

NICCO CORPORATION LIMITED





NICCO CORPORATION LIMITED

Regd. Office : Nicco House, 2 Hare Street, Kolkata 700 001

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

Dear Shareholder(s)

Notice is hereby given, pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, that the enclosed resolutions are proposed to be passed by Postal Ballot.

The requisite Postal Ballot Form and self-addressed business reply envelope are enclosed.

You are requested to convey your approval or otherwise to the enclosed Resolutions on the original Ballot Form sent herewith (no other Form is permitted) and return the same to the Company at its Registered Office so as to reach the Company not later than the close of working hours on 18th September, 2002. Any Postal Ballot Form received after the stipulated date will be liable to be rejected (see Instructions).

The Company has appointed Mr Salil Banerjee, Practising Company Secretary, as Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner.

Please return the Postal Ballot Form duly completed in the attached self-addressed postage prepaid envelope, so as to reach the Scrutiniser on or before 18th September, 2002.

The Scrutiniser will submit the report to the Chairman after completion of his scrutiny of the completed forms received by the Company and the results of the Postal Ballot will be announced by the Chairman of the Company on 24th September, 2002, at the Annual General Meeting of the Company.

Thanking you,

By Order of the Board
NICCO CORPORATION LIMITED

J S PAUL
Vice President & Co. Secretary

Dated, the 30th July, 2002

Encl : (1) Proposed Resolutions along with Explanatory Statements u/s 173(2) of the Companies Act, 1956.

(2) Postal Ballot Form and self-addressed business reply envelope.



1. SPECIAL RESOLUTION

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 17 and other applicable provisions, if any, of the Companies Act, 1956, the Main Objects Clause of the Memorandum of Association of the Company be and is hereby altered by inserting the following new clause (3) after the existing clause III(A)(2) :

- (3) To carry on the business of processing and manufacture of cross linked Wires and Cables, Heat Shrink Profiles and Sleeves for jointing Accessories/Electrical or for any other purpose, processing of diamonds, gem stones, both precious and semi precious, manufacture and/or processing of O-Rings and any other type of Gaskets, sterilization of items and appliances for medical use, manufacture/processing of hot water pipes, processing/sterilization of select food items e.g. spices, manufacture, processing and sale of any other items through the use of the Electron Beam Irradiation facility, manufacture and sale of speciality plastic/rubber/elastomer compounds, or to carry on any other business (Manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above or which may be usefully or conveniently combined with the engineering or manufacturing activities or business of the Company, or any contracts undertaken by the Company and either for the purpose only of such contracts or as an independent business and to carry on any other business in which the said Electron Beam Irradiation facility may be utilized or applied and all businesses connected therewith.’

“RESOLVED FURTHER that the Board be and is hereby authorized to take necessary steps in the above matter and to make modifications in the text of the new Clause, if any such modifications are required/necessary.”

2. ORDINARY RESOLUTION

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION :

“RESOLVED that pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and subject to necessary permission/consent/approval of Financial Institutions, Debenture-holders, consortium of Banks, statutory and other authorities and subject also to such conditions, alterations and modifications as may be prescribed by them or any of them and accepted by 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 to exercise its powers including the powers conferred by the resolution) consent be and is hereby accorded to the Board for selling on slump sale basis and transferring Nicco Steel Division (“NSD”) with effect from 31st December, 2002, or earlier or any such extended date as may be agreed to between Nicco Corporation Ltd. (“NCL”) and Ramsarup Engineering Industries Ltd. (“REIL”), as a going concern (excluding current assets and liabilities) to Ramsarup Engineering Industries Limited (“REIL”) having its Registered Office at 66, Parwati Ghosh Lane, Kolkata 700 007 and/or its nominees/assignees for a consideration of Rs. 10.00 crores (Rupees ten crores only) on such terms and conditions and stipulations as the Board may, in its discretion, deem fit and in the interest of the Company.

“RESOLVED FURTHER that the benefits and use of all licences and permits, consents and approvals and all benefits attached to or accruing to the said undertaking, including the right, title, benefit, interest and advantages under various industrial licences, import licences, other licences, railway siding, quotas, trade marks, whether



registered or otherwise, designs, knowhow, copyrights, import and export entitlements and also import licences and other licences, permits, quotas and the like issued in respect of NSD, be transferred to the extent legally possible in favour of REIL and/or its nominees/assignees.

"RESOLVED FURTHER that the Board be and is hereby authorised and empowered to enter into, sign, seal, execute and deliver such agreements, assignments, contracts, writings and other instruments, and to do all such acts, deeds and things in the name and on behalf of the Company as the Board may consider expedient, usual, necessary or proper for the said sale and effectuating the transfer of the said Steel Division of the Company."

By Order of the Board
NICCO CORPORATION LIMITED

J S PAUL
Vice President & Co. Secretary

Dated, the 30th July, 2002





EXPLANATORY STATEMENT AND REASONS FOR PROPOSING THE RESOLUTION

ITEM NO. 1 — SPECIAL RESOLUTION

The present clause III(A) of the Memorandum of Association of the Company sets out the objects for which the Company is established and the lines of business that it is empowered to carry on.

In response to the growing liberalization, economic reforms and opening of the market in the country offering new challenges and opportunity, the Company has been planning and preparing to expand into various new activities/to carry on the existing activities in an improved or more efficient manner.

Accordingly, the company proposes to carry on the business of processing and manufacture of cross linked Wires and Cables, and also a new line of business of processing and manufacture of Heat Shrink Profiles and Sleeves for jointing Accessories/Electrical or for any other purpose, processing of diamonds, gem stones, both precious and semi precious, manufacture and/or processing of O-Rings and any other type of Gaskets, sterilization of items and appliances for medical use, manufacture/processing of hot water pipes, processing/sterilization of select food items, e.g. spices, manufacture, processing and sale of any other items through the use of the Electron Beam Irradiation facility, manufacture and sale of speciality plastic/rubber/elastomer compounds and/or other related products.

The amendment proposed by way of a new Clause (3) in clause III(A) of the Memorandum of Association as set out in the resolution under this Item is to facilitate expansion/diversification to enter into these new businesses and to enable the Company to utilize the Electron Accelerator of Energy 3 MeV with 50 mA beam currently installed at the Company's Shyamnagar Works which is primarily for Cross Linking of Wires and Cables, to be also utilized for various other purposes namely,

1. Processing and manufacture of Heat Shrink Profiles and Sleeves for Jointing Accessories/Electrical or for any other purpose.
2. Processing of diamonds, gem stones, both precious and semi precious.
3. Manufacture and/or processing of O-Rings and any other type gaskets.
4. Sterilization of items and appliances for medical use.
5. Manufacture/processing of hot water pipes.
6. Processing/sterilization of select food items, e.g. spices.
7. Manufacture, processing and sale of any other items through the use of Electron Beam Irradiation facility.
8. Manufacture and sale of speciality plastic/rubber/elastomer compounds.
9. Other miscellaneous uses.

Your Directors are of the view that the proposed new businesses and activities will prove beneficial to the Company and its Members and are also in line with some of the businesses the Company is presently engaged in. It is therefore the considered view of the Directors that the additional objects can be conveniently and advantageously combined with the existing business of the Company. Accordingly it is proposed that Clause III(A) of the Memorandum be altered to include the new businesses and activities as set out in Item No. 1 of this Notice.



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

The approval of the shareholders for the above referred resolution is sought by Postal Ballot.

ITEM No 2 — ORDINARY RESOLUTION

A proposal for the divestment of the Company's Steel Division, which had been suffering losses on account of the Company's inability to provide adequate raw materials due to Working Capital constraints and diminishing margins (which are determined by the Integrated steel Producers price differential between the Steel Division's raw materials, i.e. Billets and the finished products, i.e. Wire Rods) was discussed. The divestment of the Steel Division is expected to reduce both the debts of the Company as well as the losses.

The Company had appointed M/s ICICI Consultancy Division for rearchitecturing and restructuring of the Company and it was reported that the ICICI consultancy Wing had identified Cable and Project as Nicco's core businesses and had recommended exiting from non-core businesses such as Steel and suggested divestment of Steel Division. M/s Ramsarup Engineering Industries Ltd. (REIL) was identified as the buyer of the Steel Division of the company. They are agreeable to purchase Steel Division of the Company for a total consideration of Rs. 10.00 crores.

Nicco Corporation Ltd. (NCL) has signed the Memorandum of Intent and Operating Agreement with Ramsarup Engineering Industries Ltd. (REIL) for a consideration of Rs. 10.00 crores, subject to obtaining Shareholders' approvals and necessary permission/consent/approval of Financial Institutions, Debentureholders, consortium of Banks, statutory and other authorities.

As per the terms of the Agreement, NCL shall transfer, free from all encumbrances and hand over possession of buildings, sheds, godowns, offices and other structures whatsoever along with the fixtures and fittings attached thereto being the immovable property forming a part of the assets and the plants machinery and equipment, furniture, articles and effects being fixed assets (including current assets and liabilities) hereinafter collectively referred to as "the said properties", installed, affixed or situated within Nicco Steel Division (NSD), to REIL.

NCL shall transfer to the extent legally possible the benefits and use of all licences, permits, consents and approvals and all benefits attached to or accruing to the said Undertaking including the right, title, benefit, interest and advantages under various industrial licences, import licences, and other licences, railway siding, quotas, trade marks, whether registered or otherwise, designs, knowhow, copyrights, import and export entitlements issued in respect of NSD.

Certain employees of NSD at the factory and godowns shall be taken over as employees of REIL as specified in the Memorandum of Intent. In respect of provident fund dues of such employees upto the date of transfer, transfer shall be made from the NCL Provident Fund account to a new Account/to the Account of the Regional Provident Fund Commissioner, as and when specified by REIL. In respect of gratuity due as per funded actual valuation of such employees upto the date of such transfer, NCL shall fund the same as per law. The liability in respect of any labour or Provident Fund cases pending on the date of transfer, in respect of NSD employees taken over by REIL, shall be on account of NCL.

The sale is to be effective from 31st December, 2002 or earlier or any such extended date as may be agreed to between NCL and REIL.



NICCO CORPORATION LIMITED

In terms of the provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors is required to obtain approval of the Members to dispose off/transfer the Steel Division of the Company.

Your Directors consider that the proposed sale of the Steel Division to REIL is fair and reasonable and that it would be in the interest of the Company and its shareholders and your Directors recommend the resolution set out in the convening Notice for adoption.

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

The approval of the shareholders for the above referred resolution is sought by Postal Ballot.

Memorandum of Intent relating to proposed sale of Steel Division is open for inspection at the Company's Registered Office between 3.00 p.m. to 4.00 p.m. on any working day upto 23rd September, 2002.

By Order of the Board
NICCO CORPORATION LIMITED



J S PAUL

Vice President & Co. Secretary

Dated, the 30th July, 2002



NICCO CORPORATION LIMITED

Registered Office : Nicco House, 2 Hare Street, Kolkata 700 001

POSTAL BALLOT FORM

Sl. No. **25637**

1. Name(s) of Shareholder(s) (including joint holders) in block letters.
2. Registered address of the sole/first named shareholder
3. Registered folio No./DP ID No./Client ID No. *
(* applicable to investors holding shares in electronic form)
4. Number of shares held
5. I/We hereby exercise my/our vote in respect of the Resolutions under Sections 17 and 293(1)(a) of the Companies Act, 1956, to be passed through Postal Ballot for the business stated in the notice of the Company by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) marks at the appropriate boxes below :

Item No.	Description	No. of Shares		Please mark (✓) in the box below
1.	Special Resolution under Section 17 of the Companies Act, 1956 for Alteration of the Memorandum of Association of the Company by inserting new Clause (3) after the existing Clause III(A)(2).		I/We assent to the Resolution	
			I/We dissent to the Resolution	
2.	Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 approving the divestment of the Company's Steel Division to Ramsarup Engineering Industries Limited for a consideration of Rs. 10.00 crores.		I/We assent to the Resolution	
			I/We dissent to the Resolution	

(Signature of Shareholder)

Place :

Date :

(Instructions given overleaf)



INSTRUCTIONS

1. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot form and send it to the Company in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelope containing Postal Ballot if sent by any other means at the expense of the registered shareholder will also be accepted.
2. The self-addressed envelope bears the name and address of the Scrutiniser appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per specimen signature registered with the Company/DP) by the first named shareholder and in his absence, by the next named shareholder. In case of Corporate shareholders/Trusts/Societies, this form should be accompanied by a certified true copy of the Board Resolution/authority and signed by an authorised signatory, whose signature is already registered with the Company/DP.
4. Unsigned or incomplete Postal Ballot form or voting by means of any other Postal Ballot Form will be rejected.
5. Duly completed Postal Ballot form should reach the Company not later than the close of working hours of 12th September, 2002. Postal Ballot forms received after this date will be strictly treated as if the reply from the Member has not been received.
6. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders on the date of despatch of the Notice.
7. Members are requested not to send any other paper along with the Postal Ballot form as all the envelopes will be sent to the Scrutiniser and any extraneous paper found in such envelope will be destroyed by the Scrutiniser.

**19th ANNUAL GENERAL MEETING**

Date : 24th September, 2002

Day : Tuesday

Time : 10.30 a.m.

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

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