost of Investment of Equity Method (Including Capital Reserve of Rs. 0.68 Lacs)	(Rs. In Lacs) 121.17
	Add : Share of Post acquisition Profit up to 31.03.2010	<u>399.94</u>
		521.11
	Add: Share of profit for the year ended 31.03.2011	<u>95.90</u>
	Value of Investment as on 31.03.2011	<u>617.01</u>
3.	Name of Associates:	Nicco Financial Services Limited
	Extent of Stake in Associate:	49.70%
	% of Voting Power :	49.70%
	Acquisition cost of Investment of Equity Method	(Rs. In Lacs) 25.94
	Add : Share of Post acquisition Profit up to 31.03.2010	<u>51.82</u>
		77.76
	Add : Share of profit for the year ended 31.03.2011	<u>0.02</u>
	Value of Investment as on 31.03.2011	<u>77.78</u>
4.	Name of Associates:	Nicco Engineering Services Ltd.
	Extent of Stake in Associate:	32.59%
	% of Voting Power :	32.59%
	Acquisition cost of Investment of Equity Method	(Rs. In Lacs) 14.67
	Add : Share of Post acquisition Profit up to 30.09.2010	<u>—</u>
		14.67
	Add : Share of profit for the year ended 31.03.2011	<u>62.03</u>
	Value of Investment as on 31.03.2011	<u>76.70</u>
5.	Name of the Associates :	NE Cables Limited
	Extent of stake in Associates :	33.27%
	% of Voting Power :	33.27%
	Acquisition cost of Investment of Equity Method	4.99
	Add : Share of post acquisition Profit upto 31.03.2010	<u>—</u>
	Add : Share of Profit for the Year Ended 31.03.2011	<u>(0.10)</u>
	Value of Investment as on 31.03.2011	<u>4.89</u>





## SCHEDULES TO THE BALANCE SHEET (Contd.)

(XIII) (a) Earning Per Share (after consideration of extra ordinary income) :

<b>Earning Per Share (Basic &amp; Diluted)</b>		<b>Year ended 31.03.11</b>	<b>Year ended 31.03.10</b>
Profit after Tax	(Rs./-)	(13,14,83,535.10)	(41,16,15,000.00)
Less :			
Preference Dividend 5%	(Rs./-)	1,09,15,000.00	1,09,15,000.00
A. Amount used as numerators in calculating basic & diluted earning per share.		(14,23,98,535.10)	(42,25,30,000.00)
Weighted average no. of Equity Share (No.)		10,42,03,958	9,43,55,154
E. Earning Per Share (Basic)	(Rs./-)	(1.37)	(4.48)
F. Earning Per Share (Diluted)	(Rs./-)	(1.37)	(4.48)

(b) Earning Per Share (without consideration of extra ordinary income) :

<b>Earning Per Share (Basic &amp; Diluted)</b>		<b>Year ended 31.03.11</b>	<b>Year ended 31.03.10</b>
Profit after Tax	(Rs./-)	(13,14,83,535.10)	(41,16,15,000.00)
Less :			
Preference Dividend 5%	(Rs./-)	1,09,15,000.00	1,09,15,000.00
Extra ordinary items (Profit on Sale of investment)		66,966,000.00	1,01,28,000.00
A. Amount used as numerators in calculating basic & diluted earning per share.		(20,93,64,535.10)	(43,26,58,000.00)
Weighted average no. of Equity Share (No.)		10,42,03,958	9,43,55,154
E. Earning Per Share (Basic)	(Rs./-)	(2.01)	(4.59)
F. Earning Per Share (Diluted)	(Rs./-)	(2.01)	(4.59)

(c) Pending ascertainment of issue price of shares due in favour of Nicco Restructuring Employees Trust Fund for want of consent to the effect from SEBI till date, proposed issue could not be treated as part of diluted equity.

Amount received from employees in this regard has been shown as advance against equity in schedule 12.

(d) EPS of the previous year has been adjusted in terms of current status.

(XIV) Other notes have been covered in individual financial statements of holding and the subsidiary companies.

(XV) Arrears of Dividend on Cumulative Preference Shares Rs 768 Lacs (Rs. 659 Lacs).

(XVI) Out of total collection of application money under capital restructuring scheme, Rs. 0.74 Crores are pending allotment to NRETF for which necessary formalities are being complied.

(XVII) 1,10,000 5% cumulative redeemable preference shares of Rs. 100/- each, pertaining to a preference share holder only, was due for redemption on February, 1, 2010. Decision on our application for renewal of the same with the preference share holder is pending.

(XVIII) Unsecured loan, repayable within a year but renewable as felt by management, has not been disclosed under short term category.

(XIX) The Parent Company has made reference to Board of Industrial and Financial Reconstruction within the meaning of section 15 of Sick Industrial Companies (Special Provisions) Act, 1985. Pending directives of the Board, the parent company continues to operate under CDR scheme.

(XX) During the period 37,91,983 no shares of M/S Nicco Engineering Services Limited (NESL) a wholly owned subsidiary company were sold with consequential effect of change of status of the said company to Associate Company from 29th September, 2010. The profit on sale of such shares against consideration received over cost is being treated as profit and taken as other income during the period. The assets and liabilities of the said company hence not being considered for consolidation and resultant effect is treated as goodwill for Rs. 789.75 lacs in the group presentation.

Consequently assets and liabilities of other subsidiaries of M/S NE Cables Limited and M/S Nicco Cables Limited two subsidiaries of NESL are being kept outside the purview of the consolidation.

**SCHEDULES TO THE BALANCE SHEET** (Contd.)

Assets / Liabilities eliminated from group accounts due to cessation of subsidiary status include

	NESL	NE Cables Ltd.	Nicco Cables Ltd.	Total
<b>A. ASSETS</b>				
Fixed Assets	92.19	—	—	92.19
Investment	267.77	—	—	267.77
Inventories	195.01	—	—	195.01
Debtors	406.93	—	—	406.93
Cash & Bank	34.78	12.61	9.96	57.35
Others	246.27	0.31	0.44	247.02
<b>Sub Total – A</b>	<b>1,242.95</b>	<b>12.92</b>	<b>10.40</b>	<b>1,266.27</b>
<b>B. LIABILITIES</b>				
Secured Loan	28.88	—	—	28.88
Current Liabilities & Provision	393.99	0.47	0.27	394.73
<b>Sub Total – B</b>	<b>422.87</b>	<b>0.47</b>	<b>0.27</b>	<b>423.61</b>
<b>C. NET ASSETS/LIABILITIES ELIMINATED</b>	<b>820.08</b>	<b>12.45</b>	<b>10.13</b>	<b>842.66</b>
<b>D. INVESTMENT SOLD</b>	<b>30.33</b>	<b>—</b>	<b>—</b>	<b>30.33</b>
<b>E. GOODWILL GENERATED (C-D)</b>	<b>789.75</b>	<b>12.45</b>	<b>10.13</b>	<b>812.33</b>
<b>F. CONSIDERATION MONEY RECEIVED</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>700.00</b>
<b>G. PROFIT ON SALE OF INVESTMENT (F-D)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>669.67</b>

Considering above Previous period/year figures are not comparable with those of Current Year.

(XXI) Figures in brackets relates to previous period/year.

(XXII) Figures have been regrouped and rearranged wherever necessary.

(XXIII) Schedule 1 to 24 form an integral part of these accounts.

For G. BASU & CO.  
Chartered Accountants  
R. No :- 301174E  
S. LAHIRI  
Partner (M. No. 051717)  
Basu House  
3, Chowringhee Approach  
Kolkata-700 072

As per our attached Report of even date

Dated, the 7th day of May, 2011

INDRANIL MITRA  
Company Secretary

On behalf of the Board of Directors

N DAS                      Director & Chairman  
                                    — Audit Committee

UDAYAN RAY              Managing Director & CFO

RAJIVE KAUL              Chairman



# NICCO CORPORATION LIMITED

Registered Office : NICCO HOUSE, 2, HARE STREET, KOLKATA-700 001

## 28TH ANNUAL GENERAL MEETING

AT "WILLIAMSON MAGOR HALL", OF THE BENGAL CHAMBER OF  
COMMERCE & INDUSTRY, 6, Netaji Subhas Road, Kolkata-700 001.

on Thursday, the 22nd September, 2011 at 11.00 A.M.

### ATTENDANCE SLIP

Name & Address of the Member	Folio No.	_____
	DP ID No.	_____
	Client ID No.	_____
	No. of Shares	_____
Name of Proxy (If attending for Member(s))		

I hereby record my presence at the 28th Annual General Meeting of the Members of the Company at Williamson Magor Hall, of the Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001 at 11.00 A.M. on Thursday, 22nd September, 2011.

SIGNATURE OF THE ATTENDING MEMBER/PROXY :
---

· Tear Here ·



# NICCO CORPORATION LIMITED

Registered Office : NICCO HOUSE, 2, HARE STREET, KOLKATA-700 001

### PROXY FORM

I/We ..... of .....

being a Member / Member(s) of the above named company hereby appoint .....

..... of .....

or failing him ..... of .....

as my / our proxy to attend and vote for me / us on my / our behalf at the 28th Annual General Meeting of the Members of the Company to be held on Thursday, 22nd September, 2011 at 11.00 A.M. at the Williamson Magor Hall, of the Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001.

Signed this ..... day of ..... 2011.

Registered Folio No. / DP ID / Client ID .....

No. of Shares held .....



(Signature)



