

ANNUAL REPORT 2007-2008

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NICCO CORPORATION LTD.



25th ANNUAL GENERAL MEETING
 Date : 30th July, 2008
 Day : Wednesday
 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 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
 Ms Pallavi Priyadarshini Kaul
 Mr Shiv Siddhant Narayan Kaul

Executive Chairman
 Ind. Non-Executive Director
 Ind. Non-Executive Director
 Ind. Non-Executive Director
 Ind. Non-Executive Director
 Nominee Director
 Ind. Non-Executive Director
 Director (Cable Operations)
 Director (Finance) & CFO
 Non-Exe. Non Ind. Director
 Non-Exe. Non Ind. Director

SR VICE PRESIDENT & CO. SECRETARY

Mr J S Paul

AUDITORS

Messrs G Basu & Co.,
 Chartered Accountants, Kolkata

BOARD COMMITTEES**Audit Committee**

Mr N Das
 Mr Prabir Chakravarti
 Mr Sujit Poddar
 Mr D N Bhattacharjee
 Mr J S Paul

Chairman
 Member
 Member
 Member
 Secretary

Compensation & Remuneration Committee

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

Chairman
 Member
 Member
 Member

Share Transfer Committee

Mr Rajive Kaul
 Mr Sanjoy Bhattacharya
 Mr Udayan Ray

Chairman
 Member
 Member

Shareholders' Grievances Committee

Mr N Das
 Mr D N Bhattacharjee
 Mr Sanjoy Bhattacharya
 Mr Udayan Ray

Chairman
 Member
 Member
 Member

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

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 : cmllist@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 2008-09 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 25th Annual General Meeting of the Members of Nicco Corporation Limited will be held on Wednesday, the 30th July, 2008 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, 2008, 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 Sanjoy Bhattacharya who retires by rotation and being eligible, offers himself for re-appointment.
(b) To appoint a Director in place of Mr Udayan Ray who retires by rotation and being eligible, offers himself for re-appointment.
(c) To appoint a Director in place of Dr L R Vaidyanath 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 Ms Pallavi Priyadarshini Kaul be and is hereby appointed as a Director of the Company, whose period of office will be liable for determination by retirement of Directors by rotation."
5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :
"RESOLVED that Mr Shiv Siddhant Narayan Kaul be and is hereby appointed as 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

Dated, the 30th April, 2008

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 Monday, the 21st July, 2008 to Wednesday, the 30th July, 2008, 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 dividends upto 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.

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NICCO CORPORATION LIMITED

ANNEXURE TO NOTICE

EXPLANATORY STATEMENTEXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2)
OF THE COMPANIES ACT, 1956**ITEM NO. 4 — Re-appointment of Ms Pallavi Priyadarshini Kaul**

On the recommendation of the Compensation & Remuneration Committee, the Board of Directors of the Company at its Meeting held on 31st October, 2007, appointed Ms. Pallavi Priyadarshini Kaul as an Additional Director, on 31st October, 2007.

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 her 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 her Consent pursuant to the provisions of section 264(1) of the Companies Act, 1956, to act as a Director, if appointed.

Ms Pallavi Priyadarshini Kaul is a B.A. (Hons) in Economics with a Diploma in Finance and Accounting from the London School of Economics. She is 32 years of age with more than 7 years' experience in running Company in H.R. field. Presently she is the Managing Director of Nicco Internet Ventures Ltd.

Considering her educational background and experience, the Board considers that the Company will benefit from the association of Ms Pallavi Priyadarshini Kaul and recommends the resolution for your approval.

Excepting Ms Pallavi Priyadarshini Kaul, Mr Shiv Siddhant Narayan Kaul and Mr Rajive Kaul, who are interested in her appointment, none of the Directors of the Company is in any way concerned or interested in the said resolution.

ITEM NO. 5 — Appointment of Mr Shiv Siddhant Narayan Kaul

On the recommendation of the Compensation & Remuneration Committee, the Board of Directors of the Company at its Meeting held on 31st October, 2007, appointed Mr Shiv Siddhant Narayan Kaul as an Additional Director, on 31st October, 2007.

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.

Mr Shiv Siddhant Narayan Kaul is an MSE, Operations Research and Financial Engineering from Princeton University, Princeton, NJ and Bachelor of Arts, Economics and Computer Science from College of Wooster, Wooster O H. He is about 30 years of age with 7 years of experience in Finance, US Treasuries and in Asset Liability Management.

He had worked in senior positions in Bank of America Securities, New York NY, as Vice President. He was Associate, Bank of America Securities, New York NY, Mt. Lucas Management, Princeton, NJ Lattice Financial, LLC, Princeton Junction, NJ, Price Waterhouse Coopers, E Business Practice, Kolkata and Dept of ORFE Princeton University, Princeton, NJ.

Presently he is the Managing Director of Nicco Engineering Services Ltd.

Considering his educational background and experience, the Board considers that the Company will benefit from the association of Mr Shiv Siddhant Narayan Kaul and recommends the resolution for your approval.

Excepting Mr Shiv Siddhant Narayan Kaul, Ms Pallavi Priyadarshini Kaul and Mr Rajive Kaul, who are interested in his appointment, none of the Directors of the Company is in any way concerned or interested in the said resolution.

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, the 30th April, 2008.



ANNEXURE - 'A'

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	Mr Sanjoy Bhattacharya	Mr Udayan Ray
Date of Birth	20.05.1946	01.06.1945
Date of appointment	28.11.1995	30.07.2003
Expertise in specific functional areas	Company Executive, Technical and Marketing	Extensive experience in Finance, Treasury, Taxation, Operations and Human Resource Management
Qualifications	B. Tech (Hons)	Post Graduate in Commerce, F.I.C.W.A.
List of other Companies in which Directorships held	1. Nicco Biotech Ltd. 2. NE Cables Ltd. 3. Nicco Cables Ltd.	1. Nicco Engineering Services Ltd. 2. SBI Home Finance Ltd. 3. Nicco Biotech Ltd. 4. NE Cables Ltd. 5. Nicco Cables Ltd.
Memberships/Chairmanships of Committees of Directors of the Company	Shareholders' Grievances Committee – Member	Shareholders' Grievances Committee – Member
Memberships/Chairmanships of Committees of Directors of other Companies	Nicco Biotech Ltd. Audit Committee – Member	1. Nicco Engineering Services Ltd. Audit Committee – Member 2. SBI Home Finance Ltd. Audit Committee – Member 3. Nicco Biotech Ltd. Audit Committee – Member
Shareholding of non-executive Directors as stated in clause 49(IV)(E)(v)	N.A.	N.A.

Name of the Director	Dr. L R Vaidyanath	Ms Pallavi Priyadarshini Kaul
Date of Birth	17.02.1924	11.09.1975
Date of appointment	18.07.2001	31.10.2007
Expertise in specific functional areas	Experience in Metallurgy	Management, Marketing and experience in running Company in H.R. field.
Qualifications	Graduated in Metallurgy, Ph D in Industrial Metallurgy from the University of Birmingham, UK	B.A. (Hons) in Economics; Diploma in Finance and Accounting, London School of Economics
List of other Companies in which Directorships held	1. Shalimar Wires Industries Ltd. 2. Rapsri Engineering Industries Ltd. 3. Indoswe Engineers Ltd.	1. Nicco Internet Ventures Ltd. 2. Nicco Financial Services Ltd. 3. Nicco Parks & Resorts Ltd. 4. Nicco Biotech Ltd. 5. Propel Properties Pvt. Ltd.
Memberships/Chairmanships of Committees of Directors of the Company	Corporate Governance & Remuneration Committee – Member	Nil
Memberships/Chairmanships of Committees of Directors of other Companies	Shalimar Wire Industries Ltd. – Investors' Grievances Committee – Chairman	Nil
Shareholding of non-executive Directors as stated in clause 49(IV)(E)(v)	Nil	Nil



NICCO CORPORATION LIMITED

Name of the Director	Mr Shiv Siddhant Narayan Kaul
Date of Birth	24.10.1977
Date of appointment	31.10.2007
Expertise in specific functional areas	Management, experience in Finance, US Treasuries and in Asset Liability Management
Qualifications	MSE, Operations Research and Financial Engineering from Princeton University, Princeton, NJ and Bachelor of Arts, Economics and Computer Science from College of Wooster, Wooster, OH.
List of other Companies in which Directorships held	Nicco Engineering Services Ltd.
Memberships/Chairmanships of Committees of Directors of the Company	Nil
Memberships/Chairmanships of Committees of Directors of other Companies	Nil
Shareholding of non-executive Directors as stated in clause 49(IV)(E)(v)	Nil



DIRECTORS' REPORT TO THE MEMBERS

For the year ended on 31st March 2008

Your Directors present herewith their Report together with the Audited Accounts of your Company for the year ended 31st March 2008.

A. FINANCIAL RESULTS & APPROPRIATIONS

	2007-08	(Rs. In Lacs) 2006-07
Gross Turnover	47699	42878
Gross Profit/(Loss) for the year	3880	3684
Less: Interest	1811	1579
Less: Depreciation	815	820
Less : Deferred Tax/FBT	610	677
Net Profit/(Loss) after Tax	644	608

Your Directors are pleased to report that your Company has earned a profit after tax of Rs. 644 lacs.

Turnover of your Company during the year increased by 11.3% and the Profit after tax was marginally higher by 5.9% over previous year. The growth of your Company remained restricted primarily due to the serious shortage of working capital faced during the year since the surplus generated during the year was fully utilized in repayment of debts. Intense competition had also adversely affected the margin of the Cables Division. However the Project Division has more than doubled the turnover over the previous year and also registered a positive swing in profitability of approximately Rs. 5.35 crore. The order book of the Project Division remains healthy at Rs. 280 crore as on 31st March 2008.

Since the implementation of CDR package your Company has repaid over Rs. 70 crore of term loan to the Banks and Financial Institutions.

As the cash generated by the Company has gone towards repaying its financial obligations, there has been a severe shortage of working capital finance which has impeded growth and achieving better results.

B. DIVIDEND

In view of 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 Discussions and Analysis Report as required under the Listing Agreement with the Stock Exchange is enclosed in Annexure A.

D. FINANCE

As both Cables and Project Divisions offered very high growth potential, your Company approached the consortium of banks for enhancement of working capital facilities. Although the banks in principle approved the proposal but release of the facilities was delayed. As a result the much needed working capital facilities were not made available to the Company. Thus, continued working capital constraint was the principal reason for your Company not being able to exploit the available opportunities in the market. Lack of access to the required funds imposed significant limitations on your company. Both the Divisions therefore operated at sub-optimal level. In order to fully tap the growth potential, your Company proposed to form a Joint Venture with the Prysmian Group (the second largest cable Company in the world) by transferring on slump sale basis inter alia all the assets and liabilities of Cables Division to a Joint Venture Company. The scheme of restructuring involving a joint venture is subject to approval of CDR and Hon'ble High Court of Kolkata. At the High Court convened EGM held on 14th March 2008 your consent for the restructuring was accorded. CDR has also approved the proposal of your Company. The objectives of the said restructuring are enumerated below :

- Your company will be debt-free with available cash for aggressive growth of the Projects Division.
- The value of the holding in Nicco Cables Ltd (the Joint Venture) is also expected to appreciate significantly as the technological and financial strength of the Prysmian Group will allow the Cables business to grow in line with the significant anticipated industry growth.
- Your Company will come out of CDR and will wipe off the past losses to establish itself as a strong and vibrant Company.

As per the scheme, Prysmian and your Company will hold 60% and 40% of the Equity stake respectively in the proposed joint venture. Nicco Engineering Services Ltd, a wholly owned subsidiary of your Company has formed a new company by name Nicco Cables Ltd to facilitate the process.

E. FIXED DEPOSITS

The total amount of deposits as on 31st March 2008 was Rs 3.06 Lacs. Depositors did not claim deposits aggregating to Rs. 3.06 Lacs due for repayment before 31st March 2008. None of the deposits have since been refunded or renewed.