

ANNUAL REPORT

2006-2007

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NICCO CORPORATION LTD.



24th ANNUAL GENERAL MEETING
 Date : 30th July, 2007
 Day : Monday
 Time : 11.30 a.m.
 Place : "Williamson Magor Hall" of
 The Bengal Chamber of
 Commerce & Industry
 6, Netaji Subhas Road,
 Kolkata 700 001

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NICCO CORPORATION LIMITED

BOARD OF DIRECTORS

Mr Rajive Kaul
 Mr Pillapakkam Bahukutumbi Ramanujam
 Dr Tamal Datta Chaudhuri
 Mr Narottam Das
 Mr Prabir Chakravarti
 Dr Lakshminaryanapuram Ramier Vaidyanath
 Mr Dharendra Nath Bhattacharjee
 Mr Hanumanthu Purushotham
 Mr Sujit Poddar
 Mr Sanjoy Bhattacharya
 Mr Udayan Roy

Chairman
 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
Dr T D Chaudhuri	Member
Mr Prabir Chakravarti	Member
Mr Sujit Poddar	Member
Mr D N Bhattacharjee	Member
Mr J S Paul	Secretary

SOLICITORS

Messrs Khaitan & Co., Kolkata

BANKERS

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

Compensation & Remuneration Committee

Mr N Das	Chairman
Dr L R Vaidyanath	Member
Mr Prabir Chakravarti	Member
Mr Sujit Poddar	Member

Share Transfer Committee

Mr Rajive Kaul	Chairman
Mr Sanjoy Bhattacharya	Member
Mr Udayan Ray	Member

Shareholders' Grievances Committee

Mr N Das	Chairman
Mr D N Bhattacharjee	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

WORKS

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

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

(Pursuant to Clause 49 of the Listing Agreement)

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

REGISTRARS & SHARE TRANSFER AGENTS

M/s R & D Infotech Pvt. Ltd.
Ground Floor,
22/4, Nakuleshwar Bhattacharya Lane
Kolkata-700 026
Phone No : (033) 2463-1657/8
E-mail Id : rdinfotec@yahoo.com

The Company has already paid Annual Listing Fees for the year 2007-08 to the above mentioned Stock Exchange.

WEBSITE :

www.niccogroup.com

E-mail Id for Investors :

investorsservices@niccocorp.com





Notice of the Annual General Meeting to the Members

NOTICE is hereby given that the 24th Annual General Meeting of the Members of Nicco Corporation Limited will be held on Monday, the 30th July, 2007 at 11.30 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, 2007, the Balance Sheet as on that date and the Directors' Report and the Auditors' Report thereon.
2. (a) To appoint a Director in place of Mr Prabir Chakravarti who retires by rotation and being eligible, offers himself for re-appointment.
(b) To appoint a Director in place of Mr Narottam Das who retires by rotation and being eligible, offers himself for re-appointment.
(c) To appoint a Director in place of Mr P B Ramanujam 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 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 Sanjoy Bhattacharya as Director (Cable Operations) of the Company for the period from 1st April 2007 till 30th September, 2009 upon the terms and conditions and stipulations and on the revised 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 Sanjoy Bhattacharya within the overall ceiling prescribed under Schedule XIII of the Act.

"RESOLVED FURTHER that the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to this resolution."

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary 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 Director (Finance) & CFO of the Company for the period from 1st April, 2007 till 30th September, 2009 upon the terms and conditions and stipulations and on the revised remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting with an authority and power to the Board of Directors of the Company ("The Board"), to alter and vary the terms and conditions, referred to above, in such manner as may from time to time be stipulated by the Central Government or as may be in consonance with the applicable provisions of law and as may be agreed to by and between the Board and Mr Udayan Ray within the overall ceiling prescribed under Schedule XIII of the Act.

"RESOLVED FURTHER that the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to this resolution."

Registered Office:

NICCO HOUSE
2 Hare Street
Kolkata 700 001

Dated, the 30th April, 2007

By Order of the Board
NICCO CORPORATION LIMITED

J S PAUL
Sr Vice President & 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 Saturday, the 21st July, 2007 to Monday, the 30th July, 2007, 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 R & D Infotech Private Ltd., Ground Floor, 22/4, Nakuleshwar Bhattacharya Lane, Kolkata 700 026, Phone No. 2463 1657/8, E-mail: rdinfotec@yahoo.com.
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 on 31st December, 1998 has been transferred to the Investor Education and Protection Fund set up by the Government of India.
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 — Re-appointment of Mr Sanjoy Bhattacharya as Director (Cable Operations)**

Mr Sanjoy Bhattacharya was earlier re-appointed as Director (Cable Operations) of the Company for a period of 3 years with effect from 28th November, 2004 on the terms approved by the Members at the Extra Ordinary General Meeting held on 27th May, 2005.

On the recommendation of the Compensation & Remuneration Committee, the Board of Directors ("the Board") of the Company, at its Meeting held on 30th April, 2007, re-appointed Mr Sanjoy Bhattacharya as Director (Cable Operations) of the Company for the period from 1st April, 2007 till 30th September, 2009, on revised terms and conditions, subject to the approval of the Members of the Company in a General Meeting and such other approvals/clearances as may be required.

Mr Sanjoy Bhattacharya is a qualified Engineer holding a B Tech (Hons) Degree. He is 61 years of age with more than 39 years of wide experience in Production, Sales and Marketing in Cable Industry.

Mr Sanjoy Bhattacharya shall hold office as Director (Cable Operations) for the period from 1st April, 2007 till 30th September, 2009.

In accordance with the terms and conditions of re-appointment, Mr Sanjoy Bhattacharya will be entitled to the revised remuneration and perquisites as mentioned in the enclosed Annexure 'A'.

(For items not separately specified in Annexure 'A', the rules of the Company shall be applicable).

The particulars of Mr Sanjoy Bhattacharya, which are required to be disclosed pursuant to Clause 491V(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 re-appointment of Mr Sanjoy Bhattacharya as Director (Cable Operations) 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 Sanjoy Bhattacharya, 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 educational background and experience as stated above, the Board considers that the Company will benefit from the re-appointment of Mr Sanjoy Bhattacharya as Director (Cable Operations) and recommends that this Ordinary Resolution be adopted by the Members.

ITEM NO. 5 — Re-appointment of Mr Udayan Ray as Director (Finance) & CFO

Mr Udayan Ray was earlier re-appointed as Director (Finance) & CFO of the Company for a period of 2 years with effect from 1st September, 2005 on the terms approved by the Members at the Annual General Meeting held on 9th August, 2005.

On the recommendation of the Compensation & Remuneration Committee, the Board of Directors ("the Board") of the Company, as its Meeting held on 30th April, 2007, re-appointed Mr Udayan Ray as Director (Finance) & CFO of the Company for the period from 1st April, 2007 till 30th September, 2009 on the revised terms and conditions, 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 is 62 years of age with 37 years of extensive experience in Finance, Treasury, Taxation, Operations and Human Resources Management.

He has worked in senior positions in Andrew Yule, IBP-Balmer Lawrie Group, and other Companies/Organisations since 1970 including as Director (Finance) in Andrew Yule & Co. Ltd., as 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., as Chief Executive in Indian Container Leasing Co. Ltd., as General Manager (SBU-Head-Calcutta Operations & Lubricants) and General Manager (Personnel). He also held the position of Secretary, the Institute of Cost & Works Accountants of India.

Mr Udayan Ray shall hold office as Director (Finance) & CFO for the period from 1st April, 2007 till 30th September, 2009.

In accordance with the terms and conditions of re-appointment, Mr Udayan Ray will be entitled to the revised remuneration and perquisites as mentioned in the enclosed Annexure 'A'.

(For items not separately specified in Annexure 'A' the rules of the Company shall be applicable).



The particulars of Mr Udayan Ray, which are required to be disclosed pursuant to Clause 491V(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 re-appointment of Mr Udayan Ray as Director (Finance) & 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 educational background and experience as stated above, the Board considers that the Company will benefit from the re-appointment of Mr Udayan Ray as Director (Finance) & CFO and recommends that this Ordinary resolution be adopted by the Members.

Registered Office:

NICCO HOUSE
2 Hare Street
Kolkata 700 001

By Order of the Board
NICCO CORPORATION LIMITED

Dated, the 30th April, 2007

J S PAUL
Sr Vice President & Co Secretary

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ANNEXURE - 'A'

Re-appointment of Mr Sanjoy Bhattacharya as Director (Cable Operations)**TERMS & CONDITIONS :****I. Salary :**

Rs 85,000/- per month in the scale of —

Minimum	Maximum
Rs 60,000/-	Rs 1,00,000/-

The Annual increments in the aforesaid scale, which will be due from 1st April each year, will be decided by the Compensation & Remuneration Committee of Directors/Board. The first increment of Mr Bhattacharya will be with effect from 1st April, 2008.

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, he shall have the overall responsibility for all matters relating to manufacturing, marketing and sales pertaining to the Cable Division of the Company 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.

IV. Period :

From 1st April, 2007 to 30th September, 2009.

V. Perquisites :

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

- i) **Residential Accommodation** : Free furnished accommodation. In case no accommodation is provided by the Company, the Managerial Personnel shall be entitled to House Rent Allowance in lieu thereof @ 60% of salary. The value of perquisites to be calculated as per Income Tax Act, 1961.
- ii) **Servant Allowance** : Rs 2,500/- p.m.
- iii) **Reimbursement of Gas & Electricity expenses.** : Actuals. Expenses incurred on Gas & Electricity, to be valued as per Income Tax Act, 1961.
- iv) **Reimbursement of Club & Home Entertainment expenses.** : Upto a ceiling of Rs 75,000/- p.a.
- v) **Reimbursement of Soft Furnishing expenses.** : Upto a ceiling of Rs 20,000/- p.a. Furnishings to be valued as per Income Tax Act.
- vi) **Leave Travel Assistance.** : Upto a ceiling of Rs 40,000/- p.a.
- vii) **Medical reimbursement in a block period commencing from 1st April, 2007 to 30th September, 2009.** : 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.
- viii) **Personal Accident Insurance premium.** : Upto Rs 4,000/- p.a.
- ix) **Reimbursement of Fees to Professional Institutes.** : Actuals.
- x) **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.



- xi) 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.
- xii) 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.
- xiii) 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 Sanjoy Bhattacharya, Director (Cable Operations), 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 salary limit specified in Part II (Section II-1) of Schedule XIII to the Act, 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 that 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 Wholetime Directors in accordance with Schedule XIII to the Act, or any amendments made hereafter 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 Director (Cable Operations) ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Director (Cable Operations).
4. If at any time the Director (Cable Operations) ceases to be the Director (Cable Operations) of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
5. The Director (Cable Operations) 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 Act, while at the same time, the Director (Cable Operations) is liable to retire by rotation.
6. If at any time the Director (Cable Operations) 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 Director (Cable Operations) shall not be entitled to supplement his earnings under the appointment with any buying or selling commission. He shall not also 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.