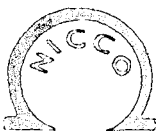


# ANNUAL REPORT

MD	✓		BKC	✓
CS	✓		DPY	NA
PO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
EE	✓	✓		✓

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## NICCO CORPORATION LTD.



**14th ANNUAL GENERAL MEETING**

Date : 27th September, 1997

Day : Saturday

Time : 11.00 a.m.

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


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NICCO CORPORATION LIMITED

**BOARD OF DIRECTORS**

Mr. Rajive Kaul	Chairman & Managing Director
Dr. Abhijit Sen	Co-Chairman
Mrs. Kanta Bhan	
Ms. Anjali Bhan	
Dr. J. J. Irani	
Mr. N. Das	
Mr. R. Ramalingam	Nominee of GIC
Mr. Alak Saha	
Mr. L. Mora	
Mr. V. D. Lall	Nominee of ICICI
Mr. D. P. Patra	Nominee of WBIDC
Mr. Satish Puri	Dy. Managing Director
Mr. U. K. Basu	Dy. Managing Director
Mr. Asim Chatterjee	Sr. Executive Director
Mr. Sanjoy Bhattacharya	Executive Director
Mr. M. K. Ray Chaudhuri	Executive Director (Finance)
Mr. P. L. Agarwal	
(Alternate to Mr. L. Mora)	

**GENERAL MANAGER  
& CO. SECRETARY**

Mr. J. S. Paul

**JT. AUDITORS**

Messrs. S. R. Batliboi & Co.,  
Chartered Accountants, Calcutta  
M/s. G. Basu & Co.,  
Chartered Accountants, Calcutta

**SOLICITORS**

Messrs. Khaitan &amp; Co., Calcutta.

**BANKERS**

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

**REGISTERED OFFICE**

Nicco House,  
2, Hare Street,  
Calcutta-700 001

**WORKS**

Industrial Growth Centre,  
Block 'D', Kalyani, West Bengal;

Shamnagar,  
24-Parganas (North), West Bengal;

Baripada, Dist. Mayurbhanj, Orissa.

&amp;

B-9, Surajpur Industrial Area  
Phase II, Tehsil Dadri, Dist. Ghaziabad-203207, U.P.

**REGISTRARS & SHARE  
TRANSFER AGENTS**

Messrs Nicco UCO Financial Services Ltd.,  
702/C, 1st Floor,  
Block "P", New Alipore,  
Calcutta-700 053  
Phone : (033) 478 8942/43  
Fax : (033) 4788943





## Notice of the Annual General Meeting to the Members

NOTICE is hereby given that the 14th Annual General Meeting of the Members of Nicco Corporation Limited will be held on Saturday, the 27th September, 1997, at 11-00 a.m. at "Williamson Magor Hall" of The Bengal Chamber of Commerce and Industry, 6 Netaji Subhas Road, Calcutta 700 001 to transact the following business :—

### ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 1997, the Balance Sheet as on that date and the Directors' Report and Auditors' Report thereon.
2. To declare dividends on Preference and Equity Shares.
3. (a) To appoint a Director in place of Mr. Asim Chatterjee who retires by rotation and, being eligible, offers himself for re-appointment.
- (b) To appoint a Director in place of Mrs. Kanta Bhan who retires by rotation and, being eligible, offers herself for re-appointment.
- (c) To appoint a Director in place of Ms. Anjali Bhan who retires by rotation and, being eligible, offers herself for re-appointment.
- (d) To appoint a Director in place of Mr. Narottam Das who retires by rotation and, being eligible, offers himself for re-appointment.
- (e) To appoint a Director in place of Dr. J. J. Irani who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :  
 "RESOLVED that pursuant to the provisions of Section 224A of the Companies Act, 1956, Messrs S. R. Batliboi & Co., Chartered Accountants, Calcutta and Messrs G. Basu & Co., Chartered Accountants, Calcutta, be and they are hereby appointed Joint 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 on such remuneration as may be determined by the Board of Directors and that the Board of Directors be and is hereby authorised to determine the remuneration payable to the Company's Auditors as aforesaid.  
 "RESOLVED FURTHER that the Board of Directors be and is hereby authorised to appoint, in consultation with the Company's Auditors, any person or persons qualified for appointment as auditor or auditors of the Company under Section 226 of the Companies Act, 1956, or an accountant or accountants duly qualified to act as auditors or auditors of the Branch Office of the Company situated in New Jersey (USA), in accordance with the law of that country, to audit the accounts for the year 1997-98 of the Company's New Jersey Branch Office and to fix their remuneration and the terms and conditions on which they shall carry out the audit."

### SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :  
 "RESOLVED that Mr. Debi Prasad Patra, be and is hereby appointed a Director of the Company, whose period of office will be liable for determination by retirement of Directors by rotation."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :  
 "RESOLVED that Mr. R. Ramalingam, be and is hereby appointed a Director of the Company, whose period of office will be liable for determination by retirement of Directors by rotation."
7. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :  
 "RESOLVED that Mr. M. K. Ray Chaudhuri, be and is hereby appointed a Director of the Company, whose period of office will be liable for determination by retirement of Directors by rotation."
8. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :  
 "RESOLVED that in modification of the Resolution passed at the Extra Ordinary General Meeting of the Company held on 14th February, 1997, consent of the Company pursuant to the provisions of Section 293(l)(d) and other applicable provisions, if any, of the Companies Act, 1956, be and is hereby accorded to the Board of Directors of the Company, (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or may hereafter constitute) borrowing from time to time such sum or sums of money as it may consider fit and proper for the purpose of the business of the Company, notwithstanding that the monies to be so borrowed together with monies already borrowed by the Company (apart from temporary loans) obtained or to be obtained from the Company's bankers in the ordinary course of business, may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however, that the total amount so borrowed by the Board and outstanding at any one time, shall not exceed the sum of Rs. 300.00 crores (Rupees Three Hundred Crores only)."
9. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :  
 "RESOLVED that in modification of the Resolution passed at the Extra Ordinary General Meeting of the Company



held on 14th February, 1997, consent of the Company be and is hereby accorded, pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (hereinafter referred to as the "the Board" which term shall be deemed to include any Committee which the Board may have constituted or may hereafter constitute to exercise its powers including the powers conferred by this resolution) mortgaging and/or charging on such terms and conditions and at such time or times, in such form and manner as it may deem fit and proper, the whole or substantially the whole or any one or more undertakings or all of the undertakings of the Company, wheresoever situate, present and/or future including the present and/or future properties, whether moveable or immovable, comprised in any undertaking or undertakings of the Company, as the case may be, to or in favour of lenders/creditors, including all or any Bank(s), Financial Institution(s) declared or as may be declared as public Financial Institution(s) under Section 4A of the Companies Act, 1956, Investment or Developmental Banks, Developmental Corporations or Agencies of the Central or any State Government, Industrial Reconstruction Bank of India, General Insurance Corporation of India and its subsidiaries, Housing Development Finance Corporation Ltd., SBI Home Finance Limited, any international or multinational agencies including The International Bank for Reconstruction and Development and its affiliates and associates, The Asian Development Bank and also foreign agencies/banks/financial agencies and institutions, Trustees and/or Agents for the lenders and/or debentureholders of the Company including any Financial Institution, bank, body corporate incorporated under any statute holding debentures of the Company or any other secured lender to the Company of all and every description (hereinafter collectively referred to as "the Lenders") to secure Rupee Term Loans, foreign currency loans, bonds, debentures, convertible notes and other securities issued against foreign and/or Indian currency and any other loan (hereinafter referred to as "the said Loans") obtained or to be obtained from the Lenders not exceeding an aggregate amount of Rs. 300.00 crores (Rupees three hundred crores only) or the aggregate of the paid-up capital of the Company and its free reserves (i.e. reserves not set apart for any specific purpose), whichever is greater, with powers to the Lenders as Agents and Trustees or otherwise in terms of respective Loan Agreements/Heads of Agreement/Hypothecation Agreement/Trust Deeds/Trustee Agreements/Letters of Sanction/Memorandum of Terms and Conditions/other documents (hereinafter collectively referred to as "the said Agreements") to take over the management of the business and concern of the Company and/or enforce and/or sell the mortgaged securities in certain events and upon the other terms and conditions as may be decided upon by the Board in accordance with the relevant statutory provisions and the guidelines issued thereunder, together with interest thereon at the respective agreed rates, additional interests, cumulative interests, remuneration of Trustees, liquidated damages, commitment charges, premia, if any, on repayment or on redemption, costs, charges and other moneys payable by the Company to the Lenders and/or their Agents and/or Trustees and to the holders of the Debentures, convertible bonds, notes and other securities of the Company in terms of the said Agreements entered/to be entered into by the Company for obtaining the said Loans.

"RESOLVED FURTHER that the Board be and is hereby authorised to finalise the said Agreements and other documents and execute all such deeds, documents, instruments and to do all such acts, deeds, matters and things as may be necessary, requisite and expedient for giving full and final effect to this resolution."

By Order of the Board  
NICCO CORPORATION LIMITED

Registered Office :  
NICCO HOUSE  
2 Hare Street  
Calcutta 700 001  
Dated, the 25th June, 1997

**J. S. PAUL**  
General Manager  
& Co. Secretary

#### NOTES :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies in order to be effective must be submitted at the Company's Registered Office, not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 1997 to 27th September, 1997 both days inclusive.
4. The Dividend, if declared, will be paid to those Members whose names appear in the Register of Members of the Company on 27th September, 1997, or to their Mandatees.
5. Members are requested to bring their copies of the Annual Report and Accounts to the Meeting.
6. Members are requested to intimate any change in their address, and are also requested to send intimation for consolidation of Accounts, regarding their holdings in shares of erstwhile Nicco Steels Ltd., The National Insulated Cable Co. of India Ltd., Nicco Industries Ltd. and Nicco Batteries Ltd., if any, immediately to the Company's Registrars & Share Transfer Agents, M/s. Nicco Uco Financial Services Ltd., 702/C New Alipore, Block-P, 1st Floor, Calcutta 700 053. Phone no. 478-8942/43, Fax No. 478-8943.



#### 7. UNCLAIMED DIVIDEND :

Your Dividend Warrant is valid for payment by the Company's Bankers for six months from the date of issue. Please encash your dividend warrants immediately as the dividend amounts remaining unpaid at the expiry of three years from the 49th day of its declaration are required to be transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956 and you will, therefore need to claim the amount from the Registrar of Companies, West Bengal, Nizam Palace, 234/4 Acharya J. C. Bose Road, MSO Building No. II, Calcutta 700 020.

The unclaimed Dividends for the following years will be deposited by the Company with the Central Government on the dates specified against each of the years :

1993-94	29th October, 1997
1994-95	3rd October, 1998
1995-96	24th October, 1999

Shareholders who have not encashed the Dividend Warrants for the above years are, therefore, requested to immediately forward the same to the Company's Registrars & Share Transfer Agents, M/s. Nicco Uco Financial Services Ltd., or the Registered Office of the Company, for revalidation.

#### 8. An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 4

M/s. S. R. Batliboi & Co., Chartered Accounts, Calcutta and M/s. G. Basu & Co., Chartered Accountants, Calcutta, Joint Auditors of your Company, retire at the forthcoming Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment. It is recommended that M/s. S. R. Batliboi & Co. Chartered Accountants, Calcutta and M/s. G. Basu & Co., Chartered Accountants, Calcutta be appointed as Joint Auditors of the Company for the year 1997-98. The Auditors have confirmed that their appointments, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Company has a Branch Office in New Jersey, USA. It is proposed to authorise the Board of Directors to appoint a person(s) qualified for appointment as auditors or duly qualified accountants as envisaged under the provisions of Section 228 of the Companies Act, 1956 to audit the accounts of the said Branch upon such terms and conditions as the Board of Directors may deem fit.

Since the Financial Institutions hold shares in excess of 25% of the Subscribed Capital of the Company, as per provisions of Section 224(A) of the Companies Act, 1956, the appointment of and remuneration to Auditors and Branch Auditor are required to be approved by the members by a Special Resolution.

Your Directors recommend the resolution set out in item no. 4 of the convening Notice for adoption.

None of the Directors is interested in the resolution.

#### ITEM NO. 5

Mr. Debi Prasad Patra, Managing Director of WBIDC Ltd. was appointed as an Additional Director on 14th February, 1997, as Nominee Director of WBIDC. 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 separate Notice under Section 257 of the Companies Act, 1956, along with 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(i) of the Companies Act, 1956, to act as Director if appointed.

The resolution set out in item no. 5 may be considered accordingly and the Board of Directors recommends the same for your approval.

Excepting Mr. Debi Prasad Patra, who is interested in his appointment, no other Director is interested in the resolution.

#### ITEM NO. 6

Mr. R. Ramalingam, General Manager of United India Insurance Co. Ltd., Chennai, was appointed as an Additional Director on 14th February, 1997, as Nominee Director of GIC. 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 separate Notice under Section 257 of the Companies Act, 1956, along with 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(I) of the Companies Act, 1956, to act as Director if appointed. The resolution set out in item no. 6 may be considered accordingly and the Board of Directors recommends the same for your approval.

Excepting Mr. R. Ramalingam, who is interested in his appointment, no other Director is interested in the resolution.

#### ITEM NO. 7

Mr. M. K. Ray Chaudhuri was appointed as Additional Director on 3rd May, 1997. 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 separate Notice under Section 257 of the Companies Act, 1956, along with 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(I) of the Companies Act, 1956, to act as Director if appointed.

Mr. M. K. Ray Chaudhuri is an M. Com, Chartered Accountant and Chartered Secretary with more than 26 years experience in finance. He was Finance Director in Balmer Lawrie & Co. Ltd.

Considering his educational background and experience, it is considered that the appointment of Mr. M. K. Ray Chaudhuri, as Director of the Company, would benefit the Company.

The resolution set out in item no. 7 may be considered accordingly and the Board of Directors recommends the same for your approval.

Excepting Mr. M. K. Ray Chaudhuri, who is interested in his appointment, no other Director is interested in the resolution.

#### ITEM NO. 8

The shareholders at the Extra Ordinary General Meeting held on 14th February, 1997 have approved and delegated borrowing powers to the Board of Directors up to a sum not exceeding Rs. 200.00 crores. Considering the total requirement of funds for the implementation of the strategic business plan, it is considered necessary and expedient to increase the borrowing powers of the Board of Directors to the extent specified in the proposed resolution viz. Rs. 300.00 crores.

Section 293(1)(d) of the Companies Act, 1956, requires the Board of Directors to obtain Members' approval to borrow monies in excess of the aggregate of the Paid Up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, excluding temporary loans obtained from the Company's bankers in the ordinary course of business.

Your Directors recommend the resolution set out in item No. 8 of the convening Notice, for adoption.

None of the Directors is interested in the resolution.

#### ITEM NO. 9

In the resolution set out in item No. 8 of the Notice it has been proposed that the borrowing powers of the Board of Directors of the Company be increased from Rs. 200.00 crores to Rs. 300.00 crores. The loans to the extent of the increased borrowing power may be secured by creation of mortgage/charges on properties/undertakings of the Company in favour of the lenders and/or their agents and/or Trustees including Trustees for Debentureholders of the Company.

Mortgaging by the Company of its properties or the whole or substantially the whole or any or all of the undertakings of the Company in favour of the lenders and/or their Agents, and/or Trustees in order to secure debt financing, within the overall limit of the borrowing power of the Directors may be regarded as disposal of the Company's properties in terms of Section 293(1)(a) of the Companies Act, 1956. It is therefore considered necessary for the members to authorise the Board of Directors to create mortgage/charge in the manner proposed in the resolution set out at item No. 9 of the Notice to secure the loans to be taken by the Company to the extent of the enhanced borrowing powers of the Board of Directors as proposed in the resolution set out at item No. 8 of the Notice, i.e. Rs. 300.00 crores.

Your Directors recommend the resolution set out in item No. 9 of the convening Notice for adoption.

None of the Directors is interested in the resolution.

By Order of the Board  
NICCO CORPORATION LIMITED

Registered Office :  
NICCO HOUSE  
2 Hare Street  
Calcutta 700 001  
Dated, the 25th June, 1997

J. S. PAUL  
General Manager  
& Co. Secretary





## DIRECTORS' REPORT TO THE MEMBERS

for the year ended 31st March, 1997

Your Directors have pleasure in presenting their Fourteenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 1997.

### FINANCIAL RESULTS

	1996-97 (Rs. in lacs)	1995-96 (Rs. in lacs)
Gross Turnover	49,441.1	42,342.5
Gross Profit for the year	3,987.9	3,766.9
Less : Interest	2,219.9	1,951.5
Cash Profit	1,768.0	1,815.4
Less : Depreciation	929.6	771.5
Profit before tax	838.4	1,043.9
Less : Taxation	300.0	29.4
Net Profit after tax	538.4	1,014.5
Add : Profit brought forward	9.3	5.7
Surplus available for transfer to Reserves and appropriation of Dividends	547.7	1,020.2

Your Directors have made the following transfers :-

Preference Share Redemption Reserve	10.0	—
Debenture Redemption Reserve	—	45.0
General Reserve	50.0	600.0
Balance retained in Profit & Loss Account	29.4	9.3
Leaving an available surplus	458.3	365.9

Of which your Directors recommend -

(i) Preference Dividend :

(a) On 1,50,000 Preference Shares of Rs. 100/-  
each - for the whole year @ 14%

21.0 21.0

(b) On 30,000 Preference Shares of Rs. 33.33  
each which have been redeemed during the year.  
For the whole year @ 15% (Prorata)

— 0.5

(ii) Ordinary Dividend @ 16% to the Equity Shareholders

395.7 344.4

Provision for Corporate Dividend Tax

416.7 365.9

41.6 —

458.3 365.9

### OPERATIONS

Your Company which is a multi-product, multi-location conglomerate increased its turnover from Rs. 423 crores to Rs. 494 crores thereby registering a growth of 17%. This is despite the fact that during the year under review the industrial growth rate declined, and your Company had to face stiff competition and falling prices for a number of its product lines. Moreover, the economy witnessed a liquidity crunch and significant increase in the cost of funds during the year under review. These factors restricted your Company from recording a higher profit.



Brief Divisional highlights are given below :

The Electrical Cable Division comprising of two manufacturing units at Shyamnagar and Baripada experienced intense competition and severe demand recession. This resulted in a lower turnover and drop in profits.

The performance of your telecommunication cable factory located at Kalyani was satisfactory and both turnover and profit were marginally higher than the last year despite intense competition. Further expansion of installed capacity completed during the year would help the division to increase its production significantly.

Your Company's Projects Division achieved substantial growth in turnover and profit. It has now established itself as a leading Turnkey Engineering Organisation and is executing several prestigious projects.

The New Jersey (USA) branch office continued to record significant growth in its operations through optimisation of opportunities in the information technology field.

The Steel Division made an all time record production in the wire rod section but was adversely affected due to market conditions. The first galvanizing line was also successfully commissioned.

## DIVIDEND

Your Directors recommend an ordinary dividend of 16% on Equity Shares.

Your Directors also recommend Preference Dividend @ 14% on 1,50,000 Preference Shares of Rs. 100/- each for the whole year.

The tax on dividend is being paid by your company as per the recent amendment in the Income Tax Act and consequently dividend will be completely tax free in your hands.

## FINANCE

Your Company has at its Extra Ordinary General Meeting held on 16th June, 1997 obtained approval for the issue of equity shares of Rs. 10 Crores at par to the existing shareholders in the ratio of 2:5. The proceeds of the issue will be utilised to partly finance modernisation and upgradation of our plants in West Bengal and Orissa and also to augment long term fiscal resources of the Company.

## FIXED DEPOSITS

The total amount of deposits as on 31st March, 1997 was Rs. 165.03 Lacs. Deposits totalling to Rs. 5.61 Lacs due for re-payment on or before 31st March, 1997 were not claimed by the depositors as on that date. Out of these, 24 deposits amounting to Rs. 2.67 Lacs have since been refunded and/or renewed as at the date of this report.

## INVESTMENTS

### 1. NICCO Financial Services Limited, and Furmanite NICCO Financial Services Limited :

These investment companies continue to report stable profits.

### 2. NICCO-UCO Financial Services Limited :

The Company achieved the distinction of being the first NBFC to have received the ISO 9001 quality certification for all its activities.

The Company increased its total revenue to over Rs. 58 Crores but unfortunately due to depressed capital market and general downturn in the fortunes of many of its industrial customers, pre tax profit of the Company stands reduced to Rs. 226 lacs.

### 3. Webel NICCO Electronics Limited :

For the third year in a row the Company continued to make profit and is steadily returning back to a state of good health.

### 4. NICCO Parks & Resorts Limited :

Operations of the Company have continued showing improvement over those of the previous year and the Company recorded a net profit of Rs. 92 lacs. The recently commissioned River Cave ride is drawing large crowds.