

# Annual Report – 2011-2012



हिन्दुस्तान कॉपर लिमिटेड  
**Hindustan Copper Limited**



# HINDUSTAN COPPER LIMITED

(A Government of India Enterprise)

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M/s. C B Management Services (P) Ltd P-22, Bondel Road, Kolkata - 700 019 Tel No.: (033) 2280 6692, 4011 6700/18/23/28 Fax No.: (033) 4011-6739 E-mail: rta@cbmsl.com	10. Schedule forming part of the Balance Sheet	44
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“Tamra Bhavan” 1 Ashutosh Chowdhury Avenue Kolkata - 700 019, India Tel No.: (033) 22832226, 22832529 Fax No.: (033) 22832478, 22832640 E-mail: investors_cs@hindustancopper.com Website: www.hindustancopper.com	12. Significant Accounting Policies	68
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**Fortyfifth Annual General Meeting on Thursday, September 27, 2012 at 11.00 a.m. at ‘Tamra Bhavan’,  
1 Ashutosh Chowdhury Avenue, Kolkata - 700 019**

The Annual Report can be accessed at [www.hindustancopper.com](http://www.hindustancopper.com)



## BOARD OF DIRECTORS



Shakeel Ahmed



Gudey Srinivas



Anjali Anand Srivastava



K.D. Diwan



Anupam Anand



Avijit Ghosh



K K Saberwal



Apurba Kumar Sarmah



Raajnish Gossain



Arvind Sahay



Gyan P Joshi



Puneesh Kr. Kapoor



## NOTICE FOR ANNUAL GENERAL MEETING

Notice is hereby given that 45th Annual General Meeting of the members of Hindustan Copper Limited will be held on Thursday, the 27th September, 2012 at 11 am in the registered office of the Company at 'Tamra Bhavan' 1 Ashutosh Chowdhury Avenue, Kolkata-700 019 to transact the following business :-

### Ordinary Business

- 1) To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2012, the Balance Sheet as on that date together with the Directors' Report, Auditors' Report and C&AG's comments.
- 2) To declare dividend on equity shares.
- 3) To appoint a director in place of Shri Avijit Ghosh, who retires by rotation and is eligible for reappointment.
- 4) To appoint a director in place of Shri Apurba Kumar Sarmah, who retires by rotation and is eligible for reappointment.
- 5) To appoint a director in place of Major General (Retd.) Raajnish Gossain, who retires by rotation and is eligible for reappointment.
- 6) To fix the remuneration of the Auditors.

### Special Business

- 7) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT appointment of Shri Arvind Sahay as Director on the Board of the Company with effect from 7.2.2012 in terms of Ministry of Mines' order No.10/2/2010-Met.III dated 7.2.2012 be and is hereby approved."
- 8) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT appointment of Shri Gyan P Joshi as Director on the Board of the Company with effect from 7.2.2012 in terms of Ministry of Mines' order No.10/2/2010-Met.III dated 7.2.2012 be and is hereby approved."
- 9) To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
"RESOLVED THAT appointment of Shri Puneesh Kumar Kapoor as Director on the Board of the Company with effect from 7.2.2012 in terms of Ministry of Mines' order No.10/2/2010-Met.III dated 7.2.2012 be and is hereby approved."

By order of the Board

Place: Kolkata  
Date: 31st August, 2012

C S Singhi  
DGM & Co Secretary



## NOTES:

- i) **A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. Proxies, in order to be valid and effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**
- ii) The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2012 to 27th September, 2012 (both days inclusive).
- iii) Dividend on equity shares as recommended by the Board, if approved at the meeting will be paid within 30 days of declaration to those members whose names appear in the Company's Register of Members and as per beneficial owners position received from NSDL & CDSL as at the close of working hours on 20th September, 2012.
- iv) Members are requested to notify immediately change in their address, if any, to the Depository Participants (DPs) in respect of their electronic shares, and to the Company at its registered office in respect of their physical shares, quoting the folio numbers.
- v) Members desirous of getting any information about the accounts and operations of the Company or intending to raise any query at the Annual General Meeting (AGM) are requested to forward the same at least 10 days prior to the date of the meeting to the Company Secretary at the registered office of the Company so that the information required can be made readily available at the meeting.
- vi) Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- vii) In order to prevent the fraudulent encashment of dividend warrants, the members of the Company holding shares in physical form are requested to provide their complete bank account details along with Xerox copy of the cheque to the Company or Registrar & Transfer Agent, M/s. C B Management Services (P) Limited to incorporate the same in the dividend warrant. Further, members holding shares in dematerialized form and not submitted National Electronic Clearing System (NECS) form may please note that the bank account details as provided by their Depository Participants to the Company will be printed on the dividend warrants. The Company will not entertain any direct request from such members for deletion of or change in such Bank Account details. As such, they are requested to immediately intimate their Depository Participants about any changes in their bank account details.
- viii) The Company extends the NECS facility to members so as to enable them to receive dividend direct to their bank account at locations approved by the Reserve Bank of India from time to time, to avoid loss of dividend warrants in transit and delay in receipt of dividend warrants. Those members who wish to avail the facility may fill up the enclosed NECS form and send the same to the Company or Registrar & Transfer Agent, M/s. C B Management Services (P) Limited in case of shares held in physical form and to their Depository Participants in case of shares held in electronic / demat form.
- ix) Pursuant to the Circulars No 17/2011 dated 21st April, 2011 and Circular No 18/2011 dated 29th April, 2011 on green initiative issued by the Ministry of Corporate Affairs, shareholders holding shares in physical form are requested to register their e-mail address with the Company and those holding shares in electronic mode with their concerned depository participant. Any changes therein may also be informed from time to time, to enable the Company to serve notice / documents through e-mail.

Shareholders holding shares in physical mode are requested to visit the following web page of Company's Registrars & Share Transfer Agent (RTA), M/s. C B Management Services (P) Limited to register their e-mail ID and exercise option accordingly:

[www.cbmsl.com/green.php](http://www.cbmsl.com/green.php)



Shareholders holding shares in demat mode and intend to receive the Annual Report in physical form may likewise visit the abovementioned web page to exercise their option.

- x) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form may please submit their PAN details to the Company/Registrar and Transfer Agent.
- xi) Members are requested to:-
- a. produce the enclosed Attendance Slip duly filled & signed as per specimen signature recorded with the Company / Depository Participants for admission to the meeting venue.
  - b. bring their Client ID and DP ID numbers for easy identification of attendance at the meeting in respect of shares held in dematerialized form.
  - c. bring their copy of Annual Report to the meeting as extra copies shall not be provided.
  - d. quote their Folio / Client ID & DP ID Nos in all correspondence.
  - e. note that due to security reasons, brief case, eatables and other belongings are not allowed inside the meeting venue.
- f. note that no gifts / coupons shall be given to the members attending the meeting.**
- xii) Relevant documents referred to in the accompanying notice or the statutory registers, as applicable to the Company, are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the date of the AGM.
- xiii) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item no 7, 8 & 9 as set out above is annexed hereto.



## ANNEXURE TO NOTICE

### (Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956)

#### Item No.7

Shri Arvind Sahay, Professor, Indian Institute of Management (IIM), Ahmedabad has been appointed as part-time non-official Director of the Company with effect from 7.2.2012 in terms of Ministry of Mines' order No. 10/2/2010-Met.III dated 7.2.2012. It is now proposed to regularise his appointment at the ensuing 45th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 1956

Shri Arvind Sahay is PhD (University of Texas, Austin), PGDM (IIM, Ahmedabad), BTech (IIT, Kanpur). He joined IIM, Ahmedabad in June 2004 from London Business School where he had been teaching since his Ph.D. in 1996 from the University of Texas at Austin. Professor Sahay is the recipient of the University Wide Outstanding Dissertation Award from the University of Texas at Austin (for his Ph.D thesis), the Innovation in Teaching Award at London Business School and of the Dewang Mehta Best Teacher Award in Marketing Management in India. He has been a regular columnist for Outlook Business magazine on marketing strategy and also writes for the leading Indian business newspaper, Financial Express, on economics and business. He has been a visiting faculty at the College of William and Mary (USA), University of Texas at Austin (USA), IIM Lucknow, Asian Institute of Technology, Gordon Institute of Business Science, University of Pretoria (South Africa), S P Jain Institute of Management Research (Singapore, Dubai), Retail Alliance (Dubai) and Indian School of Business, Hyderabad. An author of a case book on marketing strategy "Cases in Pricing, Marketing Communications and Distribution", Professor Sahay has penned down more than 40 cases published in leading international journals and is currently writing a book on brand management.

Shri Arvind Sahay is a director on the board of Brandscapes Consultancy Pvt. Ltd. He does not hold any shares in HCL.

None of the Directors of the Company except Shri Arvind Sahay is in any way concerned or interested in the resolution.

#### Item No.8

Shri Gyan P Joshi , former IAS Officer & Ex-MD, GSFC has been appointed as part-time non-official Director of the Company with effect from 7.2.2012 in terms of Ministry of Mines' order No. 10/2/2010-Met.III dated 7.2.2012. It is now proposed to regularize his appointment at the ensuing 45th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Gyan P Joshi is B.Sc. (Hons) BITS, Pilani, M.Sc. (Physics), Allahabad University, M.Sc.(MIDP) UMIST, Manchester. He was in the Indian Administrative Service during the period from July 1978 to December 2008. Apart from being in Manipur during the formative period of his service, Shri Joshi has also been with the Department of Economic Affairs, Government of India, during which he spearheaded crucial projects in power and irrigation sectors as well as international negotiations. Later he joined Gujarat State Financial Corporation as the Managing Director. Shri Joshi has also held faculty positions in the training institutes for senior administrative and defence service officers.

Shri Gyan P Joshi is a director on the Board of National Aluminum Co Ltd, Saraf Foods Ltd and Peaches and Pulps Resorts Pvt Ltd. He does not hold any shares in HCL.

None of the Directors of the Company except Shri Gyan P Joshi is in any way concerned or interested in the resolution.

#### Item No.9

Shri Puneesh Kumar Kapoor, Practicing Chartered Accountant, has been appointed as part-time non-official Director of the Company with effect from 7.2.2012 in terms of Ministry of Mines' order No. 10/2/2010-Met.III dated 7.2.2012. It is now proposed to regularize his appointment at the ensuing 45th AGM of the Company in order to comply with the relevant provisions of the Companies Act, 1956.

Shri Puneesh Kumar Kapoor did his Bachelor of Commerce from University of Delhi in the year 1985 and passed Final Examination of Chartered Accountancy and Company Secretary in the year 1988. A Fellow Member of the Institute of Chartered Accountants of India as well as a member of Income Tax Appellate Bar Association, New



Delhi, Shri Kapoor has been a practising Chartered Accountant for over 23 years providing consultancy in Finance, Accounts, Auditing, Taxation, Project Appraisal & Financing and advising to various clients in private and public sector including Societies and Trusts.

Shri Puneesh Kumar Kapoor does not hold directorship in other companies. He also does not hold any shares in HCL.

None of the Directors of the Company except Shri Puneesh Kumar Kapoor is in any way concerned or interested in the resolution.

Brief resume of directors who are retiring and eligible for reappointment furnished in terms of clause 49 of the listing agreement:

**Shri Avijit Ghosh**

Shri Avijit Ghosh, was appointed as Director (Mining) of the Company in terms of Ministry of Mines' order No.10(1)/2009-Met.III dated 1.4.2010 and he joined with effect from 1.6.2010.

Shri Avijit Ghosh is a B.Tech (Mining) from Indian School of Mines, Dhanbad and obtained first class Manager's Certificate of Competency in 1985-86. He attended Management Education Programme at IIM, Ahmedabad in 1995-1996. Shri Ghosh has 32 years of experience in the field of mining and has held key managerial positions in Raymond Cements Works, Indian Aluminium Company and was the Assistant Vice President in Jindal Steel & Power Limited prior to joining the Company.

Shri Avijit Ghosh is a director on the Board of National Institute of Foundry and Forge Technology. He does not hold any shares in HCL.

**Shri Apurba Kumar Sarmah**

Shri Apurba Kumar Sarmah, former Managing Director, Bongaigaon Refinery & Petrochemicals Limited was appointed as part-time non-official Director of the Company with effect from 23.09.2010 in terms of Ministry of Mines' order No.10(5)/2008-Met.III dated 23.09.2010.

Shri Apurba Kumar Sarmah is B.E. (Chemical Engineering) from Assam Engineering College, Gauhati University and a diploma holder in Ecology and Environment from Indian Institute of Ecology & Environment, New Delhi. He has approximately 36 years of work experience, in Petroleum sector. He started his career with Oil India Limited in 1973 and worked there for period of two years before joining the newly formed Bongaigaon Refinery and Petrochemicals Ltd. (BRPL) where he worked in various capacities in operations, maintenance, technical services and corporate and strategic planning till 1998. He took the next assignment as General Manager (Production) in Numaligarh Refinery Ltd which was then in advanced stage of construction. He was responsible for building up the technical team, commissioning and operation of the refinery. His vast experience had helped the refinery to have smooth and safe commissioning, and systems and procedures introduced by him helped the refinery to become one of the most advanced, sophisticated and efficient refineries in India. He was elevated to the position of Senior General Manager (Refinery) in 2003. Shri Sarmah rejoined BRPL in January 2005 as Managing Director and held the post till March 2009 when BRPL got merged with Indian Oil Corporation Limited. Shri Apurba Kumar Sarmah does not hold directorship in other companies. He also does not hold any shares in HCL.

**Major General (Retd.) Raajnish Gossain**

Major General (Retired) Raajnish Gossain, former Chairman-cum-Managing Director, Bharat Dynamics Limited was appointed as part-time non-official Director of the Company with effect from 23.09.2010 in terms of Ministry of Mines' order No.10(5)/2008-Met.III dated 23.09.2010.

Major General (Retired) Raajnish Gossain is B.E. (Mechanical engineering) from Military College of Electronics & Mechanical Engineering, Secunderabad, M Tech from IIT Delhi, and Master in Management Studies (MMS) from Usmania University. He started his career in the corps of electrical and mechanical engineers of the Indian Army. After 33 years of distinguished service in the Armed Forces, retired in the Rank of Major General. He thereafter served for approximately six and half years with Bharat Dynamics Limited, a Defense Public Sector Undertaking, from where he retired as Chairman & Managing Director.

Major General (Retired) Raajnish Gossain is also a director on the Board of Ocean Security Guards Pvt Ltd. He does not hold any shares in HCL.





## REPORT OF THE BOARD OF DIRECTORS

**The Shareholders**  
**Hindustan Copper Limited**  
**Kolkata**

Your Directors have pleasure in presenting the forty fourth annual report of the Company together with the audited statement of accounts and auditors' report thereon for the year ended 31 March, 2012.

### 1. Financial Review

#### i. Financial Performance

The comparative working results for the FY 2011-12 vis-à-vis FY 2010-11 are as under:

(₹ in crore)

		2011-12	2010-11
(a)	Turnover	1638	1281
(b)	Profit before depreciation, interest & tax	492	360
(c)	Less : Depreciation	18	21
(d)	Less : Interest & Finance Charges	1	4
(e)	Profit before tax	473	335
(f)	Less : Provision for Taxes (including deferred tax)	150	111
(g)	Profit after tax	323	224
(h)	Add/(less): Statutory appropriation	0	0
(i)	Distributable Profit	323	224
(j)	Add: Balance brought forward from the previous year	491	391
(k)	Balance available for appropriation	814	615
	i) Dividend (including interim dividend)	93	93
	ii) Corporate Dividend Tax (including on interim dividend)	15	15
iii)	Amount transferred to General Reserve	24	17
(l)	Balance in P&L account to be carried forward	682	490
(m)	Earnings per Share (Rs)	3.50	2.42

During the year, the Company created a new landmark in its financial performance by posting highest ever profit before tax (PBT) of Rs 473 crores. The result surpasses previous best by a whopping 41.2%, which was achieved last year and was the best ever figure in the history of the Company. Financial performance during the year posted a jump by sustaining production at or near high figure in more than a decade, higher physical sales of copper and favorable LME price of copper as compared to previous year.

#### ii. Dividend

Your Company proposes to follow the dividend policy guidelines issued by the Department of Expenditure, Ministry of Finance which requires all profit making PSEs to declare a minimum dividend on equity of 20% or a minimum dividend pay out of 20% of post tax profits, whichever is higher. In conformity with this policy, the Board of Directors of your Company have recommended payment of dividend @ 20% on equity i.e. Re 1/- per share of Rs. 5/- face value for the year 2011-12, for approval of shareholders in the annual general meeting. The outgo on this account will be Rs. 92.52 crore for dividend and Rs 15.01 crore towards tax on dividend, aggregating to a total outgo of Rs. 107.53 crore. Your Directors have proposed to transfer Rs. 24.46 crore to General Reserve account from the profits available for appropriation.



## 2. Physical Performance

The comparative physical performance of production and sales for the year 2011-12 vis-à-vis 2010-11 is as under:

Particulars	2011-12	2010-11
Ore ('000 tonnes)	3,479	3,603
Metal-in-concentrate (tonnes)	31,377	31,683
Cathode (tonnes)	28,358	24,001
CC Wire Rod (tonnes)	26,310	22,993
Sales (tonnes) :		
Refined Copper	27,391	24,283
MIC	4,122	2,571

Ore production of 34.79 lakh tonnes during the year was 97% of the MoU target but 2<sup>nd</sup> highest in last 13 years (next only to FY 2010-11).

Metal in concentrates (MIC) production of 31,377 tonnes during the year was 90% of the MoU target and marginally less as compared to previous year production.

Cathode production of 28,358 tonnes (including tolled cathode) was 96% of the MoU target and 118% of the production in the previous year.

Wirerod production of 26,310 tonnes during the year was 95% of the MoU target which is commensurate with cathode availability.

### Factors Affecting Performance

Breakdown of departmental shovels and unsatisfactory performance of hired loading and hauling equipment at Malanjkhanda Copper Project (MCP) and equipment breakdown at Khetri Copper Complex (KCC) restricted achievement of higher ore production.

MIC production during the year suffered due to low grade of mined ore and low process recovery of Concentrator Plant at KCC.

### Remedial Action

The Company has a comprehensive Renewal & Replacement (R&R) plan for improving the reliability and availability of equipment for the underground mines at KCC and open cast mine at MCP. The Company has allocated Rs.38 crore under R&R budget during the FY 2012-13 for the purpose.

The Company has a plan to install additional 20 no. new 300 cft scavenger cells in the rougher circuit of concentrator plant at KCC to improve metal recovery during the year 2012-13.

## 3. Product wise sales Performance

Sale of copper products during FY 2011-12 increased by 17% over the previous year. The increased sale was achieved with higher realization per tonne of sale. Bulk discounts for higher tonnage customers was largely done away with and the customer base was expanded. The Company introduced innovative LME price linked multiple pricing options open to all customers for booking of material on HCL website. Item wise break up of sales is as follows:

(in MT)

Products	2011-12	2010-11
CC Rod	24672	20925
Cathode	2719	3338
Rectangular Conductor	-	20
Metal In Concentrate (MIC)	4122	2571
<b>Total</b>	<b>31513</b>	<b>26854</b>



#### **4. Corporate Plan 2020**

Your Company has prepared a long term corporate plan for long term growth strategy and maximization of profit. The plan sets goals and targets up to the year 2020. Your Company will vigorously pursue the capacity enhancement of its mines and will develop new copper deposits in the country and other geographies.

#### **5. Mine Expansion Schemes**

The Company has rolled out the mine expansion plan to increase mine production to 12.4 Million tonne by FY 2017-18. The scheme envisages expansion of Malanjkhanda, Khetri, Koliha and Surda mines, Banwas as an extension of Khetri Mine; re-opening of Rakha and Kendadih mines and development of new mines namely Chapri-Sidheswar. The mine wise scheme and status is given below:

##### **i. Malanjkhanda Copper Project**

It is proposed to expand the production of Malanjkhanda mine from 2 million tonne to 5 million tonne per annum by developing an underground mine below the existing open cast mine at an estimated cost of Rs 1856.74 crore. CCEA has approved the investment proposal in September, 2011 and successful EPC contractor has been decided. The work on the project will commence as soon as environmental clearance for the project is in place. Final EIA/EMP report in terms of the ToR issued by MoEF has been submitted for the approval of MoEF and we expect the environmental clearance shortly.

##### **ii. Khetri, Koliha and Banwas mine**

The proposed expansion of Khetri & Koliha mines and development of Banwas deposit will increase ore production from 1.0 million tonne to 3.1 million tonne per annum.

Banwas: Work for mine construction & development on Banwas mine has started in May, 2010. The work is expected to complete by 2014.

Khetri Mine: The EPC agency for executing the work has been appointed and the work at site has started from 16.9.2011. The cost of the project is Rs 96.77 crore.

Koliha Mine: Tenders for Koliha mines had to be discharged for technical reasons followed by litigation by the lowest bidder. The Court case has since been disposed off and fresh two stage bid process has been started.

##### **iii. Surda mine expansion**

The plan envisages increase in the depth of the mine and enhancement of production capacity from 0.4 million tonne per annum to 0.9 million tonne per annum.

The project cost is Rs 206.34 crore and EPC contract for shaft sinking and allied mine development has been awarded to the successful bidder on 18.11.2011.

##### **iv. Re-opening of closed mines at ICC**

Company has initiated action to re-open closed mines at Singbhum Copper Belt of ICC namely, Rakha and Kendadih mines to produce 1.5 million tonnes and 0.21 million tonne of ore per annum respectively.

##### **Kendadih Mine:**

EPC contract for reopening and allied mine development for 4 years has been awarded to the successful bidder on 04.02.2012 at a cost of Rs 73.84 crore.

##### **Rakha Mine:**

Financial bids for the tender have been received. The L-1 bidder is not a qualified applicant but took part in the RFP on the basis of Calcutta High Court order. The bidder has gone to Calcutta High Court for award of the contract to him. The matter is currently sub-judice.



**v. Chapri Sideshwar**

It is proposed to develop an underground mine at Chapri-Sideshwar to produce 1.5 million tonnes of ore per annum.

The project cost is Rs 256.50 crore and Letter of Intent (LoI) to the successful bidder has been issued on 08.11.2011. The work will start after the power facility has been restored at site.

**6. Green Field Exploration**

The Company has applied for prospecting (PL), mining (ML) and Reconnaissance Permit (RP) in the State of Rajasthan, Jharkhand, MP and Haryana. The status of the fresh lease applications is given below:

- i. Prospecting License (PL) has been applied for the two areas at Baniwali-Ki Dhani in Sikar Dist of Rajasthan for an area of 34.3022 square km and another for 8.65 square km. Government of Rajasthan has granted of PL for the area in favour of HCL to the Ministry of Mines in September 2010. The Project has met a fresh hurdle as the State Govt. of Rajasthan has discovered that bulk of the area marked for PL to HCL falls under Aravalli range where mining (including PL) is banned as per the judgment of Hon'ble Supreme Court. The case is pending till any decision is taken by Hon'ble Supreme court.
- ii. Mining Lease application has been submitted for Dhobani Pathargora Intervening Block and has already been scrutinized at the district level.
- iii. RP in the district of Balaghat is in the process of finalization by the Government of MP.
- iv. The other areas applied for Mining Lease are in the state of Jharkhand at Dhatkidli Trildih Block in the adjoining district of Saraikala and Nandup-Talsa Block.

Regular follow up is being done with the concerned State Govt authorities for getting the permits and leases.

**7. Status of Mining Leases**

- i. Mining leases in respect of Khetri, Kolihan and Chandmari at KCC are valid up to 22 February, 2013, 23 November, 2016 and 16 December, 2012 respectively.
- ii. Mining lease No. 1 & 2 of Malanjkhanda is valid up to 27 August, 2013. The other adjoining mining lease (Mining Lease No. 3) applied earlier are being pursued.
- iii. Mining lease in respect of Surda Mine is valid up to 14 June, 2014.
- iv. Kendadih Mining Lease, IInd renewal application submitted on 18 April, 2012, is in the final process of approval from State Government of Jharkhand and Rakha Mine execution of Lease Deeds is in advanced stage of clearance with the Govt of Jharkhand. NPV and PCA for second stage forest clearance for Kendadih mine have been deposited and approval is due.

**8. Safety**

Safety remains high priority area and the Company is always aiming to achieve "Zero Accident". Malanjkhanda mine reported three reportable accidents and Surda Mine reported two serious accidents in the year 2011. However, there was one fatal accident in Kolihan Mine in the year 2011.

The Company continues to maintain the tradition of attracting recognition for its safety performance and, like previous years, received a number of awards in mine safety as indicated below:

- i. KCC Group won 1st Prize and "First Aid Competition" and seven (7) group prizes on 25th Mine Safety Week, Ajmer Region in the year 2011-12.
- ii. KCC group won three Shields & seven individual prizes in All India Rescue Competition in the year 2011-12.



- iii. Nagpur Zone-II, under jurisdiction of DGMS, Malanjkhand Mine won prizes in nine categories in Mine Safety Competition in the year 2011 - 2012.

Besides the above, special training, regular refresher training programmes and on-the-job training are provided to all employees. Safety Campaigns like "Annual Mines Safety Week", "Fire Services Day", and "Industrial Safety Day" celebrations are being conducted regularly with active participation of employees in all the Units of HCL.

## **9. Management Discussion and Analysis**

A report on Management discussion and analysis is placed at Annexure-I

## **10. Corporate Social Responsibility**

The CSR Plan of the Company was prepared on the basis of Need Assessment Survey based on the principle of Participatory Rural Appraisal (PRA) carried out by National Institute of Rural Development (NIRD), an autonomous organization under the Ministry of Rural Development, Govt. of India for 15 villages (5 each at KCC, MCP and ICC) for FY 2011-12. It was approved by the Board in its 330th Meeting. An Amount of Rs.1.62 Crores was spent on CSR activities during 2011-12 as compared with expenditure of Rs.1.22 Crores during the period 2010-11. The following projects were undertaken during 2011-12 which were implemented through NGOs in accordance with DPE guidelines.

- i. Livelihood: Alternative employment schemes through Self Help Groups in Projects like Bamboo Item Making, Bee Keeping, Tasar Thread production.
- ii. Agriculture / Horticulture / Plantation: Plantation of Fruit Bearing Trees, Horticulture for Arjun plantation for Sericulture and Boring of Irrigation well for agricultural purposes.
- iii. Health, Hygiene and Sanitation: Construction of individual and community toilets, regular Health Camps and Eye Camps.
- iv. Infrastructure Development: Construction of Tube Wells, Village Roads, Drainage System.
- v. Water (Drinking water & Water resource Development Program): Installation of TATA SWACCH water filter, construction of drinking water overhead tank, installation of Hand pump/Tube wells.
- vi. Livestock Development Program & Veterinary Services: Health Vaccination Camp and construction of drinking water Hodge for animals in villages.

## **11. Corporate Communications**

The Company continued to improve communication with the external environment as well as with the employees in various measures. Corporate image building exercises gained momentum through extensive news and media coverage. The Company has also made its presence felt in the national and international fora through quality participation.

Internal communication has been bolstered by publication of Tamralipi and C/o Conscience (Tamralipi supplement on Vigilance), circulation of the current news items on Copper and Mining Sector through Copper Commune and hosting them on the Company website.

The Company has won the In-house Communication Excellence (ICE) Award 2011 for its house journal Tamralipi on 17 June, 2011. The award was conferred upon HCL by Sailaja Nair Foundation, Mumbai.

## **12. Compliance with the RTI Act 2005**

All the requirements / provisions of the Right to Information Act 2005 have been complied with during the year 2011-12.



### 13. Vigilance Activities

Theme of this year's vigilance activities has been pro-active and participative vigilance by all stake-holders through systems improvement and laying down transparent policies towards good corporate governance. Vigilance Department of HCL has been pro-active in spearheading transparency initiatives in recruitment and promotion, procurement, finance and marketing policies along with capacity building efforts to take the team forward. While vigilance activities should not be used as an excuse to be indecisive in taking key commercial decisions, care has to be taken to ensure that a professional working atmosphere prevails both in the shop floor as well as in the back office that facilitates decision making in the Board Room as well.

With this direction, a campaign for creating awareness was taken up during Vigilance Awareness Week celebration between 31 October, 2011 to 5 November, 2011 in all the units, including the Head Office. To create an awareness about the harmful effect of corruption among general masses, lecture sessions on anti-corruption topics on administrative vigilance and on Ethics & Corruption in Corporate Governance were organized at HCL Corporate Office on 7 October, 2011 and 1 November, 2011 by inviting eminent personalities, viz. Shri Rana Som, CMD/NMDC and Ms S Shyni, Superintendent of Police, and Head of Branch, Central Bureau of Investigation (Bank Security & Fraud Cell), Kolkata.

To encourage deliberations and discussions on the issue of corruption among the youth, an inter-school speech and skit contest was organized by Hindustan Copper Limited on 10 December, 2011 at the St. Xavier's College Auditorium as the 1st ever public programme. The Programme - 'Conscience 2011' turned out to be a brainstorming session in which the youngsters gave voice their take on corruption. They delivered inspiring speeches and participated in skit competition that enthralled the audience. The competition was followed by prize distribution and felicitation ceremony wherein all participants and school coordinators were felicitated. The event received wide media attention and was covered by the Doordarshan and Statesman & Times of India.

### 14. Official Language Implementation

During the year, HCL made constant endeavor to increase use of Hindi in its Units/Offices. Raj Bhasha Pakhwara and Hindi Diwas were celebrated in the Units/Offices from 14 to 28 September, 2011. The messages of Hon'ble Home Minister and CMD were circulated / read out in all Offices/Units on this occasion. Various competitions were organized with a view to enhance interest among employees towards Official Language. Prizes were distributed to the winners. Employees are constantly motivated to use Hindi in their day-to-day official work. Hindi Workshops are conducted in the Units/Offices at regular intervals. Regular review of progressive use of Hindi and difficulties faced were carried out in Quarterly meetings of Official Language Implementation Committee under the Chairmanship of CMD at Corporate Office and Unit Heads in Units.

The meeting of Hindi Salahkar Samiti, Ministry of Mines held on 15 June, 2011 at Vigyan Bhawan Annexe, New Delhi and 17 October, 2011 at Bangaluru under the Chairmanship of Hon'ble Ministry of Mines was attended by Shri Shakeel Ahmed, CMD. The Hindi translation of Annual Report, MoU and various other jobs of the Company were done. During the year 2011-12, the Company participated in both the half-yearly meetings of Town Official Language Committee (PSUs), Kolkata held on 30 August, 2011 and 30 January, 2012.

The progressive use of Hindi is being reviewed regularly at the Board meetings. Hindi books have also been purchased during the year. The Company's in-house journal "Tamralipi" is published in Hindi and English and distributed among employees regularly and also mailed to the members of the Hindi Advisory Committee. Effort is continuously made to ensure that the Company's advertisements for recruitment/Tenders, etc. are also published bilingually. "One Hindi Work Every Day" scheme is operational for improving the Hindi vocabulary of employees. The use of Hindi in Computers has been reinforced and advanced Unicode Software Hindi Open Office has been provided to all Units / Offices of the Company.



## **15. Corporate Governance**

A report on Corporate Governance as per SEBI directives and stock exchange listing requirements is given at Annexure-II forming part of this report together with statutory auditors' certificate on corporate governance.

## **16. Code of Conduct**

The Company has in place a Code of Conduct applicable to the Directors as well as Senior Management and the same has been circulated to all concerned and posted at the Company's website [www.hindustancopper.com](http://www.hindustancopper.com). All Board members and senior management personnel have affirmed compliance of the code for the year ended 31 March, 2012.

## **17. Directors' Responsibility Statement**

In terms of Section 217(2AA) of Companies Act, 1956, your Directors confirm:

- (i) That in the preparation of the annual accounts for the year ended 31 March, 2012, the applicable accounting standards had been followed along with proper explanations relating to material departures/variatioins.
- (ii) That such accounting policies have been selected and applied which are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of 31 March, 2012 and of the Profit or Loss of the Company for the year.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the annual accounts on a going concern basis.

## **18. Directors**

S/Shri Arvind Sahay, Gyan Prakash Joshi and Puneesh Kumar Kapoor have been appointed as part-time non-official Directors of the Company vide order no.10/2/2010-Met.III dated 7 February, 2012 issued by the Ministry of Mines, Government of India.

## **19. Auditors**

M/s. Agrawal Anil & Company, New Delhi and M/s. S Ghose & Company, Kolkata were appointed as joint statutory auditors to audit the accounts of the Company for the year 2011-2012.

M/s. Ranajit Ghosh, Kolkata was appointed as Cost Auditors of the Company to audit cost accounts relating to manufacture of sulphuric acid at ICC for the year 2011-12.

## **20. Comments of C&AG**

The comments of C&AG under Section 619(4) of the Companies Act, 1956 on the accounts of the Company for the year ended 31 March, 2012 along with the review of accounts of your Company by C&AG are annexed to this report.

## **21. Particulars of Employees in terms of Section 217(2A)(a) of the Companies Act, 1956**

There was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217(2A)(a) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.



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## 22. Appreciation

In conclusion, your Directors wish to place on record their appreciation of the hard work put in by all employees of the Company during the year under review. The Board gratefully acknowledges the valuable guidance and co-operation received from the Ministry of Mines and other Ministries/Departments of the Government of India and the support received from the State Governments of Rajasthan, Jharkhand, Madhya Pradesh, Maharashtra and West Bengal and the Company's bankers, auditors, C&AG, customers and office bearers of the recognized trade unions of different Units/Head Office. The Board also thanks all shareholders and investors for the trust reposed by them in the Company.

For and on behalf of the Board of Directors

Shakeel Ahmed

Chairman-cum-Managing Director

Place: Kolkata

Date: 29th May, 2012





**REPORT ON MANGEMENT DICUSSION AND ANALYSIS**

**1. Discussion on financial performance in respect to operational performance**

The financial performance for FY 2011-12 vis-à-vis FY 2010-11 is summarized below:

(₹ in crore)

Particulars	2011-12	2010-11
Sales	1638.18	1281.28
Value of Production	1704.18	1409.46
Cost of production excluding depreciation, amortization and Finance Cost	1085.67	972.80
Profit before depreciation, amortization and Finance Cost	618.51	436.66
Depreciation, amortization	144.06	97.27
Finance Cost	1.53	4.18
Profit/ (Loss) before tax	472.92	335.21
Provision for taxation-Current	158.70	107.75
-Deferred	(9.22)	3.36
Profit/ (Loss) after tax	323.44	224.10

Capital Expenditure

The approved capital outlay of Rs 140.82 crore on account of Replacements & Renewals (R&R) of plant & machinery, Mine Expansion and Mine Development Expenditures was fully utilized by the Company out of its own internal resources. No Government support for capital expenditure was asked for, nor received during the year.

Loans

Your Company continues to be a debt free company and during the year, it had no secured or unsecured loans on its books.

Contribution to Exchequer

During the FY 2011-12, the Company contributed a sum of Rs 425.82 crore to the exchequer by way of duties, taxes and royalties, as against Rs 335.49 crore in 2010-11, as detailed below:

(₹ in crore)

Particulars	2011-12	2010-11
Excise Duty	146.57	110.24
Customs Duty	0.02	0.32
Export Tax	1.85	1.41
Sales Tax	46.39	46.63
Royalty and Cess	60.66	61.04
Income Tax	156.03	110.39
Others	14.30	5.46
<b>Total :</b>	<b>425.82</b>	<b>335.49</b>

Expenditure in foreign currency

During the FY 2011-12, the Company spent foreign currency to the tune of Rs 1.28 crore towards components, stores & spares, capital goods, traveling, advertisement etc. as compared to Rs 3.79 crore in FY 2010-11.



Earnings in foreign exchange

During the FY 2011-12, the Company earned foreign exchange of Rs 66.50 crore through exports of anode slime as against Rs 64.71 crore earned in FY 2010-11.

**2. Industry Structure and Business Scenario**

Global Business Scenario

The IMF's latest "World Economic Outlook" pushes up expected global growth in 2012 to 3.5%. IMF forecast for economic growth of China, accounting for 40% of the global copper demand, indicates slowdown in 2012 to 8.2%, from 9.2% in 2011, with a rebound in 2013 to be driven by domestic consumption.

According to the International *Copper Study Group* (ICSG), the world demand for refined copper in 2012 is expected to exceed production of refined copper by about 240,000 metric tonnes (t), as supply will continue to lag behind the growth in demand. This would be the third consecutive year of production deficit. In 2013, however, increased output from new and existing mines could reverse the 3-year trend, and, based on initial projections, refined copper production could exceed demand by about 350,000 t.

Numerous factors including a world economic slow down, European Union sovereign debt issues, political disturbances in the Middle East and North Africa, and production shortfalls owing to labor unrest, utility and capital shortages, and technical factors create significant uncertainty, and that the global market balances could vary from those projected.

World mine copper production for 2012 is projected at 16.9 million tonnes, an increase by 5.1% over 2011. Capacity utilization rates are expected to increase from 79% in 2011 to an average of 81% in 2012.

In 2011, operational failures, labour unrest, and lower ore grades resulted in mine production not keeping pace with the demand. According to ICSG, the average global mine capacity utilization rate fell to about 79% in 2011 which is at the lowest level in last 20 years.

Growth in mine output is expected mainly from increase in production at existing mines rather than from new projects. While some expansions and startups will occur in 2013 that will help boost mine production by 7.6% to 18.1 Mt, deferrals and delays in projects have postponed most of anticipated new supply to 2014 or later.

In 2012, world refined copper production is expected to remain constrained by a shortage of concentrates and is projected to increase by only about 2.5% to reach 20.15 Mt. In 2013, with improved concentrate availability, refined copper production is expected to grow by 6.9%, Electrowon copper production and secondary refined production are expected to grow by about 160,000 t and 190,000 t respectively in 2012, and by about 130,000 t and 180,000 t respectively in 2013.

ICSG expects the world consumption of refined copper in 2012 to grow by only 2.5% from that in 2011 to 20.4 Mt. Demand growth in China is anticipated to slow to 3.6%, a contraction in demand is expected for the EU, no growth is foreseen for usage in Japan, and U.S. usage is expected to grow by 3.9%. For 2013, improved macro-economic conditions are expected to generate copper demand growth of 3.9%; Chinese usage is foreseen to increase by 4.9% and the rest of the world by 3.3%.

Indian Copper Scenario

As of now, there is a high level of deficit in the mining capacity and surplus in the refining capacity. Domestic production of concentrate accounts for only 4% of the total domestic requirement. India has very limited known reserves of copper ore exploitable for copper production.



As of 1.4.2010, as per IBM, total reserves are estimated (in metal terms) at 4.8 million tonnes and resources at 12.3 million tonnes. Current level of reserves is, thus, equivalent to just about five years of copper production in India.

Indian has about 182,000 sq. km area with geological conducive to base metal and copper mineralization out of which is 60,000 sq. km in potential area. Of this 20-25% area has been covered by GSI by P-1 & P-2 stages of exploration. Copper deposits in India are located Precambrian terrains of the Peninsular Shield and to small extent in the lesser Himalayas

Although total recoverable resources position of copper ore in the country stands at 416.8 Million tonne, most of the deposits are widely distributed. Keeping in this view that there is great supply gap of copper raw material in the country, augmentation of copper ore resources in the country is of utmost importance

All the operating mining leases are presently held by Hindustan Copper Limited (HCL). The Company has access to over two-thirds of the copper ore reserves in India. The Company's copper reserves and resources in accordance with JORC standard are 411.53 (Average grade 1.05%) million tonnes and 623.319 (Average grade 1.04%) million tonnes as on April 1, 2010. Thus, HCL has adequate opportunity to augment its mining capacity by increasing production from the existing mines and by developing new ore reserves, besides re-opening closed mines.

There are four major producers of refined copper in India out of which M/s Hindustan Copper Ltd. (HCL) is the only integrated primary refined copper producer having copper mines within the country. The other two primary refined copper producers are Custom Smelters and depend on imported mineral in the form of concentrate either from their own mines abroad or other overseas sources. Jhagadia Copper, on the other hand, is equipped to manufacture refined copper through secondary route, i.e., by mostly using scrap as raw material. The operation of JCL has been stopped since November, 2009

In addition there are a few installations to produce Electro-won Copper - but their capacities are still very low, and production is inconsistent. Thus such units' contribution to total domestic copper is still negligible.

In fiscal 2012, India's refined copper capacity is around 1 million tonnes of copper, requiring approximately 100 million tonnes of copper ore (assuming a copper content of 1%). The copper ore production in India for fiscal 2012 was 3.45 million tonnes.

Refined copper production in FY 2011-12 is 6,74,165 tonnes, as compared to 6,53,414 in FY 2010-11.

HCL has shutdown its one of the smelter & refining plant (Khetri Plant) of annual capacity 31,000 due to economic reasons.

The size of Indian Copper Industry (consumption of refined copper per annum) is around 5.5 lakh tonnes, which as percentage of world copper market is only three percent. India has emerged as net exporter of copper from the status of net importer on account of rise in production.

#### Pricing and Tariff

Domestic Indian copper prices track global prices as the metal is generally priced on the basis of the landed cost of imported metal. Copper concentrate imports in India are subject to a customs duty of 2% and refined copper imports are subject to a customs duty of 5% and an additional surcharge of 3% of the customs duty. Indian producers are also able to charge a regional premium, which is market driven.

#### Consumption Pattern

Indian domestic refined copper consumption has grown at a CAGR of 9.7% between 2000 and 2009. This has been supported by strong growth in end user segments such as winding wires, power cables and other user applications. India's aggregate refined copper consumption in 2010-11 was around 550,000 tonnes, an



increase of 10% over last year. The consumption of refined copper in India is expected to grow by 8-9% in coming years driven by Government of India increased expenditure in power & infrastructure sector and growth in auto sector. Electric and electronic products industry has become the largest sector for consuming copper in India, accounting for 36% of total Indian copper consumption. Telecom is still India's second largest copper consuming sector, accounting for 20% of total Indian copper consumption

India's copper market is expected to remain positive with strong growth in key user segments such as power, construction and engineering. Indian refined copper consumption is expected to continue to grow strongly in-line with the overall growth of the economy. Continued growth in the industrial, housing, infrastructure and power sectors is expected to drive the demand for copper in coming years

India's per capita copper consumption was less than 0.5 kg in 2010 compared to 4.6 kg in China and a world average of 2.4 kg. If India's per capita copper consumption moves towards the per capita copper consumption levels in the rest of the world, India's copper market has the potential for significant growth.

### **3. Opportunities and Threats**

There is a ready market for copper concentrate in India due to huge deficit in mining capacity and large smelting/refining capacity. While the private companies have the benefits of high scale of operation along with locational advantage, HCL has a competitive advantage by virtue of ownership of mines and there is ample scope for expansion of mine capacity

India's copper market is expected to remain positive with strong growth in key user segments such as power, construction and engineering. Indian refined copper consumption is expected to continue to grow strongly in-line with the overall growth of the economy. Continued growth in the industrial, housing, infrastructure and power sectors is expected to drive the demand for copper in coming years.

The key growth drivers are the continuing demand from power and construction sectors. Electrical & power sectors account for nearly one-third (~35%) of the refined copper consumption, followed by 11% by the transport (auto and railways) industry, 8 % each by construction & consumer durables industry. The growing environment consciousness and an emphasis on using more energy-efficient appliances would also help to protect demand for copper in India.

There has been insignificant investment in green field exploration of base metals like copper in last few decades. Preliminary exploratory studies by GSI and MECL have indicated that there is further scope of increasing reserves of the country.

Indian has about 182,000 sq. km area with geological conducive to base metal and copper mineralization out of which is 60,000 sq. km in potential area. Of this 20-25% area has been covered by GSI by P-1 & P-2 stages of exploration. Copper deposits in India are located Precambrian terrains of the Peninsular Shield and to small extent in the lesser Himalayas

Although total recoverable resources position of copper ore in the country stands at 416.8 Million tonne, most of the deposits are widely distributed. Keeping in this view that there is great supply gap of copper raw material in the country, augmentation of copper ore resources in the country is of utmost importance

The threat perception for the Company includes great volatility of world copper prices and increasing cost of inputs. An uncertain world economic situation prevails and possibility another Euro crisis can not be ruled out. Major economies still faces major brakes on growth and may witness steep fall in LME copper price.

Continuous attrition of skilled manpower and difficulty in redeployment of idle workmen is also threat to the Company.



#### 4. Future Outlook

Present scenario is highly favorable for copper mining and exploration industry and provides an opportunity to expand the mine capacity and develop new mines.

Globally price of copper is expected to remain high in the next 3 to 4 years. Profit margins of customer smelters like Birla Copper & Sterlite will come under pressure due to high cost of copper concentrate and low Tc/Rc charges.

The LME copper price has stabilized in the range of USD 7500 to 8500 / tonne. Reuters, in a survey of 30 metal analysts in March 2012 forecasted an average LME copper price of USD 8245(mean).

#### 5. Risk and Concerns

The Company has laid down risk management framework keeping the Company's objectives, growth strategy and process complexities arising out of its business operations. Risk management in HCL is a continuous process of identifying, assessing and managing all the opportunities, threats and risks faced by the company to achieve its goals. The policy addresses Company's concerns in the following broad categories of risk:

- i. Operational Risk - resulting from production stoppages, outdated technology and business process failure
- ii. Market Related Risk - arising out of competition, fluctuation in copper metal prices, quality assurances, customer satisfaction
- iii. Financial Risk - pertaining to fluctuation in currencies, liquidity problems, capital availability
- iv. Legal & Regulatory Risk - relating to non-compliance of laws, legal liabilities and litigations
- v. Other Risks - relating to Human resources risks including succession planning, recruitment, compensation & retention issues, natural disasters, damage of property, acts of terrorism, information technology etc.

#### 6. Environment and Pollution Control Measures

The ambient air quality is regularly monitored at mines, process plants and residential areas at all the units as per pollution control board guidelines/standards. To further improve the existing environmental management plan, the environment cells at the units have implemented/are in the process of implementing the recommendations arising out of the environmental audit earlier done through an external agency in phased manner.

The range of air quality around the various mines of the company is well within the standards and limits prescribed by the pollution control boards as given below:

Sl. No.	Parameters	Unit	Values (Range)	Permissible Limits
1	Suspended Particulate Matter (SPM)	µg/m <sup>3</sup>	51 – 294	500
2	Sulphur dioxide (SO <sub>2</sub> )	µg/m <sup>3</sup>	7.9 – 18	120
3	Oxide of Nitrogen (NOX)	µg/m <sup>3</sup>	10 – 24.6	120
4	Carbon Mono oxide	µg/m <sup>3</sup>	< 1 ppm	4 ppm

Effluent treatment facilities installed at the units of the company have been working satisfactorily and meeting regulatory norms as prescribed by the Pollution Control Boards. Discharged process water is being recycled after treatment thus conserving the water. As water availability is scarce at KCC and operation of the plant is affected due to inadequate availability of water, total recycling of water is practiced. An HRT tailing thickener has been installed and commissioned at KCC concentrator plant for disposal of thickened slurry and also to have better recovery of water from tailings. Quality of water being recycled in various units of HCL is in the range as given below:



Sl. no.	Parameters	Unit	Characteristics Range	Permissible Limits
1	pH	-	7.45 – 7.80	5.5 – 9.0
2	Total Suspended Solids	mg/lit	70-79	100
3	B.O.D	mg/lit	11.36 – 15.6	30
4	C.O.D	mg/lit	13.02 – 60.0	250
5	Oil Grease	mg/lit	Not traceable	10
6	Colour	Hazen	Colourless	-
7	Odour	-	Odourless	-

Solid waste from plants and hospitals are also safely disposed off or stored as per guidelines prescribed by the Pollution Control Boards.

Company promotes several environment friendly activities by planting trees, improving house-keeping, cleanliness, hygiene and safety through several programmes round the year. The company has planted different types of flora around the mining and township areas at the units to maintain the green environment. Total 816593 tree plantations have been carried out till 2011.

#### 7. Energy Conservation

Energy audit cells at the units are constantly monitoring energy consumption at the mines, plants and townships to achieve overall reduction. Power factor in all the four units is currently being maintained above 0.95. Further installation of high tech CJD burner at ICC Smelter has significantly reduced energy consumption. The achievements made in regard to reduction in specific energy consumption over previous year at the units are indicated below:

Sl. No.	Specific Consumption	Unit	2011-12	2010-11
1	Kolihan Mine	Kwh/T	21.61	23.85
2	ICC Refinery	Kwh/T	294	318
3	ICC Smelter fuel	Lit/T	493	505
4	ICC Smelter Oxygen	NM3/MT	597	661

#### 8. Research & Development / Science & Technology / Technology Absorption

Trial with 90 mm High-Chrome grinding media balls to optimize its size for increased milling at MCP

Trial with 90 mm high chrome grinding media in place of 80 mm high chrome grinding media at MCP concentrator plant ball mills has resulted in 30% reduction in ungrounded spillage generation and increase in - 200 # fine generation by about 1%.

Collaborative research work jointly with CIMFR, Dhanbad on field trials to evaluate and quantify efficacy of SPARSH in the open pit at MCP in improving safety & productivity in engineering blasting operations

The following benefits have been achieved by conducting trials with stemming plug (SPARSH) at MCP open pit mine:

- i) Better fragmentation leading to increase in shovel loading efficiency
- ii) Reduction in formation of fly rock, boulder and toe formation
- iii) Reduction in stemming column length requirement
- iv) Better containment of explosive energy



High Rate Thickner (HRT) for Concentrate at KCC

HRT installed at KCC Concentrator plant is recycling around 2000 m<sup>3</sup>/day of waste water, leading to reduction in fresh water consumption.

Soil Restoration at MCP

Total area of 90500 m<sup>2</sup> has been covered by turfing (8" layer of soil & manure) at MCP tailing pond for soil restoration. Dub grass has been planted on 60500 m<sup>2</sup> turfed area for green belt development.

**9. IT Initiatives**

The following IT initiatives, spanning all operational areas taken up by the Company for bringing about dynamism, transparency and business efficiency, are being maintained and updated. Major initiatives are:

ERP implementation

Oracle ERP (eBiz Suite R12) implementation has enabled HCL adopt a centralized business management platform based on which the entire company has been thoroughly unified, increased real-time visibility of critical business parameters, thereby strengthening financial management & spares control, supply chain management, customer service and HR functions. Audited financial results have been finalized within scheduled planned time.

E-Procurement/EPS

Procurement of Stores & Spares items above Rs 1.0 lakhs continues to be done through Enterprise Procurement System (EPS), conducted by third party namely M-Junction, Kolkata.

Real time LME booking

A web based system is in place to enable customers to place on-line orders for copper wire rod and cathode with the Company in a Real time LME rate scenario. Web based booking of orders for items like sulphuric acid, copper sulphate & mill scale is also in place and the system helps customers to monitor the order booking status and view HCL's price circulars.

Legal Cases computerization

A system is developed to compile and store all legal cases information of HCL at one place for easier retrieval and query to meet different information needs of senior management.

**10. Human Resource and Industrial Relations**

Manpower as on 31 March, 2012

The manpower on Hindustan Copper Limited as on 31 March, 2012 was 4810 as detailed below:

Group	Total	SC	ST	Ex-S/Men	PH	Land Displaced Person	Minorities	OBC
A	656	92	17	4	3	0	32	46
B	59	10	7	3	0	0	2	16
C	3285	498	472	48	32	177	234	508
D	810	196	115	2	17	207	28	22
<b>Total</b>	<b>4810</b>	<b>796</b>	<b>611</b>	<b>57</b>	<b>52</b>	<b>384</b>	<b>296</b>	<b>592</b>

Industrial Relations & Employees Participation in Management

Industrial Relations situation in all the Units of the Company continued to be harmonious and peaceful.

Over the years, Employees Participation in Management has been the backbone of harmonious Industrial Relations in the Company. The successful operation of various Bi-partite fora at the Apex, Unit and Shop-floor levels have contributed immensely towards the smooth functioning of the Company.

## Annexure-I To the Directors' Report (Contd.)



### Reservation for appointment of SC/ST/OBC Candidates

The Company adheres to the prescribed Government guidelines on reservation for SC/ST/OBC categories in all recruitment activities. The representation of SC, ST and OBC employees out of the total manpower of 4810 as on 31 March, 2012 is 17%, 13% and 12% respectively.

### Human Resource Development

Based on identified needs, Training and Development at all levels of employees is given due priority by the Company to increase effectiveness. The Company selectively nominated employees for specialized training Programmes / Workshops / Seminars / Conferences organized by reputed professional organizations and Institutes. In FY 2011-12, against a training target of 5500 mandays, total of 14546 mandays of training were imparted.

### Employment of Women

The Group wise strength of female employees as on 31 March 2012 vis-à-vis the total strength of the Company is given below:

Group	Total Strength	No. of female employees	% of female employees to total strength
A	656	37*	6
B	59	3	5
C	3285	102	3
D	810	142	18
<b>Total</b>	<b>4810</b>	<b>284</b>	<b>5.90</b>

(\*including one CVO)

In pursuance to the judgment of the Supreme Court, HCL has set up Committee in all the Units/Offices of the Company for the Prevention of Sexual Harassment of Women in work place. A provision in this regard has also been incorporated in the Conduct, Discipline and Appeal Rules of HCL. During the year under report, no incidence of discrimination amongst employees on the basis of gender has come to light.

### Communal Harmony and National Integration

In the townships of the Company located at Khetri, Malanjkhanda and Ghatsila as well as in other places of work, the employees of different caste, creed, religion, live together and celebrate all religious festivals with pomp and gaiety.

### The status of implementation of the persons with Disability Act, 1985

During last few years, there has been limited recruitment in the Company. Although there was hardly any scope of fresh inductions of physically challenged persons due to the mining operations of the Company being hazardous in nature, the scope of engagement of physically challenged persons being limited, yet one physically challenged Executive was inducted in Top Management cadre. The number of physically challenged persons employed in the Company as on 31 March, 2012 is as under.

Group	Number of physically challenged persons
A	03
B	00
C	32
D	17
<b>Total</b>	<b>52</b>





## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy

The philosophy of the Company in relation to corporate governance is to ensure transparency, disclosures and reporting that conforms fully with the laws and regulations of the country in order to promote ethical conduct and practices throughout the organization for enhancing stakeholders' value.

### 2. Board of Directors

#### (a) Composition:

As on 31 March, 2012 the Board of Directors comprised a Chairman-cum-Managing Director, four functional directors, viz., Director(Operations), Director(Personnel), Director(Mining) and Director(Finance), two Government directors (part-time official) representing the Ministry of Mines, Government of India and five Independent directors (part-time non-official). In terms of clause 49 (corporate governance) of the listing agreement, where chairman of the Board is an executive director, at least half of the Board should comprise Independent directors. Accordingly, there is vacancy of two Independent directors compared to composition under the requirement of the listing agreement. The Company has requested the Ministry of Mines, Government of India to fill up the vacancies so as to constitute the Board as per corporate governance requirement.

#### (b) Meetings, attendance & other directorship

During 2011-12, eight Board meetings were held on 29 April, 2011, 28 May, 2011, 4 July 2011, 3 August, 2011, 3 November, 2011, 8 November, 2011, 12 December, 2011 and 3 February, 2012, and the majority of members of the Board remained present. Leave of absence was, however, granted to the directors who could not attend the meeting.

The directors' attendance at the Board meetings and at the last annual general meeting (AGM), number of directorship in other companies and membership in other committees etc. during the year are as follows:

##### (i) Whole time Directors

Name of the director	No of Board meetings attended out of 8 held	Attendance at last AGM held on 20 September, 2011	No of other directorship	No of committee position held in other companies	
				Chairman	Member
Shri Shakeel Ahmed, CMD	8	Yes	Nil	Nil	Nil
Shri K D Diwan Director(Operations)	8	Yes	Nil	Nil	Nil
Shri Anupan Anand Director(Personnel)	8	Yes	Nil	Nil	Nil
Shri Avijit Ghosh Director(Mining)	7	Yes	1	Nil	Nil
Shri K K Saberwal Director(Finance)	8	Yes	Nil	Nil	Nil

##### (ii) Part time official Directors

Shri G Srinivas	7	No	2	Nil	Nil
Smt. Anjali Anand Srivastava	8	No	3	Nil	3

## Annexure-II To the Directors' Report (Contd.)



### (iii) Part time non official Directors (Independent)

Major General (Retd.)Raajnish Gossain	7	Yes	1	Nil	Nil
Shri Apurba Kumar Sarmah	8	No	Nil	Nil	Nil
Shri Arvind Sahay *	Nil	NA	1	Nil	Nil
Shri Gyan Prakash Joshi *	Nil	NA	3	Nil	3
Shri Puneesh Kumar Kapoor *	Nil	NA	Nil	Nil	Nil

(\* Appointed vide order no.10/2/2010-Met.III dated 7 February, 2012 issued by the Ministry of Mines)

### (C) Remuneration paid to Directors

#### (i) Whole-time Directors

The details of remuneration paid to the whole-time Directors during 2011-12 was as follows:

Name of the Director	All elements of remuneration package i.e., salary, PF contribution, pension, gratuity etc (Rs.)	Performance Linked Incentives* (Rs.)	Other Benefits (Rs.)	Total (Rs.)
Shri Shakeel Ahmed CMD	26,84,273	12,44,557	Medical 21,542 Accommodation 7,09,398 Electricity 17,924	46,77,694
Shri K D Diwan Director(Operations)	25,37,061	9,31,713	Medical 11,444 Accommodation 3,96,038 Electricity 19,576	38,95,832
Shri Anupam Anand Director(Personnel)	24,13,616	8,80,932	Medical 31,555 Accommodation 3,72,159 Electricity 30,423	37,28,685
Shri Avijit Ghosh Director(Mining)	21,78,585	7,20,000	Medical 86,819 Accommodation 4,62,150 Electricity 22,897	34,70,451
Shri K K Saberwal Director(Finance)	19,36,110	nil	Medical 234	19,36,344

\* relating to FY 2010-11



## Annexure-II To the Directors' Report (Contd.)

### (ii) *Part time non-official (independent) directors*

Independent directors are not paid any remuneration except sitting fees at the rate of Rs 10,000/- per Board meeting and at the rate of Rs 5,000/- per committee meeting. During 2011-12, the amount of sitting fees paid to independent directors was as follows:

Sl No	Name of the director	Sitting Fees (Rs)		
		Board meetings	Committee meetings	Total
1	Major General (Retd) Raajnish Gossain	70,000	75,000	1,45,000
2	Shri Apurba Kumar Sarmah	80,000	80,000	1,60,000
	<b>Total</b>	<b>1,50,000</b>	<b>1,55,000</b>	<b>3,05,000</b>

### (iii) *Part time official Directors*

There are two part time official directors on the Board as on 31 March, 2012. No remuneration was paid to part time official directors.

Service contracts, notice period, severance fee:

The Chairman-cum-Managing Director and other whole time directors are appointed by the President of India for a period of five years from the date of taking over charge or till the date of superannuation ( presently 60 years of age) or till further order from the Government of India, whichever event occurs the first.

Part time official (Government nominee) directors representing the Ministry of Mines are appointed by the President of India till further orders from the Ministry of Mines.

Part time non-official (independent) directors are appointed by the President of India for a period of three years.

There is no provision for payment of severance fees to directors.

### 3. **Audit Committee**

The Audit Committee of the Board comprises two independent directors and one Government nominee director. The chairman of the Committee is an independent director. The terms of reference of the Audit Committee are as specified under Clause 49 of the listing agreement.

During the year, the Committee met 4 times on 28 May, 2011, 3 August, 2011, 8 November, 2011 and 3 February, 2012 and attendance of the members at the meetings is given below:

Composition	Number of meetings attended out of 4 held
Major General (Retd) Raajnish Gossain, Chairman	4
Shri Apurba Kumar Sarmah, Member	4
Smt. Anjali Anand Srivastava, Member	4
Shri K D Diwan, Member*	2

(\* Resigned from Audit Committee on 16.8.2011)

### 4. **Remuneration Committee**

Being a Government Company, the remuneration, terms and conditions of appointment of Directors is fixed by the Government of India. However, in terms of office memorandum No.2 (70) / 08-DPE (WC)-GL-XVI/

## Annexure-II To the Directors' Report (Contd.)



08 dated 26 November, 2008, issued by the Department of Public Enterprises, a sub-committee of the Board known as 'Remuneration Committee' was constituted to recommend payment of Performance Related Pay (PRP) and policy for its distribution across the executives (including functional directors) within the prescribed limits, in terms of the office memorandum referred above. The Remuneration Committee of the Board, reconstituted on 29 April, 2011, comprises two independent directors and one Government nominee director as members. The chairman of the Committee is an independent director.

During the year, the Committee met 2 times on 8 November, 2011 and 1 February, 2012 and attendance of the members at the meetings is given below:

Composition	Number of meetings attended out of 2 held
Major General (Retd) Raajnish Gossain, Chairman	2
Shri Apurba Kumar Sarmah, Member	2
Smt. Anjali Anand Srivastava, Member	2

### 5. Investors' Grievance Committee

Shareholders / Investors' Grievance Committee of the Board to look into the redressal of complaints received from investors/shareholders was reconstituted on 3 March, 2011. The Committee comprises Major General (Retd.) Raajnish Gossain, Independent Director as Chairman, Shri Anupam Anand, Director (Personnel) and Shri K K Saberwal, Director (Finance) as Members. Shri C S Singhi, Company Secretary is the Compliance Officer. The Company received and resolved 16 Investors grievances during the year and there was no outstanding complaint as on 31 March, 2012.

### 6. Share Transfer Committee

A Sub-Committee of the Board comprising of Chairman and functional directors of the Company known as Share Transfer Committee is already in existence. During 2011-12, the Committee met 6(six) times on 16 May, 2011, 22 June, 2011, 5 August, 2011, 19 October, 2011, 30 January, 2012 and 13 March, 2012 and approved transfer/transmission of shares.

### 7. General Body Meeting

Details of general body meetings held during last three years are as under:

*Annual General Meeting:*

Year	Date	Time	Location	No of special resolutions passed
2009-10	30.9.2009	3.30 PM	Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata- 700019	Nil
2010-11	30.6.2010	-do-	-do-	One
2011-12	20.9.2011	11.00 AM	-do-	Nil

*Extraordinary General Meeting:* Nil

No resolution was passed in the last three years through postal ballot. In the ensuing 45th Annual General Meeting, any decision on matters requiring approval of shareholders through postal ballot system will be obtained as per the provisions of the Companies Act, 1956.

### 8. Disclosures

The Company has not entered into any transactions of material nature with the directors that may have



potential conflict with the interest of the Company at large. No penalties, strictures have been imposed on the Company by the Stock Exchanges or SEBI on any matters related to capital market during last 3 years except one letter issued by SEBI for non-compliance of clause 49 of the listing agreement which was replied by the Company.

The members of the Board apart from receiving director's remuneration do not have any material pecuniary relationship or transactions with the Company, its promoters which in the judgment of Board may affect independence of judgment of the directors.

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of clause 49(V) of the listing agreement.

Regarding 'whistle blower' mechanism, the guidelines issued by the Ministry of Personnel, Public Grievances and Pensions, Government of India has been implemented as applicable to the Government companies.

The Company has not adopted any non-mandatory provisions specified in Annexure 1D of clause 49 of the listing agreement.

#### **9. Means of communication**

The Company published its financial results in English newspapers such as Business Standard, Hindu Business Line and Bengali newspaper such as Sambad Pratidin for information of all concerned as per requirement. Annual Report / financial results are also hosted on the website of the Company at [www.hindustancopper.com](http://www.hindustancopper.com). During the year no presentation was made to any institutional investor or to any analyst.

#### **10. General shareholders' information**

i) 45th Annual General meeting(AGM)

Date : 27 September, 2012

Time : 11 AM

Venue: Tamra Bhavan, 1 Ashutosh Chowdhury Avenue, Kolkata 700019

ii) Financial Year : 1 April, 2011 to 31 March, 2012

iii) Book-closure date : 21 September, 2012 to 27 September, 2012(both days inclusive)

iv) Dividend payment date: The Dividend, if declared at the AGM, would be paid to shareholders within 30 days from the date of AGM.

v) *Listing on Stock Exchanges:*

The equity shares of the Company are listed on Bombay Stock Exchange Limited (Stock Code: 513599) with effect from 2 August, 1994 and National Stock Exchange of India Limited (Stock Code: HINDCOPPER) with effect from 15 September, 2010. Annual listing fee for the FY 2012-13 has been paid to both the exchanges.

vi) *Registrar & Share Transfer Agent*

M/s C B Management Services (P) Ltd

P- 22, Bondel Road, Kolkata- 700 019

Telephone: (033) 2280 6692, 4011 6700 /18 /23 /28

Fax: (033) 4011-6739

E-mail: [rta@cbmsl.com](mailto:rta@cbmsl.com)

## Annexure-II To the Directors' Report (Contd.)



### vii) Share transfer system

Share transfer requests received by the Company are processed and certificates dispatched to the buyers within 30 days from the date of receipt as stipulated in listing norms of Stock Exchanges.

### viii) Stock market price data

Monthly high and low price of Company's shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) during the FY 2011-12 was as follows:

Month	BSE		NSE	
	High(Rs)	Low(Rs)	High(Rs)	Low(Rs)
April 2011	324.90	290.70	324.70	291.15
May 2011	297.55	259.30	297.90	251.00
June 2011	295.00	250.00	294.90	250.05
July 2011	275.50	253.00	288.00	252.05
August 2011	273.50	206.25	273.50	205.95
September 2011	251.80	210.00	252.15	210.00
October 2011	232.00	207.00	231.95	204.00
November 2011	229.90	182.00	229.90	181.15
December 2011	196.00	146.25	198.00	146.00
January 2012	315.95	182.70	321.95	182.55
February 2012	320.00	242.10	320.05	246.00
March 2012	310.00	258.00	309.50	257.90

### ix) Shareholding pattern as on 31 March, 2012

	Category	No. of shares held	%
1	President of India	92,14,19,500	99.59
2	Mutual Funds	32,806	0.00
3	Financial Institutions/Banks	36,726	0.00
4	Insurance Companies	2,79,636	0.03
5	Bodies Corporate	6,28,601	0.07
6	Indian Public including employees	27,57,068	0.30
7	NRIs/Trusts & Foundations	63,663	0.01
	<b>TOTAL</b>	<b>92,52,18,000</b>	<b>100.00</b>



x) *Distribution of shareholding as on 31 March, 2012*

RANGE		SHARES	FOLIOS	% SHARES
1	500	2087956	28609	0.23
501	1000	411036	524	0.04
1001	2000	319884	214	0.03
2001	3000	132432	54	0.01
3001	4000	73292	21	0.01
4001	5000	75111	16	0.01
5001	10000	173820	25	0.02
10001	50000	245333	12	0.03
50001	100000	279636	1	0.03
100001 and above		921419500	1	99.59
<b>TOTAL :</b>		<b>925218000</b>	<b>29477</b>	<b>100.00</b>

xi) *Dematerialization of shares*

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE531E01026 with effect from 29 August, 2008. Status of dematerialization as on 31 March, 2012 was as follows:

Particulars	No. of Shares	% of Holding	No. of folio
DEMAT :			
a) N S D L	92,38,12,487	99.85	17211
b) C D S L	13,06,532	0.14	11694
PHYSICAL	98,981	0.01	572
<b>Total :</b>	<b>92,52,18,000</b>	<b>100.00</b>	<b>29477</b>

xii) *Outstanding GDRs /ADRs /Warrants or any convertible instruments, conversion date and likely impact on equity:*

The Company has neither issued any GDR/ADR nor any convertible instrument as on date.

xiii) *Plant location*

Indian Copper Complex	Khetri Copper Complex
P.O.Ghatsila	P.O.Khetrinagar
Dist.Singhbhum	Dist.Jhunjhunu
Jharkhand	Rajasthan
Malanjkhand Copper Project	Taloja Copper Project
P.O.Malanjkhand	P.O.Taloja
Dist.Balaghat	Dist.Raigad
Madhya Pradesh	Maharashtra

xiv) *Address for correspondence*

Shareholders desiring any information may write to the Company Secretary, HCL Registered Office at 1 Ashutosh Chowdhury Avenue, Kolkata 700019 or e-mail their query to investors\_cs @ hindustan copper.com. The contact Telephone Numbers are (033) 2283 2226/2676 and Fax Number is (033) 2283 2676.



## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

**To the members of  
Hindustan Copper Limited  
Kolkata**

We have examined the compliance of conditions of corporate governance by Hindustan Copper Limited, for the year ended on 31.03.2012, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement, except the following:

The Independent Directors do not comprise at least 50% of Board of Directors from 07.01.2011 to till date.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For and on behalf of

**AGARWAL ANIL & CO.**  
**FRN No. 003222N**  
Chartered Accountants

**S GHOSE & CO.**  
**FRN No.302184E**  
Chartered Accountants

**ANIL AGRAWAL**  
**M No. 82103**  
Partner

**CHANDAN CHATTOPADHAY**  
**M No. 51254**  
Partner

Place: Kolkata

Date : 29th May, 2012





**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HINDUSTAN COPPER LIMITED, KOLKATA FOR THE YEAR ENDED 31 MARCH 2012.**

The preparation of financial statements of Hindustan Copper Limited, Kolkata for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29-05-2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Hindustan Copper Limited, Kolkata for the year ended 31 March 2012. This supplementary audit has been carried out independently and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

For and on behalf of the  
Comptroller & Auditor General of India

(Nandana Munshi)  
Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-I,  
Kolkata

Place: Kolkata  
Date: 28<sup>th</sup> June 2012

## Ten Years at a Glance



(₹ in crore)

YEAR	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
<b>FOR THE YEAR</b>										
<b>Turnover</b>	1638.18	1281.28	1429.85	1349.10	1839.79	1799.64	1053.76	559.11	518.87	505.68
<b>Gross Profit/(Loss)</b>	474.45	339.39	219.33	12.30	330.51	366.68	138.75	95.05	3.46	(88.13)
<b>Depreciation and Amortisation</b>	144.06	97.27	81.04	73.72	81.89	89.45	58.37	55.75	59.05	57.71
<b>Net Profit/(Loss)</b>	323.44	224.10	154.68	(10.31)	246.46	313.94	105.88	55.98	(56.16)	(147.70)
<b>Value Added</b>	1306.50	991.95	701.82	402.06	726.12	781.08	385.39	328.53	212.30	147.37
<b>Value of production</b>	1704.18	1409.46	1506.04	1344.28	1991.24	1909.18	1053.34	631.24	534.43	501.53
<b>AT THE YEAR END</b>										
<b>Share Capital</b>	462.61	462.61	462.61	462.61	462.61	977.45	948.95	948.95	908.95	795.11
<b>Internal Resources</b>	1514.00	1275.97	1200.69	1026.95	1015.88	195.60	(110.57)	(298.85)	(350.30)	(310.39)
<b>Term Loans</b>	-	-	-	-	112.50	212.50	287.50	232.96	299.12	316.32
<b>Cash credit from banks</b>	0.02	-	0.05	2.30	0.98	3.98	4.81	118.23	76.11	139.49
<b>Capital expenditure gross</b>	1278.55	1229.21	1169.23	1110.85	1037.06	993.99	977.89	967.71	995.10	1007.10
<b>Working Capital</b>	685.85	526.58	365.01	361.16	492.06	328.62	62.78	33.94	(1.02)	(25.95)
<b>Capital employed</b>	895.02	739.75	584.64	570.86	657.48	504.62	247.47	234.55	215.28	203.89
<b>Manpower (No.)</b>	4810	5100	5300	5440	5405	5451	5583	5665	5995	7865



## Auditors' Report to the Members of Hindustan Copper Limited.

- 1) We have audited the attached Balance Sheet of M/s. Hindustan Copper Limited as at 31<sup>st</sup> March 2012, the Profit & Loss Account and the Cash Flow Statement of the company for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 (as amended), issued by the Central Government under Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
- 4) The financial statements have been drawn up on the basis of in-house estimates referred to in paragraph 2 of Accounting Policies, being a technical matter; we have relied upon the same.
- 5) Further to our comments in the Annexure referred to in Paragraph 3 here-in-above we report that :
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of such books;
  - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. Section 274(1)(g) of the Companies Act, 1956, requiring disclosure of disqualification of directors is not applicable to Government Companies vide notification no GSR 829(E) Dated 21.10.03 issued by Department of Corporate Affairs, Ministry of Finance, Government of India.

**Auditors' Report** to the Members of Hindustan Copper Limited. *(Contd.)*

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In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with notes thereon, give in the prescribed manner the information required by the Companies Act, 1956, and, give a true and fair view in conformity with the accounting principles generally accepted in India :-

- (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2012 ;
- (ii) in the case of the Profit & Loss Account, of the Profit of the company for the year ended on that date and
- (iii) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

**For AGARWAL ANIL & CO.**  
**FRN No. 003222N**  
Chartered Accountants

**For S GHOSE & CO.**  
**FRN No.302184E**  
Chartered Accountants

**ANIL AGRAWAL**  
**(M No. 82103)**  
Partner

**CHANDAN CHATTOPADHAY**  
**(M No. 51254 )**  
Partner

Place: Kolkata  
Date : 29th May, 2012



**(Referred to in paragraph 3 of our report of even date)**

- 1 In respect of its Fixed Assets :
  - (a) The company has in general maintained proper records showing full particulars including quantitative details and location of fixed assets.
  - (b) The fixed assets have not been physically verified during the current year pursuant to Accounting Policy No. 3.5. In our opinion, it should be done in a phase wise manner so as to complete and cover the entire fixed assets verification at least once in every three years.
  - (c) During the year, the company has not disposed off any fixed assets of substantial nature which would affect the going concern status of the company.
- 2 In respect of its Inventories :
  - (a) Physical verification of the inventory has been carried out during the year by Management. In our opinion frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations made available to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) On the basis of our examination of the inventory records, in our opinion, the company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account.
- 3 The company has neither granted nor taken any loans to/ from companies, firms or other parties listed in the register maintained under Sec. 301 of the Companies Act, 1956. In view of the same, the question of the terms and conditions including rates of interest being prima facie prejudicial to the interest of the company does not arise.
- 4 In our opinion and according to the explanations given to us, there is an adequate internal control system with regard to purchase of inventory, fixed assets including high value contracts, transportation contracts and sale of goods commensurate with the size of the company. Further, on the explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- 5
  - (a) According to the information and explanations given to us, there is no transaction which needs to be entered in the register maintained under Section 301 of the Companies Act, 1956.
  - (b) In our opinion and according to the information and explanations given to us, the company has not entered into any contracts or arrangements exceeding rupees five lakhs in value in respect of any party in pursuance of contracts or arrangements entered in the register to be maintained under Section 301 of the Companies Act, 1956.
- 6 In our opinion and according to the information and explanations made available to us by the management, the company has not accepted any deposit from public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- 7 The company has adequate Internal Audit system commensurate with the size and nature of its business.
- 8 We have broadly reviewed the cost records maintained by the company for the items prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed records and accounts have been maintained. However, we have not made a detailed examination of such accounts and records.
- 9 In respect of statutory dues:
  - (a) According to the information and explanations given to us, the company has been generally regular in depositing undisputed statutory dues payable in respect of provident fund, Investors education fund and Protection fund, Employees' state Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom

## Annexure to the Auditors' Report (Contd.)



Duty, Entry tax, Excise Duty, Royalty, Land Tax, Electricity Duty and Cess and any other material statutory dues applicable to it with appropriate authority during the year.

According to the information and explanations given to us, undisputed amounts payable in respect of Royalty and Water Cess outstanding for a period of more than six months from the date they become payable were in aggregate of Rs 1445.49 lac as at 31<sup>st</sup> March 2012 (As given in annexure attached)

- (b) According to the information and explanations given to us, details of dues of Sales Tax, Excise Duty, Entry Tax, Property Tax, Terminal Tax and Export / Municipality Tax amounting to Rs 14006.26 lac net of deposits made have not been deposited on account of disputes pending at various forum. (As given in annexure attached)
10. The Company does not have accumulated losses as at 31<sup>st</sup> March 2012 and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
  11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to Banks and Financial Institution.
  12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the provision of any special statute applicable to chit fund / nidhi/ mutual benefit fund/societies is not applicable to the company.
  14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments.
  15. According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
  16. In our opinion and according to the information and explanations given to us, the company has not availed any term loan during the year.
  17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment of the Company.
  18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
  19. According to the information and explanations given to us, the company has not issued any debentures during the year.
  20. The company has not raised any funds by way of public issue during the year.
  21. According to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**For AGARWAL ANIL & CO.**  
**FRN No. 003222N**  
Chartered Accountants

**ANIL AGRAWAL**  
**(M No. 82103)**  
Partner

**For S GHOSE & CO.**  
**FRN No.302184E**  
Chartered Accountants

**CHANDAN CHATTOPADHAY**  
**(M No. 51254)**  
Partner

Place: Kolkata  
Date : 29th May, 2012



**Annexure to the Auditors' Report (Contd.)**

**UNDISPUTED LIABILITIES FOR MORE THAN SIX MONTHS**

(₹ in lac )

PARTICULARS	AMOUNT
ROYALTY	672.69
WATER CESS	772.80
<b>TOTAL</b>	<b>1445.49</b>

Annexure to the Auditors' Report (Contd.)



**STATEMENT OF DISPUTED STATUTORY LIABILITIES**

(₹ in lac)

SL. NO.	PARTICULAR	YEAR	FORUM AT WHICH MATTER IS PENDING	AMOUNT
1	EXCISE DUTY	1985-86	CESTAT	60.60
		1995-96	CESTAT	15.65
		1996-97	CESTAT	1.46
		FROM 1997-98 TO 1999-00	CESTAT	203.52
		1998-99	ASST COMMISSIONER / HIGH COURT	135.23
		1999-00	ASST / ADDL COMMISSIONER	116.52
		2000-01	ASST COMMISSIONER	21.94
		FROM 2000-01 TO 2003-04	COMMISSIONER (ADJUDICATION)	1501.76
		FROM 2000-01 TO 2001-02	COMMISSIONER (ADJUDICATION)	283.40
		2001-02	DY COMMISSIONER	70.80
		2002-03	ASST COMMISSIONER	3.25
		2002-03	CESTAT	69.50
		2003-04	ASST / ADDL / JOINT COMMISSIONER	91.79
		2005-06	ADDL / JOINT COMMISSIONER	43.94
		2007-08	ASST COMMISSIONER	9.86
		2007-08 TO 2010-11	ASST COMMISSIONER	82.52
		2008-09	ADDL / DY COMMISSIONER	28.05
		2008-09	CESTAT	253.92
		2008-09	ASST COMMISSIONER	17.08
		2009-10	DY COMMISSIONER	1.01
		2009-10	ASST COMMISSIONER	196.27
		2009-10 & 2010-11	ASST COMMISSIONER	103.41
		2010-11	ADDL COMMISSIONER	14.01
2010-11	ASST COMMISSIONER	126.95		
2010-11	TRIBUNAL	3.51		
2011-12	COMMISSIONER (APPEAL)	1.34		
2	PROPERTY TAX	FROM 1994-95 TO 1998-99 & FROM 2005-06 TO 2009-10	HIGH COURT, JABALPUR	1032.47
		FROM 2006-07 TO 2011-12	HIGH COURT, JAIPUR	1707.55
3	SALES TAX	1991-92	TRIBUNAL / MAHARASHTRA	7.34
		1994-95	COMMISSIONER (APPEALS) / JABALPUR	5.38
		1994-95	DY.COMMISSIONER (APPEALS) / BIKANER	2.14
		1994-95	TRIBUNAL / MAHARASHTRA	17.81
		1995-96	DY.COMMISSIONER (APPEALS) / BIKANER	1.80
		1996-97	DY.COMMISSIONER (APPEALS) / BIKANER	34.06
		1997-98	DY.COMMISSIONER (APPEALS) / BIKANER	33.83
		2000-01	DY.COMMISSIONER (APPEALS) / BIKANER	0.95
		2001-02	DY.COMMISSIONER (APPEALS) / BIKANER	6.00
		2002-03	DY.COMMISSIONER (APPEALS) & CTO / BIKANER	109.74
		2002-03	DY.COMMISSIONER (ADJUDICATION) / JHARKHAND	40.55
		2003-04	DY.COMMISSIONER (ADJUDICATION) / JHARKHAND	20.01
		2004-05	DY.COMMISSIONER (ADJUDICATION) / JHARKHAND	73.08
		2005-06	DY.COMMISSIONER (ADJUDICATION) / JHARKHAND	90.69
		2006-07	DY.COMMISSIONER (APPEALS) / BIKANER	33.57
2007-08	DY.COMMISSIONER (APPEALS) / BIKANER	0.06		
4	TERMINAL TAX	FROM 2000-01 TO 2005-06	HIGH COURT, JABALPUR	7046.00
5	EXPORT/ MUNICIPALITY TAX	FROM 2005-06 TO 2011-12	HIGH COURT, JABALPUR	52.84
6	ENTRY TAX	2007-08	DY.COMMISSIONER (APPEAL) / BIKANER	233.10
	<b>TOTAL</b>			<b>14006.26</b>





## Balance Sheet As at March 31, 2012

			(₹ in lac)	
PARTICULARS		Note No.	As at 31.03.2012	As at 31.03.2011
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>SHAREHOLDERS' FUNDS</b>			
(a)	Share Capital	1	46260.90	46260.90
(b)	Reserves and Surplus	2	93503.27	71912.71
(2)	<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	3	-	-
(3)	<b>NON-CURRENT LIABILITIES</b>			
(a)	Long Term Borrowings	4	-	-
(b)	Deferred Tax Liabilities (net)	5	-	339.88
(c)	Other Long Term Liabilities	6	1881.22	1974.43
(d)	Long Term Provisions	7	6597.99	5692.40
(4)	<b>CURRENT LIABILITIES</b>			
(a)	Short Term Borrowings	8	-	-
(b)	Trade Payables	9	6843.54	8568.34
(c)	Other Current Liabilities	10	10412.00	12620.15
(d)	Short Term Provisions	11	19322.65	10341.88
	<b>EQUITY &amp; LIABILITIES - TOTAL</b>		<b>184821.57</b>	<b>157710.69</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>NON-CURRENT ASSETS</b>			
(a)	Fixed Assets			
(i)	Tangible Assets	12.1	20917.41	21316.56
(ii)	Intangible Assets	12.2	-	-
(iii)	Capital Work In Progress	13.1	99.45	17.17
(b)	Mine Development Expenditure	13.2	47863.84	45894.29
(c)	Non Current Investments	14	5650.00	4620.35
(d)	Deferred Tax Assets (net)	5	581.91	-
(e)	Long-Term Loans and Advances	15	4544.36	1673.66
(f)	Other Non-Current Assets	16	-	-
(2)	<b>CURRENT ASSETS</b>			
(a)	Current Investments	17	9212.98	1825.80
(b)	Inventories	18	32064.37	32266.18
(c)	Trade Receivables	19	12174.05	6522.16
(d)	Cash & Bank Balances	20	44920.23	36428.48
(e)	Short-term Loans and Advances	21	4095.94	4375.61
(f)	Other Current Assets	22	2697.03	2770.43
	<b>TOTAL ASSETS</b>		<b>184821.57</b>	<b>157710.69</b>
	<b>Significant Accounting Policies</b>	33		
	<b>Notes on Accounts</b>	34		

The schedules referred to above form an integral part of the Balance Sheet.

For and on behalf of the Board of Directors

**C.S.Singhi**  
Company Secretary  
Place : Kolkata  
Dated : 29th May, 2012

**K K Saberwal**  
Director (Finance)

**Shakeel Ahmed**  
Chairman-cum-Managing Director

In terms of our report of even date attached.

For AGARWAL ANIL & CO.

FRN 003222N

Chartered Accountants

**ANIL AGRAWAL**

(M No. 82103)

Partner

Place : Kolkata

Dated : 29th May, 2012

For S.GHOSE & CO.

FRN 302154E

Chartered Accountants

**CHANDAN CHATTOPADHAY**

(M No. 51254)

Partner

Place : Kolkata

Dated : 29th May, 2012

## Profit & Loss Account For the year ended March 31, 2012



PARTICULARS	Note No.	₹ in lac	
		Year ended 31.03.2012	Year ended 31.03.2011
<b>INCOME</b>			
Revenue from Operations	23	148429.45	116629.42
Other Income	24	8815.40	5566.04
<b>TOTAL INCOME</b>		<b>157244.85</b>	<b>122195.46</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	25	7153.95	4989.41
Changes in Inventories of Finished Goods, Semi-Finished and In-Process	26	2215.23	(7252.28)
Excise Duty on Closing Stock		200.34	(3.69)
Employees' Benefits Expenses	27	33950.03	29802.04
Finance Cost	28	152.71	418.46
Depreciation and Amortisation Expenses	29	14405.59	9727.08
General, Administration and Other Expenses	30	51877.71	50881.69
<b>TOTAL EXPENDITURE</b>		<b>109955.56</b>	<b>88562.71</b>
<b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>			
		<b>47289.29</b>	<b>33632.75</b>
Prior Period Adjustments (net)	31	(3.16)	111.67
<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>			
		<b>47292.45</b>	<b>33521.08</b>
Exceptional items		—	—
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>			
		47292.45	33521.08
Extraordinary items		—	—
<b>PROFIT BEFORE TAX</b>			
		<b>47292.45</b>	<b>33521.08</b>
<b>TAX EXPENSES</b>			
	32		
i) Current Tax	15870.55	10775.00	
ii) Deferred Tax	(921.78)	336.23	
<b>TOTAL TAX EXPENSES</b>		<b>14948.77</b>	<b>11111.23</b>
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>			
		<b>32343.68</b>	<b>22409.85</b>
Profit from discontinuing operations		—	—
Tax expense of discontinuing operations		—	—
<b>PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX</b>			
		—	—
<b>PROFIT FOR THE YEAR</b>			
		<b>32343.68</b>	<b>22409.85</b>
Earning per share (Equity shares, face value of ₹ 5/- each)			
<b>BASIC</b>		<b>3.50</b>	<b>2.42</b>
<b>DILUTED</b>		<b>3.50</b>	<b>2.42</b>
<b>Significant Accounting Policies</b>	33		
<b>Notes on Accounts</b>	34		

The schedules referred to above form an integral part of the Balance Sheet.

For and on behalf of the Board of Directors

**C.S.Singhi**  
Company Secretary  
Place : Kolkata  
Dated : 29th May, 2012

**K K Saberwal**  
Director (Finance)

**Shakeel Ahmed**  
Chairman-cum-Managing Director

In terms of our report of even date attached.

For **AGARWAL ANIL & CO.**

**FRN 003222N**  
Chartered Accountants

**ANIL AGRAWAL**  
(M No. 82103)  
Partner

Place : Kolkata  
Dated : 29th May, 2012

For **S.GHOSE & CO.**

**FRN 302154E**  
Chartered Accountants

**CHANDAN CHATTOPADHAY**  
(M No. 51254)  
Partner

Place : Kolkata  
Dated : 29th May, 2012



## Cash Flow Statement For the year ended March 31, 2012

		(₹ in lac)	
		Year ended 31st March'2012	Year ended 31st March'2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
<b>NET PROFIT/ (LOSS) BEFORE TAX AS PER PROFIT AND LOSS ACCOUNT</b>		<b>47292.45</b>	<b>33521.08</b>
Adjusted for:			
Depreciation		1776.72	2084.03
Provisions charged		1066.27	1335.83
Provisions written back		(532.46)	(387.55)
Interest expense		152.71	242.19
Amortisation		12628.87	7643.05
Interest income		(3823.39)	(2484.10)
Dividend income		(539.18)	(490.91)
Net prior year adjustments		-	111.67
Profit on disposal of fixed assets		(11.86)	(8.27)
<b>OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES</b>		<b>58010.13</b>	<b>41567.02</b>
Adjusted for:			
Decrease/ (Increase) in Trade & other Receivables		(5591.74)	7647.27
Decrease/ (Increase) in Inventories		307.75	(6195.25)
Decrease/ (Increase) in Loans, Advances and Other Current assets		(1295.85)	(301.76)
Increase/ (Decrease) in Trade Payables & Provisions		(1723.48)	1886.32
<b>CASH GENERATED FROM OPERATIONS</b>		<b>49706.81</b>	<b>44603.60</b>
Net Prior period adjustments		(3.16)	.
Taxes paid		(15424.06)	(12008.16)
Tax refund		-	2325.47
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>34279.59</b>	<b>34920.91</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Purchase of Fixed Assets		(2008.86)	(1751.60)
Sale of Fixed Assets		18.98	10.35
Interest received		2915.04	2151.30
Dividend received		539.18	490.91
Investment in Mutual Funds		(8368.36)	(1456.56)
Mine Development Expenditure		(14056.53)	(12601.23)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(20960.55)</b>	<b>(13156.83)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividends paid		(4626.09)	(4626.09)
Interest paid		(152.71)	(242.19)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>(4778.80)</b>	<b>(4868.28)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		<b>8540.24</b>	<b>16895.80</b>
<b>CASH AND CASH EQUIVALENTS - opening balance</b>		<b>34226.48</b>	<b>17330.68</b>
<b>CASH AND CASH EQUIVALENTS - closing balance</b> (details in Annexure - A)		<b>42766.70</b>	<b>34226.48</b>

For and on behalf of the Board of Directors

C.S.Singhi  
Company Secretary

K K Saberwal  
Director (Finance)

Shakeel Ahmed  
Chairman-cum-Managing Director

Place: Kolkata  
Dated : 29th May, 2012

## Cash Flow Statement (Contd.)



### ANNEXURE - A

(₹ in lac)

<b>1. CASH AND CASH EQUIVALENTS - opening balance</b>	<b>01/04/2011</b>	<b>01/04/2010</b>
i) Cash & Bank balance	34226.48	17335.94
ii) Cash Credit balance	–	(5.26)
	<u>34226.48</u>	<u>17330.68</u>
<b>CASH AND CASH EQUIVALENTS - closing balance</b>	<b>31/03/2012</b>	<b>31/03/2011</b>
i) Cash & Bank balance	42766.70	34226.48
i) Cash Credit balance	–	–
	<u>42766.70</u>	<u>34226.48</u>

2. The Cash Flow Statement has been prepared under the “Indirect Method” as set out in Accounting Standard 3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date attached.

**For AGARWAL ANIL & CO.**  
**FRN 003222N**  
Chartered Accountants

**ANIL AGRAWAL**  
**(M No. 82103)**  
Partner

Place : Kolkata  
Dated : 29th May, 2012

**For S.GHOSE & CO.**  
**FRN 302154E**  
Chartered Accountants

**CHANDAN CHATTOPADHAY**  
**(M No. 51254)**  
Partner

Place : Kolkata  
Dated : 29th May, 2012



## Schedule Forming Part of the Balance Sheet

### Note No. 1 SHARE CAPITAL

	As at 31.03.2012		As at 31.03.2011		
	In No.	(₹ in lac)	In No.	(₹ in lac)	
<b>a) AUTHORISED SHARE CAPITAL</b>					
- Equity Share Capital	1800000000	90000.00	1800000000	90000.00	
- 7.50% Non-Cum. Redeemable Preference Shares	2000000	20000.00	2000000	20000.00	
<b>b) PAR VALUE PER EQUITY SHARE (in Rs)</b>		5.00		5.00	
<b>c) PAR VALUE PER PREFERENCE SHARE (in Rs)</b>		1000.00		1000.00	
<b>d) NO. OF SHARES ISSUED, SUBSCRIBED AND FULLY PAID UP</b>					
- Equity Share Capital	925218000	46260.90	925218000	46260.90	
- 7.50% Non-Cum. Redeemable Preference Shares	-	-	-	-	
<b>TOTAL</b>		<b>46260.90</b>		<b>46260.90</b>	
<b>e) RECONCILIATION OF NO. OF SHARES &amp; SHARE CAPITAL OUTSTANDING:</b>					
<b>OUTSTANDING AS ON 01.04.2011</b>	No. of Shares	(₹ in lac)	No. of Shares	(₹ in lac)	
	-	-	-	-	
Add: No. of shares/Share Capital issued/ subscribed during the year	-	-	-	-	
Less: Reduction in no. of shares/Share Capital	-	-	-	-	
<b>OUTSTANDING AS ON 31.03.2012</b>	-	-	-	-	
<b>f) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 PERCENT SPECIFYING THE NUMBER OF SHARES HELD</b>					
	In No.	In (%)	In No.	In (%)	
- President of India	921419500	99.59%	921419500	99.59%	
	2007-08	2008-09	2009-10	2010-11	2011-12
<b>g) AGGREGATE NO. OF SHARES ALLOTTED PURSUANT TO A CONTRACT WITHOUT PAYMENT BEING RECEIVED IN CASH (ALLOTTED TO GOVERNMENT OF INDIA)</b>	10244300	10244300	10244300	10244300	10244300
<b>h) AGGREGATE NO. OF SHARES ALLOTTED PURSUANT TO INDIAN COPPER CORPORATION (ACQUISITION OF UNDERTAKING) ACT, 1972 WITHOUT PAYMENT BEING RECEIVED IN CASH</b>	7500000	7500000	7500000	7500000	7500000

## Schedule Forming Part of the Balance Sheet



### Note No. 2 RESERVE AND SURPLUS

	As at 31.03.2012	As at 31.03.2011
	(₹ in lac)	
a) CAPITAL RESERVE AS PER LAST BALANCE SHEET	21166.24	21166.24
Add: Transfer from Surplus	<u>-</u>	<u>-</u>
AS AT BALANCE SHEET DATE	21166.24	21166.24
b) SPECIAL RESERVE FOR S & T ASSETS AS PER LAST BALANCE SHEET	12.36	15.06
Less: Transfer to Surplus	<u>2.66</u>	<u>2.70</u>
AS AT BALANCE SHEET DATE	9.70	12.36
c) GENERAL RESERVE AS PER LAST BALANCE SHEET	1690.00	-
Add: Transfer from Surplus	<u>2425.80</u>	<u>1690.00</u>
AS AT BALANCE SHEET DATE	4115.80	1690.00
d) SURPLUS *	68211.53	49044.11
<b>TOTAL</b>	<b><u>93503.27</u></b>	<b><u>71912.71</u></b>
DETAILS OF SURPLUS *		
Profit for the year as per Statement of Profit and Loss	32343.68	22409.85
Balance brought forward	49044.11	39092.54
ADD:		
i) Transfer from Special Reserve	2.66	2.70
<b>BALANCE AVAILABLE FOR APPROPRIATION</b>	<b><u>81390.45</u></b>	<b><u>61505.09</u></b>
i) Transfer to General Reserve	2425.80	1690.00
ii) Dividend :		
- Interim	-	4626.09
- Final	9252.18	4626.09
iii) Tax on Dividend		
- Interim	-	768.33
- Final	1500.94	750.47
<b>BALANCE CARRIED FORWARD</b>	<b><u>68211.53</u></b>	<b><u>49044.33</u></b>

### Note No. 3 SHARE APPLICATION MONEY PENDING ALLOTMENT

a) <b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		
- Equity Shares	-	-
- Preference Shares	-	-
<b>TOTAL</b>	<b><u>-</u></b>	<b><u>-</u></b>



## Schedule Forming Part of the Balance Sheet

### Note No. 4 LONG TERM BORROWINGS

	As at 31.03.2012	As at 31.03.2011
(₹ in lac)		
a) BONDS/ DEBENTURES		
- Secured	-	-
- Unsecured	-	-
b) TERM LOANS		
• From Banks/ FIs		
- Secured	-	-
- Unsecured	-	-
• From other parties		
- Secured	-	-
- Unsecured	-	-
c) DEFERRED PAYMENT LIABILITIES	-	-
d) DEPOSITS	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
Aggregate amount of loans guaranteed by directors	Rs Nil	Rs Nil
Aggregate amount of loans guaranteed by Others-GOI	Rs Nil	Rs Nil
Amount of default in repayment of loans and interest as at 31.03.2012	Rs Nil	Rs Nil
Period of default in repayment of loans and interest as at 31.03.2012	Nil	Nil

### Note No. 5 DEFERRED TAX LIABILITIES / ASSETS

i) DEFERRED TAX ASSET		
OPENING BALANCE	9717.90	10215.71
Charge during the year	644.74	(497.81)
CLOSING BALANCE	10362.64	9717.90
ii) DEFERRED TAX LIABILITY		
OPENING BALANCE	(10057.78)	(10219.36)
Credit during the year	277.04	161.58
CLOSING BALANCE	(9780.74)	(10057.78)
i) - ii) DEFERRED TAX ASSETS / (LIABILITIES) (Net)	581.91	(339.88)

## Schedule Forming Part of the Balance Sheet



### Note No. 6 OTHERS LONG TERM LIABILITIES

	As at 31.03.2012	As at 31.03.2011
	(₹ in lac)	
<b>a) TRADE PAYABLES</b>		
i) Total outstanding dues to Sundry Creditors-Goods	-	-
ii) Total outstanding dues to Sundry Creditors-Others	-	
<b>b) OTHERS</b>		
i) Deposits/ Retention money	1881.22	1974.43
<b>TOTAL</b>	<u>1881.22</u>	<u>1974.43</u>

### Note No. 7 LONG TERM PROVISIONS

a) PROVISION FOR EMPLOYEE BENEFITS		
i) PROVIISON FOR LEAVE ENCASHMENT		
AS PER LAST BALANCE SHEET	5653.61	5404.55
Additions during the year	834.09	249.06
Amount used during the year	-	-
CLOSING BALANCE	<u>6487.70</u>	<u>5653.61</u>
ii) PROVISION FOR GRATUITY		
AS PER LAST BALANCE SHEET	38.79	2232.09
Additions during the year	3260.14	2938.98
Amount used during the year	<u>3188.64</u>	<u>5132.28</u>
CLOSING BALANCE	110.29	38.79
<b>TOTAL</b>	<u>6597.99</u>	<u>5692.40</u>

### Note No. 8 SHORT TERM BORROWINGS

a) SHORT TERM LOANS		
From Banks/ FIs		
- Secured (Secured by hypothecation of Stock-in-Trade, Stores & Spare Parts and Book Debts, both present and future of the Company)	-	-
- Unsecured	-	-
<b>TOTAL</b>	<u>-</u>	<u>-</u>
Aggregate amount of loans guaranteed by directors	Rs Nil	Rs Nil
Aggregate amount of loans guaranteed by Others - Government of India	Rs Nil	Rs Nil
Amount of default in repayment of loans and interest as at 31.03.2012	Rs Nil	Rs Nil
Period of default in repayment of loans and interest as at 31.03.2012	Nil	Nil





## Schedule Forming Part of the Balance Sheet

### Note No. 9 TRADE PAYABLES

		(₹ in lac)
	As at 31.03.2012	As at 31.03.2011
i) Total outstanding dues to Sundry Creditors-Goods	4459.92	5726.33
ii) Total outstanding dues to Sundry Creditors-Services	2383.62	2842.01
<b>TOTAL</b>	<b><u>6843.54</u></b>	<b><u>8568.34</u></b>

### Note No. 10 OTHER CURRENT LIABILITIES

i) Unpaid dividend	1.94	0.92
ii) Deposits/ Retention money	389.46	530.41
iii) Statutory dues payables	3866.62	3855.55
iv) Other liabilities	544.29	840.88
v) Advances from Customers	1638.32	1453.26
vi) Sundry Creditors - Others	3971.37	5930.43
vii) Deffered Credit	-	8.70
<b>TOTAL</b>	<b><u>10412.00</u></b>	<b><u>12620.15</u></b>

## Schedule Forming Part of the Balance Sheet



### Note No. 11 SHORT TERM PROVISIONS

(₹ in lac)

	As at 31.03.2012	As at 31.03.2011	
<b>a) PROVISION FOR EMPLOYEE BENEFITS</b>			
i) PROVISION FOR LEAVE ENCASHMENT			
AS PER LAST BALANCE SHEET	-	-	
Additions during the year	515.87	-	
Amount used during the year	-	-	
<b>CLOSING BALANCE</b>	<b>515.87</b>	-	
ii) PROVISION FOR GRATUITY			
AS PER LAST BALANCE SHEET	-	-	
Additions during the year	44.78	-	
Amount used during the year	-	-	
<b>CLOSING BALANCE</b>	<b>44.78</b>	-	
iii) PROVISION FOR LEAVE TRAVEL CONCESSION (LTC)			
AS PER LAST BALANCE SHEET	131.89	164.96	
Additions during the year	-	1.18	
Amount used during the year	80.26	34.25	
<b>CLOSING BALANCE</b>	<b>51.63</b>	<b>131.89</b>	
iv) PROVISION FOR PRP/INCENTIVE			
AS PER LAST BALANCE SHEET	-	-	
Additions during the year	800.00	-	
Amount used during the year	-	-	
<b>CLOSING BALANCE</b>	<b>800.00</b>	-	
<b>b) OTHERS</b>			
i) PROVISION FOR CURRENT TAXATION			
AS PER LAST BALANCE SHEET	24839.87	13466.87	
Additions during the year	15870.55	27526.00	
Amount used during the year	-	16153.00	
<b>CLOSING BALANCE</b>	<b>40710.42</b>	<b>24839.87</b>	
Less : Advance Tax paid	38516.21	24034.65	
<b>CLOSING BALANCE (NET OF ADVANCE TAX)</b>	<b>2194.21</b>	<b>805.22</b>	
ii) PROVISION FOR PROPOSED DIVIDEND			
AS PER LAST BALANCE SHEET	4626.09	-	
Additions during the year	9252.18	4626.09	
Amount used during the year	4626.09	-	
<b>CLOSING BALANCE</b>	<b>9252.18</b>	<b>4626.09</b>	
iii) TAX ON PROPOSED DIVIDEND			
AS PER LAST BALANCE SHEET	750.47	-	
Additions during the year	1500.93	750.47	
Amount used during the year	750.47	-	
<b>CLOSING BALANCE</b>	<b>1500.93</b>	<b>750.47</b>	
iv) PROVISION - OTHERS			
AS PER LAST BALANCE SHEET	3745.29	5874.96	
Additions during the year	5674.01	6758.70	
Amount used during the year	5025.17	8888.37	
<b>CLOSING BALANCE</b>	<b>4394.13</b>	<b>3745.29</b>	
v) PROVISION FOR CORPORATE SOCIAL RESPONSIBILITY EXPENSES			
AS PER LAST BALANCE SHEET	282.92	67.31	
Additions during the year	286.00	215.61	
Amount used during the year	-	-	
<b>CLOSING BALANCE</b>	<b>568.92</b>	<b>282.92</b>	
<b>TOTAL</b>	<b>19322.65</b>	<b>10341.88</b>	



## Schedule Forming Part of the Balance Sheet

### Note No. 12.1 TANGIBLE ASSETS

	As at 31.03.2012	(₹ in lac) As at 31.03.2011
<b>ACTIVE ASSETS *</b>		
Gross Block	78814.55	77000.73
Less: Depreciation	57897.14	55684.17
<b>NET BLOCK</b>	<b><u>20917.41</u></b>	<b><u>21316.56</u></b>
<b>DISCARDED ASSETS **</b>		
Gross Block	6981.97	6981.97
Less: Depreciation	6183.63	6183.63
<b>NET BLOCK</b>	<b><u>798.34</u></b>	<b><u>798.34</u></b>
Less: Provision	798.34	798.34
<b>NET BLOCK (NET OF PROVISIONS)</b>	<b><u>-</u></b>	<b><u>-</u></b>

### Note No. 12.2 INTANGIBLE ASSETS

Gross Block	-	-
Less: Depreciation	-	-
<b>NET BLOCK</b>	<b><u>-</u></b>	<b><u>-</u></b>

## Schedule Forming Part of the Balance Sheet



DESCRIPTION	GROSS BLOCK										DEPRECIATION						NET BLOCK				
	Cost as at 01.04.2011		During the Year				Cost as at 31.03.2012				Upto 01.04.2011		For the year		Deduction Trans. from		Upto 31.03.2012		As at 31.03.2012		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Land:																					
Free hold	151.61																				151.61
Lease hold	138.30	1020.46																			1062.46
Buildings including Sanitary and Water Supply System	11225.09	0.54																			5071.98
Plant, Machinery and Mining Equipment	55507.85	742.85	95.51																		12422.88
Furniture & Fixtures	578.62	30.51																			13521.40
Vehicles	810.25	38.58	17.25																		144.64
Office Equipment, Hospital, Survey and Drawing Equipment	616.67	26.11																			180.95
Roads, Bridges and Culverts	590.85																				165.37
Railway Siding	518.73	26.24																			221.14
Electrical Equipment and Installation	3204.71	41.29																			212.67
Shafts and Inclines	3658.05																				353.79
<b>Total</b>	<b>77000.73</b>	<b>1926.58</b>	<b>112.76</b>																		<b>20917.41</b>
Previous Year	76035.06	2145.44	29.77	5.17	1155.17	77000.73															21316.56
Discarded Assets	6981.97					6981.97															798.34
Less Provision																					798.34
Discarded Assets (net of provision)																					-

# Refer main Profit & Loss Account and Schedule No. 13.2



## Schedule Forming Part of the Balance Sheet

(₹ in lac)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost as at 01.04.2011	Additions	Deduction/ Sale	During the Year Transf. From Discarded	Cost as at 31.03.2012	Upto 01.04.2011	For the year Deduction/ Sale	During the Year Transf. from Discarded	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land:											
Free hold	0.62				0.62					0.62	0.62
Lease hold	19.23				19.23	16.21			16.21	3.02	3.02
Buildings including Sanitary and Water Supply System	334.90				334.90	153.45			153.45	181.45	181.45
Plant, Machinery and Mining Equipment	5661.49				5661.49	5233.48			5233.48	428.01	428.01
Vehicles	64.02				64.02	59.84			59.84	4.18	4.18
Office Equipment, Hospital, Survey and Drawing Equipment	31.40				31.40	25.14			25.14	6.26	6.26
Roads, Bridges and Culverts	37.01				37.01	12.08			12.08	24.93	24.93
Electrical Equipment and Installation	217.91				217.91	159.74			159.74	58.17	58.17
Shafts and Inclines	615.39				615.39	523.69			523.69	91.70	91.70
<b>Total</b>	<b>6981.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6981.97</b>	<b>6183.63</b>	<b>-</b>	<b>-</b>	<b>6183.63</b>	<b>798.34</b>	<b>798.34</b>
Less Provision										798.34	798.34
Discarded Assets (net of provision)										-	-

## Schedule Forming Part of the Balance Sheet



### Note No. 13.1 CAPITAL WORK IN PROGRESS

	As at 31.03.2012	As at 31.03.2011
		(₹ in lac)
i) Plant & Machinery	3688.53	3699.09
ii) Others	<u>3360.35</u>	<u>3267.51</u>
	7048.88	6966.60
Less: Provision	6949.43	6949.43
<b>TOTAL</b>	<b><u>99.45</u></b>	<b><u>17.17</u></b>

### Note No. 13.2 MINE DEVELOPMENT EXPENDITURE

As per Last Balance Sheet	50559.15	45065.38
Add: Expenditure during the Year ( as per Note Below)	<u>15688.24</u>	<u>13527.10</u>
	66247.39	58592.48
Less: Value of Ore recovered during Mine Development	1089.82	390.28
Less: Amortisation during the Year	<u>12628.87</u>	<u>7643.05</u>
	13718.69	8033.33
	<u>52528.70</u>	<u>50559.15</u>
Less: Provision	4664.86	4664.86
<b>TOTAL</b>	<b><u>47863.84</u></b>	<b><u>45894.29</u></b>

### Note No. 13.2 MINE DEVELOPMENT EXPENDITURE (Contd.)

Note: MINE DEVELOPMENT EXPENDITURE DURING THE YEAR

i) Salaries, Wages, Allowances	3137.45	2759.51
ii) Contribution to Provident & Other Funds	282.12	278.45
iii) Workmen & Staff Welfare Expenses	191.06	206.34
iv) Gratuity	292.68	306.72
v) Stores, Spares & Tools Consumed	4200.23	3839.09
vi) Power, Fuel & Water	472.14	290.97
vii) Royalty	45.43	39.80
viii) Repair & Maintenance	2203.45	1474.03
ix) Insurance	4.23	-
x) Overburden Removal Expenditure	4003.30	3675.66
xi) Depreciation	541.89	535.59
xii) Other Expenses	314.26	120.94
<b>TOTAL</b>	<b><u>15688.24</u></b>	<b><u>13527.10</u></b>



## Schedule Forming Part of the Balance Sheet

### Note No. 14 NON-CURRENT INVESTMENTS

	As at 31.03.2012	As at 31.03.2011
		(₹ in lac)
i) Non Trade Investment in Debentures	0.17	0.17
Less : Provision for diminution in value	<u>0.17</u>	<u>-</u>
	-	0.17
ii) Investment in Mutual Fund (SBI) above 12 months	2950.00	1725.04
iii) Investment in Mutual Fund (UTI) above 12 months	2000.00	2295.00
iv) Investment in Mutual Fund (CANARA ROBECO) above 12 months	250.00	400.14
v) Investment in Mutual Fund (IDBI) above 12 months	450.00	200.00
<b>TOTAL</b>	<b><u>5650.00</u></b>	<b><u>4620.35</u></b>
AGGREGATE BOOK VALUE - UNQUOTED	<u>850.00</u>	<u>0.17</u>
AGGREGATE BOOK VALUE - QUOTED	<u>4800.00</u>	<u>4620.18</u>
MARKET PRICE OF QUOTED INVESTMENT	<u>4990.71</u>	<u>4774.55</u>

## Schedule Forming Part of the Balance Sheet



### Note No. 15 LONG TERM LOAN AND ADVANCES

	(₹ in lac)	
	As at 31.03.2012	As at 31.03.2011
<b>a) CAPITAL ADVANCES</b>		
i) Secured (considered good)	1077.41	8.83
ii) Unsecured (considered good)		
– Against Bank Guarantee	-	-
– Others	-	-
iii) Unsecured (considered doubtful)	0.02	0.02
Less: Provisions for Capital Advances *	<u>0.02</u>	<u>0.02</u>
<b>b) OTHER LOANS &amp; ADVANCES</b>		
i) Employees (including accrued interest)		
– Secured (considered good)	6.90	9.02
– Unsecured (considered good)		-
– Unsecured (considered doubtful)		-
ii) Other Advances		
– Unsecured (considered doubtful)	7369.57	7369.57
Less: Provision for Other Loans & Advances **	<u>7369.57</u>	<u>7369.57</u>
	-	-
<b>c) DEPOSITS</b>	3492.17	1687.93
Less: Provisions for Deposits ***	<u>32.12</u>	<u>32.12</u>
	3460.05	1655.81
<b>TOTAL</b>	<u><b>4544.36</b></u>	<u><b>1673.66</b></u>
<b>PROVISIONS FOR CAPITAL ADVANCES *</b>		
OPENING BALANCE	0.02	-
Additions during the year	-	0.02
Amount used during the year	-	-
<b>CLOSING BALANCE</b>	<u><b>0.02</b></u>	<u><b>0.02</b></u>
<b>PROVISIONS FOR OTHER LOANS &amp; ADVANCES **</b>		
OPENING BALANCE	7369.57	7369.57
Additions during the year	-	-
Amount used during the year	-	-
<b>CLOSING BALANCE</b>	<u><b>7369.57</b></u>	<u><b>7369.57</b></u>
<b>PROVISIONS FOR DEPOSITS ***</b>		
OPENING BALANCE	32.12	7.49
Additions during the year	-	252.48
Amount used during the year	-	227.85
<b>CLOSING BALANCE</b>	<u><b>32.12</b></u>	<u><b>32.12</b></u>

As at 31.03.2012      As at 31.03.2011

#### PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS

Amount due at the end of the year	Rs Nil	Rs Nil
Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to Rs Nil (Previous year Rs Nil)		





## Schedule Forming Part of the Balance Sheet

### Note No. 16 OTHER NON-CURRENT ASSETS

	(₹ in lac)	
	As at 31.03.2012	As at 31.03.2011
<b>a) LONG TERM TRADE RECEIVABLES</b>	-	-
<b>b) OTHERS</b>		
i) Interest accrued on:		
- Advance to Government of India	-	-
- Others	-	-
ii) Deferred Foreign Currency Fluctuation Assets	-	-
iii) Deferred Expenditure on Foreign Currency Fluctuation Account	-	-
<b>TOTAL</b>	<u>-</u>	<u>-</u>

### Note No. 17 CURRENT INVESTMENTS

i) Investment in Mutual Fund (SBI) less than 12 months	6480.00	1200.00
ii) Investment in Mutual Fund (UTI) less than 12 months	1932.94	625.80
iii) Investment in Mutual Fund (CANARA ROBECO) less than 12 months	800.04	-
<b>TOTAL</b>	<u>9212.98</u>	<u>1825.80</u>
AGGREGATE BOOK VALUE - UNQUOTED	<u>1500.00</u>	<u>425.02</u>
AGGREGATE BOOK VALUE - QUOTED	<u>7712.98</u>	<u>1400.78</u>
MARKET PRICE OF QUOTED INVESTMENT	<u>7895.57</u>	<u>1444.15</u>

## Schedule Forming Part of the Balance Sheet



### Note No. 18 INVENTORIES

	(₹ in lac)	
	As at 31.03.2012	As at 31.03.2011
(VALUATION AS PER ACCOUNTING POLICY NO. 7)		
i) Raw Materials	1.39	3.14
ii) Semi-Finished and In-Process (at lower of cost or net realisable value)	24421.82	28051.27
Less: Provision for Semi-Finished and In-Process*	<u>678.36</u> 23743.46	<u>678.36</u> 27372.91
iii) Finished Goods (at lower of cost or net realisable value)	2306.96	892.74
iv) Stores and spares	9587.80	8326.78
Stores in transit/ pending inspection	<u>1222.68</u>	<u>574.47</u>
	10810.48	8901.25
Less: Provision for Obsolete Stores & Spares**	<u>4799.51</u> 6010.97	<u>4905.45</u> 3995.80
v) Loose tools	1.59	1.59
<b>TOTAL</b>	<b><u>32064.37</u></b>	<b><u>32266.18</u></b>
PROVISION FOR SEMI-FINISHED AND IN-PROCESS*		
OPENING BALANCE	678.36	709.21
Additions during the year	-	-
Amount used during the year	-	30.85
<b>CLOSING BALANCE</b>	<b><u>678.36</u></b>	<b><u>678.36</u></b>
PROVISION FOR OBSOLETE STORES & SPARES **		
OPENING BALANCE	4905.45	5071.31
Additions during the year	28.14	57.12
Amount used during the year	134.08	222.98
<b>CLOSING BALANCE</b>	<b><u>4799.51</u></b>	<b><u>4905.45</u></b>



## Schedule Forming Part of the Balance Sheet

### Note No. 19 TRADE RECEIVABLES (DEBTORS)

	(₹ in lac)			
	As at 31.03.2012		As at 31.03.2011	
a) DEBTS OUTSTANDING				
i) - Secured - Considered good	12174.05		6522.16	
ii) - Unsecured - Considered good	-		-	
iii) - Considered doubtful and provided	<u>357.28</u>		<u>417.42</u>	
	12531.33		6939.58	
Less: Provision for doubtful debts*	<u>357.28</u>	12174.05	<u>417.42</u>	6522.16
<b>TOTAL</b>		<b><u>12174.05</u></b>		<b><u>6522.16</u></b>
PROVISION FOR DOUBTFUL DEBTS*				
OPENING BALANCE		417.42		413.03
Additions during the year		0.89		4.44
Amount used during the year		61.03		0.05
<b>CLOSING BALANCE</b>		<b><u>357.28</u></b>		<b><u>417.42</u></b>

Explanatory Note: -

1) The amount shown under 'Debts Outstanding - Considered doubtful' are debts outstanding for a period exceeding 6 months from the date they became due for payment.

2) Debt due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director of the Company is a partner or a Director or a member amounts to Rs Nil (Previous year Rs Nil).

## Schedule Forming Part of the Balance Sheet



### Note No. 20 CASH AND BANK BALANCES

	As at 31.03.2012	As at 31.03.2011
(₹ in lac)		
<b>A) CASH AND CASH EQUIVALENTS</b>		
i) Balances with banks	1061.11	708.54
ii) Cheques, drafts on hand	0.45	1027.13
iii) Cash on hand	5.58	5.42
<b>B) OTHER BANK BALANCES</b>		
i) Bank deposits upto 3 months maturity from date of original investment		
With scheduled banks	745.00	-
With other banks	-	-
ii) Bank deposits with more than 3 months and upto 12 months maturity		
With scheduled banks	21356.09	8723.90
With other banks	-	-
iii) Bank deposits with more than 12 months maturity		
With scheduled banks	19573.47	23735.57
With other banks	-	-
iv) Deposit account-Unpaid Dividend	-	0.92
v) Investment in Mutual Fund (UTI) upto 3 months	-	1502.00
vi) Investment in Mutual Fund (SBI) upto 3 months	300.14	200.00
vii) Investment in Mutual Fund (LIC) upto 3 months	-	200.00
viii) Investment in Mutual Fund (CANARA ROBECO) upto 3 months	1853.39	300.00
<b>C) MARGIN MONEY</b>		
i) Margin Money (For opening of letter of credit or similar facilities )	25.00	25.00
<b>TOTAL</b>	<b>44920.23</b>	<b>36428.48</b>
AGGREGATE BOOK VALUE - UNQUOTED	2153.53	800.00
AGGREGATE BOOK VALUE - QUOTED	Nil	1400.00
MARKET PRICE OF QUOTED INVESTMENT	Nil	1402.91



## Schedule Forming Part of the Balance Sheet

### Note No. 21 SHORT TERM LOANS AND ADVANCES

	As at 31.03.2012	As at 31.03.2011
		(₹ in lac)
<b>A) LOANS</b>		
i) -Employees (including accrued interest)	-	-
ii) -Others	<u>-</u>	<u>-</u>
	-	-
<b>B) ADVANCES</b>		
i) Employees		
- Unsecured (considered good)	260.95	230.66
- Unsecured (considered doubtful)	<u>2.03</u>	<u>-</u>
	262.98	230.66
ii) Advances to contractors / suppliers		
- Secured (considered good)	-	-
- Unsecured (considered good)		
- Against Bank Guarantee	-	-
- Others	1263.85	2231.09
- Unsecured (considered doubtful)	<u>198.33</u>	<u>-</u>
	1462.18	2231.09
iii) Other Advances		
- Unsecured (considered good)	914.84	286.37
- Unsecured (considered doubtful)	<u>70.22</u>	<u>584.01</u>
	<u>985.06</u>	<u>870.38</u>
	2710.22	3332.13
Less : Provision for Doubtful Loans and Advances*	<u>270.58</u>	<u>584.01</u>
	2439.64	2748.12
<b>C) DEPOSITS</b>		
Deposits	1656.30	1627.49
Less : Provision for Doubtful Deposits**	<u>-</u>	<u>-</u>
	1656.30	1627.49
<b>TOTAL</b>	<b><u>4095.94</u></b>	<b><u>4375.61</u></b>
<b>DETAILS OF PROVISIONS</b>		
<b>"PROVISION FOR DOUBTFUL LOANS AND ADVANCES *"</b>		
OPENING BALANCE	584.01	590.31
Additions during the year	20.03	8.03
Amount used during the year	333.46	14.33
CLOSING BALANCE	<u>270.58</u>	<u>584.01</u>
<b>"PROVISION FOR DOUBTFUL DEPOSITS **"</b>		
OPENING BALANCE	-	-
Additions during the year	-	-
Amount used during the year	-	-
CLOSING BALANCE	<u>-</u>	<u>-</u>
Explanatory Note: -		
<b>PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS</b>	As at 31.03.2012	As at 31.03.2011
i) Amount due at the end of the year	Rs Nil	Rs Nil
ii) Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to Rs Nil (Previous year Rs Nil)		

## Schedule Forming Part of the Balance Sheet



### Note No. 22 OTHER CURRENT ASSETS

	(₹ in lac)	
	As at 31.03.2012	As at 31.03.2011
<b>a) INTEREST ACCRUED ON</b>		
i) LC from Customers	10.49	32.93
ii) Investments	16.35	1.59
iii) Deposits	1579.96	649.76
iv) Others	29.22	43.39
<b>b) OTHER CURRENT ASSETS</b>		
i) Other Current Assets	690.37	1550.08
Less: Provision for Other Current Assets*	<u>3.52</u>	<u>1.50</u>
	686.85	1548.58
<b>c) CLAIMS RECOVERABLE</b>		
i) Claims recoverable from different agencies	963.46	1104.90
Less: Provision for Doubtful Claims **	<u>589.30</u>	<u>610.72</u>
	374.16	494.18
<b>d) OTHER RECOVERABLES</b>		
i) Other Recoverables	-	-
<b>TOTAL</b>	<u><b>2697.03</b></u>	<u><b>2770.43</b></u>
<b>DETAILS OF PROVISIONS</b>		
<b>"PROVISION FOR OTHER CURRENT ASSETS **"</b>		
OPENING BALANCE	1.50	-
Additions during the year	2.02	1.50
Amount used during the year	-	-
<b>CLOSING BALANCE</b>	<u><b>3.52</b></u>	<u><b>1.50</b></u>
<b>"PROVISION FOR DOUBTFUL CLAIMS ***"</b>		
OPENING BALANCE	610.72	556.43
Additions during the year	413.36	116.68
Amount used during the year	434.78	62.39
<b>CLOSING BALANCE</b>	<u><b>589.30</b></u>	<u><b>610.72</b></u>



## Schedule Forming Part of the Profit & Loss Account

### Note No. 23 REVENUE FROM OPERATIONS

	(₹ in lac)	
	Year ended 31.03.2012	Year ended 31.03.2011
GROSS SALES		
- Domestic	157168.00	122059.97
- Export	<u>6649.87</u>	<u>6067.58</u>
<b>SUB TOTAL (A)</b>	<b>163817.87</b>	<b>128127.55</b>
Excise Duty	14656.76	11027.53
Discount & Rebate	<u>731.66</u>	<u>470.60</u>
<b>SUB TOTAL (B)</b>	<b>15388.42</b>	<b>11498.13</b>
<b>TOTAL (A-B)</b>	<b><u>148429.45</u></b>	<b><u>116629.42</u></b>

## Schedule Forming Part of the Profit & Loss Account



### Note No. 24 OTHER INCOME

	Year ended 31.03.2012	Year ended 31.03.2011
(₹ in lac)		
<b>A) TRADE</b>		
- Sale of Scrap	275.85	303.48
- Claims	64.34	37.79
- Interest received from Customers	415.98	401.19
- Conversion Charges	50.19	86.19
<b>SUB TOTAL (A)</b>	<b>806.36</b>	<b>828.65</b>
<b>B) NON-TRADE</b>		
- Dividend income -Mutual Fund	539.18	490.91
- Interest from Term Deposits	3226.10	1806.60
- Interest - Others	181.31	276.31
<b>SUB TOTAL (B)</b>	<b>3946.59</b>	<b>2573.82</b>
<b>C) OTHER INCOME</b>		
- Profit on sale of Assets	11.86	8.27
- Provisions not required written back #	532.46	387.55
- MTM Credit/ Debit & Hedging Expenses	49.34	-
- Profit on Sale of Investment	299.51	-
- Penalty & Liquidated Damages	881.34	807.90
- Exchange Rate Variation	0.16	-
- Others	2287.78	959.85
<b>SUB TOTAL (C)</b>	<b>4062.45</b>	<b>2163.57</b>
<b>TOTAL (A+B+C)</b>	<b>8815.40</b>	<b>5566.04</b>
<b>Details of Provisions not required written back #</b>		
Provision for Bad and Doubtful debts	28.68	-
Provision for Royalty on gold and silver	302.55	-
Provision for MSMED of earlier years no longer required	48.37	-
Provision for Doubtful Advances / Deposits	15.30	7.70
Provision for Stores & Spares	111.03	219.11
Others	26.53	160.74
<b>TOTAL</b>	<b>532.46</b>	<b>387.55</b>

### Note No. 25 COST OF MATERIALS CONSUMED

Raw Materials Consumed	6064.13	4599.13
Value of Ore Raised During Mine Development	1089.82	390.28
<b>TOTAL</b>	<b>7153.95</b>	<b>4989.41</b>





## Schedule Forming Part of the Profit & Loss Account

### Note No. 26 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED AND IN PROCESS

	Year ended 31.03.2012	Year ended 31.03.2011
(₹ in lac)		
<b>A. OPENING STOCK:</b>		
Finished Goods	892.74	1261.12
Semi-Finished and In-Process	28051.27	20430.61
<b>TOTAL OPENING STOCK</b>	<b>28944.01</b>	<b>21691.73</b>
<b>B. CLOSING STOCK:</b>		
Finished Goods	2306.96	892.74
Semi-Finished and In-Process	24421.82	28051.27
<b>TOTAL CLOSING STOCK</b>	<b>26728.78</b>	<b>28944.01</b>
(INCREASE)/ DECREASE (A-B)	2215.23	(7252.28)

### Note No. 27 EMPLOYEES' BENEFITS EXPENSES

Salaries, Wages & Allowances	25376.62	21377.87
Bonus/Ex-gratia/Performance Related Pay	1880.55	1882.12
Contribution to Provident & Other Funds	2174.82	2079.71
Workmen & Staff Welfare Expenses	1490.58	1709.09
Gratuity	3027.46	2753.25
<b>TOTAL</b>	<b>33950.03</b>	<b>29802.04</b>

Explanatory Note: -

The detail of Remuneration paid/payable to Directors as included in above payments are as follows: -

(i) Salaries & Allowances	146.69	81.19
(ii) Contribution to Provident & Other Funds	8.57	6.19
(iii) Re-imbusement of Medical Expenses	1.52	2.21
(iv) Leave Travel Concession	-	0.21
<b>TOTAL</b>	<b>156.78</b>	<b>89.80</b>

In addition the Whole-time Directors are allowed the use of company car for private purpose and have been provided with residential accomodation as per terms of their appointment / Government guidelines and the charges are recovered at the rates prescribed by the Government.

### Note No. 28 FINANCE COST

- Interest on Cash Credit	2.32	0.35
- Others	150.39	418.11
<b>TOTAL</b>	<b>152.71</b>	<b>418.46</b>

## Schedule Forming Part of the Profit & Loss Account



### Note No. 29 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31.03.2012	Year ended 31.03.2011
(₹ in lac)		
<b>A. DEPRECIATION</b>		
Depreciation for the year	2318.61	2731.29
Less: Depreciation transferred to Mine Development Expenditure	541.89	535.59
Less: Depreciation transferred to Prior Period	-	111.67
<b>SUB TOTAL (A)</b>	<b>1776.72</b>	<b>2084.03</b>
<b>B. AMORTISATION</b>		
Amortisation during the year	12628.87	7643.05
<b>SUB TOTAL (B)</b>	<b>12628.87</b>	<b>7643.05</b>
<b>TOTAL (A+B)</b>	<b>14405.59</b>	<b>9727.08</b>

### Note No. 30 GENERAL ADMINISTRATION AND OTHER EXPENSES

<b>A. OTHER MANUFACTURING EXPENSES</b>		
- Stores, Spares & Tools Consumed	8409.91	7600.08
- Consumption of Power, Fuel & Water	15952.87	12097.16
- Royalty, Cess & Decretal amount	6065.96	6103.85
- Contractual Job for Process	5407.03	5720.72
- Handling & Transportation	2210.43	2564.78
- Tolling Charges	5839.13	4897.64
- MTM Credit / Debit & Hedging Expenses	-	164.65
<b>SUB TOTAL (A)</b>	<b>43885.33</b>	<b>39148.88</b>
<b>B. REPAIRS &amp; MAINTENANCE</b>		
- Building	78.56	124.67
- Machinery	1336.89	1544.59
- Others	437.76	321.49
<b>SUB TOTAL (B)</b>	<b>1853.21</b>	<b>1990.75</b>
<b>C. ADMINISTRATION EXPENSES</b>		
- Insurance	132.43	70.16
- Rent	81.84	72.43
- Rates and Taxes	1552.80	4757.19
- Security Expenses	293.97	391.72
- Travelling and Conveyance	319.32	545.36
- Telephone, Telex and Postage	75.65	75.50
- Advertisement and Publicity	137.90	167.79
- Printing and Stationery	49.18	35.52
- Books & Periodicals	12.03	5.97
- Consultancy Charges - Indigenous	2.86	5.35
- Consultancy Charges - Foreign	7.33	5.92
- Loss on Sale of Stores	396.74	219.05



## Schedule Forming Part of the Profit & Loss Account

### Note No. 30 GENERAL ADMINISTRATION AND OTHER EXPENSES (Contd.)

	Year ended 31.03.2012	Year ended 31.03.2011
	(₹ in lac)	
- Arbitration/ Court Cases	139.43	174.62
- Research & Development Expenses	21.63	20.29
- Corporate Social Responsibility Expenses	162.12	300.70
- Hire Charges	880.41	988.48
- Audit Expenses (Refer detail below at SI 1)	32.00	45.29
- Director Expenses (Refer below at SI 2)	3.05	4.70
- Other General Expenses	772.21	520.19
<b>SUB TOTAL (C)</b>	<b>5072.90</b>	<b>8406.23</b>
<b>D. PROVISIONS (Refer detail below at SI 3)</b>	1066.27	1335.83
<b>TOTAL (A+B+C)</b>	<b>51877.71</b>	<b>50881.69</b>
Explanatory Note: -		
1) Detail of Audit Expenses are as under: -		
i) Statutory Auditors		
As Auditor		
- Statutory Audit Fees	6.13	6.69
- Tax Audit Fees	1.96	8.09
In Other Capacity		2.19
- Other Matters / Services	6.57	20.97
Reimbursement of Expenses	10.86	9.51
ii) Cost Auditors		
- Cost Audit Fees	0.30	0.30
- Reimbursement of Expenses	0.03	0.04
iii) Internal Auditors		
- Audit Fees	2.80	2.70
- Reimbursement of expenses	3.35	2.89
<b>TOTAL</b>	<b>32.00</b>	<b>45.29</b>
2) Sitting fees to Independent Directors	3.05	4.70
3) Detail of Provisions are as under: -		
Doubtful debts	0.89	7.59
Doubtful advances / deposits	11.02	146.20
Doubtful claims	5.49	-
Capital Work- in- Progress	-	68.17
Interest on MSMED	43.30	175.62
Excise Duty on Anode Slime Credit	260.45	243.63
Sales Tax on Anode Slime Credit	215.92	-
Provision for diminution in value of Investment	0.17	-
Provision for Corporate Social Responsibility	286.00	215.61
Provision for Discarded Assets	-	3.87
Provision for Fixed Assets/ Stores	8.56	2.55
Provision for Others	234.47	472.59
<b>TOTAL</b>	<b>1066.27</b>	<b>1335.83</b>

## Schedule Forming Part of the Profit & Loss Account



### Note No. 31 PRIOR PERIOD ADJUSTMENTS (NET)

	(₹ in lac)	
	Year ended 31.03.2012	Year ended 31.03.2011
<b>A. INCOME</b>		
Others	3.16	-
<b>SUB TOTAL (A)</b>	<u>3.16</u>	<u>-</u>
<b>B. EXPENDITURE</b>		
Depreciation	-	111.67
Others	-	-
<b>SUB TOTAL (B)</b>	<u>-</u>	<u>111.67</u>
<b>TOTAL</b>	<u>(3.16)</u>	<u>111.67</u>

### Note No. 32 TAX EXPENSES

<b>CURRENT TAX</b>		
Income Tax Provision	15870.55	10775.00
Deferred Tax Account	(921.78)	336.23
<b>TOTAL</b>	<u>14948.77</u>	<u>11111.23</u>



**33 SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING :**

The financial statements are prepared under historical cost convention from the books of account maintained on an accrual basis and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

**2. USE OF ESTIMATES :**

Financial statements have been prepared based on in-house technical estimates in respect of the following:

- Allocation of service shaft expenses, underground mining expenditure between revenue and capital.
- Metal content in raw materials, WIP and finished goods.
- Credit of anode scrap generation in refinery plants.
- Mineable ore reserves in underground mines.
- Stripping ratio in open cast mines.

**3. FIXED ASSETS :**

**3.1.** Fixed assets are recorded at cost net of CENVAT and VAT credit wherever applicable less accumulated depreciation and impairment loss, if any.

**3.2** Pending reconciliation/receipt of the final bills against capital items, capitalization is done on the basis of cost booked and depreciation is charged accordingly. Price differences, if any, are adjusted in the year of finalization of bills.

**3.3** In respect of expenditure during construction of a new unit in a new location, all direct capital expenditure as well as all indirect expenditure incidental to construction are capitalized allocating to various items of fixed assets on an appropriate basis. Expansion programme involving construction concurrently run with normal production activities in an existing unit, all direct capital expenditure in relation to such expansion are capitalized but indirect expenditure are charged to revenue.

**3.4** Expenses incurred for implementation of new projects are carried forward against respective projects till execution. Expenses rendered infructuous on projects abandoned subsequently are provided in the Profit & Loss Account.

**3.5** Physical verification of fixed assets is carried out once in every three years. Shortage/excess, if any, is provided for in the year of identification.

**4. DEPRECIATION :**

Depreciation on fixed assets is provided on straight line method at the rates prescribed in schedule XIV to the Companies Act, 1956. Depreciation on assets acquired prior to 1.04.93 is charged on derived rates by allocating the unamortized value over the remaining life arrived at on the basis of rates prescribed under the Schedule XIV to the Companies Act, 1956. Depreciation in respect of plant & machinery and building of new project is charged from the date of commercial production.

**5. GRANTS-IN-AID :**

Fixed assets acquired out of funds provided by the Government by way of grants-in-aid are stated in the books at cost less depreciation and special reserve created for the same is apportioned over the life of the assets by transfer to profit and loss account.

**6. IMPAIRMENT OF ASSETS :**

The Company reviews the carrying amount of its fixed assets, whenever circumstances indicate that the carrying amount of the asset is less than the realizable value. The Company assesses recoverability of the carrying value of the assets by grouping assets of entire one plant as Cash Generating Unit (CGU). The Company then estimates the discounted future cash flows expected to result from CGU. If the estimated discounted future cash flow expected to result from the use of the asset are less than its carrying amount, the asset is deemed to be impaired. The amount of impairment is measured as the difference between the carrying value and fair market value.

**7. MINE DEVELOPMENT EXPENDITURE :**

**7.1** In case of underground mines : The expenditure on development of a new mine in all cases and on subsequent development of a working mine in specified cases is capitalized and amortized on the basis of ore raised during the year and the mineable ore reserves estimated from time to time. The ore obtained during development activity is adjusted against such expenditure at its derived realizable value.



## Schedules forming part of the Accounts

- 7.2 In case of working mines, where development activities are going on simultaneously : Expenses are apportioned between capital or revenue on the basis of inhouse technical estimates.
- 7.3 In respect of open cast mines : The expenditure on removal of waste and overburden, is capitalized and the same is amortized in relation to actual ore production during the year and the stripping ratio of the mine as determined by the company at the weighted average rate.
- 7.4. Expenditure incurred on exploration of new deposits is included in mine development expenditure. If the exploration activities are found to be not fruitful, the expenditure on such exploratory work included in mine development expenditure is written off in the year in which it is decided to abandon the project.
8. **MAJOR OVERHAULING EXPENSES :**  
The expenditure attributable to major overhaul of smelter/refinery is charged to the Accounts in the year of incurrence.
9. **INVENTORIES :**
- 9.1 Stocks of stores and spare parts, loose tools and materials-in-transit are valued at cost. The raw materials are valued at the lower of the net realizable value and weighted average cost to the unit if the finished goods in which they will be incorporated are expected to be sold below cost. Loose tools when issued are charged off to revenue.
- 9.2 Finished goods and work-in-process are valued at the lower of the net realizable value and weighted average cost to the unit. The cost is exclusive of financing cost, such as, interest, bank charges etc. The value of slag under work in process is taken at equivalent value to the extent credited to the process, where the said products have been generated. The reverts under work- in-process are valued at lower of cost (equivalent value of concentrate) and net realizable value.
- 9.3 The stock of anode slime arising from treatment and refining processes are stated at realizable value based on the year end London Metal Exchange price for gold and silver after making due adjustments of their physical recovery and the treatment and refining charges.
- 9.4. Liability for excise duty on finished goods in stock lying at works or warehouses is provided in the accounts and also considered in stock valuation.
- 9.5 The inventories out of inter-unit transfers at the close of the year are valued on the basis of cost or net realizable value whichever is lower to the transferor unit. No adjustment is made in respect of difference between the cost and transfer price for such transferred products in case of partly processed materials lying at various stages of production and finished stocks at the end of the year, since this is not practically ascertainable.
- 9.6 Imported materials are valued at weighted average cost. In the event where final price is not determined valuation is made on provisional cost. Variations are accounted for in the year of finalization.
- 9.7 Provision is made in the accounts every year, for non-moving stores and spares (other than insurance spares) which have not moved for more than five years.
- 9.8 Scraps are accounted for on realization.
10. **SALES :**  
Sales are net of discounts other than cash discounts.
11. **OTHER INCOME :**
- 11.1 Claims :  
Claims on account of liquidated damages and insurance are accounted for as and when these are realised and/or considered recoverable by the company.
- 11.2 Conversion charges :  
Income from conversion of job work is accounted for on the basis of dispatches made .
- 11.3 Interest on L/C bills :  
Interest up to the date of Balance Sheet on all outstanding bills is accounted for on accrual basis.
12. **RETIREMENT BENEFITS :**
- 12.1. Gratuity, Leave encashment and Leave Travel Concession :  
Liabilities towards gratuity, leave encashment for all employees and leave travel concession for non-executive employees as at the end of the year are provided for on the basis of actuarial valuation.  
The actuarial gains / losses in respect of " Employee Benefit Plans" are recognized in the statement of Profit & Loss Account.



**12.2. Deficit in Provident Fund:**

Deficit, if any, on account of Provident Fund Trust is accounted for on the basis of accrued liability, as ascertainable on the basis of last accounts closed by the Provident Fund Trust.

**13. BORROWING COST :**

Interest/finance cost on loans specifically borrowed for new and expansion projects up to the start of commercial production is charged to the capital cost of the projects concerned. All other borrowing cost are charged to revenue.

**14. ACCOUNTING FOR TAXES ON INCOME:**

Income Tax Expense comprises current tax and deferred tax charge. Deferred Tax is recognized on timing differences, being the difference between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets will be realized. Such balances of Deferred Tax Assets are reviewed as at Balance Sheet Date every year to reassess the realisability thereof.

**15. GENERAL :**

**15.1. Foreign Currency Transactions :**

Transactions in foreign currencies are recognized at applicable prevailing rates on the date of settlement. Year-end balances of receivables/payables are translated at applicable forward contract/year-end rates and resultant translation differences relating to fixed assets are adjusted against fixed assets and the balance is recognized in the Profit and Loss Account.

**15.2 Contingent Liability :**

Contingent Liabilities are disclosed in the Notes forming part of the accounts.

**15.3 Events occurring after the Balance Sheet date :**

Assets and Liabilities are adjusted for significant events occurring after the Balance Sheet date that provide additional evidences to assist the estimation of accounts relating to conditions existing at the Balance Sheet date.

**15.4 Prior Period & Extra Ordinary Items:**

The nature and amount of prior period items and extra-ordinary items are separately disclosed in the statement of Profit & Loss in a manner that their impact on the current Profit & Loss can be perceived.

**15.5 Research and Development Expenditure :**

Expenditure on research and development is charged off to Profit & Loss account in the year it is incurred. Expenditure on fixed assets in this regard is capitalized.

**15.6 Mine Closure Expenditure :**

Financial implications towards final mine closure plans under relevant Acts and Rules are technically estimated and the involvement, not being material, are charged off on actual incurrence.

**16. Voluntary Retirement Expenses :**

**16.1. Paid out of own fund :**

Voluntary Retirement expenditure incurred by the company is charged to revenue in the year of incurrence in accordance with AS-15.

**16.2. Paid out of Government Grant :**

Voluntary Retirement Expenditure is adjusted against Government Grant received for this purpose.

## Schedules forming part of the Accounts



### 34 NOTES ON ACCOUNTS

	Year 2011-12	Year 2010-11
(₹ in lac)		
1. Contingent Liabilities not provided for in respect of :-		
a. Estimated amount of commitments		
i. Capital	29649.07	1147.16
ii. Others	27964.85	15617.00
b. Other money for which the company is contingently liable		
i. Sales Tax	477.01	575.39
ii. Excise Duty	3457.29	3307.41
iii. Others	19639.23	20033.85
<b>TOTAL</b>	<b>81187.45</b>	<b>40680.81</b>
2. There was a trade dispute with M/s Bhagawati Gases Ltd (BGL) in connection with an agreement to supply of gaseous oxygen at Khetri Copper Complex. The dispute was referred to arbitration. The claim of M/s BGL is for an amount of Rs 1079.80 lac including interest with a corresponding counter claim of Rs 534.62 lac on the part of the company. The arbitral award has gone against the company. The company has filed an appeal before the Jhunjhunu Court, Rajasthan, and the same was admitted for hearing. There was no further development during the year under review. Out of the total claim of Rs 1079.80 lac of M/s BGL, the principal amount for Rs 688.20 lac has been duly provided in the books of accounts for the year under review. The balance amount of Rs 391.60 lac has been disclosed under 'Contingent Liabilities'.		
3. The Municipal Council, Malanjkhand, has raised a demand on MCP/HCL amounting to Rs 7046.64 lac on account of penalty on Terminal Tax for the period 2000-01 to 2005-06 on the ground of short payment of Terminal Tax by adopting higher assessable value as well as higher of Metal in Ore (MIO) produced and Metal in Concentrate (MIC) despatched. The matter has been contested by the company before the Hon'ble High Court, Jabalpur, M.P. and the company paid Rs 352.33 lac towards penalty Terminal Tax as per the order of Hon'ble High Court, Jabalpur, M.P. Subsequently the matter has been turned down by the Hon'ble High Court, Jabalpur, M.P. The Company has filed writ petition with Hon'ble Supreme Court of India. The Hon'ble Supreme Court vide its order dated 29.07.2011 directed to deposit an ad-hoc amount of Rs 1000.00 lac to Municipal Council, Malanjkhand which has since been deposited by the company and also ordered that the matter may be heard on the ground of merit by the Civil Court, Baihar. Pending final decision, the said amount has been disclosed under 'Contingent Liability'.		
4. During the year, the company has made a provision amounting to Rs 800.00 lac towards Performance Related Pay payable to the executives for F.Y. 2011-12 which is shown under 'Employees' Benefit Expenses'.		
5. There is a dispute with Madhya Pradesh State Electricity Board regarding interest on electricity tariff amounting to Rs 7008.00 lac payable at MCP which is pending for long time. Jabalpur High Court vide its order dated 01.12.2011 have dismissed the writ petition filed by the company. Thereafter, the company has preferred SLP before the Hon'ble Supreme Court praying for stay and the Hon'ble Supreme Court vide its judgement dated 13.04.2012 has granted ad-interim stay of the judgement / order dated 01.12.2011 of the Hon'ble High Court of Madhya Pradesh at Jabalpur. Pending final decision, the said amount has been disclosed as a 'Contingent Liability'.		
6. The Municipal Council, Malanjkhand, Madhya Pradesh issued demands on HCL/MCP for Rs 1253.32 lac on account of Property Tax for several years against which the company filed writ petitions with the Madhya Pradesh High Court, Jabalpur challenging the demand notice. Out of the above, an amount of Rs 220.85 lac has been paid by the Company based on self assessment from time to time and also as per interim measure as directed by The Madhya Pradesh High Court, Jabalpur. The net amount of Rs 1032.47 lac has been included under 'Contingent Liability'.		
7. In absence of lease agreement with the State Government in respect of certain leasehold lands, the amortization has been done for the adhoc payment made so far. In case of certain freehold lands acquired through nationalization in accordance with Indian Copper Corporation (Acquisition of Undertaking) Act, 1972, title deeds, conveyance deed etc. are not under possession of the company.		
8. In accordance with the guidelines of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the Company has assessed the recoverable value of its Cash Generating Units during F.Y. 2011-12. Due to economic consideration, the Company suspended KCC Smelter, Refinery and Sulphuric Acid Plant from December 2008. During the year the Company has ascertained the recoverable value of the fixed assets of all the units including Smelter, Refinery and Sulphuric Acid Plant at KCC. The written down value of such plants are lower than the recoverable value. Hence, in the opinion of the management, there is no impairment of assets that require provision to be made in the accounts for the year under review.		



## Schedules forming part of the Accounts



9. The title deeds are yet to be executed in respect of office flat at SCOPE Complex, Delhi and Jaipur office having book value of Rs 87.31 lac (Previous year Rs 89.05 lac).
10. The Company entered into derivative contract in the nature of forward contract for sale with an intention to hedge sale of copper in the Commodity Exchange Market to minimize LME price fluctuation. The company has made a net gain of Rs 49.34 lac during the year under review which is shown under 'Other Income' (Previous Year – a net loss of Rs 164.65 lac which is shown under 'General, Administration and Other Expenses').
11. At ICC, Pollution Control Plant under Package I & III amounting to Rs 2100.50 lac have not been capitalized for want of completion of trial / guarantee run as per terms of contract. As a matter of prudence, a provision for the same has been made in the accounts to take care of efflux of time during previous periods/years.
12. The balances under the heads Sundry Creditors, Claims Recoverable, Loans, Advances and Sundry Debtors are confirmed and reconciled as per book balance.
13. Information related to Micro, Small and Medium Enterprises Development Act, 2006 is disclosed hereunder.
  - a) i) Principal amount remaining unpaid to any supplier at the end of the accounting year - Rs 1828.71 lac
  - ii) Interest due on above - Rs 63.44 lac
  - b) Amount of interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year - Rs 69.32 lac
  - c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act - Rs 15.50 lac
  - d) Amount of interest accrued and remaining unpaid at the end of the financial year - Rs NIL
  - e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act - Rs 108.23 lac

The information has been given of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available to the Company.

14. The Company has closed / suspended many of its mining operations located at various places, Fertilizer Plant at Khetri in different years due to their uneconomic operations. As per requirement of AS-24 on "Discontinuing Operations" the following information for the year are furnished:

(₹ in lac)

(Previous year figures in brackets)

	MSB GROUP OF MINES	RCP	CCP	DCP	Fertilizer Plant
i) Initial disclosure event (Year of closure)	1997 to 2003	2001	2002	1994	2001
ii) Carrying amount of Assets	No separate records maintained	52.93 (52.93)	- (-)	- (-)	No separate records maintained
iii) Liabilities to be settled		137.17 (137.17)	73.04 (73.04)	3.38 (3.38)	
iv) Amount of income	- (8.42)	- (7.70)	- (-)	- (-)	
v) Amount of expenses	- (-)	- (0.25)	- (-)	- (-)	
vi) Gain on sale of assets (Included in iv above)	- (8.42)	- (-)	- (-)	- (-)	

## Schedules forming part of the Accounts



15. Since the company is primarily engaged in the business of manufacture and sale of copper products, the same is considered to be the only primary reportable business segment and accordingly reported. As the Company operates predominantly within the geographical limits of India no secondary segment reporting have been considered as per Accounting Standard “Segment Reporting (AS-17)”.

16. Sales for the period include FOB value of Export Sale :-

	Year 2011-12		Year 2010-11	
	Qty (MT)	₹ in lac	Qty (MT)	₹ in lac
Anode Slime	30.000	6649.87	35.000	6471.06

17. Related party disclosure :

Particulars	Key Management Personnel	Total Remuneration (₹ in lac)	
		Year ended 2011-12	Year ended 2010-11
<b>Receiving of Services</b>	1. Sri Shakeel Ahmed CMD	46.78	29.42
	2. Sri K D Diwan D(OP)	38.96	34.44
	3. Sri Anupam Anand D(P)	37.29	26.70
	4. Sri Avijit Ghosh D(Min)	34.70	16.41 (Part year)
	5. Sri K K Saberwal D(F)	19.36	2.43 (Part year)

18. The numerators and denominators used to calculate basic and diluted EPS:

(₹ in lac)

	BASIC	DILUTED
Numerator used: Profit After Tax	32343.68 (22409.85)	32343.68 (22409.85)
Denominator used: Weighted average number of Equity Shares of Rs.5/- (Previous year Rs 5/- each) outstanding during the period.	925218000 (925218000)	925218000 (925218000)

19. The Company has accounted for Deferred Tax in accordance with the guidelines of AS-22 on “Accounting for Taxes on Income” issued by The Institute of Chartered Accountants of India. The Deferred tax balances are set out below:-

**DEFERRED TAX ASSET (NET): -**

(₹ in lac)

Particulars	Deferred Tax Asset/(Liability) as at 01.04.2011	Credit/ (Charge) during 2011-12	Deferred Tax Asset/(Liability) as at 31.03.2012
Deferred Tax Asset :- Difference between provision made in accounts and claims made as per I. T Act	9717.90	644.74	10362.64
	9717.90	644.74	10362.64
Deferred Tax Liability :- Difference between net book value of depreciable capital assets vis-à-vis WDV as per IT Act	(10057.78)	277.04	(9780.74)
	(10057.78)	277.04	(9780.74)
Deferred Tax Asset (Net)	(339.88)	921.78	581.91



## Schedules forming part of the Accounts

### 20. PROVISIONS FOR CONTINGENCIES: -

(₹ in lac)

PARTICULARS	Discarded Fixed Assets	Capital WIP & Advance	Mines Development Expenditure	Others	TOTAL
Carrying amount as at 01.04.2011	798.34	6949.43	4664.86	54668.08	67080.71
Amount provided during the year	-	-	-	24394.42	24394.42
Amounts utilized against provision	-	-	-	-	-
Unused amounts released during the year.	-	-	-	532.46	532.46
Carrying amount as at 31.03.2012	798.34	6949.43	4664.86	78530.04	90942.67

### 21. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded through Life Insurance Corporation of India, SBI Life Insurance Ltd and Birla Sun Life Asset Management Co.Ltd. and are managed by separate trust. A provision of Rs 7410.46 thousand in respect of Gratuity, Leave Encashment and Leave Travel Concession has been made as stated below.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

(₹ in lac)

	Gratuity (Funded plan)	Leave Encashment (Non-funded Plan)	Leave Travel Concession (Non-funded Plan)
<b>(i) Change in Defined Benefit Obligation</b>			
Opening defined benefit obligation	13656.22	5653.61	131.89
Current service cost	779.87	769.35	
Interest cost	1054.01	368.22	3.03
Benefits Paid	2512.23	2643.31	192.53
Actuarial gain / (loss)	2583.92	2855.70	109.24
Closing defined benefit obligation	15561.79	7003.57	51.63
<b>(ii) Change in Fair Value of Assets</b>			
Opening fair value of plan assets	13617.44		
Expected return on plan assets	1089.39		
Actuarial gain / (loss)	23.48		
Contributions by employer	3188.64		
Benefits paid	2512.23		
Closing fair value of plan assets	15406.72		
<b>(iii) Amount recognized in the Balance Sheet</b>			
Opening Net Liability	38.79		
Expenses Recognized	3304.92	3993.27	112.27
Contributions	3188.64		
Closing Net Liability	155.07	3993.27	112.27
Closing Fund / Provision at end of year	15561.79	7003.57	51.63
<b>(iv) Expenses recognized in the Profit and Loss Account</b>			
Current service cost	779.87	769.35	
Interest cost	1054.00	368.22	3.03
Expected Return on Plan Asset	1089.39		
Net actuarial gain / loss recognized in the current year	2560.44	2855.70	109.24
Expenses Recognized as on 31.03.2012	3304.92	3993.27	112.27

## Schedules forming part of the Accounts



The details of the plan assets as on 31.03.2012 are as follows :

(₹ in lac)

Investment in Life Insurance Corporation of India	3188.51
Investment in SBI Life Insurance Ltd	12110.32
Investment in Birla Sunlife Asset Management Co. Ltd.	107.89
<b>Total</b>	<b>15406.72</b>

Actual Return on Plan Assets during the year - ₹ 1348.30 lac.

The principal assumptions used for actuarial valuation are :

i) Method used	Projected Unit Credit Method
ii) Discount Rate	8.50%
iii) Expected Rate of Return on Assets	8.00%
iv) Inflation Rate	5.00%

The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

22. The physical verification of stores and spares has been carried out during the year under review. Discrepancies identified on physical verification have been duly adjusted in the books of accounts.
23. Excise duty deducted from Gross Sales is the excise duty on Gross Turnover for the year under review. However, the excise duty related to the difference between the closing stock and opening stock is recognized separately in the statement of Profit & Loss Account as follows :

	As on 31.03.2012	As on 31.03.2011
Excise Duty on Closing Stock	625.43	425.09
Less : Excise Duty on Opening Stock	425.09	428.78
Net Excise Duty	<u>200.34</u>	<u>(3.69)</u>

24. As per Accounting Policy No. 3.5, the physical verification of fixed assets is carried out. Discrepancies identified on physical verification, if any, are duly adjusted in the accounts.
25. The Accounts have been prepared as per Revised Schedule VI of the Companies Act, 1956 and the previous year's figures have been regrouped / rearranged / restated accordingly.



## Schedules forming part of the Accounts



**34. NOTES ON ACCOUNTS :**  
**Additional information forming part of accounts for year ended March 31, 2012**  
**34.1 Capacities, production, stocks and sales**

(Figures in brackets pertain to those of previous year)

Class of goods	Unit	Licensed capacity	Installed capacity (As certified by management)	Actual production	Opening Stock		Closing Stock		Sales		Issued for internal consumption/intermediate products and others	Quantity
					Quantity	Value ₹ in lac	Quantity	Value ₹ in lac	Quantity	Value ₹ in lac		
<b>c : Allied and semi-Finished products</b>												
1	Anode slime	MT	NA (NA)	29 (26)	5 (14)	547.75 (1171.29)	7 (5)	1560.65 (547.75)	30 (35)	6649.87 (6471.06)	-3 (-)	
2	Copper mould	MT	NA (NA)	- (-)	52 (52)	90.04 (55.05)	52 (52)	90.04 (90.04)	- (-)	- (-)	- (-)	
3	Kyanite	MT	NA (NA)	- (-)	13 (13)	0.08 (0.08)	13 (13)	0.08 (0.08)	- (-)	- (-)	- (-)	
4	Others	MT (NA)	NA (-)	-	-	- (-)	-	- (-)	-	24203.15 (12607.41)	-	
<b>GRAND TOTAL</b>						2177.00*** (3460.73)	5703.04 ***** (2177.00)	163817.87***** (128127.55)				

**Note :**

- \* Due to change in product demand, the Company is no longer making this product.
- \*\* Although the Installed Capacity of Cathode is shown as 49500 MT (KCC - 31000 MT & ICC - 18500 MT), due to economic consideration the Company suspended KCC Smelter & Refinery from December 2008.
- \*\*\* Opening stock includes value of Wire Bar Rs 0.25 Lac, Cathode Rs 546.64 Lac, Nickel Sulphate Rs 4.78 Lac, Sulphuric Acid Rs 94.72 Lac, Anode Slime Rs 547.75 Lac, Copper Mould Rs 90.04 Lac and Kyanite Rs 0.08 Lac which are shown in Work-in-Progress.
- \*\*\*\* Closing stock includes value of Wire Bar Rs 0.25 Lac, Cathode Rs 1606.60 Lac, Nickel Sulphate Rs 4.78 Lac, Sulphuric Acid Rs 133.68 Lac, Anode Slime Rs 1560.65 Lac, Copper Mould Rs 90.04 Lac and Kyanite Rs 0.08 Lac which are shown in Work-in-Progress.
- \*\*\*\*\* Other Sales mainly include Sale of Copper Concentrate of MCP origin Qty 2420.423 CMT valuing Rs 10286.33 Lac and KCC origin Qty 1701.768 CMT valuing Rs. 7417.68 Lac, Credit of Anode Slime received from tolling valuing Rs 2524.57 Lac, Sale of Copper Sulphate of Rs. 482.13 Lac, Liberator Cathode of Rs. 438.44 Lac, Reverts of Rs 2449.76 Lac, Granulated Slag of Rs 162.78 Lac, Anode Slag of Rs 132.74 Lac, Copper Ash & Residue of Rs 154.75 Lac and Copper Dust of Rs 137.93 Lac.



## Schedules forming part of the Accounts

### 34. NOTES ON ACCOUNTS (Contd.)

#### Additional information forming part of accounts for year ended March 31, 2012

#### 34.2 Raw materials consumed

	Quantity		Value	
	Year ended 2011-2012 MT	Year ended 2010-2011 MT	Year ended 2011-2012 ₹ in Lac	Year ended 2010-2011 ₹ in Lac
Concentrate own production	137425	108191	55576.30	38239.59
Concentrate excluding own production	-	-	-	-
Cathode	-	-	-	-

#### 34.3 Imported and indigenous raw materials, stores spare parts and components consumed ( as certified by the management )

##### RAW MATERIALS:

	%	%		
Imported	-	-	-	-
Indigenous	-	-	-	-
	-	-	-	-

##### STORES & SPARES:

##### **(Direct and Stores & Spares booked in Mine Development, Shut-down and Fuel)**

Imported	0.27	0.82	52.76	128.40
Indigenous	99.73	99.18	19589.08	15521.95
	<b>100.00</b>	<b>100.00</b>	<b>19641.84</b>	<b>15650.35</b>

#### 34.4 C.I.F. value of imports

Raw Material	-	-
Components, spare parts and stores	53.74	71.06
Capital goods	24.09	252.05
	<b>77.83</b>	<b>323.11</b>

#### 34.5 Expenditure in foreign currency

Travelling	10.61	27.80
Advertisement	-	1.16
Others	39.64	27.23
	<b>50.25</b>	<b>56.19</b>

## Schedules forming part of the Accounts



### 34. NOTES ON ACCOUNTS

Additional information forming part of accounts for half year ended March 31, 2012 (Contd.)

	Year ended 2011-2012 ₹ in Lac	Year ended 2010-2011 ₹ in Lac
<b>34.6 Earning in foreign exchange</b>		
Exports of goods(FOB)	6649.87	6471.06
	<b>6649.87</b>	<b>6471.06</b>
<b>34.7 Payment to Whole-time Directors</b>		
Salaries and allowances	146.69	81.19
Company's contribution to provident and other funds	8.57	6.19
Re-imbursment of medical expenses	1.52	2.21
Leave encashment	-	-
Gratuity	-	-
Leave Travel Concession	-	0.21

#### NOTE :

In addition the Whole-time Directors are allowed the use of company car for private purpose and have been provided with residential accomodation as per terms of their appointment/Government guidelines and the charges are recovered at the rates prescribed by the Government.





## Schedules forming part of the Accounts

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(₹ in lac)

#### I. Registration Details

Registration No.	28825	State Code	21
Balance Sheet Date	31 03 12		

#### II. Capital Raised during the Year

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

#### III. Position of Mobilisation and Deployment of Funds

Total Equity & Liabilities	184821.57	Total Assets	184821.57
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##### Equity & Liabilities

Share Capital	46260.90	Reserves and Surplus	93503.27
Share Application Money			
Pending Allotment	-	Long Term Borrowings	-
Deferred Tax Liabilities (net)	-	Other Long Term Liabilities	1881.22
Long Term Provisions	6597.99	Short Term Borrowings	-
Trade Payables	6843.54	Other Current Liabilities	10412.00
Short Term Provisions	19322.65		

##### Assets

Fixed Assets	21016.86	Mine Development Expenditure	47863.84
Non Current Investments	5650.00	Deferred Tax Assets (net)	581.91
Long Term Loans & Advances	4544.36	Other Non Current Assets	-
Current Investments	9212.98	Inventories	32064.37
Trade Receivables	12174.05	Cash & Bank Balances	44920.23
Short Term Loans & Advances	4095.94	Other Current Assets	2,697.03

#### IV. Performance of Company

Total Income	157244.85	Total Expenditure	109952.40
Profit Before Tax	47292.45	Profit After Tax	32343.68
Earning Per Share (in Rs.)		Dividend rate %	20
- Basic	3.50		
- Diluted	3.50		

\*includes Other income

#### V. Generic Names of Three Principal Products / Services of Company

i) Item Code No. ( ITC Code )	7403.12
Product Description	Copper Wire Bar
ii) Item Code No. ( ITC Code )	7407.10
Product Description	Copper Wire Rod
iii) Item Code No. ( ITC Code )	7403.11
Product Description	Refined Copper Cathode



**Form for National Electronic Clearing Service (NECS) for payment of Dividend**  
(Please use Capital Letters)

1. Folio No :
2. DP ID \* :
- Client ID \* :
3. No of shares :
4. First shareholder's name :
5. First shareholders' address :
6. Telephone/Mobile No :
7. E-mail address :
8. Bank Particulars
  - i) Bank Name :
  - ii) Branch Name & Address :
  - iii) Account No (as appears in the cheque book) :
  - iv) Account type (Savings/Current/ Cash Credit/NRO/NRE) :
  - v) 9 digit MICR Code as appearing on the cheque :

I wish to opt for NECS facility for payment of dividend. I hereby declare that the particulars furnished above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information provided as above or any error made by the Bank(s), the Company will not be held responsible. I also undertake to advise any change in the particulars of my Bank account to facilitate updation of records for the purpose of credit of the amount through NECS.

Place:

Date:

( \_\_\_\_\_ )  
Signature of First/Sole Shareholder

Note:

- i) Please attach xerox copy of the cheque or a blank cheque of your Bank duly cancelled, for ensuring accuracy of the Bank's name, branch and 9 digit MICR code.
- ii) In case of shareholders holding equity shares in demat form, the above particulars may please be provided to the depository participants for availing the facility of payment of dividend through NECS.

(\* Applicable for investors holding share(s) in electronic mode)





# HINDUSTAN COPPER LIMITED

Regd. Office: Tamra Bhavan, 1 Ashutosh Choudhury Avenue, Kolkata-700019

## FORM OF PROXY

DP ID *	
NO OF SHARES HELD	

CLIENT ID *	
FOLIO NO.	

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/ members of Hindustan Copper Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him / her , \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the 45th Annual General Meeting of the Company to be held on Thursday, the 27th September, 2012 at 11 am and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Affix  
one rupee  
Revenue  
Stamp

Signature

### Note:

This form duly filled & signed must be deposited at the Registered Office of the Company at Tamra Bhavan, 1, Ashutosh Choudhury Avenue, Kolkata-700019 not less than forty-eight hours before the commencement of the meeting.

(\* Applicable for investors holding share(s) in electronic mode)



# HINDUSTAN COPPER LIMITED

Regd. Office: Tamra Bhavan, 1 Ashutosh Choudhury Avenue, Kolkata-700019

## ATTENDANCE SLIP

DP ID *	
NO OF SHARES HELD	

CLIENT ID *	
FOLIO NO.	

I/We hereby record my /our presence at the 45th Annual General Meeting of the Company on Thursday, the 27th, September, 2012 at Tamra Bhavan, 1 Ashutosh Choudhury Avenue, Kolkata-700019

Name of the Member \_\_\_\_\_

Signature of the Member \_\_\_\_\_

Name of the Proxy \_\_\_\_\_

Signature of the Proxy \_\_\_\_\_

### Notes:

1. Kindly sign and hand over the Attendance Slip at the entrance of the meeting venue.
2. Members / Proxy holders are requested to bring their copy of the Annual report for reference at the meeting.

(\* Applicable for investors holding share(s) in electronic mode)





# BOOK POST

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'Tamra Bhavan', 1, Ashutosh Chowdhury Avenue, Kolkata 700 019

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Contact Number : (033) 2283 2226