

ANNUAL REPORT 2003-2004



NICCO CORPORATION LTD.

**21st ANNUAL GENERAL MEETING****Date : 23rd September, 2004****Day : Thursday****Time : 11.00 a.m.**

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

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BOARD OF DIRECTORS

Mr Rajive Kaul
Dr Abhijit Sen (Retired w.e.f. 02.06.2004)
Mr Gopal Krishna
Mr Amitabha Ghosh (Nomination withdrawn w.e.f. 29.05.2004)
Mr Pillapakkam Bahukutumbi Ramanujam
Dr Tamal Datta Chaudhuri
Dr A K Sood
Mr Narottam Das
Mr Prabir Chakravarti
Dr Lakshminaryanapuram Ramier Vaidyanath
Mr Dharendra Nath Bhattacharjee
Mr Sanjoy Bhattacharya
Mr Udayan Roy

Chairman
Co-Chairman & Managing Director
Nominee of WBIDC
Nominee of ICICI
Nominee of GIC
Nominee of IIBI
Nominee of TDB

Director (Cable Operations)
Director (Finance) & CFO

SR VICE PRESIDENT & CO. SECRETARY

Mr J S Paul

AUDITORS

Messrs G Basu & Co.,
Chartered Accountants, Kolkata

BOARD COMMITTEES

Audit Committee

Mr N Das	Chairman
Mr Amitabha Ghosh	Member
Dr T D Chaudhuri	Member
Mr Prabir Chakravarti	Member
Mr J S Paul	Secretary

SOLICITORS

Messrs Khaitan & Co., Kolkata

Corporate Governance & Remuneration Committee

Mr N Das	Chairman
Mr Rajive Kaul	Member
Dr Abhijit Sen	Member
Dr L R Vaidyanath	Member
Mr Prabir Chakravarti	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

Dr Abhijit Sen	Chairman
Mr Rajive Kaul	Member
Mr Sanjoy Bhattacharya	Member
Mr Udayan Ray	Member

REGISTERED OFFICE

Nicco House,
2 Hare Street, Kolkata-700 001
Phone No.: (033) 2248 5102/7
Fax No. : (033) 2220 9443
Website : www.niccogroup.com

Shareholders' Grievances Committee

Mr N Das	Chairman
Dr Abhijit Sen	Member
Mr Sanjoy Bhattacharya	Member
Mr Udayan Ray	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)

- 1) The Calcutta Stock Exchange Association Ltd.,
6 Lyons Range,
Kolkata 700 001.
Website : www.cse-india.com

- 2) 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 : cm1ist@nse.co.in

REGISTRARS & SHARE TRANSFER AGENTS

M/s AMI Computers (I) Ltd.
60A & 60B, Chowringhee Road
Kolkata-700 020
Phone Nos : (033) 2280-0812/0900
Fax Nos : (91) 33 2280 0901
e-mail : amicomputers@vsnl.com

The Company has already paid Annual Listing Fees for the year 2004-05 to the above mentioned 2 Stock Exchanges.

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Notice of the Annual General Meeting to the Members

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Nicco Corporation Limited will be held on Thursday, the 23rd September, 2004, 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, 2004, the Balance Sheet as on that date and the Directors' Report and Auditors' Report thereon.
2. (a) To appoint a Director in place of Dr L R Vaidyanath who retires by rotation and being eligible, offers himself for re-appointment.
(b) To appoint a Director in place of Mr D N Bhattacharjee who retires by rotation and being eligible, offers himself for re-appointment.
(c) To appoint a Director in place of Mr Prabir Chakravarti who retires by rotation and being eligible, offers himself for re-appointment.
(d) To appoint a Director in place of Mr Gopal Kishna who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :
"RESOLVED that Dr A K Sood 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."

Registered Office:

NICCO HOUSE
2 Hare Street
Kolkata 700 001

By Order of the Board
NICCO CORPORATION LIMITED

J S PAUL
Sr Vice President & Co Secretary

Dated, 28th May, 2004

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 Thursday, the 16th September, 2004 to Thursday, the 23rd September, 2004, both days inclusive.
4. Members are requested to bring their copies of the Annual Report and Accounts to the Meeting.
5. Members are requested to intimate any change in their addresses, 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 AMI Computers (I) Ltd., 60A & 60B, Chowringhee Road, Kolkata 700 020, Phone No. 2280-0812/0900, Fax No. 033-2280 0901.



6. 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 claim the amount from the Registrar of Companies, West Bengal, 234/4, A.J.C. Bose Road, Kolkata 700 020, by submitting an application in the prescribed form.
- (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 set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
- (iii) Pursuant to section 205C of the Companies (Amendment) Act, 1999, the unpaid/unclaimed dividend for the financial year ended 31st March, 1996 has been transferred to the Investor Education and Protection Fund set up by the Government of India.
- (iv) The unpaid/unclaimed dividends due for transfer to the Investor Education and Protection Fund set up by the Central Government are as follows :

Date of AGM	Financial Year	Date of transfer to Unpaid Dividend Account	Due date for transfer
27.09.1997	1996-97	14.11.1997	13.11.2004
25.06.1998	1997 (from 01.04.97 to 31.12.97)	12.08.1997	11.08.2005
30.04.1999	1998 (from 01.01.98 to 31.12.98)	18.06.1999	17.06.2006

Members who have not yet encashed their dividend warrant(s) for the above stated financial years are requested to make their claims to the Company accordingly and no claims shall lie in this respect once the unclaimed dividend is transferred to the Investor Education and Protection Fund.

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



ANNEXURE TO NOTICE

EXPLANATORY STATEMENTEXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2)
OF THE COMPANIES ACT, 1956**Item No. 4 — Appointment of Dr A K Sood**

Dr A K Sood, Scientist of Technology Development Board (TDB) was appointed as an Additional Director, on 28th October, 2003, as Nominee Director of TDB. 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 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.

The Board considers that the Company will benefit from the association of Dr A K Sood and recommends the resolution for your approval.

Excepting Dr A K Sood, who is interested in his appointment, none of the Directors of the Company is in any way concerned or interested in the said resolution.

Registered Office:

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2 Hare Street
Kolkata 700 001By Order of the Board
NICCO CORPORATION LIMITED

Dated, 28th May, 2004

J S PAUL
Sr Vice President & Co Secretary



ANNEXURE — A

Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting
(In pursuance of Clause 49VI(A) of the Listing Agreements)

Name of the Director	Dr A K Sood	Dr L R Vaidyanath
Date of Birth	19.11.1950	17.02.1924
Date of appointment	28.10.2003	18.07.2001
Expertise in specific functional areas	Scientist	Experience in Metallurgy
Qualifications	Ph D in Electrochemical Technology from IIT, Delhi	Graduated in Metallurgy Ph D in Industrial Metallurgy from the University of Birmingham, U.K.
List of other Companies in which Directorships held	NIL	1. Shalimar Wires Industries Ltd. 2. Rapsri Engineering Industries Ltd. 3. Indoswe Engineers Ltd.
Memberships/Chairmanships of Committees of Directors of the Company	NIL	Corporate Governance & Remuneration Committee —Member
Memberships/Chairmanships of Committees of Directors of other Companies	NIL	Shalimar Wire Industries Ltd. —Investors' Grievances Committee —Chairman

Name of the Director	Mr. D N Bhattacharjee	Mr Prabir Chakravarti
Date of Birth	01.03.1935	30.04.1944
Date of appointment	19.09.2001	19.09.2001
Expertise in specific functional areas	Wide experience in Legal matters and General Administration	Wide experience in running of various Industries.
Qualifications	Undergraduate	B.A. (Econ) Hons., M.A. (Econ) L.L.B. and MBA (U.K.)
List of other Companies in which Directorships held	Alliance Management & Fiscal Services Ltd.	1. Roopchera Tea Co. Ltd. 2. Baghmari Tea Co. Ltd. 3. Bhoruka Aluminium Ltd. 4. Nicco Financial Services Ltd. 5. Reliance Jute Mills (International) Ltd. 6. Vidula Chemicals & Manufacturing Industries Ltd. 7. B.N.K. Capital Markets Ltd. 8. Sinclairs Hotels and Transportation Ltd. 9. GPI Textiles Ltd. 10. Jayshree Chemicals Ltd. 11. SPS Steels Rolling Mills Ltd. 12. BESCO Ltd.
Memberships/Chairmanships of Committees of Directors of the Company	NIL	1. Audit Committee —Member 2. Corporate Governance & Remuneration Committee —Member
Memberships/Chairmanships of Committees of Directors of other Companies	Alliance Management & Fiscal Services Ltd. 1. Audit Committee —Chairman 2. Shareholders' Grievances Committee —Chairman	1. Bhoruka Aluminium Ltd. a) Audit Committee —Member b) Managerial Remuneration Committee —Chairman 2. BNK Capital Markets Ltd. a) Audit Committee —Member b) Share Transfer & Investors' Grievances Committee —Member 3. Jayshree Chemicals Ltd. Audit Committee —Member



Name of the Director	Mr. Gopal Krishna
Date of Birth	14.04.1960
Date of appointment	11.05.2002
Expertise in specific functional areas	Member of Indian Administrative Service
Qualifications	Master in Science (Physics Major) Master of Business Administration
List of other Companies in which Directorships held	1. West Bengal Industrial Development Corporation Ltd. 2. Tata Metaliks Ltd. 3. Haldia Petrochemicals Ltd. 4. MCC PTA India Corp Pvt Ltd
Memberships/Chairmanships of Committees of Directors of the Company	NIL
Memberships/Chairmanships of Committees of Directors of other Companies	NIL

Registered Office :
NICCO HOUSE
2 Hare Street
Kolkata 700 001

By Order of the Board
NICCO CORPORATION LIMITED

Dated, the 28th May, 2004

J S PAUL
Sr. Vice President & Co Secretary





DIRECTORS' REPORT TO THE MEMBERS

for the year ended on 31st March, 2004

Your Directors present herewith their Report together with the Audited Accounts of your Company for the year ended 31st March, 2004.

A. FINANCIAL RESULTS & APPROPRIATIONS	(Rs. In Lacs)	
	2003-04	2002-03
Gross Turnover	24119	22841
Operating Loss Before Interest & Depreciation	(330)	(1676)
Other Non Operating Income	99	99
Gross Loss for the year	(231)	(1577)
Less : Interest	2494	2856
Less : Depreciation	854	941
Add : Deferred Tax Credit	1300	2674
Net Profit/(Loss)	(2279)	(2700)

The year witnessed a growth in turnover by approximately 6% due to higher revenues of both Cables and Project Division. Operating loss was also substantially reduced by Rs 1346 lacs compared to the previous year's figure. This was due to several factors including the strategy adopted by your Company of existing non viable business, improved performance of the Cable Division and the focus on cost reduction. The reduction of interest rate by the consortium of lenders also helped to further reduce expenses. Interest was also reduced as a result of completion of sale of assets of your Company's loss making Steel Unit which resulted in reduction of loan liability of Rs 9 Crores..

B. DIVIDEND

Keeping in view the loss incurred by the Company, your Directors do not recommend any Preference or Ordinary Dividend this year.

C. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

D. FINANCE

As had been mentioned in the last Annual Report, your Company had decided to pursue the restructuring through the Corporate Debt Restructuring (CDR) route. The necessary sanction from the CDR Cell was received in October, 2003 but the implementation of the scheme was delayed primarily due to non-receipt of the approval from individual Banks on time. In fact as on date the CDR approved package remains to be fully implemented on account of the fact that a consortium bank is yet to release its share of facilities. The shortage of working capital restricted the activity level of your Company through out the year.

All the employees and Working Directors of your Company have come forward to assist the Company in this hour of crisis and are contributing 10% of their salaries towards the share capital of the Company with effect from 1st January 2002. This has already increased the Equity Share Capital of your Company by Rs 1.93 Crores as at 31.3.2004.

To further strengthen the financial structure of your Company the Technology Development Board has converted their Loan of Rs. 18.46 Crores into 5% Cumulative Redeemable Preference Shares. The Government of West Bengal has also converted the West Bengal Sales Tax Loan of Rs. 3.37 Crores into 5% Cumulative Preference Shares.

The Government of West Bengal Soft Loan of Rs. 3.00 Crores sanctioned to your Company has also been drawn down to the extent of Rs. 275.79 Lakhs at the end of the year.

E. FIXED DEPOSITS

The total amount of deposits as on 31st March, 2004 was Rs. 41.37 Lakhs. Deposits aggregating to Rs. 8.97 lakhs due for repayment on or before 31st March' 2004 were not claimed by Depositors as on that date. Rs 50000/- of these deposits have since been refunded and none have been renewed.

F. SUBSIDIARIES

The statement of the holding Company's interest in its subsidiary Company Nicco Engineering Services Ltd., is consolidated with the Accounts of Nicco Corporation Ltd.

Nicco Engineering Services Ltd.

The company has improved its turnover and profitability during the year. Continuous efforts for improving its market position, in spite of increased competition from small scale units, primarily by increased marketing efforts and demonstrating its superiority in quality and reliability of its services.