

**29th ANNUAL GENERAL MEETING**

Date : 18th September, 2012

Day : Tuesday

Time : 11.00 a.m.

Place : ``Williamson Magor Hall`` of  
The Bengal Chamber of  
Commerce & Industry  
6, Netaji Subhas Road,  
Kolkata 700 001

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr Rajive Kaul  
Mr Udayan Ray  
Dr Tridibesh Mukherjee  
Mr Narottam Das  
Mr Prabir Chakravarti  
Mr Sujit Poddar  
Mr Sanjoy Bhattacharya  
Ms Pallavi Priyadarshini Kaul  
Mr Shiv Siddhant Narayan Kaul  
Dr Dilip Kumar Datta  
Mr Rajiv Srivastava (TDB nomination withdrawn w.e.f. 9th July, 2012)  
Mr Niraj Kela (TDB nominated w.e.f. 9th July, 2012)

Chairman  
Managing Director & CFO.

### GENERAL MANAGER & CO. SECRETARY

Mr Indranil Mitra

### 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 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 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 : [cmllist@nse.co.in](mailto:cmllist@nse.co.in)

The Company has already paid Annual Listing Fees for the year 2012-13 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 29th Annual General Meeting of the Members of Nicco Corporation Limited will be held on Tuesday, the 18th September, 2012 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, 2012, the Balance Sheet as on that date and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Dr Tridibesh Mukherjee who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Sanjoy Bhattacharya who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Narottam Das who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Ms Pallavi P Kaul who retires by rotation and being eligible, offers herself for re-appointment.
6. To appoint M/s G Basu & Company, Chartered Accountants, as 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(s), the following Resolution as an ORDINARY RESOLUTION :

"RESOLVED that Mr Niraj Kela, Nominee of Technology Development Board, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 31st July, 2012 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act"), and in respect of whom the Company has received a Notice in writing from a member u/s 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation."

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION :

"RESOLVED that pursuant to section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the Regulations for Preferential Issues contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("SEBI ICDR Regulations"), the provisions of the Listing Agreement entered into by the Company with the Stock Exchange, where the Equity Shares of the Company are listed, and in accordance with the Corporate Debt Restructuring (CDR) Package as approved by the CDR Cell set up by the Reserve Bank of India and subject to such other approvals, permissions, sanctions and consents of any such authority that may be required and subject to such conditions and modifications as any such authority may prescribe or impose at the time of granting its approval, consent, permission and/or sanction and which may be agreed to by the Board of Directors of the Company. ("the Board," which expression shall include any committee thereof constituted by the Board), the consent of the Company be and is hereby accorded to issue and allot, by way of Preferential allotment, upto an aggregate amount of Rs. 2,20,00,000 of 1,10,00,000 Equity Shares of Rs. 2/- each (subject to CDR approval) for cash at par of the Company (hereinafter referred to as "New Equity Shares") on preferential basis to Nicco Restructuring Employees' Trust Fund towards Equity contribution from the Employees' of Nicco Corporation Ltd. @ 10% of their salary upto a maximum of Rs. 2,20,00,000, in such manner and such terms and conditions as may be determined by the Board in its absolute discretion in accordance with the applicable SEBI ICDR Regulations.

"Resolved further that

- (a) The Relevant Date for the determination of the applicable price for the New Equity Shares shall be in accordance with the SEBI ICDR Regulations/CDR Approval.
- (b) The New Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company.
- (c) For the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do and perform all such necessary things and acts as may be considered necessary, usual or expedient and settle any matter that may arise in connection therewith.
- (d) The Board be and is hereby authorised to delegate all or any of the power(s) herein conferred, by the resolution, to any Committee of Directors or any one or more Directors or the Company Secretary or other Officer/s of the Company, to give effect to this resolution.
- (e) In order to give effect to this resolution, the Board or any Committee which the Board might appoint, be and is hereby further authorised, on behalf of the Company, to do all such acts, deeds, matters and things as the Committee/Board



may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question and remove any difficulty or doubt that may arise from time to time in relation to the offer, Preferential Issue and allotment of the New Equity Shares, including (without limitation) to decide and approve the terms and conditions of the issue of the New Equity Shares, to vary, modify or alter any of the terms and conditions, including the Relevant Date, Issue Price and size of allotment, utilisation of the Issue proceeds etc., as it may deem expedient, subject to the provisions of the Companies Act, 1956, the rules/regulations/guidelines issued by the Government of India/RBI/SEBI, without being required to seek any further consent or approval of the Members of the Company in General Meeting or otherwise to the end and intent that Members shall be deemed to have given their approval thereto, expressly by the authority of this resolution."

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION :

"RESOLVED that in partial modification of the Special Resolution passed at the Annual General Meeting of the Company held on 28th September, 2010, in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 which was proposed under item No. 7 of the Notice dated 31st July, 2010 convening the aforesaid Annual General Meeting (hereinafter referred to as the "said Resolution"), approval of the Company be and is hereby accorded to modification to the said resolution, in the following manner, that is to say, the words & figures :

"to issue and allot, by way of Preferential Allotment, up to an aggregate amount of Rs. 1.60 crores of 30,24,574 Equity Shares of Nominal Value of Rs 2/- each of the Company on preferential basis to Nicco Restructuring Employees' Trust Fund @ not less than Rs 5.29 per share (comprising par value of Rs 2/- per share and a premium of Rs 3.29 per share)" as appearing in lines 5 & 6 of paragraph 1 of the said resolution be substituted with the words & figures "to issue and allot, by way of Preferential Allotment, up to an aggregate amount of Rs 1.60 crores of 29,85,074 Equity Shares of Nominal value for Rs 2/- each of the Company on preferential basis to Nicco Restructuring Employees' Trust Fund @ not less than Rs 5.36 per share (comprising par value of Rs 2/- per share and a premium of Rs 3.36 per share)."

10. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a SPECIAL RESOLUTION :

"RESOLVED that the Company hereby accords its approval and consent under sections 198, 269, 309, 310 and 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 and 6 months (18 months) with effect from 1st October, 2012 to 31st March, 2014, 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 authorized 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."

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 31st July, 2012

## 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 Saturday, the 8th September, 2012 to Tuesday, the 18th September, 2012, (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 including Pin Code 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. Members who are holding Shares in identical order of name in more than one folio are therefore requested to send to the Company or its RTA the details of such folios together with the Share Certificates for consolidating their holding into one folio. The Share Certificates will be returned to the Members after making requisite change thereon.
12. 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.
13. 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 address, in respect of electronic holdings, with the Depository through their concerned Depository Participants. Members who holds Shares in physical form are requested to register their e-mail ids with the Registrar and Share Transfer Agents.
14. In terms of Circular No. CIR/CFD/DIL/7/2011 dated 5th October, 2011 and in line with the Green Initiative of Ministry of Corporate Affairs vide their Circular dated 29th April, 2011, the abridged Balance Sheet of the Company for the year ended on 31st March, 2012 will be circulated to the Members of the Company. Shareholders will be entitled to be furnished, free of cost, with a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto including the Statement of Profit & Loss and Auditors' Report, upon receipt of the requisition from the Shareholders, any time as a Member of the Company. These documents will also be available on the Company's Website [www.niccogroup.com](http://www.niccogroup.com) for download by the Shareholders. The physical copies of the Annual Report will also be available at the Company's Registered Office in Kolkata for inspection during 3.00 p.m. to 4.00 p.m. on any working day upto 17th September, 2012.
15. 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 Mr Niraj Kela as a Director :**

Mr Niraj Kela, Director — F&A, Technology Development Board (TDB) has been appointed as an Additional Director of the Company, w.e.f. 9th July, 2012 on 31st July, 2012, as Nominee Director of TDB, pursuant to the withdrawal of nomination by TDB of Mr Rajiv Srivastava. 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.

Mr Kela has got wide experience in Administration, Finance, Accounts Matters, Industrial relation, Human Resource, Production of Arms and Ammunition and Material Management.

Considering his experience as stated above, the Board considers that the Company will benefit from the appointment of Mr Niraj Kela as a Director and recommends that this Ordinary Resolution as set out in Item No. 7 of the attached Notice be adopted by the Members.

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

Excepting Mr Niraj Kela, 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. 8 — Allotment of Equity Shares to Nicco Restructuring Employees' Trust Fund :**

As a part of the Corporate Debt Restructuring of the Company, the Company envisaged Equity Contribution from the Employees of Nicco Corporation Limited @ 10% of salary upto a maximum aggregate amount of Rs 5.00 crores to be infused.

Out of the above amount of Rs 5.00 crores, Equity Shares upto an aggregate amount of Rs 1.60 crores have already been issued and allotted.

The Employees have already contributed towards Shares Subscription, upto an aggregate amount of Rs 2,20,00,000 (Rupees two crore and twenty lakhs only).

It is proposed to issue further 1,10,00,000 Equity shares of Rs. 2/- each at par aggregating to Rs. 2,20,00,000 crores to the Nicco Restructuring Employees' Trust Fund (NRETF) in accordance with the terms of the Restructuring plan as already approved by Corporate Debt Restructuring (CDR) Cell. As per the provisions of section 81(1A) of the Companies Act, 1956, further shares may be offered by the Company to any person in any manner whatsoever, if a resolution to that effect is passed by the Company in General Meeting.

Pursuant to our application to BIFR and registration with BIFR and also coupled with drop in sensex, the share price of Nicco Corporation Ltd. has dropped at around Rs. 1.50 each.

The present resolution is proposed to be passed in order to enable the Company to issue the said shares subject to such approvals, consents, permissions and/or sanctions of any authority that may be required and subject to such conditions and modifications as any such authority may prescribe or impose at the time of granting its approval, consent, permission and/or sanction which may be agreed to by the Board of Directors. The said Equity Shares proposed to be issued shall be subject to the Memorandum & Articles of Association of the Company. Such shares shall rank pari passu with the existing shares of the Company in all respects.

**Disclosures required pursuant to chapter VII of the SEBI ICDR Regulations :****(a) The Objects of the Preferential Issues :**

To augment the long term financial resources of the Company in accordance with Corporate Debt Restructuring (CDR) package as approved by the CDR Cell.

**(b) The proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer :**

The offer is to be made to Nicco Restructuring Employees' Trust Fund (NRETF) and none of the Promoters, Directors and Key Management Personnel will subscribe to the offer and acquire further shares in the Company on a preferential basis, pursuant to the resolution.

**(c) The Shareholding Pattern of the Company before and after the Preferential Issue :**

Category	Pre-Issue Equity holding (No. of Shares)	Percentage	Post-Issue Equity holding (No. of Shares)	Percentage
A. Shareholding of Promoter and Promoter Group (A)				
— Others	2,17,94,428	18.97	2,17,94,428	17.31
— NRETF	67,73,915	5.90	1,77,73,915	14.12
Sub-Total	2,85,68,343	24.87	3,95,68,343	31.43

B. Public Shareholding (B)				
(1) Institutions				
(a) Mutual Funds / UTI	12,321	0.01	12,321	0.01
(b) Financial Institutions / Banks	14,48,587	1.26	14,48,587	1.15
(c) Central Govt / State Govt(s)	0	0	0	0
(d) Insurance Companies	11,59,674	1.01	11,59,674	0.92
(e) FIIs	11,761	0.01	11,761	0.01
Sub-Total (B1)	26,32,343	2.29	26,32,343	2.09
(2) Non-Institutions				
(a) Bodies Corporate	4,82,95,775	42.04	4,82,95,775	38.37
(b) Individuals				
(i) Individual Shareholders holding Nominal Share Capital up to Rs 1 lakh	2,36,16,990	20.56	2,36,16,990	18.76
(ii) Individual Shareholders holding Nominal Share Capital in excess of Rs 1 lakh	94,71,226	8.25	94,71,226	7.52
(c) NRIs	4,62,805	0.40	4,62,805	0.37
(d) OCBs	18,30,000	1.59	18,30,000	1.46
Sub-Total (B2)	8,36,76,796	72.84	8,36,76,796	66.47
Total Public Shareholding [B = B1+B2]	8,63,09,139	75.13	8,63,09,139	68.57
Grand total (A + B)	11,48,77,482	100.00	12,58,77,482	100.00

Shareholding as on 30th June, 2012.

**(d) The time within which the Preferential Issue shall be completed :**

The allotment of Equity Shares would be completed within the time prescribed under the SEBI ICDR Regulations.

**(e) The identity of the proposed allottees, the percentage of the pre and post preferential issue capital that may be held by them and change in control, if any, of the issuer consequent to the Preferential Issue :**

Category	Pre-Issue Equity holding (No. of Shares)	Percentage	Post-Issue Equity holding (No. of Shares)	Percentage
Nicco Restructuring Employees' Trust Fund (NRETF)	67,73,915	5.90	1,77,73,915	14.12

**(f) The Company undertakes that it shall comply with clause (f) of Regulation 73(1) of SEBI ICDR Regulations, where it is required to do so viz. clause (f) as stated above, the Company shall re-compute the price of the specified securities in terms of the provisions of the ICDR Regulations where it is required to do so.**

**(g) The Company undertakes that it shall comply with the Provisions of clause (g) of Regulation 73(1) of SEBI ICDR Regulations, where it is required to do so viz. clause (g) as stated above, the Company undertakes that if the amount payable on account of re-computation of price is not paid within the time stipulated in ICDR Regulations, the specified Securities shall continue to be locked-in until such amount is paid by the allottees.**

In accordance with the SEBI Preferential Issue guidelines, the New Equity Shares to be allotted to NRETF shall be subject to a lock in of one year from the date of their allotment by the Board/Committee of Directors.

The Statutory Auditors of the Company, M/s G. Basu & Co. have certified that the issue of New Equity Shares is being made in accordance with the requirements of SEBI ICDR Regulations. The Auditor's Certificate as required under paragraph 13.5 of SEBI ICDR Regulations will be available for inspection at the Registered Office of the Company during 3:00 PM to 4:00 PM on any working day upto 17th September, 2012. The Auditor's certificate will also be displayed on the website of the Company—[www.niccogroup.com](http://www.niccogroup.com).

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members.

The Special Resolution set out in the Notice may be considered accordingly and the Board of Directors recommends the same for your approval.

Mr Rajive Kaul, Mr Udayan Ray and Mr Sanjoy Bhattacharya, Directors of the Company are interested in the resolution to the extent of their proportionate beneficial entitlement to the sale proceeds of the Equity Shares which shall be allotted. Further more, Mr Rajive Kaul, Mr Udayan Ray and Mr Shiv Siddhant Narayan Kaul are amongst the Trustees of NRETF. Apart from the above Directors, none of the Directors are in any way concerned or interested in the resolution.





**ITEM NO. 9 — Partial Modification of Resolution passed on 28th September, 2010 relating to allotment of Equity Shares to Nicco Restructuring Employees' Trust Fund :**

At the 27th Annual General Meeting of the Company held on 28th September, 2010, the Members had approved the Special Resolution u/s 81(1A) of the Companies Act, 1956 for allotment of Equity Shares to Nicco Restructuring Employees' Trust Fund as specified in the Explanatory Statement annexed to the Notice of the said Annual General Meeting.

Thereafter an application for In Principle Approval for allotment of Equity Shares was duly filed with the National Stock Exchange of India Limited (NSE).

After scrutiny of the Listing Application filed with NSE, it was observed that due to a difference in interpretation in computation of the issue price as per SEBI ICDR Regulations, 2009 the price was recalculated as per SEBI ICDR Regulations and fixed at Rs 5.36 per share instead of our computed price of Rs 5.29 per share.

Accordingly, the Share price was computed at Rs 5.36 per share as per Regulation 76 of SEBI ICDR Regulations, 2009 and consequently the number of Shares allotted to NRETF was reduced from 30,24,574 to 29,85,074 and an intimation was sent to NSE that the above change would be duly intimated to the Shareholders at the next Shareholders' Meeting.

The Company has already received the Listing & Trading approval from NSE in respect of 29,85,074 Equity Shares.

The revised Shareholding Pattern of the Company before and after the Preferential Issue, accordingly stands modified as under :

Shareholding pattern of the Company before and after the Preferential Issue :

Catagory	Pre-Issue Equity holding (No. of Shares)	Percentage	Post-Issue Equity holding (No. of Shares)	Percentage
A. Shareholding of Promoter and Promoter Group (A)				
— Others	2,17,94,428	19.478	2,17,94,428	18.972
— NRETF	37,88,841	3.386	67,73,915	5.897
Sub-Total	2,55,83,269	22.864	2,85,68,343	24.869
B. Public Shareholding (B)				
(1) Institutions				
(a) Mutual Funds / UTI	12321	0.011	12321	0.011
(b) Financial Institutions / Banks	14,48,587	1.295	14,48,587	1.261
(c) Central Govt / State Govt(s)	0	0	0	0
(d) Insurance Companies	11,59,674	1.036	11,59,674	1.009
(e) FIIs	11,761	0.011	11,761	0.010
Sub-Total (B1)	22,32,343	2.353	26,32,343	2.291
(2) Non-Institutions				
(a) Bodies Corporate	4,83,66,613	43.226	4,83,66,613	42.103
(b) Individuals				
(i) Individual Shareholders holding Nominal Share Capital up to Rs 1 lakh	2,26,72,998	20.263	2,26,72,998	19.737
(ii) Individual Shareholders holding Nominal Share Capital in excess of Rs 1 lakh	1,03,27,610	9.230	1,03,27,610	8.990
(c) NRIs	4,79,575	0.429	4,79,575	0.417
(d) OCBs	18,30,000	1.635	18,30,000	1.593
Sub-Total (B2)	8,36,76,796	74.783	8,36,76,796	72.840
Total Public Shareholding [B = B1+B2]	8,63,09,139	77.136	8,63,09,139	75.131
Grand total (A + B)	11,18,92,408	100.00	11,48,77,482	100.00

The resolution set out in item No. 9 for the purpose of partial modification and ratification, may be considered accordingly, and the Board of Directors recommends the same for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

**ITEM NO. 10 Re—Appointment of Mr Udayan Ray as Managing Director & CFO.**

Mr Udayan Ray was earlier re-appointed as Managing Director & CFO of the Company for a period of one year with effect from 1st October, 2011 to 30th September, 2012 on the terms approved by the Members at the Annual General Meeting held on 22nd September, 2011 at a remuneration of Rs 1,60,000/- per month.

The present term of appointment of Mr Udayan Ray as Managing Director & CFO is scheduled to expire on 30th September, 2012. His present salary is Rs 1,60,000/-.

On the recommendation of the Compensation & Remuneration Committee, the Board of Directors of the Company at its Meeting held on 31st July, 2012 reappointed Mr Udayan Ray as Managing Director & CFO of the Company for a further period of 18 months with effect from 1st October, 2012 to 31st March, 2014, on the terms and conditions set out in Annexure A enclosed in this Notice, subject to the approval of the Members of the Company in a General Meeting and such other 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-Greases & Lubricants) and General Manager (Personnel). He also held the position of Secretary, the Institute of Cost & Works Accountants of India.

He is 67 years of age with 42 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, 2012 till 31st March, 2014.

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 General Information as required pursuant to Notification No. G.S.R. 36(E) dated January 16, 2002 is contained in the Statement annexed hereto.

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 re-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 Special Resolution as set out in Item No. 10 of the attached Notice be adopted by the Members.

Registered Office:

NICCO HOUSE  
2 Hare Street  
Kolkata 700 001

By Order of the Board  
NICCO CORPORATION LIMITED

INDRANIL MITRA  
General Manager & Co Secretary

Dated, the 31st July, 2012



## 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 & CONDITIONS:

#### I. Salary :

Rs 1.80 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, 2012 to 31st March, 2014.

#### 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 October, 2012 to 31st March, 2014 | : | 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 specified above, as minimum remuneration, not exceeding the applicable ceiling limit 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 of 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)(I) of the Companies Act, 1956, 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.



## Statement referred to in the Explanatory Statement

Particulars as required under Section II(C) of Part II of Schedule XIII of the Companies Act, 1956

### I. GENERAL INFORMATION

1) **Nature of Industry :**

Manufacturing all types of Electric Cables, and Execution of Turnkey Projects & Engineering Services.

2) **Date or expected date of commencement of commercial production :**

The Company is an existing Operational Company since 1983.

3) **In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus :**

Not applicable - existing Company since 1983.

4) **Financial Performance based on given indicators :**

Financial performance (audited) over the last four financial years are set out as under :

(Rs. in Lakhs)				
Year ended	31st March 2009	31st March 2010	31st March 2011	31st March 2012
Gross Revenue	36717.19	32013.00	30755.00	30840.00
Profit/Loss before tax	(1566.68)	(5481.00)	(2114.00)	(1168.00)
Profit/Loss after tax	(5291.47)	(4316.00)	(1541.00)	(1168.00)

5) **Export performance and net foreign exchange earnings :**

Nil

6) **Foreign Investments or Collaborators, if any :**

Nil

### II. INFORMATION ABOUT THE APPOINTEE

1) **Background details :**

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

He is 67 years of age with 42 years of wide, extensive experience in Finance, Treasury, Taxation, Operations and Human Resource Management. 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-Greases & Lubricants) and General Manager (Personnel). He also held the position of Secretary, the Institute of Cost & Works Accounts of India.

2) **Past remuneration :**

The remuneration of Mr. Udayan Ray, Managing Director & CFO was approved by the Shareholders at their Meeting held on 22nd September, 2011 as per provisions of sections 198, 269 and 309 in terms of Part II (section II-I) of Schedule XIII of the Companies Act, 1956.

3) **Recognition or Awards :**

These have been adequately disclosed in the Explanatory Statement to the Notice.

4) **Job profile and his suitability :**

Subject to the superintendence, control and direction of the Chairman/Board of Directors of the Company ("Board"), Mr Udayan Ray, Managing Director & CFO, has 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 the matters relating to Operations, Finance (Treasury Functions), Accounts, Audit, and Management Information Systems, HRD etc. The Board found Mr Udayan Ray well suited for the responsibilities assigned to him.

5) **Remuneration proposed :**

The remuneration proposed has been adequately disclosed in the Explanatory Statement to the Notice.

6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) :**

The remuneration as proposed is less than that paid to Executives at a similar level in other Companies of similar size.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :**

Except for the terms of remuneration, as stated above, Mr Udayan Ray has no other pecuniary relationship directly or indirectly with the Company.

**III. OTHER INFORMATION**

**1) Reasons for loss or inadequate profits :**

The Company continued to face acute shortage of working capital to be able to enhance the activity level over the years. Debt burden on the Company is very high consequently quantum of interest has increased substantially. In addition, due to stiff competition in Cable Business, the overall earnings of the Company was not adequate to register a satisfactory performance after meeting interest obligation. The turnover of the Project Division drastically fell primarily due to its inability to participate in Public Tenders of Public Sector Units (PSUs), since the negative net worth Companies were not eligible to participate in such Tenders. As a result, the Project Division hardly received any order during the last 2 years. Also, the working capital position continued to remain critical throughout the year and the situation had further worsened owing to commencement of repayment of loan as per the CDR scheme. The Company experienced a sharp decline in revenue over the past years and consequently has registered a loss.

**2) Steps taken or proposed to be taken for improvement :**

The Company is taking sustained measures to improve its performance by enhancement of productivity, cost reduction through value engineering and waste reduction and selective up-gradation of Plant & Machinery which have yielded result to a certain extent. The Cable Division has registered a growth in Turnover of 18% during the year 2011-12 inspite of critical Working Capital positions.

**3) Expected increase in productivity and profits in measurable terms :**

Owing to complete erosion of net worth, the Company filed Form 'A' with BIFR under SICA and the registration number has been allotted. BIFR has declared the Company sick vide order dated 7th September, 2011 and has appointed Allahabad Bank as the Operating Agency for drawing up the rehabilitation Package for the Company. Allahabad Bank, the Operating Agency has circulated the draft Rehabilitation Package to all Secured Lenders for discussion and finalisation. The DRS package primarily focus on restructuring of operations and finances for revival of the Company. After the approval of the DRS package by BIFR, the Company expects to improve its turnover performance in subsequent years with resultant reduction in loss and finally wiping off the past accumulated losses.

**IV. Disclosures in terms of remuneration package and elements of remuneration split between Salary, Benefit, etc.**

These have been adequately disclosed in the Corporate Governance Report and Explanatory Statement to the Notice.



## 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	Dr Tridibesh Mukherjee	Mr Sanjoy Bhattacharya
Date of Birth	13.10.1942	20.05.1946
Date of appointment	10.08.2009	28.11.1995
Expertise in specific functional areas	Ferrous Metallurgy	Company Executive, Technical and Marketing
Qualifications	B.Met (Calcutta University) M.Met (University of Sheffield, UK) Ph.D. (University of Sheffield, UK) D.Met (Honorary) University of Sheffield, UK	B. Tech (Hons)
List of other Companies in which Directorships held	TIL Rane (Madras) Limited Bharat Forge Limited West Bengal Industrial Development Corporation Ltd. IFB Industries Limited Tractor India Private Limited	1. Nicco Biotech Ltd. 2. NE Cables Ltd. 3. Nicco Cables Ltd.
Memberships/Chairmanships of Committees of Directors of the Company	Nil	Shareholders'/Investors' Grievances Committee – Member
Memberships/Chairmanships of Committees of Directors of other Companies	Tractor India Private Ltd Audit Committee – Member TIL Audit Committee – Member Remuneration Committee – Member	1. Nicco Biotech Ltd. Audit Committee – Member
Shareholding of Non-Executive Directors as stated in Clause 49(IV)(E)(v)	Nil	2

Name of the Director	Mr Narottam Das	Ms Pallavi Priyadarshini Kaul
Date of Birth	26.12.1937	11.09.1975
Date of appointment	12.04.1993	31.10.2007
Expertise in specific functional areas	Experience as a Company Secretary & Finance Director of a large Public Sector Unit.	Management, Marketing and experience in running a Company in H.R. Field
Qualifications	Cost Accountant, Co. Secretary	B.A (Hons) in Economics; Diploma in Finance and Accounting, London School of Economics.
List of other Companies in which Directorships held	1. Shibir India Ltd. 2. Nicco Engineering Services Ltd. 3. Al Champdani Industries Ltd. 4. Nicco Biotech Ltd.	1. Nicco Ventures Ltd. 2. Nicco Financial Services Ltd. 3. Nicco Parks and Resorts Ltd. 4. Nicco Biotech Ltd. 5. Propel Properties Pvt. Ltd. 6. Genemore Tracom Pvt. Ltd.
Memberships/Chairmanships of Committees of Directors of the Company	1. Audit Committee – Chairman 2. Shareholders'/Investors' Grievances Committee – Chairman 3. Compensation & Remuneration Committee – Chairman	Shareholders'/Investors' Grievances 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 – Chairman 3. Shibir India Ltd. Audit Committee – Chairman	Nil
Shareholding of non-executive Directors as stated in clause 49(IV)(E)(v)	5,038	2,000



Name of the Director	Mr Niraj Kela	Mr Udayan Ray
Date of Birth	14.07.1963	01.06.1945
Date of appointment	09.07.2012	30.07.2003
Expertise in specific functional areas	Extensive experience in Administration, Finance, Accounts Matters, Industrial relation, Human Resource, Production of Arms and Ammunition and Material Management.	Extensive experience in Finance, Treasury, Taxation, Operations and Human Resources Management.
Qualifications	Graduate in Science, Allahabad University and Law, Rani Durgawati University; Masters in Public Policy and Administration, Erasmus University, Netherlands.	Post Graduate in Commerce, F.I.C.W.A
List of other Companies in which Directorships held	Nil	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	Nil	Shareholders'/Investors' Grievances Committee – Member
Memberships/Chairmanships of Committees of Directors of other Companies	Nil	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)	Nil	N.A





# DIRECTORS' REPORT TO THE MEMBERS

For the year ended on 31st March, 2012

Your Directors present herewith their Report together with the Audited Accounts of your Company for the year ended 31st March 2012.

## A. FINANCIAL RESULTS & APPROPRIATIONS

(Rs. Lakhs)

	2011-12	2010-11
Gross Turnover	30840	30755
Gross Profit/(Loss) for the year	2862	1328
Less: Depreciation	660	706
Profit/Loss after depreciation	2202	622
Less : Interest	3370	2736
Profit/(Loss) before Tax	(1168)	(2114)
Add : Deferred Tax Asset	—	573
Net Profit/(Loss) after Tax	(1168)	(1541)

The initiatives taken by your Company for enhancement of productivity, cost reduction and selective up-gradation of plant & machinery had yielded result. The Cable Division registered a growth in turnover of 17.75% during the year in spite of the critical working capital position. The turnover of the Project Division drastically fell primarily due to its inability to participate in public tenders of PSUs since the negative net-worth companies were not eligible to participate in such tenders. As a result the division hardly received any order during the year. The working capital position continued to remain critical throughout the year. On the contrary, the situation had further worsened owing to commencement of repayment of loan as per the CDR scheme. Owing to the high debt burden, interest cost has increased by 9%. The interest cost is likely to further increase in the current year unless another restructuring of finances is carried out.

In response to the application filed before BIFR, your Company has been declared sick by the order dated 7th September 2011. Allahabad Bank has been appointed as the Operating Agency for your Company to work out the Debt Restructuring Scheme (DRS) package for submission to BIFR. Your Company had signed a definitive agreement for a Joint Venture with M/s Oriental Manufacturers Pvt Ltd (Oriental) for transfer of Project business to a separate SPV and the same has been approved by you. Oriental or its subsidiary is to hold majority stake in the said newly formed Company, and your Company being the minority stakeholder therein. Your Company's proposal in this regard has been taken up before AAIFR.

## B. DIVIDEND

In view of the loss suffered by your 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 Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchange is enclosed in Annexure A.

## D. FINANCE

The factors mentioned earlier coupled with acute shortage of finance, the financial results of your Company did not show much of improvement. The instalment payments for Preference Shares of WBIDC had fallen due. Due to inability to pay the instalment, your Company submitted restructuring proposal to WBIDC, which is yet to be approved. TDB has approved a package but unfortunately it is not in line with CDR package. The shortage of working capital was a major issue during the year. Out of the funds mobilized by sale of investments, your Company as per CDR scheme earmarked some funds for much needed Capital Expenditure. With the earmarked fund your Company could revamp the wire-drawing section. Additional capex requirements and source of funding would be considered in DRS.

The arbitration award in respect to the dispute with M/s Prysmian has gone against your Company. Your Company is exploring legal possibilities for establishing the counter claims. However the additional liabilities arising from the arbitration award has been provided for in the books of accounts under review.

## E. FIXED DEPOSITS

The balance unclaimed deposit as on 31st March, 2011, of Rs. 0.30 lakhs was deposited with Investor's Education and Protection Fund during the year.

## 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. The Ministry of Corporate Affairs, by General

Circular No. 2/2011 dated 8th February, 2011 has granted general exemption from the provisions of Section 212(1) of the Companies Act, 1956 relating to the attachment of the accounts of its subsidiary to the holding Company's 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. 14.88 lakhs in 2011-12 as against Rs. 14.44 lakhs in 2010-11. The net loss after tax has been Rs. 110.30 lakhs (Rs. 39.84 lakhs in 2010-11).

#### **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 strictly observed 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 2011-12 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**

Your Directors are confident that through DRS, a suitable revival restructuring scheme would be worked out for the revival of the Company under the auspices of BIFR.

#### **M. DIRECTORS**

Mr Tridibesh Mukherjee, Mr Sanjoy Bhattacharya, Ms Pallavi P Kaul and Mr Narottam Das retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr Niraj Kela, Director (F&A) of Technology Development Board (TDB) was appointed as an Additional Director of your Company with effect from 9th July, 2012, as the Nominee Director of TDB in place of Mr Rajiv Srivastava. Your Directors place on record their appreciation for the valuable services rendered to the Company by Mr Rajiv Srivastava during his tenure as Nominee Director of the Company.

Mr Niraj Kela holds Office as Director of your Company upto the date of the ensuing Annual General Meeting. Your 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 Mr Niraj Kela, as a Director of your Company at the forthcoming Annual General Meeting.

On the recommendation of the Compensation & Remuneration Committee, the Board of Directors of your Company at its Meeting held on 31st July, 2012, re-appointed Mr Udayan Ray as Managing Director & CFO of your Company for the period from 1st October, 2012 to 31st March, 2014 on the terms and conditions, subject to your approval in the General Meeting and such other approvals/clearances as may be required.

An abstract of the terms of appointment and remuneration payable to Mr Udayan Ray as Managing Director & CFO of your Company and the Memorandum as the nature of concern and interest of Directors with said appointment as required under section 302 of the Companies Act, 1956 are given in the Explanatory Statement of the Notice convening the 29th Annual General Meeting.

No other Director is in any way concerned or interested in the said appointment and payment of remuneration to Mr Udayan Ray.

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 Directorships and memberships/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 29th Annual General Meeting of your Company.

Your Directors express their profound grief on the sad demise of Mr D N Bhattacharjee on 7th March, 2012.

The Board place on record its deep sense of appreciation for the valuable contributions made by Mr D N Bhattacharjee during his tenure as Director of your Company.

**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 your Company at the end of the year ended 31st March, 2012 and of the profit of your 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 your 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**

Your Company did not employ any person whose particulars are required to be attached to this Report under Section 217(2A) of the Companies Act, 1956.

**Q. KEY MANAGEMENT TEAM**

Your Company has the following members as part of their key management team: Mr Udayan Ray, Managing Director & CFO, Mr S K Pal, Executive Director, Mr V R Moza, President (Marketing), Mr A K Ghosh, President (Operations), Mr Kartick Kr. Chatterjee, Sr. Vice President (Corporate Affairs & Legal) and Mr Indranil Mitra, General Manager & Company Secretary.

**R. 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 your Company and their remuneration needs to be fixed.

**S. 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.

**T. 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 your Company.

**U. 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.

On behalf of the Board of Directors

Place : Kolkata  
Dated, the 31st day of July, 2012

RAJIVE KAUL  
Chairman

UDAYAN RAY  
Managing Director

## ANNEXURE — A

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

The Energy Cables sector registered a growth of 13% (in kms) in 2011-12. However due to over-capacity in the industry, margins continued to be under extreme pressure in all areas especially in the Medium Voltage XLPE Cables and Low Voltage Power Cables. Both Medium Voltage and Low Voltage Power Cables are predominantly dependant on growth in Distribution Sector of Power Utilities and overall Infrastructure and this sector is not growing as per the National plan. Cable Division is therefore concentrating on special cables segment which has slightly better margins and also offers reasonable growth potential. There has been tremendous pressure on collections due to tight monetary position in the market.

**Project Division**

The Project Division executes on a turn-key basis multidisciplinary engineering projects. It has established itself as an Engineering, Procurement and Construction (EPC) contractor of repute in the Country. The Division also provides Engineering Consultancy Services. The target industries are Oil & Gas, Petrochemicals, Refineries, Nuclear Power, Ferrous and Non-Ferrous and Chemical Industries. Stiff competition and shortage of working capital are serious threat for the performance of the Division. Moreover negative net-worth of your Company is the major hindrance for securing orders.

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

The Cables Division registered a gross sales turnover of Rs. 268 crore against last years turnover of Rs. 228 crore. The increase is attributed to mainly increase in sales of Speciality Cables at Shyamnagar Works and Electrical Contract division. Increase in activity of the division is getting affected due to inadequacy of working capital.

**Project Division**

The Division registered a turnover of Rs. 40 crore (Rs. 80 crore previous year). The performance of the Division suffered due to substantial shortage of working capital and inability to book orders due to negative net worth of your Company.

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

The Division will continue to focus on increasing the volume of Speciality Cables especially in the segments of Railways, Ship Wiring, Wind Energy, Defence, Material Handling and Electrical Contracts. Our R&D continues to work in developing new products for both existing markets and also for new markets.

Internal efficiency continues to be accorded top most priority and have achieved satisfactory results.

**Project Division**

The focus is to obtain the approvals from BIFR/AAIFR and lenders 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, efforts will be made to secure business from Chemical Plants, 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 :**

Fluctuations in raw material prices and collections on due dates from customers are the matters of most concern to the Division.

**Project Division :**

The contracts being on a fixed price basis, 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 criteria for financial qualification. Due to the shortage of skilled engineers, the sector is vulnerable to turnover of manpower and increases in employee costs. Another important risk factor is shortage of finance for execution of contracts.

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

Laid down Internal Control procedures viz. authorizations and approvals of transactions are being followed for efficient usage and protection of your Company's resources as also to ensure strict adherence to statutory compliances requirements. Internal Audits at specified intervals 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 efficacy in resource utilization and the statutory compliances. The Audit Committee's observations and recommendations are reported to your Board of Directors. In addition, the Risk Register is maintained and periodic risk assessments are carried out. Moreover both the Audit Committee and the Board conduct reviews of the actions arising from the said Risk analysis.



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

The Major focus has been to build a cohesive team for effectively implementing the desired objectives of your Company. With a view to keep the morale high, the performance of the employees is measured through an internal appraisal system and providing systematic feedback.

All the employees including whole-time Directors have contributed at the rate of 10% of salary as per CDR scheme, totalling to approx Rs. 353 crore towards equity of your Company till March 2012.

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

Your Company has earned an OPBIDT of Rs. 2679 lacs (Rs. 509 lacs in 2010-11). The improvement has been achieved by introducing a series of measures, viz. reduction of operating cycle, cost reduction etc. The activity level of Cables has also registered improvement. However the working capital position has remained critical due to the losses suffered in the past. The position has further worsened due to payment of loan instalments as per CDR scheme. The efficiency enhancement measures undertaken by your Company would continue in the current year to achieve further improvement.

#### **H. Outlook**

It is envisaged that the working capital situation will remain critical in the current year. With the continued thrust in improving the operational efficiencies and the financial parameters, your Directors are endeavouring to achieve better financial performance in the current financial year.

#### **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 your Directors envisage in terms of future performance and outlook. The factors include :

Raw material availability and its prices, demand and pricing in your Company's markets, changes in government regulations, economic developments in India, shortage of working capital and other incidental factors could make a difference to your 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 Board of Directors) Rules, 1988.

**1. RESEARCH AND DEVELOPMENT**

The R&D Centre of your Company has been focussing on development of products and cost effective compounds for Specialised 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 2011-12 (Rs. Lacs)
Export (including deemed exports)	—
Other Foreign Exchange Earnings	—
Foreign Exchange Outgo	—
Import of Materials	654.15
Travelling & Others	7.48
Technical Design	Nil

On behalf of the Board of Directors

Place : Kolkata  
Dated, the 31st day of July, 2012

RAJIVE KAUL  
Chairman

UDAYAN RAY  
Managing Director



## 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, 2012, 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 eleven members consisting of ten 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	2	—
4.	Mr Narottam Das	Non-Executive – Independent	4	3	—
5.	Mr Prabir Chakravarti	Non-Executive – Independent	8	4	—
6.	Mr Sujit Poddar	Non-Executive – Independent	7	2	1
7.	Mr Rajiv Srivasatava* Nominee of TDB	Non-Executive – Independent	—	—	—
8.	Mr Sanjoy Bhattacharya	Non-Executive – Non-Independent	3	1	—
9.	Ms Pallavi Priyadarshini Kaul	Non-Executive – Non-Independent	4	—	—

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.	Mr Shiv Siddhant Narayan Kaul	Non-Executive – Non-Independent	2	—	—
	Dr P S Raju** Nominee of TDB	Non-Executive – Independent	—	—	—
	Mr D N Bhattacharjee***	Non-Executive – Independent	—	—	—

\* nominated w.e.f. 14th February, 2012

\*\* nomination withdrawn w.e.f. 14th February, 2012

\*\*\* upto 7th March, 2012 due to his demise

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

(i) Six Meetings of the Board of Directors were held during the year ended on 31st March, 2012. These were held on :

- (1) 7th May, 2011;
- (2) 29th July, 2011;
- (3) 22nd September, 2011;
- (4) 2nd November, 2011;
- (5) 15th December, 2011; and
- (6) 14th February, 2012.

(ii) The attendance record of each of the Directors at the Board Meetings during the year ended on 31st March, 2012, 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	6	Yes	48,000/-
2.	Mr Udayan Ray	6	Yes	Nil
3.	Dr. Tridibesh Mukherjee	5	Yes	40,000/-
4.	Mr Narottam Das	6	Yes	48,000/-
5.	Mr Prabir Chakravarti	6	Yes	48,000/-
6.	Mr Sujit Poddar	6	Yes	48,000/-
7.	Mr Rajive Srivastava Nominee of TDB	1	No	8,000/-
8.	Mr Sanjoy Bhattacharya	6	Yes	48,000/-
9.	Mr D N Bhattacharjee*	—	No	—
10.	Ms Pallavi Priyadarshini Kaul	6	Yes	48,000/-
11.	Mr Shiv Siddhant Narayan Kaul	5	Yes	40,000/-
12.	Dr Dilip Kumar Datta	4	Yes	32,000/-

\* Upto 7th March, 2012 due to his demise

**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, 2012 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 three Independent Non-Executive Member Directors, viz :

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

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 the Audit Committee are financially literate and 3 members are having accounting and related financial management expertise.

- (ii) The Audit Committee Meetings were held on 6th May, 2011, 29th July, 2011, 12th August, 2011, 21st October, 2011, 2nd November, 2011, and 13th February, 2012. 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*	—	—

\* Upto 7th March, 2012 due to his demise

- (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.
- (v) Mr Indranil Mitra, General Manager and Company Secretary has been elected as the Secretary of the Audit Committee.

#### 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 three 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 29th July, 2011, during the Financial Year ended on 31st March, 2012.

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 :

- (i) To maintain employee motivation and morale.
- (ii) To attract fresh talents as per the requirements of the Company.
- (iii) To encourage the employees towards better performance.
- (iv) To upgrade skill set of the employees through training.
- (v) 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 & Remuneration Committee of the Board. The Compensation & 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 Udayan Ray (Managing Director)	
	(Rs.)	(Rs.)
<b>Salaries</b>		
Basic	18,00,000	
House Rent Allowance	—	
Servant Allowance	33,000	
	<u>          </u>	18,33,000
<b>Contribution to PF &amp; other Funds</b>		
Contribution to Provident Fund	2,16,000	
Contribution to Gratuity Fund	1,84,615	
	<u>          </u>	4,00,615
<b>Contribution to Superannuation Fund</b>	1,89,952	
<b>Provision for Leave Encashment</b>	1,20,000	
	<u>          </u>	3,09,952
<b>Perquisites</b>		
Gas & Electricity	43,955	
Soft Furnishing	30,000	
Medical Reimbursement	25,195	
Club & Home Entertainment Expenses	90,000	
Leave Travel Allowance	50,000	
Perquisite value of Furniture	4,000	
	<u>          </u>	2,43,150
<b>TOTAL</b>		<u><u>27,86,717</u></u>



## 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 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 Sheet, 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.

Seven meetings of the Committee were held during the period under review, the dates being 7th May, 2011, 14th June, 2011, 16th August, 2011, 22nd September, 2011, 24th November, 2011, 30th December, 2011 and 10th February, 2012.

### 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 31.03.2012 :

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	—	2	1	3	7	2	3	—	—	18
Complaints redressed	—	2	1	3	7	2	3	—	—	18

#### (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 of 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 28th June, 2011, 30th July, 2011, 7th September, 2011, 2nd November, 2011, 15th December, 2011, 14th February, 2012 and 22nd March, 2012.

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	7	56,000/-
Mr Sanjoy Bhattacharya	7	56,000/-

### 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.	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
2.	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
3.	28th AGM	Thursday	22.09.2011	11.00 a.m.	"Williamson Magor Hall" of The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001.	1

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

- (b) No special resolution has been passed through Postal Ballot during 2010-11. However, during the said period, one Ordinary Resolution has been passed by the members of the Company through Postal Ballot under Section 293(1)(a) of the Companies Act, 1956 for assigning the business of the Project Division of the Company to the Joint Venture Company set up between the Company and Oriental Manufacturers Private Limited. The Postal Ballot process was carried out following the procedure set out in Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and Scrutinizer's Report was duly obtained by the Company.

The resolution was passed with requisite majority.

## 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. 8 in Schedule B 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, 2011 to 31st March, 2012, 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, 2012, 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.sebidifar.nic.in](http://www.sebidifar.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 : Tuesday  
Date : 18th September, 2012  
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 2012-13 :  
Financial Reporting for the Quarters ended  
\* 1st Quarter ending on 30th June, 2012 : 2nd week of August, 2012  
\* Half Year ending on 30th September, 2012 : 2nd week of November, 2012  
\* 3rd Quarter ending on 31st December, 2012 : 2nd week of February, 2013  
\* Audited Yearly Results for the year ending on 31st March, 2013 : 4th week of May, 2013
- (c) Dates of Book Closure : 8th September, 2012 to 18th September, 2012
- (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 2012-13 to National Stock Exchange of India Ltd.

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

**(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, 2011	3.21	2.58	19,811.14	18,976.19
May, 2011	2.84	2.14	19,253.87	17,786.13
June, 2011	4.19	2.08	18,873.39	17,314.38
July, 2011	3.17	2.82	19,131.70	18,131.86
August, 2011	3.23	2.51	18,440.07	15,765.53
September, 2011	3.17	2.29	17,211.80	15,801.01
October, 2011	2.84	2.26	17,908.13	15,745.43
November, 2011	2.59	1.61	17,702.26	15,478.69
December, 2011	2.35	1.24	17,003.71	15,135.86
January, 2012	2.28	1.55	17,258.97	15,358.02
February, 2012	2.23	1.89	18,523.78	17,061.55
March, 2012	2.04	1.50	18,040.69	16,920.61

- (h) **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).



**(i) 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.

**(j) Distribution of Shareholdings**

The Shareholding Distribution of Equity Shares as on 31st March, 2012 is given below :-

Sl. No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of Shareholdings
1.	1 to 100	23,093	11,39,145	1.02
2.	101 to 500	11,843	34,56,531	3.09
3.	501 to 1000	3,440	30,07,075	2.69
4.	1001 to 5000	3,114	76,69,793	6.85
5.	5001 to 10000	471	36,32,166	3.25
6.	10001 and above	506	9,29,87,698	83.10
	Total :	42,467	11,18,92,408	100.00

**(k) Shareholding Pattern as on 31st March, 2012**

Sl. No.	Category	Nos. of Equity Shares held	Percentage of Shareholding
<b>A.</b>	<b>Promoters' holding</b>		
1.	Promoters : — Indian Promoters — Foreign Promoters	Nil 0	Nil 0
2.	Persons acting in concert	2,55,83,269	22.864
	Sub-Total :	2,55,83,269	22.864
<b>B.</b>	<b>Non-Promoters' Holding :</b>		
3.	Institutional Investors		
a.	Mutual Funds & UTI	12,321	0.011
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-governmental Institutions)	26,08,261	2.331
c.	FII's	11,761	0.011
	Sub-Total :	26,32,343	2.353
4.	Others :		
a.	Private Corporate Bodies	4,83,66,613	43.226
b.	Indian Public	3,30,00,608	29.493
c.	NRIs/OCBs	23,09,575	2.064
d.	Any Others (Please specify) Trust Funds	Nil	Nil
	Sub-Total :	8,36,76,796	74.783
	GRAND TOTAL :	11,18,92,408	100.00

**(l) Dematerialisation of Equity Shares**

As on 31.03.2012, 82.82% of the Company's total Shares representing 9,26,73,388 shares were held in dematerialised form and the balance 17.18% representing 1,92,19,020 shares were held in paper form. (Total Shares are 11,18,92,408)

**(m) 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.]

(n) **Plant (Manufacturing Units)**

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

(o) **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 No. +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**

No qualification/observation has been reported by the Auditors.

**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 31st July, 2012, and the same was approved.

On behalf of the Board of Directors

Place : Kolkata  
Dated, the 31st July, 2012

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, 2012.

Place : Kolkata  
Dated, the 31st July, 2012

UDAYAN RAY  
Managing Director

## **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, 2012, 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. 051717

BASU HOUSE  
3, Chowringhee Approach,  
Kolkata-700 072

Dated, the 31st July, 2012

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

We have audited the attached Balance Sheet of Nicco Corporation Ltd. as at 31.03.2012 and Profit and Loss Account and Statement of Cash Flow for the year ended 31st March 2012. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial results based on our audit.

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

We are unable to comment on deferred tax asset recognition on unabsorbed loss and depreciation.

Subject to above and pending redemption of 9,52,300 of 5% cumulative preference shares of Rs. 100/- each, we hereby report that –

- (i) As required by the Companies (Auditor 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 explanation 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 the 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 representation received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors 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 explanation given to us, the said accounts read with notes to accounts and other annexed schedules 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, 2012
  - (b) In the case of Profit and Loss Account, of the Loss for the year ended on that date; and
  - (c) In case of Cash Flow Statement, of the cash flow for the year ended on that date.

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

S. LAHIRI  
*Partner*  
Membership No. 051717

BASU HOUSE  
3, Chowringhee Approach,  
Kolkata-700 072

Dated, the 18th day of May, 2012

## ANNEXURE TO THE AUDITORS' REPORT

(As referred to in para 1 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 status 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 not accepted any deposit attracting 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-à-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
		222.28	Asst. Commissioner of Sales Tax
		33.17	Tribunal Sales Tax
		8.95	Commissioner of Commercial Taxes – Baripada
		596.32	Commissioner of Commercial Taxes – Baroda
Central Excise	Central Excise	0.24	Calcutta High Court
		700.33	Asst. Commissioner of Central Excise
		245.01	Asst. Commissioner of Central Excise – Baripada
Income Tax	Income Tax	27.59	Cuttack High Court
Service Tax	Service Tax	85.88	Commissioner of Service Taxes – Kolkata
		4.50	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. The Company has defaulted in repayment of loan to Banks and financial institutions as referred to in Schedule No. 3 and 6 to the Balance Sheet.
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.
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 others from bank or financial institution.
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 raised which has been used for long term investment during the year.
22. The Company has not 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.
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. 051717

BASU HOUSE  
3, Chowringhee Approach,  
Kolkata-700 072

Dated, the 18th day of May, 2012

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

	Schedule	31st March, 2012 (Rs. in Lacs)	31st March, 2011 (Rs. in Lacs)
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1. Shareholders' Funds :</b>			
a) Share Capital	1	4,422.21	4,422.21
b) Reserves and Surplus	2	(8,634.56)	(7,317.69)
<b>2. Share application money pending allotment</b>		<b>280.00</b>	160.00
<b>3. Non-Current Liabilities :</b>			
a) Long Term Borrowings	3	8,254.41	12,447.72
b) Other Long Term Liabilities	4	35.57	25.99
c) Long Term Provisions	5	883.85	856.87
<b>4. Current Liabilities :</b>			
a) Short Term Borrowings	6	4,997.85	3,747.61
b) Trade Payables		14,027.48	14,036.90
c) Other Current Liabilities	7	9,782.84	5,525.60
d) Short Term Provisions	8	1,109.48	1,133.21
<b>Total</b>		<b>35,159.13</b>	<b>35,038.42</b>
<b>II. ASSETS :</b>			
<b>1. Non-Current Assets</b>			
a) Fixed Assets	9		
i) Tangible Assets		8,675.55	9,285.42
ii) Intangible Assets		6.87	12.38
iii) Capital Work-In-Progress		72.47	42.91
b) Non-Current Investments	10	2,427.84	2,432.83
c) Deferred Tax Assets (Net)		5,085.13	5,085.13
d) Long Term and Advances :	11	513.12	608.48
e) Other Non-Current Assets :	12	1,257.54	1,057.89
<b>Current Assets :</b>			
a) Inventories	13	2,917.93	3,320.13
b) Trade Receivables	14	12,292.62	11,010.87
c) Cash and Cash Equivalents	15	227.11	383.12
d) Short Term Loan and Advances	16	1,682.95	1,799.26
Significant Accounting Policies & Notes to Accounts	21	—	—
<b>Total</b>		<b>35,159.13</b>	<b>35,038.42</b>

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

As per our attached Report of even date

For G. BASU &amp; CO.

Chartered Accountants

R. No :- 301174E

S. LAHIRI

Partner (M. No. 051717)

Basu House

3, Chowringhee Approach

Kolkata-700 072

Dated, the 18th day of May, 2012

On behalf of the Board of Directors

N DAS

Director & Chairman  
— Audit CommitteeINDRANIL MITRA  
General Manager &  
Company Secretary

UDAYAN RAY

Managing Director &amp; CFO

RAJIVE KAUL

Chairman



## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Schedule	Year ended 31st March, 2012 (Rs. in Lacs)	Year ended 31st March, 2011 (Rs. in Lacs)
<b>REVENUE :</b>			
1. Revenue from Operations	17(a)	28,891.47	28,995.55
2. Other Income	17(b)	183.98	149.64
3. <b>Total Revenue (1+2)</b>		<b>29,075.45</b>	29,145.19
<b>4. Expenses :</b>			
Cost of Materials Consumed		13,910.69	13,309.36
Purchase of Stock-in-Trade		3,737.93	4,465.83
Decrease / (-) Increase in Inventories			
Finished Goods		148.94	16.42
Work-In-Progress		484.32	180.23
Stock-In-Trade		(0.51)	491.81
Employees' Benefits Expense	18	2,936.00	2,967.12
Finance Costs	19	3,684.54	3,406.06
Depreciation & Amortisation Expenses	9	574.38	565.48
Other Expenses	20	4,387.29	6,386.11
		<b>11,582.21</b>	13,324.77
<b>Total Expenses(Sub Total 4)</b>		<b>29,863.58</b>	31,788.42
5. <b>Profit/ (Loss) Before Exceptional &amp; Extra ordinary Items (3-4)</b>		<b>(788.13)</b>	(2,643.23)
6. <b>Exceptional Items</b>			
7. <b>Profit/ (Loss) Before Extra Ordinary Items (5-6)</b>		<b>(788.13)</b>	(2,643.23)
8. <b>Extra Ordinary Expense/(Income)</b>		<b>292.50</b>	(669.66)
9. <b>Profit Before Tax (7-8)</b>		<b>(1,080.63)</b>	(1,973.57)
10. <b>Tax Expenses</b>			
Current tax		—	0.96
Deferred Tax		—	(574.11)
			(573.15)
11. <b>Profit/ (Loss) from Continuing Operations (9-10)</b>		<b>(1,080.63)</b>	(1,400.42)
12. <b>Profit/ (Loss) from Discontinuing Operations</b>		<b>(85.87)</b>	(140.45)
13. <b>Tax Expenses of Discontinuing Operations</b>		—	—
14. <b>Profit/ (Loss) after Tax of Discontinuing Operations (12-13)</b>		<b>(85.87)</b>	(140.45)
15. <b>Profit/ (Loss) for the year (11+14)</b>		<b>(1,166.50)</b>	(1,540.87)
16. <b>Earning Per Equity Share</b>			
Basic		<b>(1.14)</b>	(1.47)
Diluted		<b>(1.14)</b>	(1.47)
<b>Significant Accounting Policies &amp; Notes to Account</b>	21		

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

On behalf of the Board of Directors

Dated, the 18th day of May, 2012

INDRANIL MITRA  
General Manager &  
Company Secretary

N DAS

UDAYAN RAY

RAJIVE KAUL

Director & Chairman  
— Audit Committee

Managing Director & CFO

Chairman

**CASH FLOW STATEMENT** for the year ended 31st March, 2012

PARTICULARS	(Rs. in Lacs)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extra-Ordinary Items	(874.04)	(2,783.65)
Adjusted for —		
Depreciation charged to Profit & Loss Account	660.24	705.93
Profit on Sale of Fixed Assets (Net)	—	1.09
Dividend on Investment	(14.04)	(14.04)
Interest Expenses	3,077.59	2,736.14
SUB-TOTAL	3,723.79	3,429.12
Operating Profit before Working Capital Changes	2,849.75	645.47
Changes in Working Capital		
(Increase)/Decrease in Trade and Other Receivables	(1,154.05)	815.47
(Increase)/Decrease in Inventories	402.20	935.83
Increase/(Decrease) in Trade and other Payable	183.53	161.14
Net Changes in Working Capital	(568.32)	1,912.44
Cash Generated from Operations	2,281.43	2,557.91
Direct Tax (Net)	215.47	129.77
Cash Flow before Extra-Ordinary Items	2,496.90	2,687.68
Extra Ordinary Item :	(292.50)	669.66
CASH FLOW FROM OPERATING ACTIVITIES	2,204.40	3,357.34
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(225.21)	(70.67)
Sale of Fixed Assets	0.42	3.99
Sale of Investment (Net)	4.99	30.33
Dividend Received	14.04	14.04
NET CASH FROM INVESTING ACTIVITIES	(205.76)	(22.31)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Borrowings (Net)	359.11	(534.13)
Increase in Share Capital	—	60.01
Interest Paid	(2,513.76)	(2,736.20)
NET CASH FROM FINANCING ACTIVITIES	(2,154.65)	(3,210.32)
NET CHANGES IN CASH/CASH EQUIVALENTS (A+B+C)	(156.01)	124.71
Cash & Cash Equivalents — Opening Balance	383.12	258.41
Cash & Cash Equivalents — Closing Balance	227.11	383.12

**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 as referred to in Schedule 15.

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

As per our attached Report of even date

For G. BASU &amp; CO.

Chartered Accountants

R. No :- 301174E

S. LAHIRI

Partner (M. No. 051717)

Basu House

3, Chowringhee Approach

Kolkata-700 072

Dated, the 18th day of May, 2012

On behalf of the Board of Directors

N DAS

Director & Chairman  
— Audit Committee

UDAYAN RAY

Managing Director &amp; CFO

RAJIVE KAUL

Chairman

INDRANIL MITRA  
General Manager &  
Company Secretary



## Schedules annexed to and forming part of the Balance Sheet

1. PARTICULARS OF SHARE CAPITAL :														
(Rs. in Lacs)														
	Face Value of Shares	Authorised Capital		Issued & Subscribed						Number of Shares Held By				
				Fully Paid Up		Partly Paid Up		Total		Holding Company	Subsidiary/ Fellow Subsidiary	Associates	Associates of Holding Company	Shares held by each share holder having more than 5% in relevant category of Shares (Note no. 4)
				Nos.	Value	Nos.	Value	Nos.	Value	Nos.	Nos.	Nos.	Nos.	Nos.
<b>Equity Shares :</b>	2	235,000,000	4,700.00	111,892,408	2,237.85			111,892,408	2,237.85	—	—	2,380,432	—	36,179,059
Add : Shares Forfeited	2	235,000,000	4,700.00	111,892,408	2,237.85			111,892,408	2,237.85	—	—	2,380,432	—	—
Total Value of Equity Share Capital		—	—	—	1.36			—	1.36	—	—	—	—	—
		—	—	—	1.36			—	1.36	—	—	—	—	—
					2,239.21			—	2,239.21	—	—	—	—	—
					2,239.21			—	2,239.21	—	—	—	—	—
Right Preference repayability & restriction, if any, on Equity Shares	Note No. 1													
<b>Preference Shares :</b>	100	2,200,000	2,200.00	2,183,000	2,183.00	—	—	2,183,000	2,183.00					2,183,000
	100	2,200,000	2,200.00	2,183,000	2,183.00	—	—	2,183,000	2,183.00					2,183,000
	22	9,090,910	2,000.00	—	—	—	—	—	—	—	—	—	—	—
	22	9,090,910	2,000.00	—	—	—	—	—	—	—	—	—	—	—
Total Value of Preference Shares		—	—	—	2,183.00	—	—	—	2,183.00	—	—	—	—	—
					2,183.00	—	—	—	2,183.00	—	—	—	—	—
Right Preference repayability & restriction, if any, on Preference Shares	Note No. 4 & 5													
Total Share Capital			8,900.00		4,422.21				4,422.21					
			8,900.00		4,422.21				4,422.21					

Notes : 1) 37,88,841 nos. of equity shares issued to Nicco Restructuring Employees Trust Fund is under lock in period upto 30th November 2012.  
2) (i) Equity Shares held by each share holder having more than 5% stake in relevant category of Shares:

	2012 (Nos.)	2011 (Nos.)
a) Asset Reconstruction Company (I) Ltd.	15,425,304	15,425,304
b) Sonata Investments Limited	13,377,020	13,377,020
c) Ruchika Electrical & Engg. Pvt. Ltd.	7,376,735	7,376,735
<b>Total</b>	<b>36,179,059</b>	<b>36,179,059</b>

(ii) Preference Shares held by each share holder having more than 5% stake in relevant category of Shares:

a) Technology Development Board (Convertible at the option of member)	1,846,000	1,846,000
b) West Bengal Industrial Development Corporation Limited (Other Preference Shares)	337,000	337,000

3) Equity Shares issued during last 5 years for consideration other than cash 16,556,862 16,556,862

4) a) Preference Share Capital relates to 21,83,000 number of 5% cumulative preference shares of Rs. 100/- each fully paid up, 1846000 number of which is convertible at the option of share holders.

## Schedules annexed to and forming part of the Balance Sheet (Contd.)

b) Period of redemption of Preference Shares :

Financial Years	Convertible at the option of member (Nos.)	Other (No.)	Total (Nos.)
2009-10	—	110000	110,000
2010-11	—	110000	110,000
2011-12	615300	117000	732,300
2012-13	615300	—	615,300
2013-14	615400	—	615,400
	1,846,000	337,000	2,183,000

c) Conversion right has not been exercised by concerned shareholders till date.

5) Company's offer for renewal 615300 and 337000 numbers of preference shares convertible at the option of members and other respectively, overdue for redemption, is pending decision of share holders to the effect.

6) a) Movement of Equity shares

	For the year ended on 31.03.2012	For the year ended on 31.03.2011
--	----------------------------------	----------------------------------

Share issued, subscribed and paid up at the beginning of the year	111892408	94355156
Issued during the year towards conversion of loans	—	16556862
Issued during the year towards consideration in cash		980390
Shares issued, subscribed and paid up at the end of the year	111,892,408	111,892,408

b) There has been no movement of preference shares during current or previous financial year.

7) Share application money pending allotment relates to proposed allotment to employees at price to be arrived at under guideline on preferential allotment issued by SEBI. The said shares will be subject to lock in period of 1 year since the date of allotment.



## Schedules annexed to and forming part of the Balance Sheet

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
<b>2. RESERVES AND SURPLUS</b>		
<b>Securities Premium Reserve :</b>		
As per Last accounts	<u>3,066.18</u>	<u>3,066.18</u>
	<b>3,066.18</b>	3,066.18
<b>Debenture Redemption Reserve :</b>		
As per Last accounts	<u>300.52</u>	<u>300.52</u>
	<b>300.52</b>	300.52
<b>Revaluation Reserve :</b>		
Opening balance	<b>3,237.75</b>	3,397.45
Less : Depreciation on Revalued component of Fixed Assets	<u>150.37</u>	<u>159.70</u>
	<b>3,087.38</b>	3,237.75
Capital Redemption Reserve :		
As per Last accounts	<u>205.00</u>	<u>205.00</u>
	<b>205.00</b>	205.00
<b>Surplus / Deficit :</b>		
Opening balance	<b>(14,127.14)</b>	(12,586.27)
Add : Profit / (Loss) for the year	<u>(1,166.50)</u>	<u>(1,540.87)</u>
	<b>(15,293.64)</b>	(14,127.14)
Total	<u><b>(8,634.56)</b></u>	<u><b>(7,317.69)</b></u>

## Schedules annexed to and forming part of the Balance Sheet

3. LONG TERM BORROWINGS :													
(Rs. in Lacs)													
Nature of Borrowings :	Total	Secured	Unsecured	Nature of Security	Amount Guaranteed by other than Directors		Rate of Interest	Term of Redemption/ conversion/ repayment	Continued default in repayment of loan				
					Secured	Unsecured			Loans Advanced		Interest Amount		
									Amount of Default	Amount of Default	Amount of Default	Amount of Default	
<b>Bonds/Debentures :</b>	(CY)	388.33	388.33	—	As per Note No. 1	388.32	—	8%	As per Note No. 4	—	—	—	—
	(PY)	<b>483.57</b>	<b>483.57</b>	—		<b>483.57</b>	—	8%		—	—	—	—
<b>Term Loans :</b>						6,279.65	—	8%, 9%, 10%, 11%	As per Note No. 4	60 days	490.89	60 days	120.47
From Banks	(CY)	6,279.65	6,279.65	—	As per Note No. 2	<b>9,042.57</b>	—	<b>8%, 9%, 10%, 11%</b>			—		—
	(PY)	<b>9,042.57</b>	<b>9,042.57</b>	—			—	6.75%, 14%			853.36		1,012.87
From Others	(CY)	1,586.43	662.56	923.87	As per Note No. 3	—	—	<b>6.75%, 14%</b>			<b>639.05</b>		<b>794.14</b>
	(PY)	<b>2,921.58</b>	<b>828.61</b>	<b>2,092.97</b>									
<b>Total</b>	(CY)	8,254.41	7,330.54	923.87									
	(PY)	<b>12,447.72</b>	<b>10,354.75</b>	<b>2,092.97</b>									

- Notes : 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 above.  
 4) a) Terms of Redemption/Repayment

Year	Debenture	Term Loan from Banks	Term Loan others	Unsecured Loan
2006-07			37.50	40.97
2007-08			50.00	40.97
2008-09			260.59	79.57
2009-10				101.08
2010-11				110.31
2011-12		490.89	71.56	214.31
2012-13	95.25	1,916.48	157.85	1,142.26
2013-14	262.83	1,822.32	314.05	370.46
2014-15	115.39	2,132.21	177.38	383.57
2015-16	10.11	2,325.12	79.75	84.47
2016-17			79.77	45.87
2017-18			11.61	24.36
2018-19			—	15.13

- 5) No Director has furnished any guarantee bond against any loan.

**Schedules annexed to and forming part of the Balance Sheet**

	<b>As at 31st March, 2012 (Rs. in Lacs)</b>	<b>As at 31st March, 2011 (Rs. in Lacs)</b>
<b>4. OTHER LONG TERM LIABILITIES</b>		
Trade Payables (After 1 Year)	<b>35.57</b>	25.99
Total	<u><b>35.57</b></u>	<u>25.99</u>
<b>5. OTHER LONG TERM PROVISIONS</b>		
Leave Encashment	<b>174.65</b>	147.67
Provision for Diminution in value on Long Term Investments	<b>709.20</b>	709.20
Total	<u><b>883.85</b></u>	<u>856.87</u>

## Schedules annexed to and forming part of the Balance Sheet

6. SHORT TERM BORROWINGS											
											(Rs. in Lacs)
Class of Shares	Total	Secured	Unsecured	Nature of Security	Amount Guaranteed by other than Directors		Default				
					Secured	Unsecured	Principal Loan		Interest		
							Period of Default	Amount of Default	Period of Default	Amount of Default	
<b>Demand Loans from Banks :</b>	(CY)	4,753.48	4,753.48	—	As per Note No. 2	4,753.48		85 days	1,960.48	60 days	28.70
	(PY)	<b>3,503.24</b>	<b>3,503.24</b>	—		<b>3,503.24</b>					
From Others	(CY)	244.37	—	244.37				—	—	—	—
	(PY)	<b>244.37</b>	—	<b>244.37</b>							
<b>Total</b>	(CY)	4,997.85	4,753.48	244.37							
	(PY)	<b>3,747.61</b>	<b>3,503.24</b>	<b>244.37</b>							

Notes : 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 above.



## Schedules annexed to and forming part of the Balance Sheet

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
<b>7. OTHER CURRENT LIABILITIES</b>		
Component of Term Loan Repayable within 1 Year	<b>4,809.59</b>	1,504.81
Financial Lease Obligation Payable within 1 Year	—	2.58
Interest Accrued and Due	<b>1,321.10</b>	833.05
Income Received in Advance	<b>736.36</b>	681.20
Statutory Liability	<b>180.78</b>	146.04
Unpaid Matured Deposits & Interest Accrued Thereon	—	0.30
Other Payables (Include due to Prysmian Rs. 2053 Lacs P.Y. Rs. 1500 Lacs)	<b>2,735.01</b>	2,357.62
Total	<b><u>9,782.84</u></b>	<u>5,525.60</u>
<b>8. SHORT TERM PROVISIONS</b>		
Gratuity	<b>256.13</b>	250.18
Leave Encashment	<b>22.46</b>	33.15
Superannuation Fund	<b>209.81</b>	170.80
Other Provisions	—	58.00
Provisions for Taxation	<b>621.08</b>	621.08
Total	<b><u>1,109.48</u></b>	<u>1,133.21</u>

## Schedules annexed to and forming part of the Balance Sheet

<b>9. FIXED ASSETS</b>										
(Rs. in Lacs)										
Particulars of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Gross Cost/ value as on 01.04.11	Addition towards Acquisition	Sale Adjustment during the year	Gross Balance as on 31.03.12	Total as on 01.04.11	For the year	Sale Adjustment during the year	Total as on 31.03.12	WDV as on 31.03.12	WDV as on 31.03.11
<b>Tangible Assets :</b>										
Land : Leasehold	59.67	—	—	59.67	38.12	2.97	—	41.09	18.58	21.55
Land : Freehold	829.94	—	—	829.94	—	—	—	—	829.94	829.94
Building	7,485.06	13.15	—	7,498.21	4,234.23	199.33	—	4,433.56	3,064.65	3,250.83
Plant and Equipments	16,531.43	176.81	—	16,708.24	11,455.08	581.31	—	12,036.39	4,671.85	5,076.35
Furniture & Fixtures	359.52	5.24	0.49	364.27	314.47	9.14	0.36	323.25	41.02	45.05
Vehicles	158.32	—	—	158.32	131.77	6.32	—	138.09	20.23	26.55
Office Equipments	320.18	0.47	0.87	319.78	293.07	5.44	0.57	297.94	21.84	27.11
<b>Others :</b>										
Weigh Bridge	3.22	—	—	3.22	3.10	0.02	—	3.12	0.10	0.12
Weighing Machines	0.91	—	—	0.91	0.89	—	—	0.89	0.02	0.02
Railway Sidings	0.39	—	—	0.39	0.38	—	—	0.38	0.01	0.01
Electrical Installations	73.35	—	—	73.35	65.46	0.58	—	66.04	7.31	7.89
<b>Total</b>	<b>25,821.99</b>	<b>195.67</b>	<b>1.36</b>	<b>26,016.30</b>	<b>16,536.57</b>	<b>805.11</b>	<b>0.93</b>	<b>17,340.75</b>	<b>8,675.55</b>	<b>9,285.42</b>
<b>Intangible Assets :</b>										
Goodwill	—	—	—	—	—	—	—	—	—	—
Brands/Trademarks	—	—	—	—	—	—	—	—	—	—
Computer Softwares	27.53	—	—	27.53	15.15	5.51	—	20.66	6.87	12.38
Mast & Publishing Titles	—	—	—	—	—	—	—	—	—	—
Mining Rights	—	—	—	—	—	—	—	—	—	—
Copyrights & Patents and other Intellectual property rights, services & operating rights	—	—	—	—	—	—	—	—	—	—
Receipts, Formulae, Models, Designs & Phototypes	—	—	—	—	—	—	—	—	—	—
Licences & Franchise	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>27.53</b>	<b>—</b>	<b>—</b>	<b>27.53</b>	<b>15.15</b>	<b>5.51</b>	<b>—</b>	<b>20.66</b>	<b>6.87</b>	<b>12.38</b>
Capital Work-In-Progress	42.91	224.46	194.90	72.47	—	—	—	—	72.47	42.91
<b>Intangible Assets under Development</b>										
Total of Fixed Asset	25,892.43	420.13	196.26	26,116.30	16,551.72	810.62	0.93	17,361.41	8,754.89	9,340.71
Less : Transferred to Revaluation Reserve	—	—	—	—	—	150.37	—	—	—	—
Depreciation charged to Profit & Loss Account	—	—	—	—	—	660.25	—	—	—	—
Previous Year : Total of Fixed Assets	25,839.22	100.87	47.66	25,892.43	15,698.48	865.63	12.39	16,551.72	9,340.71	—
Less : Transferred to Revaluation Reserve	—	—	—	—	—	159.70	—	—	—	—
Depreciation charged to Profit & Loss Account	—	—	—	—	—	705.93	—	—	—	—
Note : (a) Leasehold Land relates to 20.34 Acres of land taken on lease at Baripada, last renewed on 1999 for a period of 20 years.										





## Schedules annexed to and forming part of the Balance Sheet

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
<b>10. NON CURRENT INVESTMENT</b> (held at cost unless stated otherwise) :		
<b>A) Trade Investments :</b>		
<b>(i) Investment in Equity Instruments :</b>		
<b>(A) Fully paid :</b>		
1) Nicco Uco Alliance Credit Limited	812.25	812.25
2) BDA-Nicco Parks & Resorts Ltd.	2.00	2.00
3) Nicco Parks & Resorts Ltd. (Associate)	120.50	120.50
4) Nicco Financial Services Ltd. (Associate)	25.94	25.94
5) Nicco Ventures Limited (Associate)	91.96	91.96
6) NE Cables Limited (Associate)	—	4.99
7) Nicco Engineering Services Limited (Associate)	14.67	14.67
8) National Pipes & Tubes Co. Ltd. (Held other than Cost) (In Liquidation)	—	—
<b>(ii) Investment in Debentures or Bonds :</b>		
1) Nicco Financial Services Ltd. (Associate)	90.50	90.50
<b>B) Investment in Subsidiaries :</b>		
<b>Fully Paid :</b>		
(i) Investment in Equity Instruments :		
1) Nicco Biotech Limited (Susidiary)	720.00	720.00
(ii) Investment in Preference Shares :	550.00	550.00
1) Nicco Biotech Limited (Susidiary)		
<b>C) Other Investments :</b>		
(i) Investment in Government of Trust Shares/Securities :		
1) National Savings Certificate	0.02	0.02
Total	<u>2,427.84</u>	<u>2,432.83</u>
	C.Y.	P.Y.
Notes : 1. (a) Aggregate amount of Quoted Investment (net of provision)	Rs. 223.55	223.55
(b) Aggregate market value of Quoted Investment	Rs. 2,299.45	1,206.76
(c) Aggregate amount of Unquoted Investment	Rs. 1,495.09	1,500.08
2. Provision in carrying amount of non-current-investment (Forming part of long term provision)	Rs. 709.20	709.20
<b>11. LONG TERM LOANS AND ADVANCES :</b>		
<b>Unsecured Considered Good</b>		
Security Deposits	116.51	124.58
Other Loans & Advances	239.68	256.03
Advance Tax and TDS Receivable	156.93	227.87
Total	<u>513.12</u>	<u>608.48</u>

**Schedules annexed to and forming part of the Balance Sheet**

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
<b>12. OTHER NON-CURRENT ASSETS :</b>		
Long Term Trade Receivables : (Unsecured considered good)	1,257.54	1,057.89
Total	<u>1,257.54</u>	<u>1,057.89</u>
<b>13. INVENTORIES (Valued at lower of cost and net realisable value)</b>		
Raw Materials	660.41	408.09
Work-In-Progress	1,404.93	1,889.25
Finished Goods	62.93	211.87
Stock-In-Trade	569.38	568.88
Store & Spares	220.28	242.04
Total	<u>2,917.93</u>	<u>3,320.13</u>
<b>14. TRADE RECEIVABLES :</b>		
<b>Unsecured</b>		
<b>Debt Outstanding for a Period of above 6 Months</b>		
Considered Good	5,913.57	4,443.44
Doubtful	<u>285.82</u>	<u>360.95</u>
	6,199.39	4,804.39
Less : Provision for Doubtful Debts	<u>285.82</u>	<u>360.95</u>
<b>Other Debts : (Considered good)</b>	<b>6,379.05</b>	<b>6,567.43</b>
Total	<u>12,292.62</u>	<u>11,010.87</u>
<b>15. CASH AND CASH EQUIVALENTS :</b>		
Balance with Banks	189.68	381.35
Cheques/Draft in Hand	33.27	—
Cash in Hand	4.16	1.77
Total	<u>227.11</u>	<u>383.12</u>
Notes : 1. Balance with Banks include :		
Balance with unpaid dividend account	0.21	0.21
Margin against Guarantee furnished	29.35	159.98
<b>16. SHORT TERM LOANS AND ADVANCES :</b>		
<b>Unsecured</b>		
Capital Advances (Considered good)	28.97	—
Security Deposits (Considered good)	42.92	99.68
Advance Tax and TDS Receivable (Considered Good)	779.30	634.50
<b>Other Loans &amp; Advances</b>		
Unsecured Considered Good	831.76	1,065.08
Doubtful	<u>10.00</u>	<u>10.00</u>
	841.76	1,075.08
Less : Provision for Doubtful Advance	<u>10.00</u>	<u>10.00</u>
Total	<u>1,682.95</u>	<u>1,799.26</u>



## Notes annexed to and forming part of the Profit & Loss Account

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
<b>17. REVENUE :</b>		
<b>a) Revenue From Operations :</b>		
Sales of Products (Cables, Conductors & Wires)	<b>24,227.58</b>	21,362.77
Sales of Services (ECD, IRR & Engineering Services)	<b>5,915.92</b>	8,746.26
Other Operating Revenue (Sale of Scrap)	<b>696.26</b>	646.12
	<b>30,839.76</b>	30,755.15
Less : Excise Duty	<b>1,948.29</b>	1,759.60
	<b>28,891.47</b>	28,995.55
<b>b) Other Income :</b>		
Interest Income on Fixed Deposit (Gross TDS Rs. 0.21, PY Rs. Nil)	<b>1.92</b>	—
Other Interest Income (Gross TDS Rs. 0.47, PY Rs. 0.44)	<b>4.73</b>	4.42
Dividend Income on Long Term Investments (Trade)	<b>14.04</b>	14.04
Dividend from House Property	<b>141.94</b>	76.87
Other Income (Net of Directly Attributable Expenses)	<b>21.35</b>	54.31
	<b>183.98</b>	149.64
Total	<b>29,075.45</b>	29,145.19
<b>18. EMPLOYEES' BENEFIT EXPENSES :</b>		
Salaries and Wages	<b>2,298.90</b>	2,352.34
Contribution to PF and Other Funds	<b>357.68</b>	346.10
Staff Welfare Expenses	<b>279.42</b>	268.68
	<b>2,936.00</b>	2,967.12
Total	<b>2,936.00</b>	2,967.12
<b>19. FINANCE COSTS :</b>		
Interest Expenses	<b>3,077.59</b>	2,736.14
Bank Charges	<b>601.45</b>	664.16
Foreign Exchange Loss	<b>5.50</b>	5.76
	<b>3,684.54</b>	3,406.06
Total	<b>3,684.54</b>	3,406.06

**Specific Disclosures under Schedule-VI forming part of the Profit & Loss Account**

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
<b>20. OTHER EXPENSES :</b>		
Power & Fuel	554.71	528.08
Stores & Spares Consumed	195.87	271.86
Packing	289.41	274.98
Repairs – Plant & Machinery	119.65	100.64
Repairs – Building	37.59	28.40
Repairs – Others	28.63	31.18
Carriage & Handling Charges	40.60	40.56
Site Expenses	36.58	24.85
Design & Engineering Expenses	2.99	18.50
Fabrication Charges	195.30	91.19
Erection Charges	195.89	956.43
Civil Sub-Contracting Charges	606.14	901.84
Other Expenses	62.36	235.49
Sales Tax & Commercial Tax	64.52	119.74
Freight & Transport	341.16	397.82
Insurance	64.89	71.69
Rent	53.81	68.66
Rates & Taxes	25.14	27.51
Consultancy Fees	199.67	183.46
Cash Discount	21.35	37.10
Travelling & Conveyance	352.75	384.57
<b>Auditors Remuneration :</b>		
Audit Fees	5.52	5.52
Taxation Matters	3.09	1.10
Certificate	4.71	6.35
Directors' Fees	6.88	6.16
Advertisement	4.89	5.73
Provision for Doubtful Debts	30.00	216.79
Bad and Doubtful Debt Written off	—	421.32
Loss on Sale of Assets	—	1.88
Miscellaneous Expenses	843.19	926.71
Total	<u>4,387.29</u>	<u>6,386.11</u>



## Schedules annexed to and forming part of 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 annexed to and forming part of 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 period/periods.

### (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 annexed to and forming part of the Balance Sheet (Contd.)

### B. NOTES TO ACCOUNTS

(Figures have been stated in Rs. in Lacs)

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)		
<b>1. Expenditure in Foreign Currency :</b>				
Travelling	7.48	6.07		
Total	<u>7.48</u>	<u>6.07</u>		
	<b>Provision for the year, 31.03.2012 (Rs. in Lacs)</b>	<b>Provision for the year, 31.03.2011 (Rs. in Lacs)</b>		
<b>2. Movement of Provisions for doubtful debt :</b>				
Opening Balance	360.95	144.15		
Addition during the year	30.00	638.11		
Sub Total	390.95	782.26		
Less : Charged to bad debt	105.13	421.31		
Closing Balance	<u>285.82</u>	<u>360.95</u>		
	<b>As at 31st March, 2012 (Rs. in Lacs)</b>	<b>As at 31st March, 2011 (Rs. in Lacs)</b>		
<b>3. CIF Value of Import :</b>				
Raw Material	418.47	455.51		
Component & Spare Parts	32.33	—		
Capital Goods	203.35	—		
Total	<u>654.15</u>	<u>455.51</u>		
	<b>Purchase</b>	<b>Consumption</b>		
	<b>As at 31st March, 2012 (Rs. in Lacs)</b>	As at 31st March, 2011 (Rs. in Lacs)	<b>As at 31st March, 2012 (Rs. in Lacs)</b>	As at 31st March, 2011 (Rs. in Lacs)
<b>4. Particulars of Major Items of Raw Materials :</b>				
Copper	9,233.86	7,979.50	8,974.11	7,988.06
Aluminium	1,039.58	1,133.33	1,037.35	1,128.67
GMS	291.49	468.88	325.91	438.11
PVC	594.90	725.56	598.47	734.59
XLPE Compound	—	—	—	413.88
Other Raw Materials	2,202.63	2,157.99	2,158.46	2,165.32
Others	806.05	450.95	816.39	440.73
Total	<u>14,168.51</u>	<u>12,916.21</u>	<u>13,910.69</u>	<u>13,309.36</u>

**Schedules annexed to and forming part of the Balance Sheet (Contd.)**

	<b>As at 31st March, 2012 (Rs. in Lacs)</b>	<b>As at 31st March, 2011 (Rs. in Lacs)</b>		
<b>5. Purchase of Stock-in-Trade :</b>				
LV Power Cables	1,382.09	1,112.64		
Total	<u>1,382.09</u>	<u>1,112.64</u>		
<b>6. Particulars of Income from Other Services :</b>				
ECD Sales	1,671.91	526.80		
IRR Services	259.09	269.84		
Engineering Services	3,984.91	7,949.61		
Total	<u>5,915.91</u>	<u>8,746.25</u>		
<b>7. Closing Stock of Work-in-Progress :</b>				
Speciality Cables	1,062.60	1,230.48		
MV XLPE Cables	342.33	658.77		
Total	<u>1,404.93</u>	<u>1,889.25</u>		
	<b>Raw Materials</b>	<b>Stores &amp; Components</b>		
	%	%		
<b>8. Backup of Consumption :</b>				
Imported	743.50	5.34%	37.07	18.93%
Domestic	13,167.19	94.66%	158.79	81.07%
Total	<u>13,910.69</u>	<u>100.00%</u>	<u>195.86</u>	<u>100.00%</u>
<b>9(a). Contingent Liabilities &amp; Commitments : not provided for</b>			<b>As at 31st March, 2012 (Rs. in Lacs)</b>	<b>As at 31st March, 2011 (Rs. in Lacs)</b>
(a) Contingent Liabilities :				
i) Claim against Company not acknowledged as debt				
a) In respect of excise duty disputes pending with various authorities			945.58	786.60
b) In respect of Service tax disputes pending with various authorities			90.38	99.37
c) In respect of Income Tax under appeal			27.59	27.59
d) In respect of Sales Tax under appeal			1,577.11	1,501.37
ii) Guarantees Furnished			8,907.92	10,521.63
iii) Guarantees invoked and contested in appeal			580.08	580.08
iv) Bills Discounted			2,320.86	2,129.67
(b) Commitments :				
Capital Contract remaining to be executed not being provided for			4.70	—
(c) Arrears of dividend on fixed cumulative preference shares			877.00	768.00





## Schedules annexed to and forming part of the Balance Sheet (Contd.)

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

a)	Head Opening of Account Provision for doubtful advance	Opening Provision 10.00	Provisions made during the year Nil	Provisions withdrawn during the year Nil	Closing Provision 10.00	Forum where the dispute is pending 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 which is expected to be disposed of within a year.					
	Particulars	Opening Provision	Additional Provision / Withdrawal of Provision		Closing Provision	From which the dispute is pending
	Dues of the Party being withheld	58	58			
	Due to dispute included in provision others					

10. Sale of finished goods is net of claims etc. relating to earlier periods settled in the current period.

11. Deferred Tax :

(a) Recognition of deferred tax asset upto 31.03.2011 on unabsorbed loss & depreciation is attributed to management affirmation of virtual certainty of future profit evidenced by viability of the rehabilitation scheme under progress for submission to BIFR. However no further addition to deferred tax asset, whatever may be the contributory of it, has been recognized as measure of abundant prudence unlike previous year.

	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
A. Deferred Tax Assets		
Loss	6,687.18	6,250.93
Employee related dues	220.19	199.88
Provision for Doubtful Debt	94.92	—
Sub Total (A)	<u>7002.29</u>	<u>6450.81</u>
B. Deferred Tax Liability (Depreciation)	<u>1202.76</u>	<u>1365.68</u>
Net Deferred Tax	<u>5799.53</u>	<u>5085.13</u>
C. Net deferred tax actually accounted for	<u>5085.13</u>	<u>5085.13</u>
D. Deferred Tax liability/(asset) recognised for the year/period	Nil	(574.11)

(b) Change in the ascertainment of deferred tax added to loss by Rs. 714.40 lacs with corresponding decline in deferred tax asset.

12. (a) Parties in micro and small category under MSMED Act, 2006, have been identified on the basis of disclosure made by respective parties in their invoices/challans.

(b) Particulars of due to relevant creditors are given hereunder

Particulars	As on 31.03.2012		
	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	232.52	207.76	440.28
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	—	216.53	216.53
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 annexed to and forming part of the Balance Sheet (Contd.)

### 13. 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 30,839.75

#### Rs. in Lacs

	Cable Operation	Project	Unallocated	Total
<b>SEGMENT REVENUE</b>				
(a) External sales	26,854.84	3,984.92	—	30,839.76
	PY 22,805.53	7,949.62	—	30,755.15
(b) Inter Segment Sales	—	—	—	—
	PY —	—	—	—
<b>(c) Total Revenue</b>	26,854.84	3,984.92	—	30,839.76
	PY 22,805.53	7,949.62	—	30,755.15
Less : Excise	1,948.29	—	—	1,948.29
	PY 1,759.60	—	—	1,759.60
Net Sales	24,906.55	3,984.92	—	28,891.47
	PY 21,045.93	7,949.62	—	28,995.55
<b>SEGMENT RESULT</b>				
<b>Gross Profit before Intf. &amp; Deprn.</b>	2,675.94	58.73	129.16	2,863.83
	PY 540.16	655.10	132.82	1,328.08
<b>Depreciation</b>	541.60	14.19	104.47	660.26
	PY 527.98	17.65	160.30	705.93
<b>Profit &amp; Loss after Depreciation</b>	2,134.34	44.54	24.69	2,203.57
	PY 12.18	637.45	(27.48)	622.15
<b>Interest</b>	2,654.26	423.32	0.01	3,077.59
	PY 2,318.64	417.14	0.36	2,736.14
<b>Current Tax, Deferred Income Tax and Fringe Benefit Tax</b>	—	—	—	—
	PY —	—	—	573.15
<b>Net Profit from ordinary activities</b>	—	—	—	(874.02)
	PY —	—	—	(1,540.85)
<b>Add : Extra Ordinary Income (Waiver of Banks/FI's Dues)</b>	—	—	—	—
	PY —	—	—	—
<b>Net Profit</b>	—	—	—	(874.02)
	PY —	—	—	(1,540.85)
<b>Segment Asset</b>	15,334.59	8,033.78	7,318.12	30,686.49
	PY 14,450.41	8,633.24	7,370.41	30,454.07
<b>TOTAL ASSET (Note 2)</b>	—	—	—	30,686.49
	PY —	—	—	30,454.07
<b>Segment Liability</b>	12,214.68	6,605.13	8,005.84	26,825.66
	PY 10,389.57	7,947.47	6,528.78	24,865.83
<b>TOTAL LIABILITIES</b>	—	—	—	26,825.66
	PY —	—	—	24,865.83
<b>CAPITAL EXPENDITURE DURING THE PERIOD</b>	195.35	—	0.32	195.67
	PY 3.89	0.20	66.58	70.67
<b>Non Cash Expenditure</b>	—	—	—	—
	PY —	—	—	—

\* Relates to unallocated segment.

- Note : 1. Liabilities 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. 85.87 Lacs (Rs. 140.45 Lacs)  
b) Segment Assets amounting to Rs. 961 Lacs (Rs. 1,072 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. 30,839.75 Lacs  
Export Sales Rs. — Lacs



## Schedules annexed to and forming part of the Balance Sheet (Contd.)

### 14. Information on Related parties pursuant to AS 18 issued by ICAI

Related Party disclosures :

(I)	<b>Related Parties where control exists :</b>	
	Nicco Biotech Ltd. (Subsidiary)	
(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.	
	NE Cables Ltd.	
	Nicco Cables Limited	
(b)	Nicco Institute of biotechnology (NERT) - Trust (upto 10.02.2012)	Significant control exists
(c)	<b>Key Management Personnel (KMP)</b>	
	Mr. Udayan Ray	Managing Director

The following transactions were carried out with related parties in the ordinary course of business. Subsidiary, Joint Venture & Associates and Key Management personnel

	Rs. in Lacs		Rs. in Lacs		Rs. in Lacs	
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
	Subsidiary Companies		Associates/ Significant Influence		Key Management Personnel	
Purchase of goods - NESL	—	—	Rs. Nil	Rs. 3.47	—	—
Remuneration For rendering of services - NESL	—	—	—	—	Rs. 27.87	Rs. 64.23
Adv. against services - NESL	—	—	Rs. 50.78	Rs. 54.90	—	—
For receiving of services - NBL	Rs. Nil	Rs. Nil	—	—	—	—
Balance at the end of the Period	31.03.12	31.03.11	31.03.12	31.03.11		
Payables - NESL	—	—	Rs. 154.51	Rs. 146.64	—	—
- NVL	—	—	Rs. 0.35	—	—	—
Receivables - NE Cables Ltd.	—	—	Rs. Nil	Rs. Nil	—	—
- NBL	Rs. Nil	Rs. Nil	—	—	—	—
- NVL	—	—	Rs. Nil	Rs. 0.70	—	—
Dis investments - N E Cables Ltd.	—	Rs. 4.99	—	—	—	—
Investments :						
NESL -						
(Share Capital	—	—	Rs. 14.67	Rs. 14.67	—	—
Nicco Biotech Ltd.	Rs.1270.00	Rs.1270.00	—	—	—	—
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	—	—

**Schedules annexed to and forming part of the Balance Sheet (Contd.)****15. 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 31.03.2012 Rs. Lakhs	For the year ended 31.03.2011 Rs. Lakhs
Provident Fund	95.49	107.14
Employees Pension Scheme	63.29	70.34
Employees State Insurance	56.16	57.66
Total	<u>214.94</u>	<u>235.14</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)
<b>A. Reconciliation of opening and closing balances of obligation</b>				
(a) Obligation as at 1.4.11	796.16	180.81	457.76	1,434.73
(b) Past Service Cost	—	—	22.25	22.25
(c) Current Service Cost	43.41	29.71	13.95	87.07
(d) Interest Cost	65.32	13.96	31.77	111.05
(e) Actuarial (gain)/loss	77.21	5.77	2.58	85.56
(f) Benefits paid	(55.51)	(33.14)	(212.59)	(301.24)
(g) Obligation as at 31.03.12	926.59	197.11	315.72	1,439.42
<b>B. Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>				
(a) Fair Value of plan assets as at 1.4.11	545.98	—	287.01	832.99
(b) Expected return on plan assets	43.68	—	22.96	66.64
(c) Actuarial gain/(loss)	(0.49)	—	(8.82)	(9.31)
(d) Contributions by the employer	136.80	—	17.35	154.15
(e) Benefits paid	(55.51)	—	(212.59)	(268.10)
(f) Fair Value of plan assets as at 31.03.12	670.46	—	105.91	776.37
<b>C. Reconciliation of fair value of plan assets and present value of defined benefit obligations</b>				
(a) Present value of obligation as at 31.03.12	926.59	197.11	315.72	1,439.42
(b) Fair Value of plan assets as on 31.03.12	670.46	—	105.91	776.37
(c) Amount recognized in the balance sheet	256.13	197.11	209.81	663.05
<b>D. Expense recognized in the period</b>				
(a) Current Service Cost	43.41	29.71	13.95	87.07
(b) Past Service Cost	—	—	22.25	22.25
(c) Interest Cost	65.32	13.96	31.77	111.05
(d) Expected return on plan assets gain/(loss)	43.68	—	22.96	66.64
(e) Actuarial (gain)/loss	77.70	5.77	11.40	94.87
(f) Expenses recognized in the period (a+b+c-d+e)	142.75	49.44	56.41	248.60



## Schedules annexed to and forming part of the Balance Sheet (Contd.)

### F. Investment Details of Plan Assets

	% 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

### G. Assumptions

(a) Discount rate (per annum) (%)	8.50
(b) Estimated rate of return on plan assets (per annum) (%)	8.00
(c) Inflation Rate (%)	6.00
(d) Remaining Working Life (in Years)	13.00
(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

### 16. Information on Hire Purchase deals Pursuant to AS-19 issued by ICAI

#### A. As Lessee :

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

	31.03.12	31.03.11
A. Plant & Machinery	—	34.29
B. Vehicle	11.82	25.14
C. Computer	—	—

##### II. Minimum Lease Price Payment

	Upto 1 Year	1 to 5 year	> 5 Year
A. Plant & Machinery	—	—	Nil
B. Vehicle	20.75	Nil	Nil
C. Computer	—	—	Nil

##### III. Present Value

A. Plant & Machinery	—	—
B. Vehicle	17.09	—
C. Computer	—	—

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

	31.03.12	31.03.11
A. Plant & Machinery	—	0.33
B. Vehicle	3.74	2.46
C. Computer	—	—
	<u>3.74</u>	<u>2.79</u>

#### 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 annexed to and forming part of the Balance Sheet (Contd.)**

## 17. 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.

## 18. Information pursuant to AS 7 (relates to contracts entered into since 01.04.2003) :

- (a) Contract revenue recognized as revenue gross of service tax Rs. 4080.44 Lacs (Rs. 11834.31 Lacs).  
 (b) Retention amount (forming part of debtors) Rs. 1.37 Lacs (Rs. 68.10 Lacs).  
 (c) Due from customers on account of contract work Rs. 5218.67 Lacs (Rs. 1396.23 Lacs).  
 (d) Aggregate of cost incurred on construction contract Rs. 2704.40 Lacs (Rs. 12903.56 Lacs).  
 (e) Aggregate of profit (Loss) recognized against construction contract Rs. 1376.04 Lacs (Rs. 620.37 Lacs) on the basis of direct cost only.  
 (f) The amount of advances received Rs. Nil Lacs (nil)

## 19. (a) Earning Per Share (after consideration of extra ordinary income) :

Earning Per Share (Basic & Diluted)	Year ended 31.03.12	Year ended 31.03.11
<b>Profit after Tax (Rs. in Lacs)</b>	<b>(1166.50)</b>	(1540.87)
<b>Less :</b>		
Preference Dividend 5% (Rs. Lacs)	<u>109.15</u>	<u>109.15</u>
<b>A. Amount used as numerators in calculating basic &amp; diluted earning per share.</b>	<u><b>(1275.65)</b></u>	<u>(1650.02)</u>
<b>Weighted average no. of Equity Share (No.)</b>	<b>111,892,408</b>	111,892,408
<b>E. Earning Per Share (Basic) (Rs./-)</b>	<b>(1.14)</b>	(1.47)
<b>F. Earning Per Share (Diluted) (Rs./-)</b>	<b>(1.14)</b>	(1.47)

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

Earning Per Share (Basic & Diluted)	Year ended 31.03.12	Year ended 31.03.11
<b>Profit after Tax (Rs. in Lacs)</b>	<b>(1166.50)</b>	(1540.87)
<b>Less :</b>		
Add : Preference Dividend 5% (Rs. in Lacs)	<b>109.15</b>	109.15
Less : Extra ordinary items	<b>292.50</b>	(669.66)
Impact of changes in accounting estimation	<u><b>714.40</b></u>	<u>—</u>
<b>A. Amount used as numerators in calculating basic &amp; diluted earning per share.</b>	<u><b>(268.75)</b></u>	<u>(2319.68)</u>
<b>Weighted average no. of Equity Share (No.)</b>	<b>111,892,408</b>	111,892,408
<b>E. Earning Per Share (Basic) (Rs./-)</b>	<b>(0.24)</b>	(2.07)
<b>F. Earning Per Share (Diluted) (Rs./-)</b>	<b>(0.24)</b>	(2.07)



## Schedules annexed to and forming part of the Balance Sheet (Contd.)

20. Following reference to Board of Industrial and Financial Reconstruction under section 15 of Sick Industrial Companies (Special Provisions) Act, 1985, the Company has been declared sick vide its order dated August 23, 2011. Pending further directives in this matter by BIFR, the Company continues to operate under CDR.
21. The Board of Directors of the Company has approved an arrangement for Joint Venture between the Company and Oriental Manufacturers Pvt. Ltd. (OMPL) for formation of a jointly controlled entity for the purpose of assigning project division therein. OMPL or its subsidiary is to hold majority stake in said newly formed company, the Company being proposed forminority stakeholder therein.
- A definitive agreement has been signed to that effect. CDR/lenders/BIFR approval has been sought for implementation of the decision.
22. An Investment of Rs. 4.99 lacs in NE Cables Ltd. has been divested during the period as per CDR approval.
23. Considering sole arbitrators award entailing company to pay 534.70 lacs to Prysmian on account of interest and other compensatory ground, Rs. 292.50 lacs forming part of relevant dues relating to interest cost of earlier years has been accounted for as an extra ordinary item. Extra ordinary item of previous year Rs. 669.66 lacs relates to profit on sale of stake in erstwhile wholly owned subsidiary as per CDR scheme.
24. Information pursuant to AS 24:
- 1) Company's unit at Kanyani manufacturing Jelly Filled Telecom Cable (JFTC) has discontinued operation with effect from 15.07.2002.
  - 2) Lone expense relating to relevant discontinued operation relates to depreciation charge of Rs. 85.87 lacs (Rs. 140.45 Lacs) attributable against ordinary activities.
  - 3) Net fixed assets (Tangible) relating to discontinued operation amounts to Rs. 589.19 Lacs (Rs. 675.06 Lacs). Considering absence of binding agreement with any party to dispose off relevant assets, the same are carried at book value.
  - 4) Other current liability includes Rs. 25.31 Lacs (Rs. 25.31 Lacs) relating to discontinued operation.
  - 5) Current/Non Current assets pertaining to discontinued operation include Rs. 46.82 Lacs (Rs. 46.82 Lacs), Rs. 12.87 Lacs (Rs. 12.87 Lacs), Rs. 337.38 Lacs (Rs. 337.38 Lacs) towards long term loans and advances, inventories and trade receivables outstanding for a period of more than 6 months respectively.
25. Figures have been regrouped and rearranged wherever necessary.
26. Schedule 1 to 22 form an integral part of these accounts.

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 18th day of May, 2012

On behalf of the Board of Directors

N DAS

Director & Chairman  
— Audit Committee

INDRANIL MITRA  
General Manager &  
Company Secretary

UDAYAN RAY

Managing Director & CFO

RAJIVE KAUL

Chairman

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

We have audited the attached consolidated Balance Sheet of Nicco Corporation Limited and its subsidiary as at 31st March 2012, 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 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 are unable to comment on deferred tax asset recognition on unabsorbed losses and depreciation.

Subject to above and pending redemption of 9,52,300 no of 5% cumulative convertible preference shares of Rs. 100/- each, we hereby report 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 subsidiary and read with other notes to accounts and schedules annexed to the Consolidated Financial Statements in schedule 22, that

- (a) the Consolidated Balance Sheet gives a true and fair view of the Consolidated state of affairs of Nicco Corporation Limited and its subsidiary as at 31st March 2012, and
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the Loss of Nicco Corporation Limited and its subsidiary for the year ended on that date.
- (c) the Consolidated Cash Flow statement gives true and fair view of Cash Flow of Nicco Corporation Limited and its subsidiary for the year ended on that date.

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

S. LAHIRI  
*Partner*  
Membership No. 051717

Basu House  
3, Chowringhee Approach,  
Kolkata-700 072

Dated, the 18th day of May, 2012



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*Statement of Accounts*

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

	Schedule	31st March, 2012 (Rs. in lacs)	31st March, 2011 (Rs. in lacs)
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1. Shareholders' Funds</b>			
a) Capital	1	4,422.21	4,422.21
b) Reserves & Surplus	2	(7,332.92)	(6,267.48)
<b>2. Minority Interest</b>			
		129.81	153.03
<b>3. Share application money pending allotment</b>			
		280.00	160.00
<b>4. Non-Current Liabilities :</b>			
a) Long Term Borrowings	3	8,254.41	12,447.72
b) Other Long Term Liabilities	4	35.57	25.99
c) Long Term Provisions	5	883.85	856.87
<b>5. Current Liabilities :</b>			
a) Short Term Borrowings	6	4,997.85	3,747.61
b) Trade Payables		14,027.47	14,036.90
c) Other Current Liabilities	7	9,790.72	5,531.84
d) Short Term Provisions	8	1,110.08	1,133.77
Total		<u>36,599.05</u>	<u>36,248.46</u>
<b>II. ASSETS :</b>			
<b>1. Non-Current Assets :</b>			
a) Fixed Assets	9		
i) Tangible Assets		9,508.86	10,132.26
ii) Intangible Assets		825.57	831.08
iii) Capital Work-In-Progress		72.47	42.91
b) Non-Current Investments	10	2,181.18	1,847.55
c) Deferred Tax Assets (Net)		5,085.13	5,085.13
d) Long Term Loans and Advances	11	522.50	618.70
e) Other Non-Current Assets	12	1,257.54	1,057.89
<b>Current Assets :</b>			
a) Inventories	13	2,917.93	3,320.13
b) Trade Receivables	14	12,300.48	11,011.82
c) Cash & Cash Equivalents	15	243.31	408.65
d) Short Term Loans and Advances	16	1,683.18	1,891.42
e) Other Current Assets	17	0.90	0.92
Total		<u>36,599.05</u>	<u>36,248.46</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 18th day of May, 2012

INDRANIL MITRA  
General Manager &  
Company Secretary

On behalf of the Board of Directors

N DAS

Director & Chairman  
— Audit Committee

UDAYAN RAY

Managing Director &amp; CFO

RAJIVE KAUL

Chairman


**CONSOLIDATED PROFIT AND LOSS ACCOUNT** FOR THE YEAR ENDED 31ST MARCH, 2012

	Schedule	31st March, 2012 (Rs. in lacs)	31st March, 2011 (Rs. in lacs)
<b>REVENUE :</b>			
1. Revenue from Operations	18(a)	28,891.46	30,117.08
2. Other Income	18(b)	198.87	165.69
<b>3. Total Revenue (1+2)</b>		<b>29,090.33</b>	<b>30,282.77</b>
<b>4. Expenses :</b>			
Cost of Materials Consumed		13,910.69	13,307.72
Purchase of Stock-In-Trade		3,737.93	4,767.77
Decrease/(-) Increase In Inventories			
Finished Goods		148.94	34.48
Work-In-Progress		484.32	180.23
Stock-In-Trade		(0.51)	491.81
		<b>18,281.37</b>	<b>18,782.01</b>
Employees' Benefits Expense	19	2,941.83	3,263.12
Finance Costs	20	3,685.25	3,407.38
Depreciation & Amortisation Expenses	9	608.97	595.29
Other Expenses	21	4,400.44	6,686.65
		<b>11,636.49</b>	<b>13,952.44</b>
<b>Total Expenses (Sub Total 4)</b>		<b>29,917.86</b>	<b>32,734.45</b>
<b>5. Profit/(Loss) before Exceptional &amp; Extra Ordinary Items (3-4)</b>		<b>(827.53)</b>	<b>(2,451.68)</b>
<b>6. Exceptional Items</b>			
<b>7. Profit/(Loss) before Extra Ordinary Items (5-6)</b>		<b>(827.53)</b>	<b>(2,451.68)</b>
<b>8. Extra Ordinary Expenses/(Income)</b>		<b>363.40</b>	<b>(669.66)</b>
<b>9. Profit before Tax (7-8)</b>		<b>(1,190.93)</b>	<b>(1,782.02)</b>
<b>10. Tax Expenses</b>			
Current tax		—	170.35
Deferred Tax		—	(578.29)
			<b>(407.94)</b>
<b>11. Profit/(Loss) from Continuing Operations (9-10)</b>		<b>(1,190.93)</b>	<b>(1,374.08)</b>
<b>12. Profit/(Loss) from Discontinuing Operations</b>		<b>(85.87)</b>	<b>(140.45)</b>
<b>13. Tax Expenses of Discontinuing Operations</b>			
<b>14. Profit/(Loss) after Tax of Discontinuing Operations (12-13)</b>		<b>(85.87)</b>	<b>(140.45)</b>
<b>15. Profit/(Loss) for the Year (11+14)</b>		<b>(1,276.80)</b>	<b>(1,514.53)</b>
<b>16. Minority Interest</b>		<b>23.22</b>	<b>7.59</b>
<b>17. Profit/(Loss) for the Year after Minority Interest (15-16)</b>		<b>(1,253.58)</b>	<b>(1,506.94)</b>
<b>18. Earning Per Equity Share</b>			
Basic		<b>(1.23)</b>	<b>(1.45)</b>
Diluted		<b>(1.23)</b>	<b>(1.45)</b>
Significant Accounting Policies & Notes to Account			

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

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31st March, 2012

Particulars	(Rs. in Lacs) Year Ended 31.03.2012	(Rs. in Lacs) Year Ended 31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extra-Ordinary Items	(913.46)	(2,584.53)
Adjusted for —		
Depreciation charged to Profit & Loss Account	694.84	735.74
Profit on Sale of Fixed Assets (Net)	—	(0.01)
Interest on Investment	—	(0.13)
Dividend on Investment	(14.04)	(18.71)
Interest Expenses	3,077.59	2,737.38
Sub-Total	<u>3,758.39</u>	<u>3,454.27</u>
Operating Profit before Working Capital Changes	<u>2,844.93</u>	<u>869.74</u>
Changes in Working Capital		
(Increase)/Decrease in Trade and Other Receivables	(1,069.01)	1,456.81
(Increase)/Decrease in Inventories	402.20	1,140.24
Increase/(Decrease) in Trade Payable	477.69	(179.17)
Net Changes in Working Capital	<u>(189.12)</u>	<u>2,417.88</u>
Cash Generated from Operations	<u>2,655.81</u>	<u>3,287.62</u>
Direct Tax (Net)	<u>(76.16)</u>	<u>(39.32)</u>
Cash Flow before Extra-Ordinary Items	<u>2,579.65</u>	<u>3,248.30</u>
Extra Ordinary Item :	<u>(363.40)</u>	<u>669.66</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<u>2,216.25</u>	<u>2,578.64</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Investment Subsidy		
Purchase of Fixed Assets	(271.73)	(70.68)
Sale of Fixed Assets	25.86	77.07
Sale of Investment (Net)	4.89	669.66
Dividend Received	14.04	18.71
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>(226.94)</u>	<u>694.76</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Shares	—	60.01
Increase in Borrowings (Net)	359.11	(527.97)
Interest Paid	(2,513.76)	(2,737.44)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>(2,154.65)</u>	<u>(3,205.40)</u>
<b>NET CHANGES IN CASH/CASH EQUIVALENTS (A+B+C)</b>	<u>(165.34)</u>	<u>68.00</u>
Cash & Cash Equivalents — Opening Balance	408.65	340.65
Cash & Cash Equivalents — Closing Balance	243.31	408.65
<b>NOTES :</b>		
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 as referred to in Schedule 15.		

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

As per our attached Report of even date

For G. BASU &amp; CO.

Chartered Accountants

R. No :- 301174E

S. LAHIRI

Partner (M. No. 051717)

Basu House

3, Chowringhee Approach

Kolkata-700 072

Dated, the 18th day of May, 2012

On behalf of the Board of Directors

N DAS

Director &amp; Chairman

— Audit Committee

INDRANIL MITRA

General Manager &amp;

Company Secretary

UDAYAN RAY

Managing Director &amp; CFO

RAJIVE KAUL

Chairman

## Schedules annexed to and forming part of the Balance Sheet

SCHEDULE - 1									
PARTICULARS OF SHARE CAPITAL :									
(Rs. in Lacs)									
	Face Value of Shares	Authorised Capital		Issued & Subscribed					
		Nos.	Value	Fully Paid Up		Partly Paid Up		Total	
				Nos.	Value	Nos.	Value	Nos.	Value
<b>Equity Shares :</b>	2	235,000,000	4,700.00	111,892,408	2,237.85			111,892,408	2,237.85
	2	<b>235,000,000</b>	<b>4,700.00</b>	<b>111,892,408</b>	<b>2,237.85</b>			<b>111,892,408</b>	<b>2,237.85</b>
Add : Shares Forfeited		—	—	—	1.36			—	1.36
		—	—	—	<b>1.36</b>			—	<b>1.36</b>
Total Value of Equity Share Capital					2,239.21			—	2,239.21
					<b>2,239.21</b>			—	<b>2,239.21</b>
<b>Preference Shares :</b>	100	2,200,000	2,200.00	2,183,000	2,183.00	—	—	2,183,000	2,183.00
	<b>100</b>	<b>2,200,000</b>	<b>2,200.00</b>	<b>2,183,000</b>	<b>2,183.00</b>	—	—	<b>2,183,000</b>	<b>2,183.00</b>
	22	9,090,910	2,000.00	—	—	—	—	—	—
	<b>22</b>	<b>9,090,910</b>	<b>2,000.00</b>	—	—	—	—	—	—
Total Value of Preference Shares		—	—	—	2,183.00	—	—	—	2,183.00
		—	—	—	<b>2,183.00</b>	—	—	—	<b>2,183.00</b>
<b>Total Share Capital</b>			8,900.00		4,422.21				4,422.21
			<b>8,900.00</b>		<b>4,422.21</b>				<b>4,422.21</b>



## SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

Particulars	(Rs. in lacs) 31st March, 2012	(Rs. in lacs) 31st March, 2011
<b>2. RESERVES &amp; SURPLUS</b>		
<b>Securities Premium Reserve :</b>		
As per Last Account	<u>3,066.18</u>	<u>3,066.18</u>
	<b>3,066.18</b>	3,066.18
<b>Debenture Redemption Reserve :</b>		
As per Last accounts	<u>300.52</u>	<u>300.52</u>
	<b>300.52</b>	300.52
<b>Revaluation Reserve :</b>		
Opening balance	<b>3,825.29</b>	3,984.99
Less : Depreciation on Revalued component of Fixed Assets	<u>150.38</u>	<u>159.70</u>
	<b>3,674.91</b>	3,825.29
<b>Capital Redemption Reserve :</b>		
As per Last Account	<u>205.00</u>	<u>205.00</u>
	<b>205.00</b>	205.00
<b>Surplus/Deficit :</b>		
Opening balance	<b>(13,664.47)</b>	(12,345.42)
Add : Net Share of Profit/(loss) of Associates	<b>338.52</b>	187.89
Add : Profit/(Loss) for the year	<b>(1,253.58)</b>	(1,506.94)
	<u><b>(14,579.53)</b></u>	<u>(13,664.47)</u>
Total	<u><b>(7,332.92)</b></u>	<u>(6,267.48)</u>

### 3. LONG TERM BORROWINGS :

Nature of Borrowings		Rs. in Lacs		
		Total	Secured	Unsecured
<b>Bonds/Debentures :</b>	(CY)	388.33	388.33	—
	(PY)	<b>483.57</b>	<b>483.57</b>	—
<b>Term Loans :</b>				
From Banks	(CY)	6,279.65	6,279.65	—
	(PY)	<b>9,042.57</b>	<b>9,042.57</b>	—
From Others	(CY)	1,586.43	662.56	923.87
	(PY)	<b>2,921.58</b>	<b>828.61</b>	<b>2,092.97</b>
Total	(CY)	8,254.41	7,330.54	923.87
	(PY)	<b>12,447.72</b>	<b>10,354.75</b>	<b>2,092.97</b>

Particulars	(Rs. in lacs) 31st March, 2012	(Rs. in lacs) 31st March, 2011
<b>4. OTHER LONG TERM LIABILITIES :</b>		
Trade Payable (After 1 Year) :	<b>35.57</b>	25.99
	<u><b>35.57</b></u>	<u>25.99</u>


**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET**

Particulars		(Rs. in lacs) 31st March, 2012	(Rs. in lacs) 31st March, 2011
<b>5. OTHER LONG PROVISIONS :</b>			
Leave Encashment		174.65	147.67
Term Investments		709.20	709.20
		<u>883.85</u>	<u>856.87</u>
<b>6. SHORT TERM BORROWINGS :</b>			
Class of Shares	Total	Secured	Unsecured
		Rs. in Lacs	
<b>Demand Loans from Banks :</b>	(CY)	4,753.48	4,753.48
	(PY)	3,503.24	3,503.24
From Others	(CY)	244.37	244.37
	(PY)	244.37	244.37
Total	(CY)	4,997.85	4,753.48
	(PY)	3,747.61	3,503.24
			244.37
			<u>244.37</u>
		(Rs. in lacs) 31st March, 2012	(Rs. in lacs) 31st March, 2011
<b>7. OTHER CURRENT LIABILITIES :</b>			
Component of Term Loan Repayable within 1 Year		4,809.59	1,504.80
Financial Lease Obligation Payable within 1 Year		—	2.60
Interest Accrued and Due		1,321.10	833.05
Income Received in Advance		736.36	681.20
Statutory Liability		180.78	146.04
Unpaid Matured Deposits & Interest Accrued Thereon		—	0.30
Other Payables (Includes due to Prysmian Rs. 2053 Lacs P.Y. Rs. 1500 Lacs)		2,742.89	2,363.85
Total		<u>9,790.72</u>	<u>5,531.84</u>
<b>8. SHORT TERM PROVISIONS :</b>			
Gratuity		256.13	250.18
Leave Encashment		22.46	33.15
Superannuation Fund		209.81	170.80
Other Provisions		0.60	58.56
Provision for Taxation		621.08	621.08
Total		<u>1,110.08</u>	<u>1,133.77</u>

## Schedules annexed to and forming part of the Balance Sheet

<b>9. FIXED ASSETS</b>												
(Rs. in Lacs)												
Particulars of Assets	Gross Cost/ value as on 01.04.11	GROSS BLOCK					DEPRECIATION/AMORTISATION				NET BLOCK	
		Addition			Sale Adjustment during the year	Gross Balance as on 31.03.12	Total as on 01.04.11	For the year	Sale Adjustment during the year	Total as on 31.03.12	WDV as on 31.03.12	WDV as on 31.03.11
		Acquisition	Other Adjustment	Sub Total								
<b>Tangible Assets :</b>												
Land : Leasehold	447.07	—	—	—	—	447.07	94.47	7.04	—	101.51	345.56	352.60
Land : Freehold	829.94	—	—	—	—	829.94	—	—	—	—	829.94	829.94
Building	8,352.54	13.15	—	13.15	—	8,365.69	4,576.22	212.03	—	4,788.25	3,577.44	3,776.32
Plant and Equipments	16,521.41	176.81	—	176.81	—	16,698.22	11,498.48	581.31	—	12,079.79	4,618.43	5,022.93
Furniture & Fixtures	379.33	5.24	12.01	17.25	0.49	396.09	318.04	10.16	(3.00)	331.20	64.89	61.29
Vehicles	158.31	—	—	—	—	158.31	131.76	6.32	—	138.08	20.23	26.55
Office Equipments	321.16	0.47	1.42	1.89	0.87	322.18	293.55	5.59	(0.44)	299.58	22.60	27.61
<b>Others :</b>												
Weigh Bridge	3.22	—	—	—	—	3.22	3.09	0.02	—	3.11	0.11	0.13
Weighing Machines	0.91	—	—	—	—	0.91	0.89	—	—	0.89	0.02	0.02
Railway Sidings	0.39	—	—	—	—	0.39	0.38	—	—	0.38	0.01	0.01
Electrical Installations	267.87	—	—	—	—	267.87	233.01	17.24	—	250.25	17.62	34.86
Library Books	—	—	1.67	1.67	—	1.67	—	—	(1.67)	1.67	—	—
Laboratory Equipments	—	—	31.40	31.40	—	31.40	—	—	(19.39)	19.39	12.01	—
<b>Total</b>	<b>27,282.15</b>	<b>195.67</b>	<b>46.50</b>	<b>242.17</b>	<b>1.36</b>	<b>27,522.96</b>	<b>17,149.89</b>	<b>839.71</b>	<b>(24.50)</b>	<b>18,014.10</b>	<b>9,508.86</b>	<b>10,132.26</b>
<b>Intangible Assets :</b>												
Goodwill	818.70	—	—	—	—	818.70	—	—	—	—	818.70	818.70
Brands/Trademarks	—	—	—	—	—	—	—	—	—	—	—	—
Computer Softwares	27.53	—	—	—	—	27.53	15.15	5.51	—	20.66	6.87	12.38
Mast & Publishing Titles	—	—	—	—	—	—	—	—	—	—	—	—
Mining Rights	—	—	—	—	—	—	—	—	—	—	—	—
Copyrights & Patents and other Intellectual property rights, services & operating rights	—	—	—	—	—	—	—	—	—	—	—	—
Receipts, Formulae, Models, Designs & Phototypes	—	—	—	—	—	—	—	—	—	—	—	—
Licences & Franchise	—	—	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>846.23</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>846.23</b>	<b>15.15</b>	<b>5.51</b>	<b>—</b>	<b>20.66</b>	<b>825.57</b>	<b>831.08</b>
Capital Work-In-Progress	49.91	224.46	—	224.46	194.90	79.47	7.00	—	—	7.00	72.47	42.91
Intangible Assets under Development	—	—	—	—	—	—	—	—	—	—	—	—
<b>Grand Total</b>	<b>28,178.29</b>	<b>420.13</b>	<b>46.50</b>	<b>466.63</b>	<b>196.26</b>	<b>28,448.66</b>	<b>17,172.04</b>	<b>845.22</b>	<b>(24.50)</b>	<b>18,041.76</b>	<b>10,406.90</b>	<b>11,006.25</b>
Less : Transferred to Revaluation Reserve	—	—	—	—	—	—	—	150.38	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>694.84</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Previous Year	27,531.59	913.21	—	913.21	266.51	28,178.29	16,435.84	895.44	159.24	17,172.04	11,006.25	—
Less : Transferred to Revaluation Reserve	—	—	—	—	—	—	—	159.70	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>735.74</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>





## Schedules annexed to and forming part of the Balance Sheet

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
<b>10. NON CURRENT INVESTMENT :</b>		
<b>A) Trade Investments :</b>		
<b>(i) Investment in Equity Instruments :</b>		
<b>(A) Fully paid :</b>		
1) Nicco Uco Alliance Credit Limited	812.25	812.25
2) BDA-Nicco Parks & Resorts Ltd.	2.00	2.00
3) Nicco Parks & Resorts Ltd. (Associate)	771.82	617.01
4) Nicco Financial Services Ltd. (Associate)	77.38	77.78
5) Nicco Ventures Limited (Associate)	169.59	166.40
6) NE Cables Limited (Associate)	—	4.89
7) Nicco Engineering Services Limited (Associate)	257.62	76.70
8) National Pipes & Tubes Co. Ltd. (Held other than Cost) (In Liquidation)	—	—
<b>(ii) Investment in Debentures or Bonds :</b>		
1) Nicco Financial Services Ltd. (Associate)	90.50	90.50
<b>B) Other Investments :</b>		
<b>(i) Investment in Government of Trust Shares/Securities :</b>		
1) National Savings Certificate	0.02	0.02
Total	<u>2,181.18</u>	<u>1,847.55</u>
	C.Y.	P.Y.
Notes : 1. (a) Aggregate amount of Quoted Investment (net of provision)	Rs. 223.55	223.55
(b) Aggregate market value of Quoted Investment	Rs. 2,299.45	1,206.76
(c) Aggregate amount of Unquoted Investment	Rs. 1,248.43	914.80
2. Provision in carrying amount of non-current-investment : (Forming part of long term provision)	Rs. 709.20	709.20
<b>11. LONG TERM LOANS AND ADVANCES :</b>		
<b>Unsecured Considered Good</b>		
Security Deposits	118.11	126.18
Other Loans & Advances	247.46	264.65
Advance Tax and TDS Receivable	156.93	227.87
Total	<u>522.50</u>	<u>618.70</u>
<b>12. OTHER NON-CURRENT ASSETS :</b>		
Long Term Trade Receivables : (Unsecured considered good)	1,257.54	1,057.89
Total	<u>1,257.54</u>	<u>1,057.89</u>

**Schedules annexed to and forming part of the Balance Sheet**

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
<b>13. INVENTORIES (Valued at lower of cost and net realisable value)</b>		
Raw Materials	660.41	408.09
Work-In-Progress	1,404.93	1,889.25
Finished Goods	62.93	211.87
Stock-In-Trade	569.38	568.88
Store & Spares	220.28	242.04
Total	<u>2,917.93</u>	<u>3,320.13</u>
<b>14. TRADE RECEIVABLES :</b>		
<b>Unsecured</b>		
<b>Debt Outstanding for a Period of above 6 Months</b>		
Considered Good	5,913.57	4,443.44
Doubtful	285.82	360.95
Less : Provision for Doubtful Debts	<u>285.82</u>	<u>360.95</u>
<b>Other Debts : (Considered good)</b>	6,386.91	6,568.38
Total	<u>12,300.48</u>	<u>11,011.82</u>
<b>15. CASH AND CASH EQUIVALENTS :</b>		
Balance with Banks	205.86	406.86
Cheques/Draft in Hand	33.27	—
Cash in Hand	4.18	1.79
Other Cash Balances	—	—
Total	<u>243.31</u>	<u>408.65</u>
Notes : 1. Balance with Banks include :		
a) Balance with unpaid dividend account	0.21	0.21
b) Bank deposits maturing after 12 months	10.00	10.00
c) Margin against Guarantee furnished	32.34	162.97
<b>16. SHORT TERM LOANS AND ADVANCES :</b>		
<b>Unsecured</b>		
Capital Advances (Considered good)	28.98	—
Security Deposits (Considered good)	42.93	99.69
Advance Tax and TDS Receivable (Considered Good)	769.91	621.40
<b>Other Loans &amp; Advances</b>		
Considered Good	841.36	1,170.33
Doubtful	10.00	10.00
	<u>851.36</u>	<u>1,180.33</u>
Less : Provision for Doubtful Advance	<u>10.00</u>	10.00
Total	<u>1,683.18</u>	<u>1,891.42</u>
<b>17. OTHER CURRENT ASSETS :</b>		
Interest Accrued on Fixed Deposits	0.90	0.92
Total	<u>0.90</u>	<u>0.92</u>



## Notes annexed to and forming part of the Profit & Loss Account

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
<b>18. REVENUE :</b>		
<b>a) Revenue From Operations :</b>		
Sale of Products (Cables, Conductors & Wires)	24,227.58	22,133.45
Sale of Services (ECD, IRR & Engineering Services)	5,915.92	9,097.11
Other Operating Revenue (Sale of Scrap)	<u>696.26</u>	<u>646.12</u>
	<b>30,839.75</b>	31,876.68
Less : Excise Duty	<u>1,948.29</u>	<u>1,759.60</u>
	<b><u>28,891.46</u></b>	<b><u>30,117.08</u></b>
<b>b) Other Income :</b>		
Interest Income on Fixed Deposit (Gross TDS Rs. 0.36, PY Rs. 0.18)	3.27	1.62
Other Interest Income (Gross TDS Rs. 0.61, PY Rs. 0.54)	5.24	5.57
Dividend Income on Long Term Investments (Trade)	14.04	14.04
Income from House Property	154.97	80.90
Other Non-Operating Income	<u>21.35</u>	<u>63.56</u>
(Net of Directly Attributable Expenses)	<u>198.87</u>	<u>165.69</u>
Total	<b><u>29,090.33</u></b>	<b><u>30,282.77</u></b>
<b>19. EMPLOYEES' BENEFIT EXPENSES :</b>		
Salaries and Wages	2,304.73	2,604.21
Contribution to PF and Other Funds	357.68	368.29
Staff Welfare Expenses	279.42	290.62
Total	<u>2,941.83</u>	<u>3,263.12</u>
<b>20. FINANCE COSTS :</b>		
Interest Expenses	3,078.30	2,737.38
Bank Charges	601.45	664.24
Foreign Exchange Fluctuation	5.50	5.76
Total	<u>3,685.25</u>	<u>3,407.38</u>

**Specific Disclosures under Schedule-VI forming part of the Profit & Loss Account**

	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
<b>21. OTHER EXPENSES :</b>		
Power & Fuel	554.71	528.08
Stores & Spares Consumed	195.87	347.72
Packing	289.41	274.98
Repairs – Plant & Machinery	119.65	100.64
Repairs – Building	37.61	28.40
Repairs – Others	28.63	31.18
Carriage & Handling Charges	40.60	40.56
Site Expenses	36.58	24.85
Design & Engineering Expenses	2.99	18.50
Fabrication Charges	195.30	91.19
Erection Charges	195.89	956.43
Civil Sub-Contracting Charges	606.14	901.67
Other Expenses (Includes Disallowed Project Claims)	62.36	235.49
Sales Tax & Commercial Tax	64.52	119.74
Freight & Transport	341.16	397.82
Insurance	64.89	77.09
Rent	53.81	74.82
Rates & Taxes	30.70	33.92
Consultancy Fees	199.67	198.10
Cash Discount	21.35	37.10
Travelling & Conveyance	352.75	481.49
<b>Auditors Remuneration :</b>		
Audit Fees	5.52	6.11
Taxation Matters	3.09	1.24
Certificate	4.71	6.61
Directors' Fees	6.88	6.63
Advertisement	4.89	7.78
Provision for Doubtful Debts	30.00	216.79
Bad and Doubtful Debt Written off	—	421.32
Loss on Sale of Assets	—	1.88
Miscellaneous Expenses	850.78	1,018.52
Total	<u>4,400.44</u>	<u>6,686.65</u>



## Schedules annexed to and forming part of 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 continuous process plants is considered at the rates specified under schedule XIV of the Companies' Act, 1956 under straight line method.
3. Depreciation on additions/deletion during the year is charged on pro rata basis from the date of such addition/deletion.
4. 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.
5. 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.
6. Leasehold land is amortised over the period of lease.
7. 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.

**Schedules annexed to and forming part of 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 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 annexed to and forming part of 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 period/periods.

**(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.

	<b>As at 31st March, 2012 (Rs. in Lacs)</b>	<b>As at 31st March, 2011 (Rs. in Lacs)</b>
<b>1(a) Contingent Liabilities &amp; Commitments : not provided for</b>		
(a) Contingent Liabilities :		
i) Claim against Company not acknowledged as debts		
a) In respect of excise duty disputes pending with various authorities	<b>945.58</b>	786.60
b) In respect of Service tax disputes pending with various authorities	<b>90.38</b>	99.37
c) In respect of Income Tax under appeal	<b>27.59</b>	27.59
d) In respect of Sales Tax under appeal	<b>1,577.11</b>	1,501.37
ii) Guarantees Furnished	<b>8,907.92</b>	10,521.63
iii) Guarantees invoked and contested in appeal	<b>580.08</b>	580.08
iv) Bills Discounted	<b>2,320.86</b>	2,129.67
(b) Commitments :		
Capital Contract remaining to be executed not being provided for	<b>4.70</b>	—
(c) Arrears of dividend on fixed cumulative preference shares	<b>877.00</b>	768.00

**Schedules annexed to and forming part of the Balance Sheet** (Contd.)

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

a)	Head Opening of Account	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 which is expected to be disposed of within a year.					
	Particulars	Opening Provision	Additional Provision / Withdrawal of Provision	Closing Provision	From which the dispute is pending	
	Dues of the Party being withheld Due to dispute included in provision others	58	58			

2. Sale of finished goods is net of claims etc. relating to earlier periods settled in the current period.

3. Deferred Tax :

- (a) Recognition of deferred tax asset upto 31.03.2011 on an absorbed loss & depreciation is attributed to management affirmation of virtual certainty of future profit evidenced by viability of the rehabilitation scheme under progress for submission to BIFR. However no further addition to deferred tax asset, whatever may be the contributory of it, has been recognized as measure of abundant prudence unlike previous year.

	<b>(Rs. in Lacs)</b>	
	<b>As at 31st March, 2012</b>	As at 31st March, 2011
A. Deferred Tax Assets		
Loss	<b>6,687.18</b>	6,250.93
Employee related dues	<b>220.19</b>	199.88
Provision for Doubtful Debt	<b>94.92</b>	—
Sub Total (A)	<b>7,002.29</b>	6,450.81
B. Deferred Tax Liability (Depreciation)	<b>1,202.76</b>	1,365.68
Net Deferred Tax	<b>5,799.53</b>	5,085.13
C. Net deferred tax actually accounted for	<b>5,085.13</b>	5,085.13
D. Deferred Tax liability/(asset) recognised for the year/period	<b>Nil</b>	(574.11)

- (b) Change in the ascertainment of deferred tax added to loss by Rs. 714.40 lacs with corresponding decline in deferred tax asset.





**Schedules annexed to and forming part of the Balance Sheet (Contd.)**

**4. Segment Report : (Pursuant to AS 17 issued by ICAI)**

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

Rs. in Lacs					
	Cable Operation	Project	Unallocated*	Elimination	Total
<b>SEGMENT REVENUE</b>					
(a) External sales	26,854.84	3,984.91	—	—	30,839.75
PY	22,805.53	7,949.62	1,121.53	—	31,876.68
(b) Inter Segment Sales	—	—	—	—	—
PY	—	—	1.81	(1.81)	—
<b>(c) Total Revenue</b>	26,854.84	3,984.91	—	—	30,839.75
PY	22,805.53	7,949.62	1,123.34	(1.81)	31,876.68
Less : Excise	1,948.29	—	—	—	1,948.29
PY	1,759.60	—	—	—	1,759.60
Net Sales	24,906.55	3,984.91	(0)	—	28,891.46
PY	21,045.93	7,949.62	1,123.34	—	30,118.89
<b>SEGMENT RESULT</b>					
<b>Gross Profit before Intt. &amp; Depn.</b>	2,675.94	58.73	124.30	—	2,858.97
PY	540.16	655.10	355.40	—	1,550.66
<b>Depreciation</b>	541.60	14.19	(555.79)	—	—
PY	527.98	17.65	190.11	—	735.74
<b>Profit &amp; Loss after Depreciation</b>	2,134.34	44.54	680.09	—	2,858.97
PY	12.18	637.45	165.29	—	814.92
<b>Interest</b>	2,654.26	423.32	0.01	—	3,077.59
PY	2,318.64	417.14	1.60	—	2,737.38
<b>Net Profit from ordinary activities</b>	—	—	—	—	(218.62)
PY	—	—	—	—	(1,922.46)
<b>Profit before Taxation</b>	—	—	—	—	(218.62)
PY	—	—	—	—	(1,922.47)
<b>Deferred Tax &amp; Fringe Benefit Tax</b>	—	—	—	—	—
PY	—	—	—	—	407.94
<b>Net Profit</b>	—	—	—	—	(218.62)
PY	—	—	—	—	(1,514.52)
<b>Segment Asset</b>	15,334.59	8,033.78	3,085.37	—	26,453.74
PY	14,450.41	8,633.24	2,911.99	—	25,995.64
<b>TOTAL ASSET (Note 2)</b>	—	—	—	—	26,453.74
PY	—	—	—	—	25,995.64
<b>Segment Liability</b>	12,214.68	6,605.13	8,014.34	—	26,834.15
PY	10,389.57	7,947.47	6,688.61	—	25,025.65
<b>TOTAL LIABILITIES</b>	—	—	—	—	26,834.15
PY	—	—	—	—	25,025.65
<b>CAPITAL EXPENDITURE DURING THE YEAR</b>	195.35	—	0.32	—	195.67
PY	3.89	0.20	66.59	—	70.68
<b>Non Cash Expenditure</b>	—	—	—	—	—
PY	—	—	—	—	—

\* Relates to unallocated segment.

- Note :
- Liabilities do not include long term loans.
  - Revaluation Reserve has been left out of the purview of the Total Asset.
  - Unallocated segment results inter alia include the following of the erstwhile Kalyani unit :
    - Depreciation of Rs. 85.87 Lacs (Rs. 140.45 Lacs)
    - Segment Assets amounting to Rs. 961 Lacs (Rs. 1,072 Lacs)
    - Segment Liability amounting to Rs. 25 Lacs (Rs. 25 Lacs) — Current Liabilities.
    - PP relates to previous period and PY relates to previous year.
  - Geographical Segment (Secondary Segment)
 

Domestic Sales	Rs. 30,839.75 Lacs
Export Sales	Rs. — Lacs

**Schedules annexed to and forming part of the Balance Sheet** (Contd.)5. **Information on Related parties pursuant to AS 18 issued by ICAI**

Related Party disclosures :

(I)	<b>Related Parties where control exists :</b>	Nil
(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.	
	NE Cables Ltd.	
	Nicco Cables Limited	
	Nicco Education & Research Trust	
(b)	<b>Key Management Personnel (KMP)</b>	
	Mr. Udayan Ray	Managing Director

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

## (a) Joint Venture &amp; Associates.

	Rs. in Lacs			
	<b>Associates/ Significant Influence and Trust</b>	Associates/ Significant Influence and Trust	<b>KMP</b>	KMP
	<b>31.03.12</b>	31.03.11	<b>31.03.12</b>	31.03.11
Purchase of Goods (NESL)	Rs. Nil	Rs. 3.47		
Remuneration			Rs. 27.87	Rs. 64.23
Directors Fees				
Rendering Services				
NESL	Rs. 50.78	Rs. 54.90		
Advance against Services - NESL	Rs. 36.26			
Receivable from NVL	Rs. Nil	Rs. 0.70		
Payable to NVL	Rs. 0.35			
Disinvestment — NE Cables Ltd.	Rs. 4.99			
Investment in Associates :				
Nicco Engineering Services Limited	Rs. 14.67	Rs. 14.67		
Nicco Parks & Resorts Limited	Rs. 120.49	Rs. 120.49		
Nicco Ventures Limited	Rs. 91.96	Rs. 91.96		
Nicco Financial Services Limited (in Shares)	Rs. 25.94	Rs. 25.94		
Nicco Financial Services Limited (in Debentures)	Rs. 90.50	Rs. 90.50		
Nicco Education & Research Trust		Rs. 70.90		



## Schedules annexed to and forming part of the Balance Sheet (Contd.)

### 6. 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 31.03.2012 Rs. Lakhs	For the year ended 31.03.2011 Rs. Lakhs
Provident Fund	95.49	107.14
Employees Pension Scheme	63.29	70.34
Employees State Insurance	56.16	57.66
Total	<u>214.94</u>	<u>235.14</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 1.4.11	796.16	180.81	457.76	1,434.73
(b) Past Service Cost	—	—	22.25	22.25
(c) Current Service Cost	43.41	29.71	13.95	87.07
(d) Interest Cost	65.32	13.96	31.77	111.05
(e) Actuarial (gain)/loss	77.21	5.77	2.58	85.56
(f) Benefits paid	(55.51)	(33.14)	(212.59)	(301.24)
(g) Obligation as at 31.03.12	926.59	197.11	315.72	1,439.42

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

(a) Fair Value of plan assets as at 1.4.11	545.98	—	287.01	832.99
(b) Expected return on plan assets	43.68	—	22.96	66.64
(c) Actuarial gain/(loss)	(0.49)	—	(8.82)	(9.31)
(d) Contributions by the employer	136.80	—	17.35	154.15
(e) Benefits paid	(55.51)	—	(212.59)	(268.10)
(f) Fair Value of plan assets as at 31.03.12	670.46	—	105.91	776.37

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

(a) Present value of obligation as at 31.03.12	926.59	197.11	315.72	1,439.42
(b) Fair Value of plan assets as on 31.03.12	670.46	—	105.91	776.37
(c) Amount recognized in the balance sheet	256.13	197.11	209.81	663.05

#### D. Expense recognized in the period

(a) Current Service Cost	43.41	29.71	13.95	87.07
(b) Past Service Cost	—	—	22.25	22.25
(c) Interest Cost	65.32	13.96	31.77	111.05
(d) Expected return on plan assets gain/(loss)	43.68	—	22.96	66.64
(e) Actuarial (gain)/loss	77.70	5.77	11.40	94.87
(f) Expenses recognized in the period (a+b+c-d+e)	142.75	49.44	56.41	248.60

**Schedules annexed to and forming part of the Balance Sheet (Contd.)**

<b>F. 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

**G. Assumptions**

(a) Discount rate (per annum) (%)	8.50
(b) Estimated rate of return on plan assets (per annum) (%)	8.00
(c) Inflation Rate (%)	6.00
(d) Remaining Working Life (in Years)	13.00
(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

**7. Information on Hire Purchase deals Pursuant to AS-19 issued by ICAI****A. As Lessee :****I. Carrying Amount (Rs. in Lacs)**

	31.03.12	31.03.11
A. Plant & Machinery	—	34.29
B. Vehicle	11.82	25.14
C. Computer	—	—

**II. Minimum Lease Price Payment**

	Upto 1 Year	1 to 5 year	> 5 Year
A. Plant & Machinery	—	—	Nil
B. Vehicle	20.75	Nil	Nil
C. Computer	—	—	Nil

**III. Present Value**

A. Plant & Machinery	—	—
B. Vehicle	17.09	—
C. Computer	—	—

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

	31.03.12	31.03.11
A. Plant & Machinery	—	0.33
B. Vehicle	3.74	2.46
C. Computer	—	—
	<u>3.74</u>	<u>2.79</u>

**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 annexed to and forming part of the Balance Sheet (Contd.)

### 8. 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.

### 9. Information pursuant to AS 7 (relates to contracts entered into since 01.04.2003) :

(a) Contract revenue recognized as revenue gross of service tax Rs. 4080.44 Lacs (Rs. 11834.31 Lacs).

(b) Retention amount (forming part of debtors) Rs. 1.37 Lacs (Rs. 68.10 Lacs).

(c) Due from customers on account of contract work Rs. 5218.67 Lacs (Rs. 1396.23 Lacs).

(d) Aggregate of cost incurred on construction contract Rs. 2704.40 Lacs (Rs. 12903.56 Lacs).

(e) Aggregate of profit (Loss) recognized against construction contract Rs. 1376.04 Lacs (Rs. 620.37 Lacs) on the basis of direct cost only.

(f) The amount of advances received Rs. Nil Lacs (nil)

### 10. Information on Associates pursuant to AS 23 issued ICAI :

1. Name of the Associates :	Nicco Ventures Limited
Extent of Stake in Associate :	43.79%
% of Voting Power :	43.79%
	(Rs. In Lacs)
Acquisition cost of Investment of Equity Method (Excluding Goodwill of Rs. 7.04 Lacs)	84.92
Add : Share of post acquisition Profit up to 31.03.2011	<u>81.48</u>
	166.40
Add : Share of profit for the period ended on 31.03.2012	<u>3.19</u>
Value of Investment as on 31.03.2012	<u>169.59</u>
2. Name of Associates:	Nicco Parks & Resorts Limited
Extent of Stake in Associate:	25%
% of Voting Power :	25%
	(Rs. In Lacs)
Acquisition cost of Investment of Equity Method (Including Capital Reserve of Rs. 0.68 Lacs)	121.17
Add : Share of post acquisition Profit up to 31.03.2011	<u>495.84</u>
	617.01
Add: Share of profit for the period ended 31.03.2012	<u>154.81</u>
Value of Investment as on 31.03.2012	<u>771.82</u>
3. Name of Associates:	Nicco Financial Services Limited
Extent of Stake in Associate:	49.70%
% of Voting Power :	49.70%
	(Rs. In Lacs)
Acquisition cost of Investment of Equity Method	25.94
Add : Share of post acquisition Profit up to 31.03.2011	<u>51.84</u>
	77.78
Less : Share of loss for the period ended 31.03.2012	<u>0.40</u>
Value of Investment as on 31.03.2012	<u>77.38</u>
4. Name of Associates:	Nicco Engineering Services Ltd.
Extent of Stake in Associate:	32.59%
% of Voting Power :	32.59%
	(Rs. In Lacs)
Acquisition cost of Investment of Equity Method	14.67
Add : Share of post acquisition Profit up to 31.03.2011	<u>62.03</u>
	76.70
Add : Share of Profit for the Period ended 31.03.2012	<u>180.92</u>
Value of Investment as on 31.03.2012	<u>257.62</u>

**Schedules annexed to and forming part of the Balance Sheet** (Contd.)

## 11. (a) Earning Per Share (after consideration of extra ordinary income)

<b>Earning Per Share (Basic &amp; Diluted)</b>	<b>Year ended 31.03.12</b>	<b>Year ended 31.03.11</b>
Profit after Tax (Rs. in Lacs)	(1276.80)	(1514.53)
Less :		
Preference Dividend 5% (Rs. in Lacs)	109.15	109.15
A. Amount used as numerators in calculating basic & diluted earning per share.	(1385.95)	(1623.68)
Weighted average no. of Equity Share (No.)	111,892,408	111,892,408
E. Earning Per Share (Basic) (Rs./-)	(1.23)	(1.45)
F. Earning Per Share (Diluted) (Rs./-)	(1.23)	(1.45)

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

<b>Earning Per Share (Basic &amp; Diluted)</b>	<b>Year ended 31.03.12</b>	<b>Year ended 31.03.11</b>
Profit after Tax (Rs. in Lacs)	(1276.80)	(1514.53)
Less :		
Add : Preference Dividend 5% (Rs. in Lacs)	109.15	109.15
Less : Extra ordinary items	292.50	(669.66)
Impact of changes in accounting estimation	436.25	—
A. Amount used as numerators in calculating basic & diluted earning per share.	(657.20)	(2293.34)
Weighted average no. of Equity Share (No.)	111,892,408	111,892,408
E. Earning Per Share (Basic) (Rs./-)	(0.58)	(2.04)
F. Earning Per Share (Diluted) (Rs./-)	(0.58)	(2.04)

12. Following reference to Board of Industrial and Financial Reconstruction under section 15 of Sick Industrial Companies (Special Provisions) Act, 1985, the Company has been declared sick vide it's order dated August 23,2011. Pending further directives in this matter by BIFR, the Company continues to operate under CDR.
13. The Board of Directors of the Company has approved an arrangement for Joint Venture between the Company and Oriental Manufacturers Pvt. Ltd. (OMPL) for formation of a jointly controlled entity for the purpose of assignig project division therein. OMPL or it's subsidiary is to hold majority stake in said newly formed company, the Company being proposed forminority stakeholdr therein.  
A definitive agreement has been signed with OMPL to that effect. CDR/lenders/BIFR approval has been sought for implementation of the decision.
14. An Investment of Rs. 4.99 lacs in NE Cables Ltd. has been divested during the period as per CDR approval.
15. Considering sole arbitrators award entailing company to pay 534.70 lacs to Prysmian on account of interest and other compensatory ground Rs. 292.50 lacs forming part of relevant dues relating to interest cost of earlier years and advance written amount of Rs. 70.90 lacs has been accounted for as an extra ordinary item. Extra ordinary item of previous year Rs. 669.66 lacs relates to profit on sale of stake in erstwhile wholly owned subsidiary.
16. Information pursuant to AS 24:
- 1) Company's unit at Kanyani manufacturing Jelly Filled Telecom Cable (JFTC) has discontinued operation with effect from 15.07.2002.
  - 2) Lone expense relating to relevant discontinued operation relates to depreciation charge of Rs. 85.87 lacs (Rs. 140.45 Lacs) attributable against ordinary activities.
  - 3) Net fixed assets (Tangible) relating to discontinued operation amounts to Rs. 589.19 Lacs (Rs. 675.06 Lacs). Considering absence of binding agreement with any party to dispose off relevant assets, the same are carried at book value.
  - 4) Other current liability includes Rs. 25.31 Lacs (Rs. 25.31 Lacs) relating to discontinued operation.
  - 5) Current/Non Current assets pertaining to discontinued operation include Rs. 46.82 Lacs (Rs. 46.82 Lacs), Rs. 12.87 Lacs (Rs. 12.87 Lacs), Rs. 337.38 Lacs (Rs. 337.38 Lacs) towards long term loans and advances, inventories and trade receivables outstanding for a period of more than 6 months respectively.



## Schedules annexed to and forming part of the Balance Sheet

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

	For the year ended 31st March, 2012	
	Figures As At	Nicco Biotech Ltd.
Capital	31.03.12	150,000
	31.03.11	150,000
Reserves and Surplus	31.03.12	(32,139)
	31.03.11	(21,108)
Total Assets	31.03.12	118,876
	31.03.11	129,750
Total Outside Liabilities	31.03.12	1,015
	31.03.11	859
Investments — other than in Subsidiaries	31.03.12	—
	31.03.11	—
Investments — in Subsidiaries	31.03.12	—
	31.03.11	—
Turnover/Total Income	31.03.12	1,488
	31.03.11	1,444
Profit/(Loss) Before Taxation (+/-)	31.03.12	(11,030)
	31.03.11	(3,984)
Provision for Taxation	31.03.12	—
	31.03.11	—
Profit/(Loss) After Taxation (+/-)	31.03.12	(11,030)
	31.03.11	(3,984)
Proposed Dividend and Dividend Tax	31.03.12	—
	31.03.11	—

18. Figures have been regrouped and rearranged wherever necessary.

19. Schedule 1 to 22 form an integral part of these accounts.

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 18th day of May, 2012

On behalf of the Board of Directors

N DAS

Director & Chairman  
— Audit Committee

INDRANIL MITRA  
General Manager &  
Company Secretary

UDAYAN RAY

Managing Director & CFO

RAJIVE KAUL

Chairman